



**LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL
TERRITORY**

**STANDING COMMITTEE ON CLIMATE CHANGE,
ENVIRONMENT AND WATER**

(Reference: Annual and financial reports 2008-09)

Members:

**MS M HUNTER (The Chair)
MS M PORTER (The Deputy Chair)
MR Z SESELJA**

TRANSCRIPT OF EVIDENCE

CANBERRA

WEDNESDAY, 28 OCTOBER 2009

**Secretary to the committee:
Ms M Morrison (Ph: 6205 0136)**

By authority of the Legislative Assembly for the Australian Capital Territory

Submissions, answers to questions on notice and other documents relevant to this inquiry that have been authorised for publication by the committee may be obtained from the Committee Office of the Legislative Assembly (Ph: 6205 0127).

APPEARANCES

Department of the Environment, Climate Change, Energy and Water 1

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Amended 21 January 2009

The committee met at 1.03 pm.

Appearances:

Corbell, Mr Simon, Attorney-General, Minister for the Environment, Climate Change and Water, Minister for Energy and Minister for Police and Emergency Services

Department of the Environment, Climate Change, Energy and Water

Papps, Mr David, Chief Executive

Farnsworth, Ms Penny, Acting Executive Director, Coordination and Implementation

Traves, Mr Alan, Acting Director, Sustainability Programs

Butt, Mr David, Director, Policy

Walters, Mr Daniel, Acting Director, Environment Protection

THE CHAIR: Good afternoon everyone and welcome to this public hearing of the Standing Committee on Climate Change, Environment and Water inquiring into annual and financial reports 2008-2009. Has everyone had the opportunity to read the privilege card lying on the table and do they understand the privilege implications of it?

Mr Corbell: Yes.

THE CHAIR: Before we proceed to questions from the committee, minister, would you like to make an opening statement?

Mr Corbell: Thank you but I do not intend to make an opening statement. You have the annual report in front of you and I and my officials will do our best to answer your questions.

THE CHAIR: Thank you. The annual report says that the government is taking a national approach to a number of issues including a product stewardship framework and a product stewardship program for e-waste. What progress has been made on the product stewardship framework? For instance, how long have the discussions been going on and what concrete measures has the ACT taken on this issue?

Mr Corbell: E-waste is a particularly difficult policy area, but I am pleased to say that there has been good progress on the matter. The issue of e-waste and the establishment of a national recycling regime for e-waste are being currently considered by the Environment Protection and Heritage Council, which is the ministerial council that I represent the ACT on. That council is actually meeting next week in Perth for its last meeting of the year. At its previous meeting, the council agreed to public consultation on a national e-waste strategy and an overall national waste policy, but e-waste is a particular area of emphasis.

It is expected that the council at its next meeting will be asked to make a decision on the implementation of the national waste policy and the development of particular arrangements around e-waste. So I expect that that decision will be taken by the council at its next meeting, next week, and that we will then be in a position for implementation of the policy to occur next year.

THE CHAIR: Did the ACT government make a submission on the federal government's regulatory impact statement on television and computers? I am wondering, if a submission was made, whether it supported a national recycling scheme. I just wondered if you had made a submission.

Mr Corbell: We have already indicated our support for a national recycling scheme; we have done that through the ministerial council at meetings earlier this year. It would not be usual for governments to make comments or make submissions on a consultation process that had been initiated by a ministerial council. We have already had our say through the ministerial council, and the comment process is for other parties, the broader public, industry and so on, to have their say. So it would not be common, and it certainly did not occur on this occasion, that we would make submissions on a consultation process that we effectively were a party to establishing.

THE CHAIR: But you have said that you are supportive of—

Mr Corbell: Yes. At the last meeting of the Environment Protection and Heritage Council I indicated on behalf of the territory that we supported the development of a national waste policy, and all jurisdictions agreed to the development of a framework to establish a national recycling scheme for e-waste. All jurisdictions recognise that e-waste is a particular problem. It requires a product stewardship approach and it requires the regulation of manufacturers to take responsibility for the products at the end of their lives and to build that into the price of new products. That is the government's position and we have indicated that at previous ministerial council meetings.

THE CHAIR: I wanted to move to strategic indicator 2 on page 112 around the zero net emissions and climate targets. The government has made a commitment to a long-term zero net emissions target, although we do not have a time frame at this point. When is the government planning to release its recommendations for interim targets for climate change, both for 2020 and to achieve the long-term goal of zero net emissions?

Mr Corbell: By the end of the year.

THE CHAIR: So you are hoping to table legislation at that time?

Mr Corbell: No. Firstly, I should say I am not going to pre-empt the government's response to each of the recommendations in the standing committee's report. The government will table a response to the standing committee's interim report and we will do that before the end of this year—by “the end of this year” I mean before the end of this year's sitting periods, so before the last sitting day of the year. You would know, of course, Madam Chair, that the interim committee recommended that legislation should be potentially introduced before the middle of next year; that was the committee's recommendation and the government will respond to that recommendation when we table our response. So I do not think the committee itself envisaged legislation being introduced before the end of this year.

THE CHAIR: Thank you. Just sticking again with strategic indicator 2 with the

GGAS program, are there any expected changes to the operation of GGAS as a result of changes by the New South Wales government?

Mr Corbell: At this point in time, GGAS is continuing. You are right to identify that we mirror the New South Wales government's approach; our legislation is based on the New South Wales legislation. At this point in time I am advised by my department that there is no need to change the legislative construction of our GGAS legislation, despite the fact that there have been changes in the operation of the New South Wales scheme.

The government is currently giving consideration, and I as minister am currently giving consideration, to alternative measures to encourage both the uptake of renewable energy, sustainable energy options, and measures to improve energy efficiency. It is possible that those measures will replace GGAS, but no final decision has been taken at this time. Members will see more of the detail around those directions when I release the government's response to the greenhouse gas reduction target inquiry report and members will have already seen some indication of that in my ministerial statement which I delivered to the Assembly at the last sitting.

THE CHAIR: Just sticking with that renewable energy take-up, I was wondering about green power and what has been the impact so far of energy retailers being required by law to offer green power to new energy customers. Is there any data available yet on that?

Ms Farnsworth: Sorry, I do not have the green power figures on me, but we can provide them to you.

THE CHAIR: Okay, thank you.

MS PORTER: I apologise for being late, Madam Chair and minister; I was held up at a meeting. I want to go to page 8, if you have not dealt with this particular item—I apologise if you have—where it states that the EPA have made significant progress towards meeting national standards for water management. I was just wondering if you could outline those steps that have been taken and what progress there has been on those.

Mr Corbell: The key issues, Ms Porter, relate to the regulatory environment. The Water Resources Act sets the framework, as noted in the report, for the management of the ACT's water assets. We have undertaken a significant body of work to ensure that our management regime is consistent with the requirements that had been agreed to nationally for the management of water assets. I note that the most recent report, I think from the National Water Commission, identified that the ACT was one of the only jurisdictions that had fully completed its regulatory framework for the management of all water resources within the territory, so I was pleased to see that. That was confirmation of the work that we had done.

MS PORTER: How do you feel we are progressing on the take-up of water conservation measures by the public?

Mr Corbell: Water conservation measures are very popular and there is a high level

of interest and take-up of them by the community. It is for that reason that the government has expanded its rebate measures for the coming year as part of the act smart program, previously announced in the budget as the switch your thinking program. Act smart is going to provide a range of new and expanded rebates to assist householders to reduce water use. I will just give you some figures, Ms Porter. We anticipate for this financial year that we will deliver 1,000 rebates for toilet replacement. We will provide another 300 free replacement toilets for pension card holders. We will undertake 1,000 free water audits for pensioners. We anticipate 200 rainwater tank rebates of up to \$1,000 and another 300 rainwater tank rebates for non-internally-connected water tanks. We anticipate over 1,200 visits to households on the garden smart program and another 400 on advice relating to irrigation systems, 20 school audits and 15 upgrades in commercial buildings. Those are just some of the areas where we think there is going to be some significant take-up and that is part of the expansion of the programs that the government has previously had in place, as well as some new programs.

MS PORTER: Thank you very much.

MR SESELJA: Just following on from that, chair: Minister, are you able to take us through some of the costs of those programs? You talked about, I think, 1,000 rebates under the toiletsmart program. Is that the anticipated for this year or is that the actual?

Mr Corbell: That is the anticipated for this year.

MR SESELJA: Do we have a year-to-date figure, roughly?

Mr Corbell: I do not have a year-to-date figure, but I am happy to provide that.

MR SESELJA: And the cost of that particular program?

Mr Corbell: The cost of all of these programs was outlined in the switch your thinking initiative, which was funded in the budget. You would find that in the budget papers.

MR SESELJA: But how much has been spent to date this year?

Mr Corbell: Again, I do not have that information. I would have to take that on notice.

MR SESELJA: Could you also give us the figures on year-to-date spending on the rainwater tank rebate program, the garden smart program and the ACT energy wise program?

Mr Corbell: Certainly.

MR SESELJA: Thank you. Chair, if I could go back to one of your earlier questions in relation to the zero net emissions. I just wanted to know what costings have been done to date in your department, or more broadly in government, on the anticipated costs of the zero net emissions target for government in particular?

Mr Corbell: That work is ongoing. My department has commissioned a range of assessments to assist us in determining a time frame to achieve that target. I intend to announce a target date for that outcome, as well as a series of milestones. Those milestones are relevant not only for zero net emissions but also for the time frames for greenhouse gas reduction, as dealt with in the standing committee's report. The government will outline its view on the recommendations of the committee as well as its view on zero net emissions.

MR SESELJA: When you say it is ongoing in terms of the costings, has a consultant been engaged? I know there was consultancy on some aspects, but that includes the projected cost to government. Is that part of that work?

Mr Corbell: We have engaged consultants on a range of these matters. This is still subject to cabinet consideration, but consultants have been engaged, along with officers within my own department, to do that analysis.

MR SESELJA: No analysis was done prior to the announcement?

Mr Corbell: In relation to zero net emissions?

MR SESELJA: In relation to zero net emissions.

Mr Corbell: The government made it clear that it believed that zero net emissions was an objective that the city should achieve, but we specifically did not put a time frame on the announcement at that time because we were conscious of the need to do more detailed assessments. That is what we are now doing.

MR SESELJA: Chair, on the previous line of questioning which was taken on notice, I have some more questions. Perhaps they can be taken on notice as well. Could you also provide us with a breakdown of the costs for the various programs? Obviously there are the rebate costs, but there are also administrative costs, costs around advertising and any associated costs.

Mr Corbell: I think all these were dealt with during the estimates committee.

MR SESELJA: They have not been because we are looking at costs this year to date. There are estimated costs for the year, and they in the budget, but we do not know what has been spent to date.

Mr Corbell: So you just want expenditure to date?

MR SESELJA: I would like the expenditure to date. If the budget figures have changed in terms of projections then I would like the updates.

Mr Corbell: The budget figures have not changed. We can provide expenditure to date.

MR SESELJA: I am not sure that those actual costs that I have asked for are provided for the end of this financial year. There would have been an estimate in the budget, but do we have a final anywhere in this annual report on the costs of each of

those programs broken down for the 2008-09 financial year.

Ms Farnsworth: I will have to check that.

MR SESELJA: If you could provide that to the committee that would be helpful.

Ms Farnsworth: Yes.

MR SESELJA: Thank you.

MR RATTENBURY: Following on from Mr Seselja's point, I might make an observation. Having now seen the annual reports and also having gone through the estimates process earlier this year, I would invite the government to consider the format of its budget papers. Perhaps you can explain to me where I can find these things, but there still seems to be no place in this annual cycle where the breakdown of program spending is provided. It is unclear to me why that is the case. It is available in the federal budget—the last time I looked at one. It seems that we create a dynamic where parts of questions are taken on notice because we are simply not able to access the most basic information about budget and/or expenditure at the other end of the year.

Mr Corbell: It is always a matter for judgement about the level of detail that is provided in annual reports, Mr Rattenbury. The government is always open to advice and recommendations from committees as to where they believe annual reports or budget papers can be improved. We take that on and endeavour to improve wherever possible. But in terms of the total number of toilet rebates delivered and so on, we can certainly take that on notice and provide it to you.

Mr Rattenbury: Under strategic indicator 3, which is about raised community awareness of climate change, right at the end of that section on page 114 you state:

The Department continues to promote the community's awareness of climate change through conducting an active media campaign.

Can you just outline to the committee what that active media campaign is?

Mr Corbell: It is not a specific campaign with a specific slogan or anything like that; it is an active level of media engagement on a range of issues. For example, my department assisted with the promotion of a photographic exhibition that occurred in Civic earlier this year. A well-known photographer from the United Kingdom had done a photographic exhibition on the social impacts of climate change, particularly on people in some of the poorest countries in the world. It was designed to highlight and raise awareness of the impact of climate change on developing nations and what it meant for people in poverty. My department assisted with that display—the financial costs of putting that public display on and the media around drawing attention to it. It is those types of events that we use to try and raise awareness on the issue of climate change.

Mr Rattenbury: Is there a specific budget allocation for advertising and such?

Mr Corbell: There is a budget allocation to the area of my department that looks after media and communications. The cost would just come out of that allocation.

MR SESELJA: Just on that separation, minister, strategic indicator 3 talks about the Hard Rain photographic exhibition. Is that what you are talking about?

Mr Corbell: Yes, that is what I am talking about.

MR SESELJA: You have just mentioned that as being one of the things. What is there in addition to that which is already separately listed under the department in terms of continuing to promote the community's awareness of climate change through conducting an active media campaign?

Mr Corbell: That is the example that I have. I am happy to provide you with more detail as to what the other instances are. I think the point that we are seeking to make is that we attempt to raise awareness around the issue of climate change through events such as the *Hard Rain* photographic exhibition and others to communicate the issues to the community. For example, we have a presence at the Royal Canberra Show. We have a display on a wide range of rebate programs and other programs that are available to the community and we provide information on why those programs are being provided.

It is an ongoing level of engagement, but it does not involve a dedicated TV ad campaign as such. It is just a level of activity around promoting events as and where possible to highlight climate change. For example, there is a very successful Canberra conversations activity which is convened between a local choir in Canberra and the ANU. We provide assistance to that as a way of encouraging community dialogue on issues around climate change. Those are public events, publicly promoted, and they are an opportunity for people to come along and have their say and engage in a dialogue with experts and lay citizens about the impact of climate change on their community. Those are the sorts of things we are talking about in that last sentence in the report.

MR SESELJA: What was the financial assistance for the *Hard Rain* photographic exhibition?

Mr Corbell: Do we have that one?

Ms Farnsworth: No, I do not have that figure. We can get that to you.

MR SESELJA: Thank you. Just going down the list on page 113, the climate change newsletter: how many have subscribed to that?

Mr Corbell: Again, we would have to take that on notice.

MR SESELJA: Can we also get a breakdown between those who have ACT government addresses and those who have not?

Mr Corbell: We can endeavour to do that, Mr Seselja.

MR SESELJA: Thank you.

Mr Corbell: I do not think it would be fair to say that just because someone has an ACT government address it means they are any less legitimate a user of a climate change newsletter than someone who does not have an ACT government address.

MR SESELJA: We will just ask the questions.

Mr Corbell: I am just reflecting on why you are asking the question, Mr Seselja.

MR SESELJA: Indeed. We always enjoy those reflections. Just one more on this, if I could, chair, before we move on. The final dot point refers to the community education campaign. What was the level of funding to the greenhouse scheme in the ACT?

Mr Corbell: That was the campaign that was used when the government announced the changes to the green power scheme. There was a professional advertising agency engaged to promote that and a series of materials produced. Again, I would have to take on notice the exact dollar figures, but they can be provided to you.

MR SESELJA: If we can get a breakdown of the various costs associated with that, that would be useful.

THE CHAIR: Is there a follow-on question?

MR RATTENBURY: Yes. In relation to that media campaign, does the government have an agreed set of key messages? If so, what are they?

Mr Corbell: The campaign did have an agreed set of messages. I do not know whether we have that material to hand. Perhaps we can come back to that later this afternoon and give you that information. There was an agreed set of messages that were put together as part of the brief to the advertising agency and they were reflected in what the advertising agency ultimately provided to the government.

MR RATTENBURY: Just one last question on that: what mechanisms do you have in place to measure the effectiveness of these campaigns in terms of increased awareness? Do you have any measures?

Mr Corbell: The obvious one is in relation to the green power campaign to see whether there has been an increase in the uptake of the purchase of green power products. We know that the ACT has the highest per capita sign-up of green power products of any jurisdiction in the country. We have seen an increase in the uptake of green power purchases since the changes to the legislation, which required the offering of green power as the first option to consumers when they are signing up or changing their electricity account details in terms of the product they are purchasing. We would measure, therefore, its success as part of that measure: are we seeing an increased uptake or not? As a rule, we do not have the money to go back to the market and test how people respond to advertising. That is an expensive process and, generally speaking, government advertising campaigns do not extend to that, but we try and measure it through the actual outcome, which is what we are interested in.

MR RATTENBURY: Thank you, chair.

THE CHAIR: I have one other question. I refer to page 112, strategic indicator 2. It is about the climate change roundtable—the business academic roundtable. Did that meet five times in 2008-09?

Ms Farnsworth: Yes, it did. It met five times.

THE CHAIR: Who attended those roundtable meetings—not necessarily the names of the people but just to get a feel for who was invited along?

Ms Farnsworth: I would have to give you a full list later. It varied from meeting to meeting. There was a range of organisations, including the Property Council, CSIRO, CIT and a number of government agencies. There were a number of private firms with an interest in energy and sustainability. I am happy to give you the full list of the membership.

THE CHAIR: Who attends from the government?

Ms Farnsworth: Our agency, ACTPLA, LDA, the Chief Minister's Department and Territory and Municipal Services.

THE CHAIR: What are the main issues that are discussed by the roundtable?

Ms Farnsworth: At the last meeting at which I was present there were a number of issues. We discussed the development of the energy policy and the implementation of the climate change action plan. There was a fair bit of focus on the development of a green economy.

THE CHAIR: Do the outcomes of those discussions get fed into government thinking on climate change and how you are going to roll out some of these programs and so forth?

Mr Corbell: A number of the issues that Ms Farnsworth mentioned at the last meeting were specifically put on the agenda by me. I asked the roundtable to give me and my department advice on a number of issues, including the development of the territory's energy policy, the development of a green economy and so on, because I wanted their views about what sorts of perspectives and positions they felt we should be considering. I cannot speak for the operation of the roundtable prior to me becoming minister, but since I have become minister I have sought to use the roundtable to provide more targeted and focused advice to me on specific policy tasks that my department has and that I have as minister.

THE CHAIR: Are minutes of those roundtables or some sort of communique around what is going on there released to a wider audience?

Ms Farnsworth: Yes, there has been a communique in the past; from the last meeting it was circulated to members. We write out the outcomes and, as you indicated, feed it into our policy development.

THE CHAIR: To move on to strategic indicator 4 around stage 1 of the feed-in tariff, what has been the uptake of the feed-in tariff in its first few months of operation compared with the uptake that was modelled?

Mr Corbell: The uptake that was modelled was modelled over a five-year period, if I recall correctly; I am just seeking some confirmation. The Australian Energy Regulator's price path determination assumes a certain level of take-up over a five-year period, so it does not necessarily make a judgement as to what that would be on a year by year basis but over the five-year period. However, what I can say is that we expected growth of 90 per cent for the first 12 months. At this point in time, since March 2009, so we are about two-thirds of the way through, we are seeing growth of approximately 70 per cent in the less than nine months.

As of 30 September 2009, 905 solar facilities were connected to the grid. Solar installed capacity is now at 1.9 megawatts. That is a very significant increase given that prior to the scheme's commencement there were fewer than 300 solar installations in the territory.

THE CHAIR: Have there been any teething problems with the feed-in tariff, and if there have been how have they been resolved?

Mr Corbell: The only issue that came to my attention was the issue that was raised in the very early days of the establishment of the tariff, which was the issue of the advice being provided by the energy retailer to customers about how they could access the tariff. There was some concern expressed that some existing households that had solar facilities installed thought they were going to be automatically switched to the tariff and they did not need to do anything. That led to some complaints. I know that a number of residents felt that they were being short-changed because the utility was waiting for them to initiate action rather than doing it itself.

I am pleased to say that ActewAGL, in response to that, did backdate arrangements for those customers so that they were not short-changed, even though the legislation says that the owner of the installation has to make application to access the tariff. That was a small issue at the commencement of the scheme. I have not heard any further issues of concern since that time.

THE CHAIR: Are installations and approvals happening in a timely manner?

Mr Corbell: Yes. I am advised that installations and approvals are happening in a timely manner. I am advised that there are about 300 applications currently in the system for new installations. So we are close to going over 1,000 installations in less than 12 months in terms of the total numbers. That is very encouraging. I think it is a very strong vindication of the value of the scheme, of its potential to drive the uptake of renewable energy generation and why it is now important that the government give consideration to expansion of the tariff to larger-scale generation. There is no doubt that a feed-in tariff works in encouraging the uptake of renewable energy generation and in driving innovation in that industry.

THE CHAIR: Finally on that, has the government done any work to model the

impact of the feed-in tariff on the local solar industry and, if not, are you planning to do some work around that, say 12 months after the scheme has been introduced?

Mr Corbell: Can you say what you mean by “the local solar industry”? I am not quite sure what you mean.

THE CHAIR: Obviously we have local business providing these products and so forth. It is around seeing if this is having benefits in growing our local businesses and so forth. Are you looking at that? That is part of growing a green economy and so forth, so it is just those connections.

Mr Corbell: Yes. As part of the development of policy options for stage 2 of the feed-in tariff, I have asked my department to do assessment in two areas. The first is in relation to the economic implications of an expansion of the feed-in tariff, in terms of the impact on both consumers and the broader economy. Associated with that will be a piece of work on the opportunities in the economy to grow new business activity.

There is no doubt that we have seen a large uptake in the use of solar and we have seen more businesses engaged in the business of selling and installing solar at the household level. I forget the exact numbers, but during the information sessions earlier this year run by my department and ACTPLA we saw that the number of installers who were contemplating coming to Canberra was significantly higher than the number currently licensed to operate in the city. I do not have figures in front of me as to whether or not the total number of installers, for example, has increased, but certainly anecdotally the suggestion is that there are more businesses in town selling and installing than there were 12 months ago. That is an example of the opportunity that comes about.

We will be assessing the further opportunity, not just for the solar industry but for the economy overall, of expanding the feed-in tariff to larger-scale generation because certainly the experience internationally is that it drives economic activity in a whole range of sectors, not just the solar sector, as important as it is, but in associated sectors—manufacturing, steel manufacturing, electrical and so on—that are all required as part of that industry.

MR SESELJA: What has been the level of the total subsidy that has been paid out to participants in this scheme to date?

Mr Corbell: The scheme to date: I do not have advice in front of me, but that figure is available. The pass-through that was identified by the Australian Energy Regulator was of the order of \$50 million in total cost over five years, equating to an average of \$27.85 per household per annum or less than 50c a week.

MR SESELJA: So that is \$50 million based on how many participants in the scheme?

Mr Corbell: I might ask Alan Traves to come to the table because he has some of these figures in his head. The Australian Energy Regulator determined, based on ActewAGL’s advice, what they believed the level of uptake would be and Alan Traves can provide that for you.

Mr Traves: The five-year price path that was approved by the AER was based on an installed uptake of 27 megawatts. The number of people who make up that is not a driver of the overall cost; it is the installation, because that drives the number of kilowatt hours that are produced, and the subsidy is paid on a kilowatt hour basis. So 10 people producing 27 kilowatts would have exactly the same effect as 1,000 people producing 27 megawatts in terms of the pass-through of the prices. Twenty-seven megawatts is roughly the scale of the solar farm that the government is separately considering, so it is a significant outcome projected over the five years. We are currently ahead of schedule in terms of that take-up.

MR SESELJA: Roughly how many units then would go towards that 27 megawatts, based on current patterns?

Mr Traves: The average size of installations has increased over the last six months. Prior to the scheme coming in, your average ACT solar installation was about 1.2 kilowatts in capacity. I was talking with some of the providers at the Home and Leisure Show last weekend and the average sign-up that they are encountering is now close to three, so in effect if we say that that is around about the level that can fit on to the average household we would then divide three kilowatts into 27,000—about 9,000 installations.

MR SESELJA: Individual homes?

Mr Traves: Yes. That would be over the five-year period.

MR SESELJA: So this would be scaling up to 9,000 by the end? Is that how it is modelled?

Mr Traves: That is correct.

THE CHAIR: So it is 27 megawatts, not megawatt hours?

Mr Traves: It is megawatts. The act is expressed in terms of capacity rather than generation.

THE CHAIR: Sorry. I wrote it down incorrectly.

MR SESELJA: Minister, you said before that there were around 900 installations to date. What is the number projected by the end of this financial year? I am not sure if you said that before; I apologise if you did.

Mr Corbell: The advice I have is that the projected growth was about 90 per cent in the first 12 months.

MR SESELJA: Another 90 per cent on the—

Mr Corbell: No, 90 per cent in total compared to the level before the commencement of the scheme. We had about 300. Alan, perhaps you can explain that.

Mr Traves: The target at the moment is 1,200 by the end of the first year.

MR SESELJA: By the end of this financial year?

Mr Traves: We are currently expecting the 1,000th connection to come up towards probably the third or fourth week of November. Industry will have a short break over Christmas. They have quite a large backlog of installs now. The average install is taking approximately six weeks for the standard panels; anything up to nine weeks for the new generation amorphous panels. There are very few of them installed so far in the city. Six weeks is about the average wait.

MRS DUNNE: Mr Traves, can you tell us what the average cost of installation is these days if we are going close towards the three kilowatts?

Mr Traves: The costs do vary depending on the type of technology, whether it is mono crystalline, multi crystalline or the new amorphous panels, and also how much access you have had to the various commonwealth or local schemes in terms of the rebates and the RECs. I can give a personal example if that may help you. I am currently looking at a 2.8-kilowatt system of amorphous panels on my house. After the commonwealth RECs and no other rebates, I will be looking at about \$15,000 for that.

MRS DUNNE: It seems to have gone down a bit.

Mr Corbell: I have an answer to an earlier question which relates to the green power campaign. The total cost of that campaign was \$43,099. That is on page 177 of the report. That was comprised of print advertising in the *Canberra Times* and the *City News*, postcard distribution, web-based advertising and banner displays. We are also about to roll out shopping centre displays in the lead-up to Christmas. ActewAGL have advised that they now have over 15,000 green power customers.

MS PORTER: I wanted to ask you, minister, about the large solar facility that is mentioned on page 115. You briefly mentioned it before in answer to another question. How is that going?

Mr Corbell: Sorry, which page?

MS PORTER: The large solar facility that you were contemplating.

Mr Corbell: Page 115?

MS PORTER: Yes, it makes a very brief mention of it.

Mr Corbell: We have received a very encouraging response to expressions of interest for the establishment of a solar power facility in the ACT. Submissions were received from 18 local, national and international organisations and, in all, there were 23 alternative projects proposed in that EOI process. The department is completing its evaluation of those expressions of interest and it will then advise me, and consequently the government, on which of those companies will be asked to lodge a request for proposal.

The request for proposal is the detailed business case for the project and the detailed specifications for the facility. This will allow the government to assess the short-listed proponents in more detail and to identify its preferred proponents, undertake negotiations and determine ultimately which company or companies will build the facility. I anticipate making an announcement on the short-listed proponents within the next month or so, certainly before the end of this calendar year, and with a final decision on the preferred developer to be taken next year.

MRS DUNNE: Minister, what is the process of evaluating the 23 or 18—however you count them—expressions of interest? Who is doing that and what is their expertise?

Mr Corbell: I will ask Mr Papps to answer that.

Mr Papps: The process of evaluation is being undertaken by a specialist team chaired by Mr Paul Lewis, who is one of my directors, and contains representatives from the Chief Minister's Department, Treasury and procurement services. They are supported in the evaluation work by a series of technical experts, independent consultants we have commissioned, to cover off two basic questions: (1) technical capacity—that is, is the technology being proposed likely to be commercially viable; and (2) what is the financial viability of the entities making the expressions of interest? So the evaluation team, with that additional input, essentially makes a recommendation on which companies will proceed to the second stage.

MRS DUNNE: Who is providing the specialist advice?

Mr Papps: There are a number of consultancies. I would have to get you specific details, but my understanding is that the principal advice on financial matters is coming out of KPMG. I will confirm those.

MRS DUNNE: That would be good, thank you, Mr Papps.

Mr Corbell: One of the technical advisers, as I understand it, is Mr Wes Stein, who works for the CSIRO in their renewable energy division in Newcastle. He is one of the technical advisers who have been engaged through KPMG to provide advice to the government on the technical elements of the program. Certainly, Mr Stein was involved in the early process around site identification and the technical suitability of some of the government sites that were proposed for the facility potentially. As I understand it, Mr Stein is still involved in providing technical advice.

MRS DUNNE: The previous consultancy in conjunction with Actew or ActewAGL; I cannot remember the original—

Mr Corbell: ActewAGL.

MRS DUNNE: Is anyone from that consultancy involved in this technical advice process?

Mr Corbell: I do not believe so. I should correct the record: it was not KPMG;

PricewaterhouseCoopers are the accounting firm providing the financial assessment of issues. I would have to take that on notice, Mrs Dunne, but I do not believe so. The government has put in place a detailed probative process to ensure that the previous involvement of ActewAGL in that one-off study and other parties associated with that does not compromise the progress of this project.

MRS DUNNE: There would be concerns there; because of ActewAGL's involvement in that previous process, they would have some knowledge of other organisations' intellectual property.

Mr Corbell: The government took the very clear decision about six to nine months ago to not proceed any further with ActewAGL in relation to this matter; by that I mean in some sort of exclusive arrangement. We separated them from any policy making or decision making involving this project. They are, of course, welcome to bid and lodge an expression of interest, and they have done so. But they will be assessed in accordance with the very clear criteria that have been established and which are publicly available. At all steps during this process—and it is one of the reasons why the process is taking the period of time that it is—we are ensuring that we are meeting all the probative requirements of our probity adviser in advancing this project.

THE CHAIR: Could I go to the sites, because government had proposed some sites. How many of the proposals put in have included those sites?

Mr Corbell: I am not in a position at this time to reveal the detail. The reason for that is that I have not actually seen that detail yet. That has been the subject of assessment by the assessment team, but I will not be receiving that detail until I receive the recommendations of the assessment group. So I am simply not in a position to indicate how many or which sites have been identified.

THE CHAIR: And you would not know if any other sites have been proposed either?

Mr Corbell: I can only imagine that a number of the proposals have identified other sites and also that some of the proposals may have identified an either/or option—either a government owned site or a privately owned site.

MRS DUNNE: After the short listing, you then go into request for proposal and negotiation. What is the time frame on that and what is the process that will underpin that?

Mr Papps: In general terms, the second stage process is, at its heart, simply one of—subject to the government accepting the advice from the evaluation team—inviting the short-listed respondents to prepare a very detailed proposal. As you would expect, the expression of interest covered off some basic threshold criteria. It did not go into the level of detail that the government would require to make a decision about which proposal was going to be most suited to the ACT situation. So the second stage is to get to that level of detail. We will have to ensure that there is sufficient time provided to those respondents to prepare those detailed tenders because not only do they have to address the technical matters but also clearly they have to deal with the commercial viability and the financial structuring that you would need in that sort of proposal.

We would be looking to, as the minister has already said, make those decisions by the end of the year and move into the second stage of the process early next year, with a decision as soon as we can in 2010. I cannot tell you exactly how long because it depends a little bit on the process details, and we have not finalised that yet. That will occur once we have got the advice from the evaluation team.

MRS DUNNE: What size are we talking about? Mr Traves talked before about 27 megawatts, but there have been a number of—

Mr Corbell: The minimum size requirement outlined in the criteria that were published as part of the expression of interest process was 30 megawatts. So it is a minimum of 30 megawatts.

MRS DUNNE: But the criteria required a certain amount of generation, not just capacity, did they not? That is my recollection from reading them some time ago.

Mr Papps: If I can help, in the sense of—

Mr Corbell: Yes, in that it was capable of powering at least 10,000 Canberra homes. That was the measurement. Our advice is that that was best categorised as a minimum of a 30-megawatt nameplate rating for the facility.

MRS DUNNE: Okay, thanks.

Mr Corbell: I should say I am aware that some of the proposals potentially propose larger scale capacity than that.

MR RATTENBURY: Going back to the feed-in tariff, minister, earlier this year, on 10 February, in a media release you said that you anticipated details of stage 2 of the feed-in tariff would be announced in June, to be implemented in July 2009. The discussion paper is not out yet. Can you outline where that discussion paper is up to and perhaps why there has been a delay?

Mr Corbell: There has been a delay, and that is unfortunate. However, I think it is important that we take the time to ensure that we have the modelling we need to have an informed debate about the implications of stage 2. The development of that modelling has proven to be a more complex task than I initially envisaged, but I believe it is incumbent on me to make sure that the advice I provide to the public and to the Assembly is comprehensive and is able to address most of the key issues of concern to members and the community when it comes to the impacts, both positive and potentially negative, of the expansion of a feed-in tariff regime. Having said that, I anticipate that I will still be in a position to release that discussion paper before the end of this year.

MR RATTENBURY: On page 11 of the annual report, under the outlook for energy, it states that a discussion paper will discuss “if and on what basis access to the scheme by larger commercial generators may be appropriate”. Why does it say “if”? What is the government’s policy? Is the government committed to extending the application of the feed-in tariff?

Mr Corbell: I think that just highlights that there are a range of options open to the government. We could simply say that it should be expanded to larger scale generation, medium-level generation, perhaps in the one to five-megawatt range, or we could, for example, say that it would be available to large-scale commercial generation of, say, the size of our solar farm or larger. I think that is simply trying to reflect, Mr Rattenbury, that there are a range of options open to us. Those options will be explored in detail in the discussion paper.

MR RATTENBURY: I think it is fair to say that industry is keenly awaiting that discussion paper. Certainly, that is the anecdotal feedback I have had. Is the government concerned that those industries may well give up waiting and cancel plans to invest in the ACT, given the delays?

Mr Corbell: That is not the message I am getting, and I am meeting regularly with some very large players or companies in the solar industry, both nationally and internationally. They are very interested in Canberra and they recognise that Canberra already has the competitive edge because of the nature of our feed-in tariff arrangement. So we are already out in front compared to other jurisdictions because of the feed-in tariff arrangements. That interest is not going to be dispelled simply because of the timing around stage 2 in terms of the release of that discussion paper.

Generally speaking, interest in the solar industry in Australia overall has picked up dramatically at an international level. When I visited a number of companies in Europe earlier this year, including some of the largest solar cell manufacturers in the world, I found there was significant interest in Australia. That is being driven by the federal government's decision to establish the solar flagships program, which involves over a billion dollars worth of investment in solar facilities. That has attracted some of these larger operators to Australia. Once they get to Australia, they are looking around the jurisdictions and they realise that the ACT has a particular policy setting which is extremely favourable to them.

I have had a series of meetings with international firms who are expressing their interest in potential opportunities in the ACT. I have also had representations from a number of Australian-based companies who, equally, are expressing their interest in the ACT. Yes, they are all awaiting the discussion paper.

It is also important to remind you that there is a link between the decisions we take around FIT 2 and the decisions we take in terms of the solar farm proponent. It may be the case that the government will have to give consideration to access to the feed-in tariff for the successful solar farm proponent. I am ensuring that our policy time frames meet so that a decision on FIT 2 and its expansion will coincide with a decision on who is the successful solar farm proponent.

MR RATTENBURY: What form of consultation is expected to occur around the stage 2 discussion paper and how long do you think that is going to take?

Mr Corbell: I have not determined that at this stage, but we would need a reasonable period of discussion, potentially, given that it will be broken by the Christmas-new year period. I could not tell you exactly, Mr Rattenbury, but we will need to take into account that there will be the Christmas-new year period in the middle of it.

MR SESELJA: Minister, what is the estimate for tonnes of carbon saved as a result of the feed-in tariff scheme to date?

Mr Corbell: I do not have that material but I am happy to provide it. In relation to this matter, what is very clear is that it is wrong to characterise the feed-in tariff as simply a mechanism to reduce greenhouse gas emissions. It is not the most efficient way, in terms of a straight dollar analysis, of reducing greenhouse gas emissions. But that is not the sole purpose of a feed-in tariff. In fact, the primary purpose of the feed-in tariff is to encourage the uptake of alternative renewable energy generation and to drive innovation and investment in renewable energy generation. That is the primary purpose of the feed-in tariff.

If we are going to have a debate about the value of a feed-in tariff, it would be wrong to characterise it as a debate solely about the most cost-efficient way of reducing greenhouse gas emissions. That is not the purpose of the feed-in tariff. The feed-in tariff's main purpose is to drive the uptake of renewable energy generation, to give incentives for industry investment and economic activity in new green economy jobs. That is why the government primarily supports the feed-in tariff. To the extent that it reduces greenhouse gas emissions, that is welcome and important, but it is not the primary consideration.

THE CHAIR: Are there any more questions on the feed-in tariff?

MR RATTENBURY: No, but I wanted to stay with strategic indicator 4 on the energy policy. I would like to ask about the energy policy which is referred to at page 115. It says the department commenced development of the policy for the ACT during this year. Later, it refers to it being during the second half of 2009. Can you give us an update on when the policy is due for release?

Mr Corbell: I expect to release it in December.

MR RATTENBURY: How many departmental staff have been working on the development of the policy this year?

Mr Corbell: Quite a few. I do not have the exact figure. I would have to provide that to you. I would say that it has been a priority. It is a challenging piece of policy work for my department in that as a jurisdiction we have never really had to develop an energy policy before, and we are really starting from scratch in terms of its development. However, the proposal is now well advanced. As I say, I expect it to be released in December this year.

There are a range of issues that are being considered in it. We have to look at energy for transport, and stationary energy such as buildings. We need to look at and take account of a range of other issues which are relevant. There is the further development of CPRS and the implications of that. We are receiving further advice from consultants around economic opportunities as well as costs to the community. We also need to tie it in with the government's response to the greenhouse gas reduction targets. All of that is now close to finalisation. We are in a better position, now that we know what the Assembly committee's view is in relation to greenhouse gas

reduction targets. We are now able to finalise that work.

MR RATTENBURY: Just on those consultancies, I did note that there was a consultancy put out to tender. Can you explain how the tender process will integrate with what the departmental officials will be doing and how the department will integrate the work from the consultant?

Mr Corbell: My officers are involved in daily discussions with our consultants about their work, about what we need from them in terms of their analysis. That is an iterative process as the policy develops. So it is not a “set and forget”. Policy officers are in daily discussions with the consultants on various elements of the work.

MR RATTENBURY: Will the consultants’ final report be made public?

Mr Corbell: All of the reports, I would imagine, would be made public, subject to cabinet consideration.

MR RATTENBURY: Do you see the energy policy as essentially being a roadmap to your zero net emissions target?

Mr Papps: I think that, with the architecture of the policies that we are contemplating at the moment, with zero net emissions as the overarching objective, if you like, we are looking at it this way: we see a revised weathering the change strategy and an action plan 2—that is, the next detailed action plan associated with that strategy—essentially as a roadmap, if you want to use that terminology. The sustainable energy policy, the energy policy, is a key component of it. But, if you like, it sits as part of that overall strategic and action-oriented response to delivering on zero net emissions.

Mr Corbell: Perhaps I can elaborate on that. What I expect to do is to, first of all, outline what targets the government believes it should implement around greenhouse gas reduction; secondly, the time frames in relation to those targets and then the energy policy as a vehicle to help achieve those reductions; and, thirdly, those elements not dealt with by the energy policy, but including the energy policy, will be outlined in a new action plan of weathering the change.

There is a hierarchy of, I guess, pieces of work here that all relate to each other, but that is how I see them sitting. The first thing we will do is announce what the government believes its target should be, including target dates for zero net emissions, then the energy policy as a key component in driving that reduction, then associated with the energy policy will be the release of feed-in tariff stage 2. That is, if you like, a subset of the energy policy. Finally, all of that will be swept together into a new action plan, action plan 2 of weathering the change, and a revision of weathering the change to take account of the new targets.

MRS DUNNE: While we are on the subject of energy policy, on pages 196 to 198 it refers to tracking towards a carbon neutral ACT and it mentions in passing the energy efficiency fund. I think the last time we had a discussion—I do not know whether it was in the annual reports hearings or in the budget estimates, minister—there was discussion about the slow uptake of the energy efficiency fund. What projects are currently being undertaken by the energy efficiency fund and how much money has

been drawn down from that \$1 million?

Mr Corbell: There are four loans currently in place under that fund. The first is to CIT, with a value of \$80,000, for the purposes of reticulating hot water from a cogeneration plant at the buildings on the Bruce campus. The outcome is to produce savings and reduce emissions through reduced gas consumption. That is repayable over three years and, to date, just over \$26,000 has been repaid.

MRS DUNNE: So does that \$26,000 represent savings?

Mr Corbell: I would assume that is the case, yes. I will clarify that, but that is the basis on which the loan is made. The second is to CIT again—\$33,000, again for the Bruce campus, for providing a solar hot-water preheating system for shower and toilet block facilities, repayable over three years. To date, \$11,000 has been repaid. The third is to Canberra Stadium—\$15,000 for the purposes of establishing energy saving initiatives through the services of an electrical consultant.

MRS DUNNE: So that was essentially an energy audit?

Mr Corbell: An energy audit has been undertaken. It is not just an energy audit; it is also the implementation of its recommendations.

MRS DUNNE: How much was that?

Mr Corbell: \$15,000. That is repayable over two years. No repayments have yet been received. The fourth is the National Convention Centre car park—\$120,000 for the purpose of installing carbon monoxide monitoring and variable speed drives for the car park, supply of exhaust fans to allow the fans to run at reduced speed in off-peak times, reducing energy consumption, repayable over three years, but that loan was only advanced in September.

MRS DUNNE: It was for how much?

Mr Corbell: \$120,000. So those are the four loans that are currently in place. The fund is subject to revision at this time. That is being done in consultation with the sustainable property working group within government. I expect to receive recommendations in due course about revisions to the fund.

MRS DUNNE: And who is the sustainable property working group?

Mr Corbell: That would include representatives of my department and TAMS.

Ms Farnsworth: That group has membership from all agencies across government.

MRS DUNNE: Minister, are you satisfied with the take-up at this stage of—

Mr Corbell: No, I am not, and that is why I have asked my department to revise the scheme to make it more attractive to agencies to utilise.

MRS DUNNE: So what do you think are the impediments to agencies taking it up?

Mr Corbell: My layman's assessment is that—

MRS DUNNE: That is hypothetical. What appear to be the impediments?

Mr Corbell: My layman's assessment, Mrs Dunne, is that the agencies do not get to keep the savings and so there is little incentive for them to access the fund.

MRS DUNNE: They do not get to keep the savings in the first two or three years?

Mr Corbell: Indeed. There is no immediate benefit to them of doing that work.

THE CHAIR: We will move on to strategic indicator 5 around water security for the ACT and the Cotter Dam. How long after completion is it expected that the Cotter Dam would fill with water? I assume there has been some sort of monitoring of the work done.

Mr Corbell: Yes. My recollection is that it is somewhere between five and eight years depending on rainfall, but I will check that.

MR SESELJA: How will the federal government's additional environmental flow requirements impact on that?

Mr Corbell: They will not impact on it at all in that the environmental flow will be maintained from pumping water from the Murrumbidgee River across to the Cotter River at the base of the dam and maintaining the flow that way. That needs to be done during construction because during construction there will be no flow from the catchment. Actew have already completed a pipeline and pumping facility from the Murrumbidgee, basically adjacent to the existing Cotter pumping station, over the hill to the base of the dam wall, and water will be pumped from the Murrumbidgee to the base of the dam wall to ensure that flows are maintained in the upper reaches of the Cotter River at that point. That is anticipated to be a permanent arrangement once the Cotter Dam is completed.

MRS DUNNE: So you are saying that there will be no discharge out of the Cotter Dam, downstream of the Cotter Dam, for environmental flow purposes in perpetuity?

Mr Corbell: There will be no need to discharge from the Cotter Dam to maintain environmental flows in that section of the Cotter River before it joins the Murrumbidgee. You have got to remember—

MRS DUNNE: It is only a little stretch of it.

Mr Corbell: We are talking about maybe a square kilometre of area in total for this whole area. The only instance in which flows would have to be released from the Cotter Dam would be if flows in the Murrumbidgee itself were so low such that water could not be pumped from the Murrumbidgee to the Cotter. In that scenario we would have to release water from the dam in any event to maintain flows, even if the pumping arrangement was not in place.

MRS DUNNE: What is the cost of the pipeline, what is the ongoing cost of pumping and what are the offsets, I presume? If the whole dam project is going to be carbon neutral, what are the offsets?

Mr Corbell: I think those questions are perhaps best directed to Actew. They will be able to provide you with detail on that. I do not have that level of detail available to me today. Those are more operational issues around the operation of the facility, and Actew would be able to give that to you. I think, though, that a lot of this information has previously been made publicly available, but again I would suggest that you ask Actew for some of that detail.

MR SESELJA: Minister, there have been a number of different costs thrown around for the project, the latest being \$363 million. The Deloitte report which we were given yesterday quoted a figure of \$359 million. Why the difference? When did that final figure change?

Mr Corbell: I think, Mr Seselja, it is appropriate to recognise that Actew are providing a detailed briefing to members next week at which all of these questions can be put and they will be in a position to answer them in detail. I do not want to pre-empt that, simply because I do not have the specific level of knowledge on some of these matters that you may wish to pursue. I would simply direct you to the fact that there is that briefing next week. There is also the opportunity to ask questions of Actew in public hearings through the annual reports process.

MR SESELJA: Okay. Then I might ask a couple of questions of the minister which Actew will not be able to answer but perhaps you can.

Mr Corbell: Sure.

MR SESELJA: The issue around the changes in cost: as minister responsible were you made aware ahead of the cabinet briefing—I forget if the cabinet briefing was in July or August—which gave the \$363 million figure?

Mr Corbell: I was not present at the cabinet briefing—I think it was in July—as I was overseas at the time. I was advised by Actew shortly before that that there had been an increase in cost. I was not advised as to the exact amount of the increase.

MR SESELJA: But you are the minister responsible. We had this debate in the Assembly about whether it was Ms Gallagher or you—

Mr Corbell: Indeed.

MR SESELJA: and you said that you are the minister responsible. So why were you not advised in detail before cabinet? Why, as minister, did you not know what was going on?

Mr Corbell: Because the final figure had not yet been agreed to by the Actew board.

MR SESELJA: So when was it agreed to by the Actew board and when were you given the detailed briefing on it?

Mr Corbell: It was agreed to by the Actew board and then a briefing was provided to cabinet.

MRS DUNNE: But you were briefed before cabinet.

Mr Corbell: No. I was not briefed between the Actew board's decision and the briefing of cabinet, because I was not present in the country at that time. I was advised by Mr Sullivan, before the Actew board's decision on the final cost of the project, that there had been an increase in cost but I was also advised by Mr Sullivan that he could not advise me as to the exact increase because it had not been agreed by the board.

MRS DUNNE: Did you ask Mr Sullivan—were you given any indication of the quantum of the change at that time?

Mr Corbell: No, I was not.

MRS DUNNE: You did not ask?

Mr Corbell: I can only go from my recollection; it was a verbal conversation but my best recollection of that conversation is that Mr Sullivan indicated that there had been an increase in cost, it was subject to consideration by the board and the board would advise the government in due course. I said, "Okay, I will wait for the board's advice."

MRS DUNNE: Did he give you an indication of the quantum of the increase—a 100 per cent increase, a 200 per cent increase?

Mr Corbell: Not that I can recall. I do not believe so, no. The reason I can say that is that the board itself had not satisfied itself at that point in time as to what was going to be the final cost; it would be pre-emptive of Mr Sullivan to indicate otherwise.

MR SESELJA: There were a number of changes along the way before we got to that final \$363 million figure. It was discussed at estimates and soon after estimates there was some coverage, I think at the end of May, with a revised figure which subsequently was superseded. Were you getting regular updates through this time?

Mr Corbell: Not in relation to the cost because the cost was subject to a range of variation during that time, as Mr Sullivan has indicated in his various public announcements.

MR SESELJA: So you were not getting any updates as to cost at all until—

Mr Corbell: The key issue for the government was: what would be the final cost? The final cost could not be determined until Actew had completed their assessments of the various estimates and the final proposed cost as negotiated in their contract. All that information has been made available in the documents Actew released to members yesterday. I think the chronology of how those assessments took place and when they took place is quite clear from those documents.

MR SESELJA: Were you, as the Chief Minister was, surprised at the final figure?

Mr Corbell: Yes.

MR SESELJA: And are you satisfied with the process that has led to such a massive disparity between the initial estimate and the final or the latest estimate we have?

Mr Corbell: I am satisfied that we now have a very clear indication of the cost. I am satisfied that the cost is sound, that that figure is soundly based. We have independent confirmation from Actew's advisers that the final cost for the project is a robust one, that there is not any significant prospect of significant change to it, that the engineering assessments are soundly based and the project is being progressed in a manner which is consistent with what is considered to be best practice in terms of the engineering elements and the financial assessment of the final cost.

MR SESELJA: But the question was around the process to date. Are you satisfied with that process given the massive discrepancy between the original cost estimates and where we have got to at the moment? Are you satisfied with the process, particularly having now, I assume, reviewed all the documentation, which led to those initial cost estimates?

Mr Corbell: I am largely satisfied, yes.

MR SESELJA: You are satisfied, so—

Mr Corbell: Largely satisfied.

MR SESELJA: Largely? So which parts aren't you satisfied with?

Mr Corbell: There are always elements of these projects that can be done better. That is a normal part of any project. But I am largely satisfied that Actew has conducted itself appropriately. I think the issue with this debate has rested to a large degree on a misunderstanding. The estimates that were previously provided were estimates by the owner of the infrastructure, the prospective owner, Actew. They were not estimates from companies proposing to build the facility; they were the owner's own estimates of what they thought the construction cost would be. They were not estimates of some of the other costs such as margins that would be paid to the companies building the project—and, of course, there will ultimately need to be a margin.

MR SESELJA: So they didn't factor in margins when they were estimated?

Mr Corbell: There will be other costs. The cost that was developed—and I am sure Mr Sullivan will outline this in more detail when he gives evidence here and in the public briefing—was based solely on how much it would cost to have the facility on the ground. It did not take account of a range of other factors. The reason that was done was to give an initial estimate of what it would cost to have that infrastructure physically in place. Was it appropriate to do that? I think in hindsight the answer to that is no, it was not appropriate to do that, but an estimate is just that: it is an estimate; it is subject to further analysis. That is what Actew has done and Actew now has a confirmed cost which is robustly based, which has been verified by independent

experts as appropriate, and on that basis the community can have confidence that that is the cost of the project.

I would also say, and I think we must never lose sight of this, that the cost to the community of stage 4 water restrictions for one year is approximately \$350 million to \$370 million; I forget the exact figure.

MRS DUNNE: Three hundred and fifty.

Mr Corbell: That is effectively the cost of this dam—for one year of stage 4 water restrictions. So anyone who is criticising the cost should have regard to the alternative, which is stage 4 water restrictions having an economic impact of \$350 million on our city every year that they are in place. That must never be forgotten in this debate.

MR SESELJA: Another alternative would be to get the process right.

THE CHAIR: Mr Seselja, are there more questions on the dam, because there are other water security questions? Did you have another couple?

MRS DUNNE: I have got some dam questions.

MR SESELJA: Yes, I have just a couple more on the dam.

Mr Corbell: In summary, can I say that the project is value for money for the territory. Without a doubt this project is value for money in providing water security and avoiding the need, to a large degree, for stage 4 water restrictions.

MR SESELJA: And in summary as minister you are satisfied with the process that has led to this over the last four years?

Mr Corbell: I have answered that question, Mr Seselja.

MRS DUNNE: A couple of questions, minister. You have bandied about the figure a couple of times lately of \$350 million for stage 4 water restrictions and I understand that comes from a report that was part of future water options; that was done in relation to the future water options in 2005. Can you provide this committee with a copy of the report because it does not seem to be anywhere publicly available? It is called “willingness to pay” or a title something like that.

Mr Corbell: I will take that on notice and find out who the custodian of that document is.

MRS DUNNE: Thanks. The other issue is in relation to your saying that the Deloitte report gives the government satisfaction that this is now a robust process. But Halcrow Pacific provided similar advice to the ICRC back in April 2008 where they said that the costings for the water security projects were robust but they did factor in a 30 per cent increase which would have taken the \$150 million dam to a \$180 million dam or thereabouts. So the Halcrow process said it was robust and that was proved to be wrong. What confidence is there that the process that Deloitte has put in place is more robust than the—

Mr Corbell: The first thing I would say is that the process that you refer to was a process which was established by the ICRC itself. It was not a government process; it was established by the ICRC.

MRS DUNNE: And the distinction is?

Mr Corbell: The point I am making is that basically you are saying that the ICRC got it wrong.

MRS DUNNE: It seems that everybody has got it wrong.

Mr Corbell: You are also saying that Actew got it wrong. What I would say in response to that is you can certainly make that argument; however, it also, I think, underlines the difficulty of coming to a final assessment as to the cost of this infrastructure until the end of the process.

MRS DUNNE: So what you are saying is you are anticipating more cost rises.

Mr Corbell: Therefore, it is appropriate to remind everyone in this debate that the issue is about an estimate versus a final cost. This, I think, is the point that the Chief Minister has sought to make in the debate as well. The cost has not blown out; the estimate has changed. You can say it has changed and greatly increased, but the cost has not blown out because the final cost was not determined until July-August this year. Earlier indications of the price were estimates, whereas the final figure is a concrete cost. What your question highlights, Mrs Dunne, is that even independent bodies such as the ICRC were not able to fully establish the costs ahead of the completion of what is a very detailed tender process.

MRS DUNNE: Are you now satisfied that that is the final cost and the cost is not going to rise again?

Mr Corbell: I have the assurance of Mr Sullivan, as does the Assembly, in relation to that matter. We accept Mr Sullivan's assurance. We need to understand that the basis on which he makes that assurance is that he is now confident because all the factors that are relevant have been brought to bear in the assessment of the cost; whereas at earlier stages of the process, in terms of tendering, detailed geotechnical issues and so on, those processes were ongoing and subject, potentially, to variability.

MRS DUNNE: Are you confident now that there are no hidden traps for ACT taxpayers?

Mr Corbell: I am accepting the advice of the infrastructure owner as to their confidence in relation to the project.

THE CHAIR: Thank you. I want to move on to the Murrumbidgee to Googong pipeline. Has the department undertaken any discussions with Actew about the environmental remediation aspects of the Murrumbidgee River, particularly in regard to the ACT aquatic species and riparian zone conservation strategy?

Mr Corbell: These are matters which will be addressed through the environmental impact assessment for the project. The environmental impact assessment for the project in New South Wales is ongoing, as is, if I recall correctly, the environmental impact assessment process for the ACT parts of the project. Actew have produced detailed environmental impact statements. I think at least one of those has been released for public comment and is currently under assessment. There are two. There is one for New South Wales and there is one for the ACT. I have it here and I will just take this information. I will just correct my answer. A combined draft EIS and environmental assessment has been submitted to both ACTPLA and the New South Wales Department of Planning. It is now going through those relevant statutory processes.

MRS DUNNE: Does that mean that the exact route of the pipeline has been determined?

Mr Corbell: Yes.

MRS DUNNE: Will that be subject to refinement in the EIS approval process, do you imagine?

Mr Corbell: That is a decision for the relevant planning authorities.

MRS DUNNE: In relation to the Murrumbidgee to Googong transfer, we have seen cost estimates escalate over this period. What confidence do you have in relation to where we are at on the final cost of that project?

Mr Corbell: Obviously issues such as the route have an impact on cost. As your previous question indicated, if the route changes that may have an impact on cost for the pipeline. There will also be issues about whether or not the pipeline should end at a particular point. One of the key issues in contention, which the New South Wales authorities will have to address, is at what point the pipeline discharges into the Burra Creek. Some residents in the Burra area believe that it should discharge much lower down the Burra Creek, closer to Googong Dam. Some believe it should discharge directly into Googong Dam. Actew has identified what it believes is the most appropriate position in relation to that matter, which is a discharge point at a particular point in the Burra Creek. That will be subject to environmental impact assessments. It would be unwise to confirm a cost ahead of those assessments.

MR SESELJA: What is the latest cost projection for the pipeline?

Mr Corbell: I do not have that in front of me. I will need to take some advice on that matter.

MR SESELJA: Has it changed at all since the last public statement on it?

Mr Corbell: On 23 October 2007 the government announced that it was advised that the costs would be approximately \$96 million. As to the cost and any possible revision to that, I would need to take that on notice. I do not have that to hand.

MRS DUNNE: But was there not an announcement of \$150 million in September this

year?

Mr Corbell: Yes, I think that is correct. I am sorry; I just do not have the chronology in front of me, but I am happy to provide that information to the committee.

MRS DUNNE: So how robust is that figure?

Mr Corbell: I think I have just answered that question.

MR SESELJA: If it went all the way to Googong Dam, by how much would that increase the cost?

Mr Corbell: That is quite a technical question and I do not have that information. The issue is not just about where it discharges; it is the exact alignment. This comes down to geotechnical assessments about whether there is rock in the ground at particular points and whether more blasting is required to access the pipeline at a particular point compared to other points. Actew have done their assessment. They know what the issues are for the route that they have designated and proposed in terms of the cost and the geotechnical issues. But if the planning authorities advise that other routes need to be considered then that obviously will require further investigation as to the cost implications.

MR SESELJA: How are the negotiations going with the landowners? Is it anticipated that it will all be able to be done through negotiation or will there have to be some compulsory acquisitions?

Mr Corbell: There are a number of landowners who have indicated they will only provide access on the basis of compulsory acquisition. I think it would be fair to say that they have taken that approach to ensure that they believe their financial interests are appropriately protected by the exercise of compulsory acquisition mechanisms in determining the compensation that is payable. Actew respects that decision and will utilise those mechanisms. Wherever possible, Actew has endeavoured to negotiate a voluntary arrangement and a compensation arrangement with landholders and largely that has been successful. But there are a small number of landholders who have indicated that they will only agree to access on the basis of compulsory acquisition.

MR SESELJA: How much is that likely to slow the whole process down, because presumably it has to be played out in the courts?

Mr Corbell: I do not believe it has to be played out in the courts to a large degree. The New South Wales government has designated the project as a critical infrastructure project under its legislation. That gives it some priority in terms of its assessment and the determination of matters such as acquisition of land. The exact time frames I do not have to hand.

MS PORTER: Page 116, minister, on the same topic, mentions the implementation of Canberra's integrated urban waterways program. The aim is to substitute 1.5 gegalitres per annum of potable water by 2011 and three gegalitres per annum by 2015. It then goes on to detail some harvesting projects underway to meet that target. Could you tell us how we are going with that one?

Mr Corbell: This is a project funded over four years. It includes funding from the federal government as well as funding from the ACT government. The funding from the federal government provided for an investigation by the CSIRO into the feasibility of stormwater harvesting at a range of sites across the ACT. The target was to achieve a reduction in potable water use of 1½ gegalitres by 2011, rising to three gegalitres by 2015. The CSIRO study found that we could deliver up to 3.4 gegalitres of water savings at a range of projects, so more than the target figures, which was very pleasing.

A range of sites are already under development. You would be aware that earlier this year, along with Mike Kelly, who is the Parliamentary Secretary for Water in the commonwealth, I unveiled the work at the Flemington Road ponds. There are two ponds in the vicinity of Flemington Road near the National Archives building. There is also, of course, the existing pond near the O'Connor shops, the David Street wetlands.

There are four other sites identified for development. One is at North Weston. There is one in Dickson and one in Lyneham. There is also one in Tuggeranong at the sport and recreational fields. Funding has been provided for the Dickson and Lyneham ponds in the most recent budget and that work is progressing. We are currently seeking advice from the ICRC on the price for the sale of the non-potable water from those ponds. The ICRC will provide that advice, I am advised, in early December.

That is very pleasing progress in relation to these projects. It means that we can replace potable water use with non-potable supply for school ovals, golf courses, playing fields, the showgrounds and potentially the racecourse. That is a great achievement in terms of reducing demand on our potable water supplies. It is the other side of the water security equation as far as I am concerned. This is a substitution and that, combined with demand management, really is the balance to the supply augmentation projects that we are all acutely aware of.

THE CHAIR: Just on that, you mentioned North Weston and Tuggeranong. Has money been set aside or were you saying that you have identified those sites and there has been work but no money—

Mr Corbell: North Weston is funded because it is a necessary element for the release of land at Molonglo. So that is being funded as part of that land release work. With the Tuggeranong one, I would have to get some further advice on that. I do not have that to hand.

THE CHAIR: Just to follow on from that, with respect to these ponds and so forth, is part of it going to be looking at replacing the concrete drains? Is this part of the plan?

Mr Corbell: What will happen at each of these sites is that a decision will be made about what is the most appropriate technical solution, whether it is offline or online. So it could be offline in that water is diverted out of the concrete channel and effectively improved and retained in an offline pond, similar to the pond near the O'Connor shops. It can be online. Certainly, the Flemington Road ponds are online ponds. So it varies from site to site. It depends on the technical assessment as to the

most appropriate solution for those sites.

MS PORTER: But it does also improve the quality of the waterway itself at the same time as providing the water security; is that correct?

Mr Corbell: It certainly improves water quality. Whether it is offline or online, there is no doubt that it improves water quality because the water, as members will be aware, is effectively treated through a natural biological process in the ponds. So that improves water quality. If it is an online pond, it can also improve the visual amenity of the actual creek alignment.

THE CHAIR: Thank you, minister. Are there any other questions on that? I am aware that we are scheduled to have an afternoon tea break at this time.

MRS DUNNE: I have a range of questions. There is one on this and there are some issues in relation to the Murrumbidgee to Googong transfer that I would like to come back to.

THE CHAIR: Maybe ask the one on this and then we will come back after the break.

MRS DUNNE: Okay, thank you, Madam Chair. Minister, what are the arrangements for delivering water out of these ponds to possible purchasers? From Flemington, you would be talking about the showground and the racecourse. Is it going to be trucked, piped or what?

Ms Farnsworth: I will have to provide you with more detail. My understanding is that it operates on a piped basis with storage tanks on facilities, but I will confirm that. There have been discussions with a range of end users, all of whom are showing strong interest.

MRS DUNNE: Would they have to provide the pipework themselves or what would be the arrangement?

Ms Farnsworth: I would need to provide that detail to you. I understand there would be some cost to end users, including for the storage facilities, but that would be factored into their decision, together with the pricing of the water.

MRS DUNNE: Thanks.

THE CHAIR: We might stop there for an afternoon tea break.

Meeting adjourned from to 2.48 to 3.08 pm.

THE CHAIR: We will recommence the public hearing of the Standing Committee on Climate Change, Environment and Water inquiring into annual and financial reports 2008-2009. Do you want to ask a question, Ms Porter?

MS PORTER: I do, but it is on the next point.

MR RATTENBURY: There are a couple of water questions, but we will wait for

Mrs Dunne, if you like.

THE CHAIR: Water ones? Fine.

MR RATTENBURY: In terms of general water quality, what role does the department play in the development of policy and programs to review the ACT's water quality, rather than just security? I am interested in exploring where that responsibility lies as opposed to, say, with TAMS.

Mr Corbell: The Environment Protection Authority has a responsibility for monitoring water quality. The EPA is responsible for all authorisations in relation to activities that may occur in waterways; therefore it has a role in ensuring that any activities or developments adjacent to or within waterways are properly regulated and their impacts are appropriately managed. The EPA, in conjunction with ACT Health, also has responsibilities in terms of ensuring the maintenance of standards around water quality. That data is collected by Ecowise Environmental, which is engaged by the operator of our water infrastructure, Actew, to monitor drinking water supply and the quality of it. That is provided to the EPA and ACT Health accordingly.

THE CHAIR: I want to go on to water quality and salt. It is mentioned on page 121 of the annual report. Could you give us a brief update on the status of the project that is mentioned on page 121, which is to reduce the salt concentration in ACT's waterways? Also, have we secured funding for that project from the commonwealth and when is it likely to be undertaken?

Mr Corbell: I will ask David Butt to give you that information, Ms Hunter.

THE CHAIR: Mr Butt, are you aware of the privilege implications—

Mr Butt: Yes, thank you, chair. The project has been granted up to \$85 million by the commonwealth under the COAG process, when the ACT government signed up to the water initiatives in 2008. The project is currently being developed in conjunction with Actew. We are looking at ways to reduce salt concentrations coming out of the Lower Molonglo works as a way of contributing to a reduction in salt in the Murray-Darling Basin. The overall concern about salt is one coming out of the Lower Molonglo works. The salt levels in the ACT have been approved under the Murray-Darling process as being well within the limits that the Murray-Darling authority would have for the ACT as a contributor to the overall salt load in the Murrumbidgee. So we are looking at further improvements on something that is currently within an overall limit.

MRS DUNNE: Are we looking only at engineering solutions or are we looking at solutions that would reduce the amount of salt entering the water supply?

Mr Butt: We are looking at a range of solutions. The approach being taken is to examine it in what we would describe as a tiered process. We have looked at what the sources of the salt are coming into the system and what the scope will be to reduce salt, for example, introduced through human activity. We are looking at what salt is introduced through both water treatment and sewage treatment, and whether or not it is technically feasible and cost effective to alter those treatments to reduce that component. The majority of the salt input, though, is coming out of natural sources.

MRS DUNNE: That was my next question: do we know what the background level is?

Mr Butt: We do. Off the top of my head it is something like 40 per cent natural sources, less than 10 per cent is human induced and 40 per cent is through the processes that are used in water treatment, sewage treatment.

MRS DUNNE: Madam Chair, is this a good time to go back to some questions on the Murrumbidgee transfer and related questions?

THE CHAIR: Yes.

MRS DUNNE: One of the issues, minister, is this: what is the impact likely to be of the pumping of water from Angle Crossing on the Angle Crossing reserve? Will the Angle Crossing reserve still be able to be accessed for public use if the pumping goes on from the pond there?

Mr Corbell: These are all issues that would be addressed through the environmental impact assessment process. I do not have specific advice in relation to that matter at this time. I do not know whether Mr Butt has anything he can add on that.

Mr Butt: I can address it, minister. The regime that will be applied to the pumping will see that there is a normal flow down the river. Actew will be seeking to pump when the flow is in excess of standards at particular times, or consistent with releases out of Tantangara for water purchase arrangements that they have entered into. The net impact should be that there are no negative environmental impacts at all from the processes.

MRS DUNNE: So the pool that is currently at Angle Crossing will be substantially the same?

Mr Butt: That is my understanding.

MRS DUNNE: Okay. Mr Butt segued nicely into my next set of questions, which relate to the release of water from Tantangara. Where are we with negotiations about release of and access to water from Tantangara?

Mr Corbell: Negotiations are ongoing. Actew have entered into arrangements with Snowy Hydro to provide for the technical elements of the release of water from Tantangara. Those arrangements are agreed between Actew and Snowy Hydro. The releases will also require necessary approval by the New South Wales state government, and negotiations are ongoing at an officer level with the New South Wales state government. I have raised the issue with my counterpart, Mr Costa, the Minister for Water in New South Wales, and he has indicated that the New South Wales government is generally supportive of the proposal, subject to the finalisation of the necessary regulatory arrangements. In relation to those, perhaps again I will ask Mr Butt to outline some more detail.

Mr Butt: As the minister said, at officer level we are in negotiations with the New

South Wales equivalents to agree the conditions for water down the river as it is released; to agree levels of loss for accounting purposes and generally the regime that will apply in what up to now has been an unregulated waterway.

MRS DUNNE: Can I just take us back a step then? Has the ACT through any of its agencies purchased rights or an allocation for water out of Tantangara?

Mr Corbell: Actew is responsible for the purchase of water entitlements. Actew has already purchased approximately 20 gigalitres of general security water entitlements and is in the process of converting these entitlements to 10 gigalitres of high security water entitlements. Currently it has 12.5 gigalitres of general security water entitlements purchased, with a view to having all the water available when the Murrumbidgee to Googong project becomes operational.

MRS DUNNE: They are entitlements—at what cost? They have been purchased and then they are being upgraded. What is the cost of that?

Mr Corbell: I do not have figures on the cost, but Actew would be able to supply those to you.

MRS DUNNE: These are one-off costs, so there are annual costs as well associated with extraction?

Mr Corbell: My understanding of how the entitlement works is that you pay for the entitlement up-front for a period of time.

MRS DUNNE: And there are no annual costs?

Mr Corbell: I could not tell you exactly. My understanding, as I say, is that it is a one-off payment, but I may stand corrected on that.

MRS DUNNE: What about the situation where currently Tantangara is below 16 per cent and has not been above 30 per cent for the past five or six years? It has been down to around five per cent of its capacity. Is there water actually there to be purchased and how secure is it?

Mr Corbell: Yes, there is water available to be purchased. The purchases, first of all, are from downstream entitlement holders, so physically the entitlement is not for water that is in Tantangara; it is from downstream users. So we are diverting the use from one location to another.

MRS DUNNE: But those are initially entitlements out of Tantangara which have been diverted higher up the river; is that what you are saying?

Mr Corbell: Perhaps I will explain how Tantangara works. Tantangara is designed to divert the annual snow melt from the Snowy plains to Eucumbene Dam, so it is a feeder dam for Lake Eucumbene. What will happen is that in summer the reservoir falls to less than 10 per cent of its capacity; it is designed to operate that way. So it is designed to be empty in summer. In spring its capacity increases to allow it to divert, on average, 250 gigalitres of water.

MRS DUNNE: That is its capacity, isn't it?

Mr Corbell: No, that is its diversion. Tantangara continues to be a very reliable reservoir in terms of the ACT's needs and at the moment I think Tantangara is actually discharging water into the Murrumbidgee River, which would be consistent with snow melt at this time of the year. Is that correct?

Mr Butt: Yes, I understand that Snowy Hydro have recently released four gigalitres as part of an environmental flow out of the normal snow melt flow that goes into Tantangara. So the government—

MRS DUNNE: As of yesterday Tantangara was below 10 per cent capacity.

Mr Corbell: Tantangara is an extremely large reservoir. It is four to five times, at least, as large as Googong Dam, if I recall correctly. So, whilst the percentages can be low, the absolute amount of water in the reservoir can still be extremely large. Therefore, we have very strong confidence that Tantangara can supply the augmentation to the water supply that we propose.

MRS DUNNE: And you are proposing 238 gigalitres, which is only slightly under twice the size of Googong Dam.

Mr Corbell: Correct.

MRS DUNNE: Are you confident in the long term that the 10 gigalitres that we are in the process of purchasing will be reliably available for pumping from the Murrumbidgee to Googong?

Mr Corbell: Yes. In the past five years the New South Wales Government has made available at least 90 per cent of high security water rights to licence holders. So we have a high level of confidence that they will continue to be able to guarantee supply to high security water licence holders. That is the process that Actew are currently involved in. They will convert their general security water licences to high security.

MRS DUNNE: And on the Murrumbidgee to Googong transfer what are the anticipated running costs of the pipeline—the cost of pumping?

Mr Corbell: Again, I do not have that information. We can provide that for you from Actew. What I would say in relation to that project is that Actew will be putting in place a mini hydro facility on the pipeline, which will help with running costs and also the sustainability elements of the project.

THE CHAIR: How much has the department liaised with Actew about the impacts of the Tantangara release on the water quality of the Murrumbidgee below the dam?

Mr Corbell: As Mr Butt has indicated, there will not be any impact compared to normal flows because the water will only be pumped when flows are above the normal level, so either due to good rainfall or through discharge of water from Tantangara downstream. Minimum environmental flows must be maintained at all

times, and they will be, and there will not be any change to the flows below the intake point.

MRS DUNNE: So what is the anticipated volume of water that will be pumped from the Murrumbidgee to Googong through this pipeline?

Mr Corbell: In total?

MRS DUNNE: On an annual basis.

Mr Corbell: On an annual basis: again, I do not have that information to hand. I will need to seek that from Actew.

THE CHAIR: I was just wondering on that: are you expecting to have any further liaison with Actew about their environmental management plans for both the Murrumbidgee and Burra Creek? Is there any intention—

Mr Corbell: In relation to Burra Creek, most of Burra Creek is in New South Wales and Actew will need to liaise with the appropriate New South Wales authorities and have their approvals. In relation to the ACT, they will need their approvals from the Environment Protection Authority to extract water, and in terms of impact on the river course they will need approvals in relation to the works, and those will be sought in due course.

Mr Butt reminds me that the other issue it is important to remember is that discharging water from Tantangara will actually improve the overall level of flow in the Murrumbidgee between Tantangara and Angle Crossing. The assessment to date is that it will improve the overall environmental quality of the river course because of the improved flow. The improved flow will assist with the rehabilitation of river banks, vegetation and so on in that area and will also improve water quality in the river.

The upper Murrumbidgee has essentially been an unregulated river and there has been no serious consideration given to managing environmental flows. With this project it will become a regulated river, as I understand it, and that will improve the overall quality of the river.

MRS DUNNE: Minister, can you tell the committee, on notice, when was the last time that Tantangara reservoir reached 50 per cent capacity?

Mr Corbell: I will have to take that on notice.

MRS DUNNE: Yes, I understand that.

Mr Corbell: Again I would make the point, however, that we do not need 50 per cent capacity to be able to access water from Tantangara. Tantangara is an extremely large reservoir.

MRS DUNNE: So what capacity do you need?

Mr Corbell: Perhaps the best thing to do is to provide you with the amount of water that we propose to have discharged from Tantangara on an annual basis, which is what you have asked for, and compare that with the storage levels in Tantangara over the last five years, so you will be able to draw that conclusion for yourself.

THE CHAIR: I want to know a bit about baselines for efficiency programs that the department is running. In regard to the programs that allocate funding for rebates for energy and water, has the department any sense of what the baseline is that we are starting from? For example, how many houses and units in the ACT are not water or energy efficient or do not have any insulation? Do you have any of that sort of data?

Mr Corbell: We do have some data like that. The department has also commissioned work from the ANU on assessing the efficacy of our water and energy programs in improving water and energy efficiency in various types of dwellings, and I am looking forward to the results of that study. That will give us a baseline in relation to how effective rebate programs are in reducing energy and water consumption and how we can better tailor our programs to achieve those outcomes.

THE CHAIR: Do you have some idea of the overall take-up rate of the various programs over the years since their inception? Has the rate slowed? Has it increased?

Ms Farnsworth: Yes. In the context of the water rebates, it is too early to tell for this year but it is progressing well. The toiletsmart program uptake in 2008-09 was 3,770 and since July 2009 is 277. Gardensmart for 2008-09 was 1,234, with uptake since July this year of 90. The rainwater tank rebate 2008-09 was 182 with uptake since July this year of 24. The commercial building retrofit is a new program so we did not have figures last year but uptake since July 2009 is 14. School water audits for 2008-09 were 21, with uptake from July 2009 of 14.

Uptake for the HEAT program or the energy program in 2008-09 was 6,329 inquiries, with uptake since July 2009 of 2,133 enquiries. For ACT energy wise the uptake in 2008-09 was 861 visits, 477 rebates; from July 2009, 227 visits, 116 rebates. For the WEST program 2008-09 there were 48 audits and two since July 2009. For home energy kits 2008-09, there were 157 loans, 66 since July 2009. The wood heater rebate program, 115 in 2008-09; uptake from July 2009 is 87. We expect, once we launch the new campaign, that uptake will increase, because there will be significant additional advertising associated with that, and we are also aiming to better target it, incorporating an outreach element in particular where we can, probably working with community groups. We are in the design stages of that element of the program at the moment.

MR SESELJA: I have just a quick one on that and then I will move on to waste. Do we have any estimates on water savings or energy savings as a result of these programs?

Ms Farnsworth: We do. I do not have those figures on me, but we have quite good data for all of those.

MR SESELJA: I asked a number of questions on the cost of the others. Perhaps when that information is provided the actual savings, or the estimated savings, could

be provided.

Ms Farnsworth: Certainly.

THE CHAIR: Could Ms Porter ask a question on noise monitoring before we move on to waste, because I am sure there are several questions on waste.

MR SESELJA: Sure.

THE CHAIR: Thank you, Mr Seselja.

MS PORTER: The fifth dot point on page 117 mentions that the environmental noise environment protection policy was reviewed during the period. Page 111 mentions that noise pollution is becoming an increasing problem and an education program will be developed. I notice today there was some news that around \$50,000 is to be spent on an advertising campaign encouraging residents to turn down their various noise-making things like stereos and talk to their neighbours—mediating these problems rather than at first reporting them.

You said before that you find it very difficult to monitor these advertising campaigns and that you really just measure them on the outcome of the improvement—that is, maybe not so many complaints. I guess that is the way you are going to be monitoring the success of that campaign. Do you think that the advertising campaign will be sufficient action to address the particular problem of noise pollution?

Mr Corbell: We have not done this before so I guess we are in uncharted waters to some extent. We do not know exactly how the community will respond to that campaign. It is a positive campaign because it seeks to remind Canberrans that the best thing they can do if they have a problem with noise is to talk to their neighbour. As sensible as that sounds, all too often people do not do that. People are worried, afraid or a little bit scared perhaps of raising some of these issues with their neighbour. This is really designed to try and encourage that approach in the first instance.

We have launched the campaign going into summer because noise complaints increase in summer because we have all got our doors and windows open, particularly in the evenings when it is cooler. That is when we are going to pick up noise, whether it is stereos, home entertainment systems, pool equipment, air-conditioning units and so on. There are a range of other things as well.

The campaign is running from now and it is an opportunity to get the message out there. It involves cinema advertising, advertising on commercial radio stations and a mail-out to all Canberra households with a small brochure just reminding people to be conscious of noise, that noise can have an impact on neighbours, that neighbours do not have any choice really as to what noise you create—so be conscious of that—and that there are steps you can take both informally, in terms of talking to your neighbours and trying to resolve the problem that way, or more formally through the Environment Protection Authority and/or the police. The most telling figure for me is that there were 1,900 complaints to the EPA last year and over 1,500 of those were about noise. It is a big chunk of the EPA's work in terms of complaints. If we can do something to address that it would be a positive thing.

MS PORTER: Were noise pollution issues the majority of complaints in these neighbourhood issues?

Mr Corbell: Yes, they were neighbourhood.

MS PORTER: They were neighbourhood ones?

Mr Corbell: People in their homes concerned about the impact of noise on their homes.

MR SESELJA: Pages 192 and 193 refer to the issue of waste and the question of agency resource use. On page 193 it talks about the estimate of wastepaper to landfill and it has 51 kilolitres. Then we have the total of wastepaper recycled and it is only 10 kilolitres. That seems very low. Are you able to take us through why only that amount is recycled?

Mr Corbell: The government is concerned about the lack of widespread recycling in commercial premises, both commercial office premises and other premises such as hotels and motels, shopping centres and so on. For that reason the government has established two new programs, the office smart and business smart programs. These are designed to encourage businesses and office premises in the ACT to establish efficient waste management systems and improve their recycling rates.

These programs provide for information and advice to businesses on ways that they can uptake and put in place recycling programs. It gives them advice on how they can save money by doing so in terms of reducing the cost of having to dispose of waste and landfill. It is a program to which they can be accredited. So it is a process of monitoring and accreditation for those businesses which sign up to office smart and business smart.

I launched both programs in July and we have had a very positive uptake. In relation to business smart, we have had 12 private premises sign up to that. In relation to office smart, we have had 15 private premises and 53 government agencies sign up to that. We are currently in discussions with Westfield Belconnen and Woden to get those two shopping centres to sign up to the programs. If we achieve that we will access another 465 individual franchises in becoming office smart or business smart premises. That should be significant in reducing some of this waste to landfill problem. We have an active program to address that sector.

THE CHAIR: When businesses sign up to the program, do they have to show they are reducing their waste? Is that part of the sign-up and the accreditation?

Mr Corbell: Yes, they do.

MR SESELJA: Correct me if I am wrong, minister, but these figures on 192 and 193 are about agency resource use, are they not?

Mr Corbell: I thought you were asking about office premises generally.

MR SESELJA: No, I am looking at 193.

Mr Corbell: I beg your pardon.

MR SESELJA: If you could go back to that. The estimate is 51 kilolitres wastepaper to landfill—I presume that is in the agency—and then the total wastepaper recycled is only 10 kilolitres. That is about one-sixth. What is the reason for such a low figure, particularly if you are encouraging businesses to recycle?

Mr Corbell: It is important to remember that these figures are a disaggregation of the figures for the department since it became a separate agency, which was only in December last year—so only about half of the reporting period. The department has established itself as an accredited office smart participant, so it has made sure that it has accredited its own activities in accordance with our programs. I would expect to see an improvement in these figures. These figures would reflect the fact that previously these activities occurred across both the areas that are now with my department and the other areas of TAMS within Macarthur House.

MR SESELJA: But you have set up an agency to partly show leadership and coordinate on environmental issues, yet you are only recycling one-sixth of your paper.

Mr Corbell: I have given an explanation on that.

MR SESELJA: Not really.

Mr Corbell: Yes, I have, because what I have said to you, Mr Seselja, is that we have accredited ourselves in the past couple of months as part of the office smart program. That requires a reduction in the amount of waste going to landfill. It requires an improvement in recycling rates. I would expect to see over the next 12 months significant improvement. You have got to remember this is a new agency that only moved into its purpose-built premises in March this year, or later this year—July this year.

MR SESELJA: Why was it so difficult to recycle paper before then?

Mr Corbell: The arrangements that we were working on previously were arrangements for the whole of Macarthur House which substantially is occupied by the Department of Territory and Municipal Services. We did not have our own arrangements in place for the agency in terms of its own accommodation, its own programs for waste management and so on, until July this year.

MR SESELJA: On page 194 it says that the percentage of paper recycled is 33 per cent. I am not quite sure how you get that figure based on the ones we have looked at. Would someone explain to me what that 33 per cent figure represents?

Mr Corbell: Where are you exactly, Mr Seselja?

MR SESELJA: Page 194. It is about the fourth one down—percentage of paper recycled.

Mr Corbell: Can anyone answer that question?

Ms Farnsworth: No, I would need to seek further details. I would be happy to provide that to you.

MR SESELJA: Is it just an error? I am looking at wastepaper to landfill—

Mr Corbell: I think, again, the point needs to be made that these figures are extrapolated from the activities of the agency since its formal creation in December last year and also having regard to the fact that previously the activities of the various policy and operational parts of my department were within the Department of Territory and Municipal Services. It reflects a period of transition and it also reflects the fact that the department was not able to put in place its own arrangements for recycling and waste management until it moved into its permanent accommodation, which occurred in July this year.

MR SESELJA: What is the target for this year then for recycling of wastepaper?

Mr Corbell: Those targets would be outlined in terms of our sign-up to the office smart program. We will be able to provide that to you.

THE CHAIR: You were saying that this year the new department finally moved into its own wing of Macarthur House and looked at your own waste management strategies. Is DECCEW taking a leadership role for other government agencies?

Mr Corbell: Yes, I think very much it is. In relation to some of these issues can I draw Mr Seselja's attention in particular to the explanatory notes which outline these issues. The department was situated on the fourth floor of Macarthur House and operated as part of TAMS for the second half of 2008. The department operated independently from TAMS, still situated on the fourth floor of Macarthur House, for the first half of 2009—that is until 30 June this year.

The Department of Education and Training occupied the Macarthur House south wing in 2008-09 and then moved to 220 Northbourne Avenue. It was at this point in time that the department moved to its permanent premises in the Macarthur House south wing on 1 July. All data—energy, waste, water and greenhouse gas emissions—have been calculated using a figure based on the percentage of floor area occupied by the department in Macarthur House for half a year. That is the basis on which those figures have been calculated.

MRS DUNNE: The calculation of the amount of paper you used was based on your floor area?

Mr Corbell: That is correct. How else are we going to do it when we are within a part of Macarthur House? We will be in a much better position to do that now that the agency is independently in its own premises, is in control of its own arrangements and can report more accurately in that regard.

MRS DUNNE: What sort of confidence do you have about the accuracy of these

figures?

Mr Corbell: I think the explanatory note explains the basis on which the figures are provided.

MR SESELJA: That is pretty damning of the rest of the building. Why, after this many years in government, and with a target of no waste, is the ACT government still not showing leadership on basics like recycling of office paper?

Mr Corbell: You will have to ask the Department of Territory and Municipal Services in relation to their recycling programs. It is for this very reason that the ACT government has established the office smart and business smart programs, to address issues around waste management in commercial office premises. We have had a strong level of sign-up, particularly from government agencies, to office smart. We have 53 agencies—

THE CHAIR: Does that include Territory and Municipal Services?

Mr Corbell: It includes a large number of premises in ACT Health. It includes the commonwealth Department of Parliamentary Services, the Dickson Motor Registry, the Legislative Assembly itself, the Office of the Commissioner for Sustainability and the Environment, Intellectual Property Australia, CGU Workers Compensation, Servcorp, the Land Development Agency, ACT Libraries, Elections ACT, Knight Frank, Canberra CBD Ltd, Jones Lang LaSalle, TransACT, GHD, Florey Medical Centre, ASF Ltd, the Civil Aviation and Safety Authority, the Australian Conservation Foundation, Kowalski Recruitment, WWF Australia, Waste Away, the Conservation Council for the ACT region, and APRA.

MRS DUNNE: But not Mac House?

Mr Corbell: Not TAMS at this point in time, but I can assure you that the officers in my department responsible for promoting this program are actively promoting it across the ACT government, including the Department of Territory and Municipal Services.

THE CHAIR: Some of those other large departments, I would hope, would certainly come along and sign up for the program?

Mr Corbell: The largest one, and I think the agency to be most commended in terms of its size in the ACT government, is ACT Health. They have accredited approximately 30 separate locations in ACT Health.

THE CHAIR: Anyone else? Mr Seselja?

MR SESELJA: No, I am done on waste paper.

THE CHAIR: I wanted to look at the feasibility study on energy from waste. I understand that the pre-feasibility study on energy from Waste Technologies was due at the end of September. Why has this been delayed and when will it be ready?

Mr Papps: By way of background, this is an area of considerable interest within the ACT and the minister has identified it a number of times as having considerable potential for the ACT and its programs.

We have been approached over time by a number of private operators with an interest in this area. In order to be able to properly deal with this as an issue, we have employed consultants to provide us with some advice. In the normal course of events the consultancies have been delayed and so have contributed to a delay in the process. That is not unusual. It is perhaps regrettable but it is not unusual. As the minister said, we are producing policy and positions that are actually going to be implemented. I am duty bound, I think, to provide as robust material as I can to the minister to inform his decisions. Sometimes, to get it right, to make sure it is robust, to make sure it is implementable, we will take a little bit longer.

THE CHAIR: Mr Papps, do you have any idea about the timing?

Mr Papps: I understand that the consultants are finishing up their report, so we would be looking at around the end of the year. You will recall from the minister's previous answers that we are building up a considerable body of work around a revised weathering the change strategy, energy policies and the like. All of this is part of that very coherent organisation of policies and subsidiary documents to enable us to produce those policy documents for the minister towards the end of the year.

THE CHAIR: Also, when do you expect the future waste strategy to be finalised?

Mr Corbell: Funding has been provided for that project for this financial year, so that work is ongoing this financial year. I would expect to have a finished product at the end of this financial year.

THE CHAIR: So there will not be a gap between the current strategy and the revised strategy?

Mr Corbell: The intention is obviously to make it as seamless as possible, but the funding, as I say, is for the financial year period. I would expect the work to be completed within that period.

THE CHAIR: Another issue I wanted to touch on was container deposit legislation. Is the ACT looking at supporting a national container deposit scheme? This is going to be another issue that is discussed at the 5 November meeting, I understand?

Mr Corbell: Yes, this is the other key issue that will be discussed at next week's meeting of the Environment Protection and Heritage Council. I indicated at the previous meeting of the EPHC that the ACT would support further investigation of a national container deposit legislation scheme. This is a change in policy from the previous views that the ACT has expressed.

The reason for my change is that I believe a national container deposit scheme will have the potential to grow the overall level of recycling in our community without impacting on our existing kerbside recycling, which is the most successful in the country. Our levels of recycling are the best in the country and are leading by world

standards as well on a city basis. The level of recycling that we achieve, which is 73 to 75 per cent, is extremely high by world standards. But there are still opportunities in terms of containers, drink containers and so on. In public spaces—shopping centres, sporting events and general public areas—there is the opportunity for containers to be collected rather than disposed of and going to landfill. So we support further investigation into a national container deposit scheme.

There are a couple of pieces of work that need to occur. There needs to be a survey undertaken of the community's willingness to pay and give public support for a scheme. That is known as a choice modelling survey to determine community views on willingness to pay. There would then have to be a regulatory impact statement if the choice modelling indicated that people were generally willing to pay. So the ACT is supportive of both of those pieces of work progressing.

THE CHAIR: Do you have any sense about support around the country? I note that Victoria also claims to be the best performing recycler in Australia and they do not need—

Mr Corbell: I think you will find often, Ms Hunter, that they claim to be the best performing state, which means that they can ignore the ACT and its recycling rate. That is a common tactic by my state colleagues around the country. The ACT is the best in Australia. They may be the best state but they are not the best in Australia. The support from around the country is mixed. Obviously, South Australia is extremely supportive. A number of other jurisdictions have indicated their support and a number of others have indicated their willingness to progress this work but without committing to a final position.

MRS DUNNE: What about New South Wales?

Mr Corbell: I do not think I can really speak for the New South Wales government. I cannot recall what they said at the last meeting and I do not think it is appropriate for me to speak for them. I cannot recall.

THE CHAIR: So would you be in that latter category, because you are saying that you support further investigation?

Mr Corbell: The only question that has been put to EPHC at this time is: are you willing to support further work? The answer is yes, we are. My view is that, if that work is favourable in terms of regulatory impact assessment and the choice modelling, the ACT would support a national scheme.

THE CHAIR: Has there been any time over the last four years, say, when the ACT recycling rate has gone backwards? Have we continued to maintain or to increase? Is there any dip that has occurred?

Mr Corbell: I would have to take some advice on that. I do not think our rates of recycling have decreased but we know that what has occurred in the last couple of years is that the overall amount of waste to landfill has increased. But that is not necessarily related to any reduction in recycling rates. It just means that we are producing more waste overall.

MS PORTER: Is it because people purchase things that they then throw away? There is a theory that because we now buy less frequently, we buy too much, particularly of food, and then we throw it away and that goes to landfill. Is that one of the things that happens?

Mr Corbell: There is a clear correlation between overall levels of prosperity, consumption and therefore waste generation. I think what we have seen in the ACT is that we have been through a significant boom and levels of consumption have grown. Unfortunately, our waste programs have not met that challenge, and that is what we need to do.

MRS DUNNE: Minister, there have been a range of discussions about e-waste and electronic waste generally and changes to waste packaging covenants. Where are we up to with those?

Mr Corbell: Ms Hunter asked me a question earlier on this.

THE CHAIR: I did get into the e-waste question.

MRS DUNNE: Okay.

MS PORTER: My question is around the Nature Conservation Act. It says on page 11, and it is also mentioned on page 123, that the role of the Conservator of Flora and Fauna that is currently exercised by the Department of TAMS will be transferred to this department. Where are we up to with the review of all of that? Also, are there any developments with regard to the lowland native grasslands?

THE CHAIR: The Conservator of Flora and Fauna will be appearing on 16 December but I think your question was around the status of the review of the Nature Conservation Act?

MS PORTER: That is right.

Mr Corbell: Mr Papps is now the Conservator of Flora and Fauna. That occurred a month or so ago, in August. That transfer has occurred. The conservator continues to be advised partly by my department but largely by the Department of Territory and Municipal Services, because they have many of the personnel involved in the direct land management and monitoring functions that are necessary for the conservator to perform his role. So there is an arrangement whereby staff of that department advise Mr Papps in his role as conservator, but he will be able to go into that. That is one of the reasons why we have this confusion in terms of these hearings, but hopefully that will be rectified for future hearings.

In relation to the review of the Nature Conservation Act, I expect to release a discussion paper shortly. I have given my approval for the development of a discussion paper on options for review of the Nature Conservation Act. That discussion paper will be released for a 10-week public consultation period. We will then produce, subject to cabinet agreement, an exposure draft bill which will be introduced into the Assembly early next year, and debate on the final bill is expected

to take place in the autumn sittings next year.

THE CHAIR: So with that 10-week consultation, considering, as you mentioned earlier, the Christmas break in between, how are you—

Mr Corbell: We would take account of that, of course. We would not endeavour to count the Christmas/Boxing Day/New Year period as part of the consultation period.

THE CHAIR: Okay. I want to move on to the grasslands management plan. When are we expecting the whole of government response to the commissioner's report?

Mr Corbell: Firstly, the government has already responded to elements of the commissioner's report. Those elements that were deemed to be urgent by the commissioner have already been responded to by the government. I will be providing to the Assembly a full response on all the recommendations before the end of the year, and that will deal with the other recommendations. I should just make the point that of the 41 recommended urgent actions 32 have been or will shortly be implemented. Nine recommendations have either been partially implemented, assessed as low priority or are not in current need of action. The full response will be with the Assembly later this year.

MR SESELJA: I would like to move on to some questions around some of the contracts that the department has entered into over the last financial year, on pages 176 and 177. Quite a large number have gone single select and a number of those are over \$100,000. There are very basic explanations as to why that is the case, but I seek some additional information, and I might just highlight a couple of them. Under policy 1.2, there was a \$100,000 contract for strategies towards zero net emissions and a \$177,000 contract for the same purpose, and the reason given for going to single select was a timely response required to the inquiry on greenhouse gas reductions. Could you talk us through the detail of what was in those contracts, what was delivered and why it was needed to go to single select?

Mr Papps: These are matters that we have been referring to previously in the construction of advice to the government on both sustainable energy and the government's response to the Legislative Assembly's interim report on greenhouse gas reduction targets. As both the minister and I have already indicated, because the policy outcomes are intended to be implemented—that is, they are determining actions that the ACT government and community will take to drive us towards these zero net emissions, for example—they have to be very robust pieces of work. We need to know, for example, exactly what options are available to the ACT in terms of reducing emissions, both from stationary energy and transport. We need to know the relative merits of those options, the cost for example, per tonne of CO₂ abated.

We have commissioned two of these consultants to undertake that work and it was required to be done quickly. The consultants have done this sort of work in a number of other places in Australia very successfully and we are confident that they will be able to provide the quality of work that we need. There are some differences, although they have got the same title. They are working on the same broad policy areas but Kinesis, for example, is also providing some advice on the effectiveness of the weathering the change action plan 1.

MR SESELJA: These were approved in June. I am still not sure why single select was needed in order to give a response to the greenhouse gas reductions inquiry, given that inquiry had been going, I think, for some months by June. Why the single select?

Mr Papps: Because the advice that they are preparing covers off a range of policy positions. For example, it will also contribute to the sustainable energy policy. It is also fundamental to the revision of weathering the change, the revised climate change strategy. So out of the same two major consultancies we are getting a lot of outcomes across a range of policies.

MRS DUNNE: But why single select?

Mr Papps: Because we needed to get the work produced to a very high level in time to meet the government's expectations on the delivery of policies later this year.

Mr Corbell: There is a limited number of firms with speciality in this area and an even smaller number that are able to deliver in the time frames that the Assembly expects of me. As you would know, the Assembly, the committee and members are all pressing me very hard on the issues of an energy policy, response to greenhouse gas reduction targets, feed-in tariff stage 2, waste to energy, and a range of other policy settings. My department is having to—

MRS DUNNE: But the energy policy has been hanging around for four years now, minister.

Mr Corbell: My department is having to augment its capacity with expert advice. Mr Papps identified a number of firms that had that capacity and who were available at short notice to do that work. I think it is entirely appropriate in those circumstances to get that policy advice and support so that we can deliver on the Assembly's expectations around a definitive policy position on a range of those matters to do with greenhouse gas reduction and zero net emissions.

MR SESELJA: How long did that process take, start to finish, from when you identified the need for this urgent response, you started identifying people and then you signed contracts?

Mr Papps: I would have to get back to you to give you the exact time line. It was done with a sense of some urgency. The Heuris Partners work, the first one you mentioned: we did do a quick test of the market by asking three firms that we knew were capable of doing this work to the standard that we required. One was very expensive and the other two who expressed an interest and had the capacity to do it would split the work between them, so that is why we have got Heuris Partners doing some of that work and Kinesis doing the other.

MR SESELJA: Okay, and what have they produced for those two contracts of \$277,000?

Mr Papps: They are still working on it.

MR SESELJA: What are you expecting them to produce under that contract?

Mr Corbell: As I have outlined previously, they will provide detailed assessment of a range of strategies that will inform the development of the energy policy, that will inform the development of our targets and milestones for greenhouse gas reduction, that will inform the government's decision on at what point we believe we can reach zero net emissions, that will inform the government's policy on how we will put in place legislation for energy efficiency in buildings and, finally, will inform how we construct action plan 2 of weathering the change.

THE CHAIR: You talk about some quite large bodies of work that are being undertaken at the moment and I just want to get a sense of the sort of staffing and resourcing the department has. I note that you have, I believe, 18 or so staff designated to the policy section.

Mr Corbell: That sounds about right, yes.

Mr Papps: Yes.

THE CHAIR: I was just wondering if you could give a bit of an indication of how many people are in which policy area?

Ms Farnsworth: It might be best if Mr Butt provides some further information, as director of policy.

Mr Corbell: I will just preface Mr Butt's comments by saying that we are a small department and we have a lot of work to do. Any minister would like to have more staff to do the work; even in the largest departments you can have that experience. I am confident, though, that the department is working extremely hard to deliver on what is an ambitious policy agenda, and I am confident that the efforts of everyone are considerable. I am seeing a good level of enthusiasm amongst all of the policy staff in particular but right across the agency and I am very confident that we are going to deliver some quality product to the community and the Assembly very shortly. I will just ask Mr Butt to outline some of the figures.

Mr Butt: Staffing numbers move around a bit as staff come and go. I have had two people working on energy and only recently got a third person in to work on energy policy. For the vast majority of this year, I have had one person working on water policy. I have recently augmented that with a contractor to run a particular project and we are looking at getting another person in—next week actually.

In the waste area, we have got 1½ FTE. We have got a person working full time on plastic bags and progressing that as a matter of priority. There are two people working on waste, covering off both the ACT policy work and the national policy work that is going on there. That area is headed up by a senior officer grade A. Energy policy is headed up by a senior officer grade A. The water policy was a senior officer grade A. In the nature resource area I have currently got five people.

Mr Corbell: Feed-in tariff and climate change.

Mr Butt: On climate change there are probably three people at the moment; some of them are part time. One of the things that we have found that we have had to do to make ourselves attractive as a place to work, and it has been very successful actually, is to look at just how we offer employment. We have got some very good resources doing that. The feed-in tariff is being run out of the programs area, but there are two people working on that.

MR SESELJA: Page 163 has the classification of staff. Could you just clarify some of the things for me? Executive officers: is that SES or something else?

Ms Farnsworth: Yes, executive officers is SES.

MR SESELJA: Okay, and senior officers is senior officers grades A, B and C; is that correct?

Ms Farnsworth: Yes.

MR SESELJA: Okay. I know there was some breakdown there in terms of who was heading what, but could we have a breakdown, maybe on notice, within each of those areas of those different classifications on page 163?

Mr Butt: Yes.

MR SESELJA: Thank you.

MRS DUNNE: I want to find out what sorts of policy specific or program specific staff training has been carried out, rather than what might be called general corporate staff training. What staff training has been carried out since the department came into operation that would assist in the policy and program formulation that you have in the large body of work that you have to do?

Mr Papps: I will ask Mr Butt to supplement this, but can I make an observation about training and policy officers. Certainly we put a considerable amount of effort into ensuring that people who are working in our policy areas are kept up to date with the current thinking. In the broadest sense of the word “training”, we place a high value on participation in seminars, professional workshops and interaction with other policy officers. For example, whenever I have the opportunity I will take as many policy officers as I can afford to the gatherings of all the state and territory jurisdictions where there are discussions and workshops around particular policy matters so that those staff are exposed to what is happening around Australia. Then there is the generic training that we undertake to improve communication skills, particularly written, for our policy staff. Those are the sorts of things that we try to focus on. David, did you have anything specific you wanted to add?

Mr Butt: The only specific thing would be that we work with our officers to identify specific training needs, and attempt to meet them, as we become aware of them in our programs. We put a lot of emphasis on skills development, and a lot of that comes through exposure. We tend to go to very focused professional-type development courses. We do not attend IIR-type conferences. Frankly, we would expect that—

MRS DUNNE: I am sorry, what was the expression you used?

Mr Butt: There are a range of commercial conferences that are offered in particular subject areas, with offers coming through regularly. We tend not to attend—

MRS DUNNE: We receive them ourselves.

Mr Butt: Yes. We tend to think that our officers should be giving the talk rather than attending the talk. So they are of that standard.

MRS DUNNE: What is the training budget and how much of it is devoted to subject matter or specific training? How much is devoted to generic, ministerials and better writing? I expect you to take that on notice.

Mr Papps: We will have to take that on notice because we do not have that data in front of us.

MR SESELJA: Just a couple more questions on staffing. How many staff in the department have formal environmental qualifications in one form or another?

Mr Corbell: Again, we would have to take that on notice. We will try and provide that very shortly.

Mr Papps: Do you mean university degrees?

MR SESELJA: It does not have to be university, but some sort of formal qualification. If there is a breakdown of the different types of qualifications then that would be useful as well. Just in looking through the staffing structure, we have got a report on special employment arrangements and Australian workplace agreements, but I cannot see anywhere—and it may be somewhere—a breakdown of SES salaries. Is that anywhere in the report?

Mr Corbell: That information is tabled in the Assembly.

MR SESELJA: As part of the contract arrangements?

Mr Corbell: The executive contracts were tabled in the Assembly, and pay was part of that information.

MR SESELJA: Is there a reason why you would not put it in your annual report?

Mr Corbell: I think it is because it is tabled in the Assembly.

MR SESELJA: There are a number of things that are tabled in the Assembly that end up here.

Mr Corbell: The report complies—

MR SESELJA: Is this a complete record of what happens in the department?

Mr Corbell: The report complies with the Chief Minister's reporting requirements. I think you are raising a question about a whole-of-government reporting requirement, Mr Seselja. All I would say is that the department complies with the Chief Minister's reporting requirements and the information you seek is tabled on a regular basis in the Assembly.

MR SESELJA: What are the various levels of SES within the department?

Mr Corbell: The levels?

MR SESELJA: Yes.

Mr Corbell: I will ask Mr Papps or Ms Farnsworth to answer that.

Ms Farnsworth: I might have to come back and confirm this. My understanding is that we have a number of 1.3 positions—director, programs and policy, and corporate. My understanding is the finance position is 1.2. I am acting in a position that is a 2.4. EPA, I think, is also 1.3. I am not entirely sure of Mr Papps's position.

Mr Papps: I think it is 3.9, but why don't we provide you with the definitive information on those levels?

MRS DUNNE: Madam Chair, could I just come back to the question that Mr Seselja asked a minute ago in relation to people with formal qualifications? Are there positions, presumably some in the EPA, that have mandated qualifications? Could they be identified as well?

Mr Papps: If we have them we will provide them for you, yes.

MRS DUNNE: Thanks.

THE CHAIR: One of the responsibilities—I am assuming this—of the department is rolling out measures of weathering the change across other departments, such as the implementation of resource management plans. I am interested in how much interaction with other departments has occurred in order to move towards reporting on sustainability measures and how many other departments have resource management plans in place. Do you have any idea?

Ms Farnsworth: As to the number in place at the moment, I do not believe any have finalised. There are a number in development. Our department is currently working on guidelines to assist agencies in preparing those. The Commissioner for Sustainability and the Environment is also looking at undertaking some analysis and guidance to assist in that as well. We work very actively with agencies through both the sustainable property working group and the climate change IDC. We are aiming to use our own resource management plan, which is close to finalisation, as a template for others to assist. Of course, the impetus for this is stronger with commitments to achieving carbon neutrality within government and against the context of zero net emissions. We will be stepping up our efforts in that direction.

THE CHAIR: Ms Farnsworth, do you have any idea whether there has been some

sort of deadline put on various departments to get these resource management plans finalised?

Ms Farnsworth: There were some dates, I think, in the weathering the change strategy which were by the end of this year. There may be some slippage in meeting that, but we are aiming to step up our efforts and move as quickly as we can.

THE CHAIR: Do you have any idea how many staff in other agencies are working on this issue?

Ms Farnsworth: I could seek that information for you. I do not have it to hand.

Mr Papps: Can I just add something to that? It is just to draw your attention to some of the things the minister has already referred to. There will be a revised weathering the change strategy and there will be a new action plan 2. Clearly, we are looking at the actions within action plan 1 to identify those that we believe work particularly well and those that work less well. Those that work particularly well will obviously be candidates to be transferred into action plan 2 and agencies dealing with their resource management, and indeed with carbon budgets, are obviously high on agenda. You might recall the minister has already foreshadowed, based on some of his experiences overseas and work that we have done, that we would be looking at some innovative mechanisms to try and drive change through the public sector a little more quickly.

THE CHAIR: Is there any more on staffing? Otherwise I want to move on.

MR SESELJA: I did not have any more on staffing, no.

MRS DUNNE: There were a couple of questions in relation to contracts. With your indulgence, Madam Chair, I would like to go back to those. On page 176 there is a range of single select contracts over \$100,000. Some of them seem to be a bit long in the tooth. I would seek your guidance and an explanation as to why we had to go to single select tender. I know that there are explanations but they are not particularly informative. In particular, in relation to the Civic petrol plume remediation, it seems to be an ongoing and very expensive program.

Mr Corbell: We will ask Daniel Walters to give you some advice on that.

MRS DUNNE: I was interested in why there was a single select tender for the water and stream gauge monitoring supply and installation sensors. How long is that project going on for? Then there are some questions in relation to the petrol plume.

Mr Walters: There is a fair background to the Civic petrol plume, which some of you may be aware of. It occurred in 1977. A plumber was killed in the Centre Cinema, I believe. As a result of that, the commonwealth government—it was pre-ACT government—instigated a number of actions to remediate and remove the fuel from there. Based on the technology they had at the time, it was fairly unsuccessful. They had a large removal system which really did not remove a lot and essentially, over time, it almost became forgotten about essentially.

What triggered the interest in it again was a lot of major development happening in

the city, with the Civic section 89. There was an incident where fuel once again came into the Centre Cinema back in 2004. So the government thought it appropriate that we really needed to remove the petrol, or remove the risk from that area. PPK, which is Parsons Brinkhoff, were engaged initially to do that back in 2001. Then the Chief Minister in 2007 approved a Treasurer's advance basically to do some more work.

The reason for the single select in this case was because the consultants had extensive knowledge of the plume and the remediation of it and could move very quickly to keep installing wells and start removing the product. We had a particular concern, especially moving into 2007, with the development of section 89, which I believe had 3½ basements, or 2½ basements. With the agreement of the developers, which I think was the Queensland Investment Corporation, we moved the deeper basement car parks from 2½ levels down to the other end.

We have been going through a program, basically, of extracting the fuel out of the petrol plume, which has been very successful to date. We are only getting a sheen on it now. Unfortunately, in 2007, if you went down there and dropped a gauge, as we call it, it came up with pure product that was floating on it. Of particular concern were the risks it posed to development in the area.

The original incident goes back to a service station that used to exist a long time ago in the area, I believe. Under the inquiry that was conducted at the time they could not establish exactly who was responsible. Since then we have got much stronger laws in place, so that we can include a pays principle in particular. If this sort of incident happened today, we would not be the ones essentially doing the remediation. It would be those that were responsible for it.

THE CHAIR: So that work is ongoing? Obviously money has been allocated.

Mr Walters: It is, yes. They have just installed another three extraction wells. We have to do the wells late at night. They run into a bit of difficulty if it is on the weekend, so we try and keep it to weekdays. The young patrons tend to interfere with the works. It is just where the old taxi ranks used to be, around the corner near Bible Lane. It has been a very important development in terms of managing the risk in the area. Essentially, no longer are there petrol plates on top of the water. We are really down to a sheen now. We just see a smear there. It has been a very successful project.

MRS DUNNE: Does that mean that the fuel was permanently removed?

Mr Walters: Yes. What you get is a certain amount that dissolves over time. You get some natural attenuation, but there is not a lot of oxygen and that down there. Generally it has stayed there, which is surprising. It was done in 1977; 2007 is a considerable time and we were still seeing petrol product in there.

In the ACT, we have what we call fractured rock aquifers, so it is fairly dense geology. If it happened in Perth or somewhere like that, it would all escape through the sandy soil. Luckily, it has been contained within a certain area. The mapping we have got now has shown it is shrinking significantly and the levels are being reduced. There was a significant risk, which the government had to move on quickly, but these projects take quite some time to eventuate in terms of remediating it.

THE CHAIR: When do you think that remediation work might be complete?

Mr Walters: I cannot put any specific time frame on it. Left over are vapours that go into the soils from the fuel that has been locked down there. Multi-phase extraction is like giant vacuum cleaners. We have taken out the fuel. What we are now trying to do is extract vapour. We are trying to pull those vapours out of the soil structure. We are fairly confident that some time next year we will have it to a stage that is the last part of the contract—that the contract will provide a management plan as to what monitoring we take on and the EPA will take that monitoring on.

One of the key things we have to do with development in the area, obviously with ACTPLA, is ensure our bores do not get destroyed. There were 30-odd bores there originally and, over time, they all got destroyed. We have very close relationships and we also issue warnings to anyone developing in the area through the planning process, so that if they dig holes there they do not run into something they should not, basically.

THE CHAIR: Is there a further question for the EPA?

MRS DUNNE: The other one was about the water and stream gauge monitoring equipment.

Mr Walters: That is the first one?

MRS DUNNE: Yes.

Mr Walters: Ecowise have provided that service. It was a continuation, basically, of the service they provided in terms of the equipment they had as well. They were specialists and it was specialist equipment that was involved. It was a continuation of that.

MRS DUNNE: So it was a matter of using the service for so long that we got locked into the service provision?

Mr Walters: As you can see from some of the water ones, particularly relating to data and stream gauge monitoring, Ecowise is one of the few companies in the ACT that do this type of work. As the minister alluded to earlier, they do that water monitoring for ActewAGL. They used to be part of ActewAGL, from memory. Unfortunately for Canberra, it has stayed through that. The other thing to note is that it is part of commonwealth funding to the EPA for those services.

THE CHAIR: On page 118 it talks about the “don’t burn tonight” media release. Can you tell me when these media alerts were put out? Was the timing of the alerts linked to when air quality measurements were showing that there was obviously a bit of an issue with wood stoves and so forth?

Mr Walters: I will get to the basis of the “don’t burn tonight” campaign. Basically, the alert is based on data from the Bureau of Meteorology. What that means in simple terms relates to the inversion layers. What has been noted over the last couple of years

with the drought that we have had and the rather mild conditions, which I am sure people have experienced themselves, is that we have been getting severe inversion layers.

The minister has asked the department to look into whether the trigger for those alerts is appropriate, whether it is because these things are changing and whether we need to modify it. There is a range of issues that we deal with in terms of wood heater emissions along with that campaign. The department are currently going through a process of seeing whether we can strengthen and improve some of those air quality initiatives.

Mr Corbell: I have been conscious of the representations, particularly from people who live in the Tuggeranong Valley and members of the Assembly who have raised that issue on behalf of their constituents. I recognise that this remains an issue of concern for some people. Whilst the level of exceedance is low, in terms of the NEPM measure, it is not, to my mind, satisfactory. Whilst I appreciate there is always a challenge in completely eliminating this form of pollution, I think we can potentially achieve better results.

I have asked the EPA, as Mr Walters suggests, to look at what else can be done to improve our management of wood smoke pollution. Canberra prides itself on being an unpolluted city. We would like to see some further improvement in this area. I am expecting advice in due course as to what other options are available.

THE CHAIR: How are the wood fire replacement and the education programs going? What is their reach and what sort of response are we having? Are they working?

Mr Corbell: I think that the replacement program continues to be effective. I saw that Ms Farnsworth had some information on the level of uptake. The program has finished for this calendar year with 87 wood heaters removed. Since the start of the program in 2004, over 800 wood heaters have been removed from service.

The government continues to support moves at a national level to improve the standards for wood heaters. That continues to prove to be a problematic issue to advance, given the influence of the industry. I have had some meetings with industry representatives in the past six months. I am encouraged by some of their suggestions to improve voluntary compliance through better education of consumers around how they use their wood heaters and the willingness of industry to participate in that. I have asked my department to explore that option further.

The other important point to note is that the ACT does regulate the firewood industry. Firewood distributors, retailers, must be licensed. We have a licensed firewood merchant industry. They are required to report on the amount of timber or firewood that they sell. They are also required to comply with conditions about the type of timber they sell in terms of where they source it, for environmental reasons, and also the nature of the timber in terms of it being dry and able to be burnt as efficiently as possible.

The total amount of firewood sold in the territory has declined since 2001. In 2001,

licensed merchants sold approximately 20,700 tonnes of firewood. In 2008, that had dropped by nearly 50 per cent to only 10,500 tonnes. That would indicate to us that the overall level of demand for firewood in the territory is decreasing and that that should be leading to an improvement in overall air quality also.

The challenge with that, of course, is those people who choose to source their timber themselves and not use a licensed firewood merchant. There is nothing to stop people getting the ute or the trailer and heading off to Cowra or Young or somewhere like that and trying to get timber that way. That presents its own challenges.

MS PORTER: Still on the subject of air quality, page 118 talks about the necessity for a second performance monitoring station. Where has that been established?

Mr Walters: Under the NEPM it is a population threshold. Once you reach a certain threshold you have got to have another monitoring station. We are currently in the process of investigating sites for that with ACT Health. They have certain criteria about distances from roads and things like that. The current one is in Monash and it looks at the particulate there. The discussions we have had at officer level indicate that we would possibly be looking—because we have a surrogate one in Civic—at the Belconnen or Gungahlin areas. We can probably get one, because it is a similar airshed, somewhere in between there. It is a matter of getting the right parcel of land so that it is not impacted in the near future. These things are quite expensive to set up and the monitoring equipment is quite sensitive. We really want to find the right place and are currently in the process of doing that.

To assist Health, the EPA actually purchased some of the monitoring equipment from America, which arrived not so long ago. They are currently establishing some of that equipment, or investigating establishing some of it, so that we can use it until we get that station up and running permanently in our Civic station. They have had some difficulties with equipment and are trying to work through those.

Mr Corbell: The monitoring facilities are operated by ACT Health, by the Health Protection Service, but the data is shared with the EPA.

MRS DUNNE: I have a couple of authorisation-type questions for the EPA, if I could, Madam Chair.

THE CHAIR: Certainly.

MRS DUNNE: With the Murrumbidgee to Googong transfer, will that require authorisation because you are taking water from one catchment to another?

Mr Walters: It will require an authorisation from the EPA for doing the works on the waterway. That is the primary one. The transfer itself is not—

MRS DUNNE: So it is only for the works?

Mr Walters: Yes, it is the impact. We are quite unique in the ACT in that we require environment management plans to be submitted to the EPA. We actually approve them, similar to what we have done with the Gungahlin Drive extension. The Cotter

will be the same. We are having a lot—I hate to say—of meetings with the Bulk Water Alliance. We are meeting with them it seems on an almost daily basis on all the controls we need to put in place for the construction of the Cotter Dam, the Googong pipeline—all these major infrastructure projects. They will all require authorisations under the Environment Protection Act to facilitate those works. We will be keeping a very close eye on them because of the sensitive nature of the environments. If something went wrong in terms of those works—

MRS DUNNE: Because of their batch plans and—

Mr Walters: Yes, we have got batch plans. The number of authorisations under the act is quite staggering. You have batch plans and the extraction of material. There are quarries in the area. We will pay particular attention to the coffer dams. They have already had a go at building one down where the pump station is now, near the Cotter pump station. There is fuel storage, extraction of material and quarrying. There is quite an arm of authorisations. It is a task in itself to go through them all and figure out how we are going to do those.

Mr Corbell: In relation to the extraction of water from water courses, that is a regulated activity under the Water Resources Act. There is a separate approval process administered by my department for authorisations to extract water.

MRS DUNNE: But not the EPA.

Mr Corbell: But not the EPA.

Mr Walters: Not under the Environment Protection Act, no.

THE CHAIR: I have a question about an authorisation too. It was around an authorisation to keep poultry.

Mr Corbell: Sorry, to keep what?

THE CHAIR: It was just about chooks.

Mr Corbell: Chooks?

THE CHAIR: Poultry.

Mr Corbell: I am glad the Chief Minister is not here!

THE CHAIR: He loves his chooks, I know.

Mr Corbell: He does.

THE CHAIR: I am just wondering if you knew who that was granted to and what the environmental issues were in granting that authorisation.

Mr Walters: I am assuming it was Pace Farm. Chooks—sorry, you threw me there for a minute. Yes, that has been an authorisation that has been in place.

THE CHAIR: What are the environmental issues you look at when you are assessing that?

Mr Walters: That one was granted a long time ago. Some of the obvious issues are water quality in terms of the waste. From battery hens, you get manure. We had an incident where they were spreading it out somewhere where they possibly should not have been. It creates odour issues. It is very good for land application, but you have got to be very careful how you manage it.

On most sites that the EPA would deal with in terms of authorising, one of the key things—because there is a source of pollution—is to control it. The main mechanism we would use for that on construction sites would be sediment dams. It is a similar principle, basically. The water is kept at a certain level so they do not overflow and things like that. Odour has been an issue, but not a major one for Pace Farm. Odour is a difficult one to regulate because there is no such thing as a “sniffometer”. Officers actually have to go out and have a sniff, basically, to see if there is an issue there.

THE CHAIR: Do you do regular checks on these authorisations, regardless of where they are given?

Mr Walters: Yes, there is a requirement under the act to do an annual review of all authorisations. All authorisations that the EPA administers have an annual review undertaken and, in all cases—except for some of the smaller ones like your firewood where they are required to submit advice that they have complied—we physically go to the premises and go through their authorisations. A similar process will be done with the major projects, like the Bulk Water Alliance.

MRS DUNNE: With environmental authorisations—going through the list here, there are quite a few that are longstanding, such as the crematorium—what is the inspection regime? There is a review process, but what is inspection regime for, say, the crematorium or Pace Farm?

Mr Walters: Generally, we coincide the review with the inspection. Generally, that is the way to do it. Obviously other issues come up but, because of the resources and the timing of your review, that is the appropriate time to do the actual inspection.

THE CHAIR: So you are actually informing them when you are doing that. It is not likely that you would have the resources to do spot checks.

Mr Walters: Like most agencies these days, we have to align our resources where we think they are most appropriately targeted. Obviously, when we have major greenfields, major projects like GDE or the bulk water alliance projects, we will be doing more active investigations of those. As is typical of most EPAs, our assessments are based on a risk basis, so we would generally target those with the higher risk. We would have a lot more meetings, say, in relation to the Lower Molonglo sewage treatment works. They provide monthly reports to us, so obviously there is a lot more scrutiny of how those operations are working as opposed to those where, through experience of, say, five years, we have not had any problems.

MRS DUNNE: How many infringements would you have issued during the last financial year? You can take it on notice.

Mr Walters: Thirty-nine, I think it was.

MRS DUNNE: What did they cover?

Mr Walters: I do have a list. Yes, there were 39. I will just run through them. They are in fairly broad categories. Essentially air, illegal burning, was one; noise was 24. As mentioned earlier, it is one of our larger issues.

MRS DUNNE: It is always a big one.

Mr Walters: It does chew up some of our resources, yes. Discharges to stormwater system—and, once again, this is part of us regulating building works from sediment dams, which I mentioned earlier—was eight. Failing to keep building sites clean—builders who make a mess of the roadway, after we have spoken to them—was three. Placing soil in a stormwater system was one, and other ancillary things like waste in general in those stormwater systems was two. So you get a general picture that noise and building are the two areas that cause some problems.

THE CHAIR: Moving on to that building area, the environmental protection agreements are made for every major development in the ACT. How are they enforced upon developers? Have you had any prosecutions of breaches? Are there regular inspections? I want to get an idea of what the compliance is like and what your investigation or checking regime is like.

Mr Walters: There are a considerable amount of agreements and they are predominantly with the building industry in terms of land development. A site greater than 0.3 of a hectare is the trigger under the Environment Protection Act, so it is if you work on a site greater than 3,000 square metres. We have something that is a bit like an authorisation. We have a set of guiding conditions that they are signatory to. So when they come in, they sign it, the EPA signs it and they are governed by that. Essentially, it outlines our policies on noise, air, water and what they can and cannot do in terms of discharges and things like that.

Part of the critical control that they have to submit to us before they can commence works is what is called a sediment erosion control plan. It details the sediment fences, the ponds and things that they have to construct. That is one of the key things, and that is the primary thing when we go out on site—we want to see your approved sediment erosion control plan, and we will check those measures.

Building is one of the things that is probably fairly dominantly targeted by my officers. We have broken up the ACT regarding the number of officers we have in the geographic locations. A lot of our noise ones are obviously at night. During the day, building is a major part of our work. This is where we do random patrols and checks. We will target certain areas like Gungahlin, which is of particular concern. You will notice there is quite a significant amount of development in Belconnen and Bruce that we have had some difficulties with. This is where those eight fines have been issued for people who have discharged from building sites and have not done the right thing.

THE CHAIR: In Bruce?

Mr Walters: No, not necessarily in Bruce.

THE CHAIR: Across Gungahlin and Bruce—those sort of areas.

Mr Walters: Yes, those sort of areas. Tuggeranong has quietened down a bit now. The Civic areas do not cause as much problem because they are all basements. Everything falls essentially into the hole, so we do not have as much of a problem with that. From the EPA's perspective, a large chunk of my inspectors' work, other than authorisations and noise, is looking at this. We work very closely, I have to say, with the MBA and HIA in educating builders, which can be a difficult task at the best of times.

MRS DUNNE: Milk production authorisation: what are the authorisations that cover milk production, and where is it?

Mr Walters: Canberra Milk, and they bottle the milk there.

MRS DUNNE: It is the bottling plant.

Mr Walters: Yes, it is the one down near the railway station, just across the road there. They have been operating for quite some time.

MRS DUNNE: I was trying to imagine where there was a dairy farm in the ACT.

Mr Walters: No dairy farm.

MR SESELJA: Minister, could I have an update on issues around the ETS. This committee heard some time ago—and they have certainly been put to you, I think—the views of Richard Dennis in relation to the costs of the proposed ETS for state and territory governments. From memory, the Australia Institute estimated that it would cost the ACT \$26 million a year. Have you had any success, or indeed have you lobbied your federal colleagues on compensation for the territory government?

Mr Corbell: Yes, I have made representations to the federal minister, Senator Wong, on a range of issues associated with the construction of CPRS. This is one of those issues. I was pleased to see that there has been some movement on this issue through the Council for the Australian Federation, which is the group established by the states and territories to represent states' and territories' interests to the commonwealth through the COAG process.

The CAF is considering this issue at its forthcoming meeting. I think there is consensus across the states and territories that there will be a need for the commonwealth to consider and provide suitable compensation for the costs associated with the introduction of the CPRS. That is something that all states and territories are urging the commonwealth to have regard to. I think that is a very effective way to advance the issue and I am hopeful that the commonwealth will have regard to that.

MR SESELJA: Do you accept the numbers that the Australia Institute has put forward in relation to the ACT?

Mr Corbell: I have not had any contrary advice in relation to that. At face value, I do accept them. Whether they are exactly precise, I could not say, but I think they are a reasonable indication of the potential impact and that we should have regard to them, and that has been my approach. I am pleased to see there has been some movement from the commonwealth government around acknowledging voluntary action in terms of the overall national reduction targets—in particular, the issues around purchase of green power—and we are factoring that into our own policy making.

MR SESELJA: How much has that moved, because the issue of voluntary action is obviously the other significant issue that the Australia Institute have raised, as have, in a different sense, the Productivity Commission. The Productivity Commission said:

With an effective ETS, much of the current patchwork of climate change policies will become redundant and there will only be a residual role for state, territory and local government initiatives.

They made that submission in May 2008 to the Garnaut review. In your opinion, how much will they change that? Will state and territory actions still be relatively a residual role, or do you envisage that where we are headed with the CPRS voluntary action taken in the ACT will make a real difference to reducing emissions across the nation?

Mr Corbell: I have a strong view that state and territory action and municipal action for the local government perspective, have a very important role to play. In fact, the most successful actions in reducing emissions internationally have come from cities, have come from regions, have come from that level, rather than overall national policies and mechanisms. So I believe that there is a very clear role for cities to play and for local governments to play in reducing greenhouse gas emissions, and that is particularly relevant for us as a city.

It is important to stress that the CPRS at the end of the day is an abstract construct and, whilst it will have an impact in a range of significant ways in reducing greenhouse gas emissions and in putting a price on carbon effectively, it nevertheless is not the only instrument available to us. Indeed, international experience would indicate that emissions trading regimes on their own are insufficient to produce a reduction in greenhouse gas emissions. They are necessary but they are not the only mechanism.

Other important mechanisms include mechanisms to encourage the uptake of renewable energy, such as mandatory renewable energy targets as proposed by the federal government, and mechanisms such as feed-in tariffs here in the ACT. Other mechanisms that are important will include energy efficiency legislation to improve energy efficiency in buildings, with electrical equipment and so on. Many of those mechanisms fall within the ambit of the states and territories. So I have a strong view that we have a significant role to play.

MR SESELJA: These are all fine sentiments, but both the Productivity Commission and the Australia Institute are saying that most of the actions will make no difference.

Are you saying that they are wrong on that?

Mr Corbell: Yes, I am.

MR SESELJA: Why are they wrong? In what aspect are they wrong?

Mr Corbell: They are wrong because they fail to have regard to the significant ability that those other measures will have in transforming the economy of a city or a region. It is quite clear that regions and cities that adopt these types of progressive policies create new economies in their locales. The very clear message from overseas is that cities and regions that adopt these policies drive a whole new range of economic investment activity which would not otherwise occur.

MR SESELJA: But you do not accept that more pollution will be able to happen cheaper elsewhere, as the Australia Institute argues?

Mr Corbell: That is not a reason to do nothing would be my response to that.

MRS DUNNE: So you do accept it?

Mr Corbell: I do not accept the argument that if there are flaws in the emissions trading regime we should do nothing. Therefore—

MR SESELJA: I do not think the Australia Institute are arguing that.

Mr Corbell: But that is the logical conclusion of their argument. The logical conclusion of their argument is—

MR SESELJA: I think they are arguing that they should get the ETS right.

Mr Corbell: Indeed.

MR SESELJA: Putting that aside, do you accept their argument?

Mr Corbell: I think the counter to that is that if the CPRS is not perfect, does that mean that we all give up and go home and wait until we have got a perfect CPRS? My view is no, we do not give up and go home and wait until we get a perfect CPRS; we continue with policies that reduce the emissions in our city because that is our moral obligation and that is our obligation to future generations of people who will live here in this city. Ultimately, we will have a CPRS that adapts and changes to the circumstances of the nation that it is trying to serve and ultimately I think the CPRS will be refined and approved. But it is not in any way an excuse or a reason to do nothing or to hold back on our own actions and activity.

MRS DUNNE: Could I just follow up on this? I know it is very close.

THE CHAIR: We are just on 5 o'clock, unless it is a question on the annual report.

MRS DUNNE: It is on the annual report and it relates to the emissions trading scheme. The Productivity Commission have said that once an ETS is in place other

abatement policies, all of the things that we have been talking about all afternoon, generally will change the mix but not substantially reduce emissions. Do you agree with that?

Mr Corbell: It depends what you adopt. If you adopt the view that only national mechanisms are going to be effective in reducing greenhouse gas emissions, you will accept the Productivity Commission's view of the world. But I do not adopt that view. The view I adopt, and the view that city leaders around the world are adopting, is that it is local action by local communities that provide real leadership and demonstrate examples to other cities to reduce emissions. This issue is so large that, unless there can be local ownership of the solutions, the people will simply give up. Therefore, we can adopt the purely economic rationalist's view of this or we can take the view that we have some control over this issue and we should take steps to try and take control of the issue.

I want Canberra to be able to say that we have achieved a real reduction in our emissions. As to how that relates to national schemes, if it is positive that would obviously be highly desirable. If it is negative, that is not the fault of this city; that is the fault of others who have failed to devise a sufficiently practical scheme. But it does not mean that this city should cease its efforts, or wind back its efforts, to reduce greenhouse gas emissions.

THE CHAIR: Thank you. On that note we will finish our hearing this afternoon. I would like to thank Mr Corbell and all the officials for attending this afternoon. It was a very long session, so thank you for your time.

The committee adjourned at 5.01 pm.