



**LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL
TERRITORY**

SELECT COMMITTEE ON ESTIMATES 2009-2010

(Reference: Appropriation Bill 2009-2010)

Members:

**MR Z SESELJA (The Chair)
MS C LE COUTEUR (The Deputy Chair)
MS A BRESNAN
MR B SMYTH
MS J BURCH**

TRANSCRIPT OF EVIDENCE

CANBERRA

FRIDAY, 15 MAY 2009

**Secretary to the committee:
Ms G Concannon (Ph: 6205 0129)**

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).

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Amended 21 January 2009

The committee met at 9.30 am.

DAVISON, MS KIM, Director, Gugan Gulwan Aboriginal Corporation
MONAGHAN, MR FRED, Coordinator of Drug and Alcohol and elected board member, Gugan Gulwan Aboriginal Corporation

THE CHAIR: Good morning, Mr Monaghan and Ms Davidson. I will go through some formalities. This is the first public hearing of the select committee on estimates inquiring into the ACT budget. Mr Monaghan and Ms Davidson, have you read the privilege card on the table before you?

Ms Davidson: We have, thank you.

THE CHAIR: And you understand the contents?

Ms Davidson: Yes.

Mr Monaghan: Yes, we have.

THE CHAIR: Fantastic. Would you like to make an opening statement in relation to the ACT budget?

Ms Davidson: Yes, I will. First of all, I would like to say thank you for allowing this time for us, Fred and me, to come here and speak to the committee. In relation to the budget, I suppose there are three major concerns that Gugan Gulwan has. The first is the ongoing funding of a numeracy and literacy teacher at the centre. The second one is a family support worker that we have stationed at the centre in partnership with the ACYFS access unit. And that position was created to work with families to try to keep them out of the care and protection system.

The third thing was ongoing funding for existing programs that we have at the centre. We are continually trying to locate funding on a yearly basis. This is becoming increasingly difficult as time goes by. For instance, we might apply for six or seven grants and get none of them or we will get three of them. One program will have three different fundings attached to that one program. It needs to be a better process, I suppose.

We do work very hard for the young people in the ACT and surrounding regions. We have a very effective and efficient centre that we operate from in Erindale. And to be able to do that successfully we need the required resources to continue. These are vital resources. I might pass along to Fred if he has any other comments.

Mr Monaghan: I am here really to support Kim in her comments. My main concern is that, as Kim stated, we are continuously fighting for funding to work towards making life bearable for a lot of our young kids that are going through the program. These kids are coming from dysfunctional families.

The problem is that, although we continuously hear the issues on overrepresentation in the juvenile justice system, these youths that attend the numeracy and literacy program and other programs that we run at Gugan are basically youths at risk in a lot

of ways. We keep hearing the words “preventative programs” in youth at risk but we are not seeing that through the budget supporting that in respect to Indigenous youth.

As Kim stated, we are continuously fighting for funding to work towards avoiding these situations where we are seeing a lot of our young people go into the system. I think over the last 12 months we have been in a situation where we have 65, 75 per cent of Indigenous youth in Quamby, now the Bimberi centre. A lot of these people are coming from youth areas. They are dropping out of school, looking for alternative education programs; they are falling through the gaps; we have to pick these kids up because there are no programs here to work effectively with these young people.

As Kim stated, we do the program two days a week. Some of these young people attend mainstream schools. A lot of them do not because they just cannot survive in the mainstream system. This education program that is run at Gugan Gulwan at the moment is very important for some of these young people. They are on the verge of probably getting themselves into situations where they are dragged into the juvenile justice system and we are going to see that the 65 per cent and 75 per cent of incarcerated youths is not going to change. These programs that are put in place to avoid this need to be properly funded. As Kim said, we do not need to be fighting for funding every year to do this.

When the federal government and state governments and territory governments talk about closing the gap, they are missing the point. It is about starting with our youth and working towards a better education so that they can have better employment for themselves and to look after their future families. The government is missing the point in all this and it is imperative that these programs get funded properly.

THE CHAIR: Thank you. Would you like to perhaps inform the committee in a little more detail about some of the funding, particularly for the numeracy and literacy teacher and the family support worker in terms of what funding you have had and what funding you have lost?

Ms Davidson: Okay. The numeracy and literacy teacher was funded through the community inclusion fund and we were thankful that that funding was extended for a year. That will cease on 30 June 2009. The amount of funding that we received for the teacher was \$75,000 per annum. For the family support worker, after meeting with department heads of DHCS, it was extended until 30 December 2009, pending the budget outcome. We were not successful with it with our budget submission.

As for the other programs that we operate at the centre, our young mums group does not get any funding at all at the moment. We have just been awarded \$13,000 from the Office for Women. Our young women’s group funding will cease on 30 June 2009. Our young men’s mentor group funding will cease on 30 June 2009. That is where we are at at the moment.

THE CHAIR: Have you had any indication from government as to why some of this funding will cease?

Ms Davidson: Just a lack of funds and nobody wants to pick up the funding of these programs. With our programs that we run there, this is continual. I have been in this

position now for 14 years and it has been a continual battle to get funding for programs. These programs are \$10,000 each. It is easier to get \$100,000 than it is \$10,000, which I find ridiculous.

We have met with the education department and the director of Indigenous education, and she sees this program as very valuable because we are helping out a lot of the mainstream schools in ACT who cannot cater for these kids. They are put in the too-hard basket; they are sent down to us for the two days a week; and we are supporting them to attend mainstream for the other three days. Their attendance rate while they are at Gugan is very high, up to 80 per cent, but that is not the case when they go back to mainstream.

We are in partnership with CIT doing access 10 for our students who attend. If we do not get funding, this does not continue. And that saddens me deeply because these kids need our help. The education system is actually failing Indigenous students.

MR SMYTH: The young mum's group, the women's group and the men's group get \$10,000 each program.

Ms Davidson: Yes. We take primarily whatever we can get but it gets to the stage where I think we had about 12 different funding contracts and within those funding contracts there are different reporting requirements. For the admin side of it, there is me and I have got a finance officer. We do not have a unit where we get support in that area. We do a lot of hard work just to keep this running.

MS LE COUTEUR: Apart from the money, is one of your issues the fact you have got a lot of different grants and you have a lot of administrative burden to look after them?

Ms Davidson: Yes. And we have just recently gone through a developmental audit process with QMS from Sydney. We got funding from OATSI to undertake that. They were so surprised. For an organisation our size, we just came out of there with flying colours, didn't we, Fred? It was just tremendous.

We were supposed to have an action plan done up for us to go into accreditation. That will not happen. We are ready for accreditation now. So we will again apply for funding to get fully accredited under Quality Management Services. They have stated that they have not seen an organisation of our size and with a lack of resources be so efficient and effective. We actually got an "excel" in client delivery and outcomes for our clients through the service. That was a great outcome for our service as a whole.

MS BRESNAN: I was going to ask: was the community inclusion funding for the two programs or was it for the numeracy and literacy program?

Ms Davidson: Numeracy and literacy program, yes.

MS BRESNAN: Were you given any assistance from the department to find alternative sources of funding, whether or not that be from another department or within that particular department?

Ms Davidson: No, no assistance at all.

MS BRESNAN: So there was no support.

Ms Davidson: So it was up to us to meet with different funding bodies, education departments, to try to come up with some funding.

MS BRESNAN: Even leading up to the day it was ending—obviously you knew when to renew; presumably you knew the day it was ending—there was not any assistance, saying, “It is ending.”

Ms Davidson: No. We were very well aware that it was ending; it was just that we had not been—

MS BRESNAN: But there was not any sort of assistance.

Ms Davidson: No.

MR SMYTH: Was the money provided to another organisation or has the money just disappeared altogether and these services will not be provided at all in the ACT?

Ms Davidson: From what I know, community inclusion funding ceases on 30 June 2009.

MR SMYTH: If you are not providing these services in the ACT, who will?

Ms Davidson: No-one. There are no replica programs of this nature.

Mr Monaghan: There is a Galilee program that deals with a lot of mainstream youth but Gugan Gulwan, as part of numeracy and literacy, pick up a lot of Indigenous youths. We work closely with the Galilee program.

Ms Davidson: We work closely with them.

Mr Monaghan: They rely on us heavily in terms of dealing with the Indigenous youth and vice versa. We work with them when they are in a position to cater for an Indigenous youth. Working with other services in this area, it is really important that we have a good relationship with the liaison offices in the school system. Referrals are coming probably weekly at this stage. We have got 10 kids in the program at the moment and there is a waiting list; so it is not something that is going to change overnight. There are going to be a lot of issues around where will we see these kids in six months time—in the Bimberi centre or stuck in some school where they just do not want to be and failing their education and everything else that comes with it.

MS BURCH: What age is the numeracy and literacy program?

Ms Davidson: High school age.

MS BURCH: So most of your work is with the young folk, young youth?

Ms Davidson: Yes. We are funded to actually work with 12 to 25-year-olds. Our reconnect program is for 10 to 18 years.

MS HUNTER: Good morning. Mr Monaghan, you were saying that you do have good relationships with the schools and with the teachers who are referring the children on to the literacy and numeracy program. What has been the reaction from them, hearing that this is not going to continue to be funded?

Ms Davidson: I do not think they are aware of that. We just keep getting referrals; so we are concentrating on what we can do at Gugan at the moment. When we did meet with the Director of Indigenous Education, we made the point that the schools have to become more accountable. They cannot be turning children away; it is actually against the law. And we spoke in depth about the issues; so it will impact greatly on the schools.

MR SMYTH: In terms of the work you were doing, what was the unmet need? Was the money that you were getting sufficient to cut the need or was it a much larger problem?

Ms Davidson: No, it was not. The money was just funding a teacher to come in two days a week. Off her own bat, our teacher also does tutoring for the Erindale College Indigenous students whom we need to try and keep in that school system and not be grading their classes. There has already been identified six Indigenous young students from Erindale College who require her assistance. The problem that I see is that this teacher has a young family herself. If we lose her we are in big trouble.

MR SMYTH: So in terms of the unmet need, the teacher is getting 34 and the program's getting \$35,000 per annum now. What would be required to meet what you see as the need?

Ms Davidson: We need to have, I think, the teacher on three days a week. She has not got any time. She does preparations for her class; she has got a 10-to-one ratio. At Galilee, for instance, they have a three-to-one ratio because they are working with at least 10 children. She has to prepare classes for children from year 7 to year 10. She is doing a lot of this off her own bat because she is a very genuine, caring person.

THE CHAIR: Ms Burch.

MS BURCH: Just on the partnerships and connections with the schools, is it just in the south Canberra area because you are based in Erindale?

Ms Davison: No, it is also in Belconnen; so we have to then provide transport to get these young people from the north side over to the south side.

MS BURCH: I am just trying again to get the connections to see where they can work better in relation to Indigenous teachers and teachers' assistants. Do you think there are enough Indigenous assistants and support structures within the school system through this program that can link back to you and better support what you are doing?

Ms Davison: The Indigenous education unit has a number of Indigenous education

workers within the schools but because of their lack of resources some of those are dealing with up to 10 to 20 schools for the one person. That becomes more difficult; so we have to stay in close liaison with the Indigenous education unit so that we are helping each other out resource-wise.

THE CHAIR: Are there any other questions for the witness?

MS LE COUTEUR: Given there is an Indigenous education unit, why do you think there is a big advantage in your approach? I am not being negative here; I am just liking to hear it in your words.

Ms Davison: I think overall, whether you are Indigenous or non-Indigenous, there are some children that just do not fit into the mainstream schooling system. I think that is all I can say about that. They drop out. They are told to leave by the teachers, actually. They know that they are 14 years and 9 months. “You do not need to be here any more”. They tell the parents that as well. We are up against that. What can be done about that unless the schools become more accountable for their actions?

MS BRESNAN: Just in relation to that, a quick question. Do you think, I guess, that the students were coming to you because there is that community element as well which you provide which the school may not provide?

Ms Davison: It is. They feel safe and secure. Some children work better in a small class environment. They do not just come to us with educational issues. They may have drug and alcohol issues; they may have family issues; they may have accommodation issues. So we have got a team of people that surrounds them that can give them that support.

THE CHAIR: Are there any more questions?

Mr Monaghan: I would just like to say something else too. Some of our kids that come to the program have issues around identifying as Aboriginal youth and they are attached to an Aboriginal family but there is a single mother or father. They come to these programs and they have problems with identifying. I think it is being in the Indigenous youth centre, and getting that identity, and recognising the other kids and what is happening around their lives and their getting a better understanding of how they need to deal with it.

We also work closely with Relationships Australia. They also come along to help with counselling for the youth if there are any issues that have been raised. It is a whole range of things that is being dealt with in that whole process. It is something that the kids really respond to. As Kim said, there is a wide range of areas that the staff cover. I think that is very important that everyone knows everyone and gets to acknowledge everyone in the organisation.

THE CHAIR: Thank you very much. We appreciate your taking the time to come before the committee. We commend you for your work. A transcript will be made available so you can check that you have not been misquoted in any way. Thank you very much for your time.

Ms Davison: Thank you for your time.

LOWEN, MR PHIL, Chief Executive Officer, ACT Division of General Practice

THE CHAIR: Mr Lowen, have you had the opportunity to read the privileges card?

Mr Lowen: Yes, thank you.

THE CHAIR: And you understand the contents?

Mr Lowen: Yes, I do.

THE CHAIR: Would you like to make an opening statement?

Mr Lowen: I am here to talk in support of the GP workforce initiatives in the current budget. The division certainly welcomes the initiatives. We are very pleased that, despite the economic conditions, the Assembly is in a position to support something that is very important for the community benefit and something that has an immediacy for the local community.

We appreciate that this area is primarily one for the commonwealth in primary health care, but that both parties in the house here have gone to considerable lengths to engage with the primary health care sector and try and understand the needs. We look forward to the bipartisan support of the Assembly for these important initiatives.

We also welcome the initiatives in relation to e-health. We do ask, though, that some priority be given to see results and action rather than just planning. We have been waiting a long time for e-health; e-health and connectivity are part of the solution to reducing red tape, improving communication between all elements of the healthcare system and giving community patients their own record that is readily transportable between practices. The existence of a good summary record would have removed all of the angst about practice closures and relocations, because it would have given the consumer ready access to a transfer of all records of their needs and their healthcare situation.

THE CHAIR: Mr Lowen, are you able to tell us in a little more detail what are some of the particular initiatives that you believe will be useful in relation to GP workforce shortages?

Mr Lowen: Everything that is in the current package is going to be a plus. The difference, though, is that there are some that are going to have longer term or mid-term goals. Most of the things like investing in the workforce through training, scholarships and the training assistance packages for GPs to be able to take time out from clinical practice to help with the registrars and the students in their practices are very important, and they lay the groundwork for the future. But it is going to be a while before that regime produces the next generation of doctors. They also have a range of more immediate needs, and there is an opportunity to address a number of those through the GP development fund. We are looking forward to close engagement with ACT Health on shaping that development.

There will probably be a number of other initiatives that will come out of the GP task force and consultations with the wider primary healthcare sector, but the challenge

will be prioritising them. Clearly, there are never enough resources in health, so the question is about how to prioritise for the areas of greatest need. We are trying to do our part. We held a community consultation—an aged care forum—two nights ago, with over 70 people in attendance. That was focused very much on bringing the parties together to try and work on solutions, not just define problems.

In this period at the moment, I think there is goodwill from all parties, and there is recognition that something needs to be done and it is not something you can just be talking about or where you can just be identifying the problems or getting point scoring off each other. It requires strong partnerships and collaboration to actually get the problem solved.

THE CHAIR: No doubt you have had a lot to say on this publicly, and there have been some Assembly inquiries into this issue, but, for the purposes of the estimates committee, could you briefly put to us, from the division's perspective, why it is that Canberra suffers from such a GP shortage given that Canberra is such a great place to live. We know it is a national problem, but we seem to suffer in a more severe way than most jurisdictions. Just briefly, what are your thoughts on why that is?

Mr Lowen: I think part of the problem is that we do not really know. Part of it may be the attractiveness or non-attractiveness of the capital city for many doctors. From talking to my colleagues interstate, it is certainly clear that most colleagues are very surprised to hear that Canberra has a doctor shortage, so there may not even be an awareness in the wider workforce that Canberra is a place where you could come and make a reasonable living and have a very good lifestyle. That is possibly part of that.

And Canberra is still rated as a capital city. We just saw huge incentives from the commonwealth budget come down in favour of rural health and regional centres, but Canberra is slap-bang in the middle of a major referral network and support for rural communities around us. None of that incentive flows on into the actual ACT. I think that is another part of the problem.

There are inequities in the distribution of assistance schemes between the inner and outer suburbs, which for Canberra is just nonsense. To say that Weston Creek will get a doctor there who can relocate with benefits and a practice nurse will have their wages subsidised in Weston Creek and Tuggeranong but not over the hill in the bottom of the Woden Valley is just nonsense. It does not matter how many representations seem to be made by governments of whatever colour in the territory; there just seems to be very little willingness to move on the part of the commonwealth in levelling out the subsidy arrangements.

I guess it does put the state in the unenviable position of needing to intervene to assist to restore some of that balance to try and make GP careers a more attractive profession.

Another thing is that the nature of the profession is changing and we need to do more research and get more understanding of what are the attraction and retention factors. Certainly, from our own data we are seeing that among the younger GPs there are increasingly fewer people who will work full time in general practice. A recent study, which is just coming out with preliminary findings, is telling us that it is not because

they are not working; it is because they are working in many other areas. And most of that is through choice—to have a bit of balance in your life and in the workforce.

It is not uncommon. I have got general practitioners on my own board who are lecturers at ANU, working in general practice, and working in community settings such as refugee assistance programs and other activity areas such as government advising, working in any one of the tiers of government that we have here. We have the highest number of doctors in Australia per head of population in absolute numbers, but the second lowest in Australia in terms of actual doctors who treat patients.

THE CHAIR: That is quite a challenge. Members?

MS BRESNAN: I want to ask about one of the initiatives being funded, the after-hours GP locum service in particular. That is designed to stop unnecessary admissions to hospital, which is one of the issues.

Mr Lowen: It is more fundamental than that. It is the in-hours locum service for aged care. We are still looking at the shape of that.

MS BRESNAN: That is the one I was referring to, yes.

Mr Lowen: The problems we have in aged care are manifold. It starts with gross understaffing of aged care facilities due to funding formulas from the commonwealth, in my view. There is a lack of equity in wages, which cannot be supported in any way. If we try to match public sector wages in the aged care nursing workforce, where does the money come from? There is an acute shortage of staff to do work. Under legislative guidelines in the ACT, the staff that can do the work often are not able to do things that GPs currently have to do for them, like vaccinations and giving fluids. Some medications cannot be done in the nursing home; that means a GP gets called in.

When GPs are called in, they get remunerated for the visit; the more people they visit in the nursing home, the less they get paid per visit under Medicare. And they do not get paid for all the time and phone calls that happen when they get back—“Mrs Smith has had a fall; Mrs Smith is a bit unstable on these medications; Doctor, what can you do?” And the system’s connectivity does not exist, so there are no electronic medication systems that will link back to general practice. Very few facilities have rooms for GPs where they can have computers where they can update their own records. The records are pretty ad hoc, on paper. So you have got big issues on the home side.

On the community side, there are just not that many GPs who, because of the pressures of work generally because of the shortage, are willing to take up additional nursing home patients. This becomes very acute for aged people transferring in to be with families, which is a fairly new phenomenon for Canberra. Canberra used to be the place you came to from other cities and then you went out and retired somewhere else. Now we have multi generations of residents who are bringing their aged parents or infirm parents into Canberra, putting on additional pressures. Those patients do not normally have any connection with an existing GP, and the GPs who are treating their family members often are already stretched.

Many of the GPs who focus on aged care in particular have been there a long time and have grown up with the families. They are the ones who are closest to retirement. So we have this real crisis where the very people who are most likely to be retiring are the ones who are providing most of the workforce for aged care.

So yes, this is a very important initiative—if we can find doctors, and practice nurses perhaps, to help staff and support aged care.

MS BRESNAN: That was going to be the other question—about actually getting the staff to be able to run the program as well.

Mr Lowen: It is a cascading problem. I used to run hospitals in Canberra. The problem was the willingness, at the time, of the unions to see substitution of nursing into lower levels of assistants in nursing et cetera. I think everyone is now recognising that there are some things that GPs do that, under supervision and with appropriate training, can be done by the professions. Equally, there are some things that nurses currently do that could be done, under supervision and with appropriate training, by other emerging professions. Otherwise, we just shift the burden from one area of workforce shortage to another.

MS BURCH: It is good to hear that you support the GP initiatives in there. Wrapped around this budget line is other workforce development opportunities—so looking at allied health assistants or nurses. Then there is a lot of work on preventative health programs. Will those two programs relieve the burden of general practice and so, in essence, make their workspace better?

Mr Lowen: Yes, potentially. If the programs are real—by “real”, I mean that they make a real difference on the ground—then they have the ability to relieve. If prevention means no more than another brochure launch in the gardens of the Assembly or the front foyer of the Canberra Hospital, we achieve nothing. We have got to be very careful that the resources are targeted to get real outcomes. If they do, everything of that kind—prevention is very important, certainly. Following on from our Indigenous colleagues earlier—prevention in the Indigenous sector is absolutely critical. The gap in healthcare outcomes, even in a city as affluent as Canberra, is still huge between the Indigenous and non-Indigenous sector.

MS BURCH: And the other workforce initiatives?

Mr Lowen: Any improvements we can make in the workforce, but they have to be in the context of connectivity. GPs and specialists are generally trained for whole-of-person care; most other professions are trained to do a segment of the care. It is important that we enhance and build team-based care arrangements. That can be through co-location, but that is not always going to be practical, because that loses that sort of access to regional suburban centres, which become non-viable because they cannot have everybody sitting in one small shopping centre.

We do have opportunities, though, to look at virtual care and connectivity by using e-health. There is no reason why you have to have people physically located in one location if you have got people working together with the right kind of e-health tools. That is why we call very much for a real, meaningful program and time lines for the

rollout of the e-health initiatives in the ACT. There is \$91 million—much bigger than the \$20 million in the GP workforce. But we do not want to see it spent on upgrades of computer boxes or something; it needs to be about connectivity and working together to get better health outcomes.

MR SMYTH: Has the division done any succession planning for the next decade?

Mr Lowen: For the workforce?

MR SMYTH: For the GP workforce.

Mr Lowen: We are struggling with that at the moment. We are working with the GP task force, who are working with ACTPLA to try and model where GPs actually are. There is no licensing and registration scheme, so we are relying very much on our individual databases to match where GPs are attached; what sort of numbers, full time and part time, there are; which ones have practice nurses which help greatly in their workforce; which ones have allied health professionals—and map those to the areas and then overlay mapping of population disadvantage, density, transport maps et cetera. That is part of what the task force is doing at the moment. We just signed an agreement to share our data with them.

What we are seeing at the moment is certainly an improvement since ACT Health has been supporting workforce advertising. The division has been part of that, with the AMA. We have had some big successes in bringing new doctors into the territory, but we are also losing them at a fairly fast rate with retirement. So yes, it is a challenge; and no, I am afraid we cannot tell you in great detail what the actual succession plan is. And on historical records, I do not think the commonwealth government or others have done a very good job in terms of planning—or they would not have cut back on GP training by over 200 places nearly a decade ago.

MR SMYTH: Is the lack of data a problem in determining how many GPs we actually need in the ACT?

Mr Lowen: It is. The data is held in many different areas. Medicare has a lot of the data that we could use for modelling. The other factor we need to model in is not just our current population distribution and where GPs are; we need to get a sense about what level of substitution of services can achieve. There is no point having too many more practice nurses—we do want them, but you cannot have too many more—if they can not access some of the Medicare item numbers. So there is a commonwealth dimension there.

The other is simply the ageing. We know that once you are over 65 you are utilising about four times the resources. At 85 it is about six times healthcare resources. Canberra is a little bit better off in some ways, in that our aged care profile is around nine—9.3, 9.7—per cent who are over 65. The Australian norm is about 13.1. We are going to approach that very rapidly because of this changing demographic, and that will accentuate the pressures. It is not just numbers; it is also modelling in what the demand forecasts are. That is something we cannot do ourselves as a division. That requires access to the Medicare data and probably some population health assistance out of the main academic units of the university.

MR SMYTH: Just in raw numbers, does the division have an estimate of how many GPs we are short or how many we will need?

Mr Lowen: We still hold with the line and the number we give is 60. That is 60 based upon the current age profile in the ACT. If we had the same age profile as the rest of Australia, you would be looking at significantly more. It is partly because most GPs are not full time in general practice. You need 60 people to probably do 40 GPs' worth of work.

MR SMYTH: I was going to ask whether that is 60 GPs working full time or 60 doctors.

Mr Lowen: It is 60 doctors.

MR SMYTH: What does the division consider an FTE—a full-time equivalent—to be? How many hours a week does a standard GP work?

Mr Lowen: There are big debates about that. Medicare use a different measure entirely, called full-time weighted equivalent. They simply take the number of Medicare items that are used and divide by the average Medicare items used, to work out what a full-timer should be. That would probably equate to around 38, 40 hours a week anyway. Normally, full time is considered to be five days a week working, but many GPs in practices here in Canberra will spread that by working evenings and weekends and having other time off so that they still have time to see their families. Some of the older GPs would certainly work much more than that. We have got a lot of data that suggests that under Medicare there are doctors working 1.3 or 1.4 FWEs, but there are others working a lot less.

MR SMYTH: So we need 60 GPs to fill the 40 full-time places?

Mr Lowen: At least, yes. That is to meet current need.

MS BURCH: I am conscious of the time. You made comment around the strangeness around Canberra being a capital city but being in a rural regional classification system—that has great benefits to the GP workforce—and also made comment that with service substitution or practice changes there may need to be some legislative changes around what different groups are allowed to do.

Mr Lowen: That is correct.

MS BURCH: If that is something that we could pursue, that would make a difference to the GP workforce?

Mr Lowen: Yes. For the aged care sector in particular, it came out as a very big issue: with appropriate training, empowerment and some minor legislative changes on what the workforce could do, there could be significant improvements in the relationship between general practice and the burden that is placed on them for aged care, which might attract more in.

MS BURCH: Thank you.

THE CHAIR: We will have to leave it there. Thank you very much for your time. A transcript will be made available to you so that you can check and see if there are any corrections needed.

Mr Lowen: Thank you very much.

FLINT, MR PAUL, Executive Director, Council on the Ageing (ACT)

THE CHAIR: We welcome Paul Flint from the Council on the Ageing. Mr Flint, have you read the privileges statement and do you understand it?

Mr Flint: Yes, I have.

THE CHAIR: Thank you. Would you like to make an opening statement?

Mr Flint: The budget is somewhat of a complexity for us, of course. What we made as recommendations for inclusion in the budget included the issues of affordable housing, that there needed to be initiatives, particularly in the area of private rentals; dental health, and our specific recommendation was mobile dental health for aged care facilities and people that are immobile in their homes; accessible public transport, and there were a number of issues around that that we made recommendations on; and healthy and meaningful ageing and seniors remaining in the workforce.

On first look at the budget, there were very few of those things actually taken up. However, when you put it in the context of the more recent federal budget, there are a number of issues that have, to some extent, addressed, or we hope will address, some of those issues. Of course, the commonwealth initiatives on affordable housing are one area. The renewal of ACTION buses does improve accessible bus transport, but not necessarily other forms of accessible transport. There were some others. The commonwealth initiatives on health in particular are focused on areas that are positive for older people. So I suppose, in summary, what we would see is that many of the initiatives were not the ones that we had identified as key priorities, but many had some peripheral benefits for older people. I might leave it at that.

THE CHAIR: I might get you to go into some of the specifics. You mentioned dental health. What would you have liked to have seen there that has not eventuated?

Mr Flint: The issue there again has been highlighted by the recent changes with the commonwealth, that dental health in aged care facilities has been given a priority. We believe that the need is there basically because of the health need—people with poor dental hygiene. However, the commonwealth has identified it and given it some fiscal imperative for the providers to also provide services. So the question for us then is: how will it be provided in the ACT? Our recommendation was that there should be a mobile dental clinic that can go into facilities and also hopefully have the capacity to provide that sort of care to people in their own home, if they are immobile. Also, in the public health system, again an increase in capacity is the real issue that we are looking for to be able to address the needs.

THE CHAIR: Thank you. Members, are there any questions?

MS LE COUTEUR: Our previous presenter was from the GPs. He talked a lot about the problems in the aged care sector, which I am particularly aware of because my parents are in it. What do you think the ACT government could be doing to address some of the issues in residential aged care, the nursing homes and the hostels? I am very well aware of the gross problems with the workforce.

Mr Flint: Well this is the problem, that a lot of them are basic workforce issues.

MS LE COUTEUR: Yes.

Mr Flint: And therefore they cannot be resolved simply by transferring health workers from other parts of Australia or even other parts of the world.

MS LE COUTEUR: Yes.

Mr Flint: Unfortunately, that means that the time lag is going to be much longer. It is a matter of training and getting that greater range of health expertise. As the previous speaker mentioned, it is often not what we would call the top professional level that is needed. It is the dental hygienists, the podiatry assistants. You know, it is the level of care. At the moment we are requiring the doctor or the particular professional to be able to go into a health care facility, and it is hard enough to get those sorts of services in the community without having this extra impost on the providers. So there are some structural changes where we need to have those associate-type workers for the professionals. But in the dental health area, of course, if we have hygienists that can go in and identify initial problems, that is good where people are still mobile. However, where people are not mobile, that just identifies the gap. It does not solve the problem. That is why we believed that it needed a mobile service as well.

MS BRESNAN: One of the interesting issues, which you have brought up in your submission this morning, is about the affordability of housing and also around high rental prices which older people often face. Then you have mentioned that obviously a key incoming investment is the federal housing initiative. I think there have actually been some cuts to housing funding in this ACT budget because we have got that federal money coming through. Have there been any talks between you and the ACT government about how that sort of federal initiative or how that funding will be able to roll out, I guess, to make sure we are targeting groups such as older people?

Mr Flint: Yes. That is something we are lining up to have the talks about, but we have not had them yet. I suppose one reason why we see that as being particularly critical is that some of the other initiatives have been broad community initiatives: the first home owners scheme and things like that. There has not been a particular sector for older people within those schemes and so older people have been marginalised by them to some extent. That is where we believe, not that we should have priority, but that there should be a reasonable component of accessible and appropriate housing for older people within those schemes. That is what we are particularly concerned about with the affordable housing, the commonwealth initiative. It is not that it should be dedicated to older people per se, but there should be a reasonable component that is appropriate for older people.

MS BRESNAN: Yes. I guess, like you said, that is why that consultation is important, so that you can actually identify where the need areas are?

Mr Flint: The need is across the board. For older people in the rental market in particular security is a key issue, and of course cost is a key issue, and they are being further marginalised in that market at the moment.

MS BURCH: Just a very basic question: what are your parameters for an older person?

Mr Flint: It depends which question you ask. The seniors card is over 60. Of course, for pensioners, you are looking at 63 or 65. If you are talking about employment, you are probably looking at over 45. So, yes, they are the parameters.

MS BURCH: On the housing, where is the vulnerability? Are they 45 or are they 65?

Mr Flint: In housing?

MS BURCH: Yes. You were speaking around access to affordable housing.

Mr Flint: The people that are vulnerable are people that have actually left the workforce. They are retired. They have rented in the private market in their period of employment, and in the current circumstances they do not have the income or capacity to continue in the rental market but they do have some assets that exclude them from ACT Housing. That is the group that we have seen as being most vulnerable at the moment. Of course, the other side of that coin is that they have tended to be long-term renters. Therefore, they may not be quite at the front of the rent rates. Therefore, they are in the houses that are most likely to be sold or they are trying to get a more commercial rental rate. So, you know, they are vulnerable from a number of aspects. But they are the group that we have the most difficulty trying to find appropriate accommodation for.

THE CHAIR: Mr Smyth is still trying to get over the fact that he is an older worker now. He is going to ask a question.

MR SMYTH: With respect to Mr Flint. On pages 4 and 9 of your submission you talk about the sustainability of all the community sector in terms of funding, particularly from the ACT government. At what stage is that? Is it something you are concerned about? Is it something that is approaching desperation levels? What is required to fix it?

Mr Flint: The rate at which it approaches desperation will probably be determined by the performance of the economy and other sectors in the near future because not only has there been a gradual tightening over time for the sectors but also, of course, there is a significant increase in demand at the moment for the services. We are not a major service delivery in the sense of a lot of the organisations around Canberra, but we do deliver some services direct to the public and we have seen that increase in people trying to access the services. So for us it is very tough going at the moment, and that is the issue for other service delivery agencies. If they are in the commercial rental market in particular, they are in a perilous state.

So it does depend very much on the individual circumstances, but we see it as being a very major thing because we have some sort of rundown of capital, and our ability to do what we see as appropriate with workforce and keep up with the community standards is deteriorating. For example, if we lost our current group of employees, it is almost impossible at the moment to get new employees. So it is very difficult.

MR SMYTH: And the formula that the government currently uses, which is part CPI, part WPI, is that disadvantaging you? What effect is that having on workforce issues?

Mr Flint: Well, it depends on which services you have that are commonwealth funded and which are ACT funded. The ACT is a little better than the commonwealth. I do not know whether you can say the formula per se disadvantages you, but we do not pay anywhere near the rates of the ACT government or the commonwealth government or commercial organisations. That is a workforce fact. So it does make it difficult to actually provide the standards for staff that are required.

MR SMYTH: On page 9 you say, “COTA recommends that the ACT government agree to a one-off boost of funding levels and thereafter ongoing funding indexed by the acceptable wage cost index.”

Mr Flint: Yes.

MR SMYTH: So is the current indexing unacceptable?

Mr Flint: Well, the issue—and it is the same issue with the pension—is that over time, if the index is less than the actual wage level, then you fall further and further behind and the gap becomes bigger, and that is the situation.

MS LE COUTEUR: Given in particular your definition of older workers as being from 45 plus, do you think there are things that the ACT government should be doing to improve employment prospects for these workers, such as me?

Mr Flint: We have for a number of years suggested that the ACT government should try and implement a scheme where it takes leadership to employ older people—that it take a more active role to try and capture the skills of older people in the ACT. We believe there are some firms in the ACT that have taken strategies to employ older people. They have more flexible working arrangements and have different structures where there is less pressure, for example, to perform for 52 weeks of the year. I think there are options to do that. But that has not happened within large workforces generally. That is generally a characteristic of smaller, more flexible workforces.

MS BURCH: Which is, in many ways, the attraction of some of the smaller workforces, to give you that flexibility?

Mr Flint: That is right. Coming back to that, that is the only reason that we, as a community organisation, can retain staff.

MS BRESNAN: I guess it requires people to have a commitment to what you are doing as well in a way, does it not?

Mr Flint: Yes. You can provide a more flexible, more family-friendly environment, and they are the sorts of characteristics that we need to be built into the broader workforce.

MS LE COUTEUR: I guess you would probably argue that it would not cost the ACT government anything to be more friendly to mature workers. It is just a matter of

flexibility.

Mr Flint: It is a matter of some creative initiatives. I think that this issue is going to become more important with the new federal government initiative to increase—

MS LE COUTEUR: Yes.

Mr Flint: Well, there are two issues we have seen in the federal budget. One is the increased unemployment level, but the other is, of course, the increased retirement age—pension age. There is going to be more of a gap there and you will probably have more people that will see it as essential to have more flexible employment because they will be older.

MS BURCH: I think those opportunities exist. It is probably just not a culture of many of the larger organisations. There is grandparental leave. That is a fairly new initiative that provides more flexibility for the older workers.

Mr Flint: Yes, but I suppose what we are talking about is not additional benefits but just organising a current system in a different way.

MS LE COUTEUR: Are you aware of cuts to any other services which are relevant to your sector? I am particularly thinking of organisations like ADACAS.

Mr Flint: Yes. There has not been much change in the coverage of the core older people areas. But you are right. ADACAS provides a service that is essential for many older people. It is a service that we need. I suppose, if I could say as a bit of an aside, we have been approached and involved in many more cases in recent times where we feel that that sort of expertise is needed. Many of those issues that are causing an increase in the demand are health related, and we see that. So it is a very difficult situation.

MS LE COUTEUR: In particular, do you have any idea of what has happened to the elder abuse program?

Mr Flint: The elder abuse program is an area where it is very difficult to have an effective program because not many people self-identify for elder abuse, unlike a lot of other areas. The real issue is that you have other programs, and that is where they identify, but they you have got to be able to have virtually a flying squad to address it. That is the difficulty—

THE CHAIR: You were talking about self-identifying.

Mr Flint: Yes. It really needs to be integrated into your housing, your financial advice, your health programs. Those coalface programs are the ones that will generally throw it up. That is a structure that we have not had. That program is, to my knowledge, in abeyance at the moment and I do not know what is going to come out in the future.

THE CHAIR: I think we will leave it there. Thank you very much, Mr Flint.

Mr Flint: Thank you.

THE CHAIR: Thank you for your time. A transcript will be made available for you to check.

MACDONALD, MR GAVIN, Chief Executive Officer, ACT Sport

THE CHAIR: We welcome Gavin Macdonald, the Chief Executive Officer of ACT Sport. Mr Macdonald, have you read the privilege card?

Mr Macdonald: Yes, I have.

THE CHAIR: And you understand it?

Mr Macdonald: Yes.

THE CHAIR: Would you like to make an opening statement?

Mr Macdonald: Yes, I would. Firstly, thank you for inviting us to appear before the committee. From the time we submitted our budget submission, things have certainly changed for our industry, let alone for the wider community. A lot of that has to do with the Crawford report, which is going on at a federal level at the moment, which has a flow-down impact into the community. We need to keep in mind that a number of things could come out of that which could vastly change the industry.

Also, we would like to welcome the investment funding that has been concurrent in the last budget and this budget. There were no cuts to that portfolio. I refer also to the initiative regarding the development of major facilities around Canberra, which is an excellent one. The drought-proofing initiative with the playing fields is an important one, and one that is high on the agenda for us.

THE CHAIR: We will go to questions. Mr Smyth?

MR SMYTH: You made a number of recommendations in your submission. How many have been taken up by the government and has the government responded to the needs you put forward at the time when they were submitted?

Mr Macdonald: Where we asked for funding to be held at least at the levels that they are at, that has been taken up. There has been some action to look at some of the bottom-level entry into the service skills area with the ASBA program and working on those sorts of things. In the current climate, most things are status quo. We spoke a lot in our submission about future planning and building a strategic plan for the industry.

MR SMYTH: And is that likely to happen?

Mr Macdonald: From what I believe, yes, there is some work beginning, certainly within sport and rec services, to look at a strategic planning framework. We have had some initial discussions on that.

THE CHAIR: Mr Rattenbury?

MR RATTENBURY: Thank you, Chair. I want to ask about the link between tourism and sport. I would be interested in your comments generally on what initiatives you see in the budget to link those two important areas.

Mr Macdonald: Tourism, for our industry in the ACT, is a very important sector. We have the ability to bring in large numbers of participants, supporting staff and families, certainly for junior competitions. The Kanga Cup is a great example of that. From what we have seen from the strategic work that Tourism ACT is doing, most of that is focused on large events, and mostly is spectator based. We would like to see a greater investment in the community-level sport sector and recreation area to attract more events, possibly at the junior level, if not just at the mass participation level—for example, the Australian Masters Games and events like that.

MR RATTENBURY: Do you have regular meetings with the tourism sector?

Mr Macdonald: I am a member of a task force which includes a number of members from the tourism sector, including Tourism ACT. My last meeting directly with Tourism ACT was over 12 months ago.

MR SMYTH: On page 5 of your submission, you have a recommendation about the structure of sport and rec and its ability to work with tourism and events. Clearly, that is a structural thing that may come out of what happens in the coming year, but has the government given any indication that it agrees with that and that it will work on it?

Mr Macdonald: It was received positively. There have been no definite remarks or comments directly on that matter. Our comments are based around the fact that the sports industry is complex, in the fact that it links into so many different areas. Most notably, I am appearing this morning amongst a whole bunch of community health organisations, and that is notable because we have such a link. Government is only just beginning, at the federal level, to understand the impact we can have on that agenda. Our point is that it is very important that sport and recreation has the ability to be able to work with the main roles of TAMS, certainly where their field maintenance and control come into it, but then there is a wider area, which means linking into so many other sectors of the community and of government, to be able to deliver real gains to the community as a whole.

MS BURCH: With respect to your comment on links to tourism at a lower level, I am looking at the budget initiatives regarding the basketball centre, enclosed ovals and leisure centres. Is that the lower level where you get community and school groups and you get those stronger—

Mr Macdonald: Probably, when you are talking about participation events, you are talking about large venues that can hold multisports. There are areas in Dickson and other places with large open spaces that are designed for sport and which can handle that. We had a meeting two days ago where Capital Football and basketball presented to a large number of our members. With respect to a lot of the issues discussed, they are at capacity, they cannot grow, there are no more fields, courts or indoor spaces for those two sports to participate in. It makes it very difficult for them to go out and bid for national events through their own sports or multisport events with other sports because space is probably at a premium at the moment.

THE CHAIR: In relation to those particular sports, Capital Football and basketball, what additional capacity were they suggesting was needed in order to both host events

and deal with the demand at a local level?

Mr Macdonald: For basketball, that is an easy one. They probably sit alongside a number of other indoor sports. The indoor facilities are at an absolute premium. They need to be well designed and need to be able to cater for large events as well. We certainly welcome the basketball centre of excellence. It has a particular role within that sport, and the same is the case with the netball centre, which will have a particular role within that sport. But as for the ability of venues to be able to cope with housing table tennis events, volleyball events, badminton, basketball and netball, all of these sports have very specific and very different needs for their venue. With respect to some of those latter ones like badminton, table tennis and sports like that, it is very difficult to find venues that can cater for their needs.

MR RATTENBURY: Are you aware of any member groups of yours that are having to turn away potential participants in sports because of lack of space or lack of facilities?

Mr Macdonald: Yes. Basketball is a perfect example. They have started a strategy not of growth but of sustaining what they have got. As far as turning away, I met with table tennis people on that issue about four months ago, and they were turning away participants. Certainly, having regard to the quality of venue that table tennis has, it is very difficult for them to be able to sustain what they have.

THE CHAIR: I know this is a very specific topic, but just on basketball, is the basketball centre at Woden still used regularly for basketball in Canberra or is that now used for other things?

Mr Macdonald: I could not comment on the particular use of that facility. I am certainly willing to go away and investigate it for the committee, but I could not comment on its specific use.

MS BRESNAN: You mentioned that it is important to have those links with other community groups. I guess that includes disability, ageing and all those sorts of groups as well. Do you think that, by creating smaller, multipurpose facilities, that can be encouraged as well, and that those links are getting people active?

Mr Macdonald: It is. The biggest gain here—and the federal government is just starting to acknowledge it, if not realise it—is that the wider community sport and recreation industry has a ready-built model that can have a true impact on the health status of Australians as a whole. The problem is that sport and recreation is not-for-profit and is at the bottom of the political tree, certainly at the federal level. It does not have the investment to be able to go out and work effectively with these groups. There is also a barrier to be broken down over time. Health groups from 20 to 25 years ago saw sport as a problem rather than a solution. That is starting to change. I think the Crawford report will have a lot to do with that.

Moving forward, it is about the ability of our members in that industry to be able to connect into these other groups. Manpower is certainly a major issue for our industry. Being not-for-profit and running on an oily rag, they have a high turnover of staff and they have a large loss of intellectual knowledge. So they may create these links one

year and then the links will go in the following year. It is going to be a long, hard task.

MR RATTENBURY: Speaking of those links, how strong are the formal links between the sporting sector and the health and community services sector in the ACT?

Mr Macdonald: Not overly strong, from my understanding. Certainly, with respect to our organisation, we are at the preliminary stages of making contact with ACTCOSS and groups like that to make those links. There are some ad hoc programs running out within our members to target certain community groups, but they are off the back of one-year funding programs and their effectiveness is probably only short term. Certainly, we will be advocating to our members to make those links stronger and to build an ethos within the groups to work in the community services sector.

MR RATTENBURY: Within formal government structures, are you able to comment on the linkages between sport and rec, the Department Of Health and the community services department?

Mr Macdonald: No. To my knowledge, the only link that I have seen that has been evident is the link between Disability ACT and sport and rec services. I think that is an initiative by both of those groups.

MR SMYTH: On page 5 of your submission you say that ACT Sport advocates that the structure of the sport and rec services and its ability to work with events and tourism should be enhanced. How do you see that happening and do you have a sense of whether the government is interested in doing that?

Mr Macdonald: It is less about the Tourism ACT division or sector but more about events and sport and rec services, which are overlapping in many different areas. Because of the nature of what those two bodies are doing, Neale Guthrie and events are dealing quite often with entertainment rather than sport. At the end of the day, the Brumbies and Raiders are entertainment, to the greater community. That crossover becomes confused regarding what the benefits are in moving forward. For them to be able to work closely together would be of greater benefit to the community. The roll-down from running those entertainment events would be clearer and the pathways would be clearer. How it links into tourism is a difficult one, because they have got varied and very wide target areas and they look after events that are far and wide outside of what we are trying to do.

MR SMYTH: Your other recommendations looked at, for instance, implementation of the recommendations from the recreation summit. When we talk about sport and recreation, we spend a lot of time talking about sport and I think rec gets lost in the rush. Are you aware of whether the government has taken up the suggestion and what the plan for the implementation is or is it just out there in the ether?

Mr Macdonald: I am definitely aware of it. I attended the first recreation network forum on Monday, where they started to look at some of the public consultation into the mapping reference and looking at where recreation is in the community at the moment. It is certainly a very important one. There is a continuum between recreation and sport; there is no division. A large number of people involved in recreation end up in sport and vice versa, whether that is through injury, ageing or the reduction in

wanting to be involved in competitive, active recreation. From what I have seen, the forum was quite good and a lot of good points came out of that. I believe that is the first step towards looking at some of those recommendations.

MS BURCH: Going back to linkages across some of your members, a Children's Physical Activity Foundation was established last year to promote physical activities for children in schools. Building on what you are saying, are there opportunities for the schools to have a link with the formal sports clubs and to make those connections to broaden those opportunities, as opposed to just running PE in schools?

Mr Macdonald: The comment I would make on that relates to the capacity of our industry to be able to make those linkages. There is certainly a want, and there is an understanding of the need within each of those organisations. But the capacity to be able to do it is quite difficult. Because of red tape and a whole bunch of other barriers in trying to build into an education system, to be able to get the flow-through is difficult. Our recommendation would be to build on that program and to ensure that it does not make the same mistakes that active after schools have made, where they build a barrier and a division between being involved in active recreation and then being able to make a lifestyle change by being involved in a community that encourages that—moving from a game with a ball at lunch-time or in a 30-minute session and linking that in to perhaps wanting to be involved in basketball or football or maybe just wanting to get out into the park a little bit more.

MR SMYTH: On page 12 of your submission you talk about the need for a condition audit of the facilities. There was some work done in 2000 and 2003. What is the status of that? Has the government agreed to this recommendation?

Mr Macdonald: The government have not spoken to us in the organisation about that. We have had a number of discussions with the minister directly about doing an audit. It is certainly, again, a major point coming out of the Crawford panel review as well. They understand that, from a national perspective, there is a severe lack of information in Australia about what is actually there, even to the point where the sports themselves do not know what they have got around Australia, let alone the government. So we would hope that we could continue that and work towards it. It certainly would make planning new suburbs a lot more efficient if we have an understanding of what we have got and what we need.

MS BURCH: Is there a role in your group, around the initiatives around drought-proofing and re-greening ovals, to have input regarding the location of those sites?

Mr Macdonald: Definitely. We have got direct links into our membership, who understand what the levels of capacity of their sports to deliver in certain areas are, so we can definitely give some strong comment on that. But it probably goes further: we can create greater links for government into the industry and linking in through the corporate sector as well, which is becoming another major issue with the financial crisis. A number of our members are losing sponsors on a daily basis. It was only weeks ago that one of the hockey clubs in north Canberra announced that it was losing 10 sponsors. That has a major impact at club level, and \$5,000 for a club is very much a large percentage of their revenue.

THE CHAIR: Thank you very much, Mr Macdonald. We appreciate your time. A copy of the transcript will be made available for you to check.

JONES, DR PAUL, President, Australian Medical Association, ACT

THE CHAIR: We welcome Dr Paul Jones, President of the AMA ACT. Dr Jones, have you had an opportunity to read the privilege card?

Dr Jones: I have.

THE CHAIR: You understand its contents?

Dr Jones: I do.

THE CHAIR: Fantastic. I need to deal with a couple of housekeeping measures: a reminder that mobile phones must be switched off or on silent and the first time you speak, can you identify yourself and the position you hold. Would you like to make an opening statement?

Dr Jones: I would, please. I thank you for the opportunity to present some of the AMA's views about the issues in the health system. There are a number of areas that the AMA is interested in and some of these relate simply to the dollar amounts in the provision of services and in one sense are pretty straightforward. Others are much more complex because they go to the heart of policy, which the committee does not need me to tell it has the capacity to divert funding from one area to another and to make priorities.

I could, if you let me, spend all day talking about the health system. Within the limits of the time available, I wanted to address five main areas this morning which I would like to see examined. In relation to the first one, I really have to ask a question. Is it appropriate for me at this point to raise some issues around the proposed sale of Calvary Hospital?

THE CHAIR: Yes, if you believe it is relevant, please go ahead.

Dr Jones: I think there are some areas of this proposal that are relevant, particularly in the context of some announcements that were made in the budget with respect to territory-wide rostering, some of the funding around IT and those sorts of things that seemed to me to assume that the sale will go ahead. I would like to talk about Calvary. I would like to talk about the need which the AMA, both locally and federally, believes exists for increased funding for acute public hospital beds both in terms of the numbers of them and some measures to improve the availability of them. I would like to talk about accessibility of mental health services in the ACT and also the need to train our future workforce. And I would also like to talk briefly about a couple of the things that have been announced with respect to services and structures being provided within the community by ACT Health.

If I can turn first to Calvary, I am not an accountant and I trust that the committee and the Assembly would be able to get advice about the number crunching. But I find it a bit hard to get my head around the idea that we are going to spend \$100 million, give it to LCM, in order to spend \$200 million in capital over a 10-year period. This is an issue that has generated a huge amount of interest in the community both from my colleagues and also from patients. People who know what hat I wear in terms of the

AMA bail me up at the golf club, the bridge club and other places and talk about it.

They are concerned about the potential for efficiency to be used as a reason for centralising services at the Canberra Hospital. They are concerned about the loss of what is perceived, I think rightly, as a culture of caring at Calvary. I probably should declare an interest here in the sense that I was one of the first two residents at Calvary when it first opened in 1979; so I have been watching it for a long time. I have also worked there as GP adviser to Calvary. I have been getting phone calls from my colleagues and not one of them has said that they think this is a good idea.

There have also been some concerns, mostly from members of the community, in fact, about the reality that this is a public asset and always has been. It was paid for by the federal government when it was first built and the notion of the ACT government then paying \$100 million to “get it back” seems to be a legal device. Whether that is necessarily a good use of funds is perhaps for others to judge. It is also a bit hard for us to understand why you take a service which currently runs to budget and has done for a number of years and hand it over to be run by another service which regularly runs over budget and goes to the government and says, “Please, sir, I want some more.”

There are also some concerns about the ability of governments to give reassurance long term to the community that services will continue to be provided at Calvary. No government is going to go to an election and say, “We are going to downgrade Calvary into a rehab and subacute care service.” But the reality is that there are a number of services provided within the hospital that are critical to it maintaining acute services. Those are particularly the intensive care unit, the emergency department, the obstetrics unit. You cannot run an acute public hospital without an intensive care unit. If it is downgraded, for example, to a high dependency unit, that has implications for emergency surgery, for complex surgery and also for obstetrics.

If we want to be brutally efficient, we have one large complex geographically located as near to the centre of the whole territory as we can get it but it would be very difficult to tell a newly pregnant mother of three children in north Gungahlin that it is efficient for her to be transported over to the Canberra Hospital to have her caesarean section or any other emergency obstetric procedure. So I think this proposal needs to be examined very carefully indeed.

With respect to the provision of public hospital beds, there have been announcements in the budget which we welcome in terms of increasing the number of acute beds.

THE CHAIR: Just before you move onto that, Dr Jones, at the beginning you flagged some assumptions around rostering that indicated that the sale would go ahead. Are you able to expand on that?

Dr Jones: In the budget papers there is reference to the territory-wide rostering concept which means that in a particular field—for example, orthopaedics—and some of this occurs to a certain extent already, there will be a territory-wide roster which will ostensibly provide cover to each of the two hospitals. The danger we see in that is the loss of a local identity and a local commitment from the people who are working in the system and the potential for services to be gradually moved over from one place

to the other. There is also some reference to IT, which also I think assumes that the system will become one.

THE CHAIR: Okay, thank you.

MS BURCH: Can I just add, this is just based on assumptions and there are no decisions made as yet?

Dr Jones: No, not that I am aware of.

MS BURCH: Right.

Dr Jones: Although further to that on the subject of public hospital beds, most of the announcements about new acute beds have been at the Canberra Hospital and we think it probably just keeps up with the increased demand that is going to occur in the territory over the next few years. It will be interesting to see, incidentally, what evolves with respect to the machinations up at the other place as far as private health insurance rebates are concerned and whether it has any impact in the territory on public hospital bed usage.

MS BURCH: But the beds are increasing. They have increased over the last few years?

Dr Jones: Yes, we are very pleased about that. I think one of the things the AMA has been arguing for a long time is that we believe we need more public hospital beds. One of the other things that we would like to see is the trial of other innovations in terms of making the beds more available. For example, in WA my colleagues tell me that they have started trialling something that has been done elsewhere in the world—what they call a four-hour rule. In a sense, it is a way of putting pressure on the emergency department to make a decision about patients and either get them up into acute beds or make a decision to send them home.

One of the things they looked at in WA in the hospital where they first trialled it was what were the obstacles to getting people into beds. One of them was that there was about a six-hour turnaround time between somebody leaving the bed and someone getting into it. We do not want a situation where as one person is walking out the door with their suitcase the other one is sort of climbing over them to get into the bed. But if their figures are correct and if they are replicated in the territory, that is one bed day for every four hospital admissions that we have. So it is not just about increasing the number of beds; we think it is also about making the use of them as efficient as it can possibly be.

We were disappointed that the increase in funding for mental health was modest. In mental health, it is not about buildings, although patients and staff should expect no less in the standard of facility than in other areas. And if you think facilities are adequate, it might be instructive to go and look at a place like the Brian Hennessy Rehab Centre where there is an element of, I think it can best be described as, barely adequate in many ways.

There have been initiatives from the federal government which have provided for GP

referrals for psychological treatment. Anecdotally, we have some concerns expressed by our members that what is happening is that GPs are having patients referred to them by existing mental health services with a view to having that sort of service provided. The problem is twofold, I think. One is that it increases the complexity of the journey for the patient and the other is that unfortunately many of those psychological services provided under the Medicare scheme are, in fact, not being bulk-billed; so there are some price obstacles for patients that occur. One of the ironies is that the rate of bulk-billing by GPs referring patients to the psychological services is actually higher than the rate of bulk-billing of the clinical psychologists providing those services. That puts some dollar barriers in the road of patients. The other problem—

MS BURCH: Sorry, with mental health, though, there are a few initiatives in the budget. There is one around mental health training for emergency service workers and teachers and things like that.

Dr Jones: Yes, we think that is a really good idea. I think that they are often placed in a very difficult position in terms of trying to make judgements about people's mental health that even those of us who have been doing it for 30 years find very difficult indeed. So I think that is a really good measure that was in the budget. The other concern about the push to send people via the GP pathway, if you like, is that it tends to be more taken up by those people that Carmen Lawrence once famously described as the worried well. I would be very concerned if we lost public mental health services on the basis that the federal government is funding them in other ways, because I am not sure that that process meets the needs of many of those people with mental illness in our community.

MS BURCH: That is a federal GP mental health process?

Dr Jones: Yes. Training and recruitment is something that we are pleased to see in the budget there is an ongoing commitment for. The problem, I guess, is that we are still as a nation and as a territory relying on recruiting our doctors and nurses from elsewhere and that concerns us. I spoke to an intern at the Canberra Hospital who was one of six doctors and 20 nurses from a town in Kenya who looked after a population of about 120,000 people. We have recruited him and in a sense you cannot blame him for making that judgement but it is hard to argue that our need is greater than theirs. Bangladesh has about one-quarter of the doctors per head of population that we do and we recruit from them, and nurses likewise.

MS BURCH: It is a global market though, is it not, nowadays?

Dr Jones: It is, absolutely. But I guess our argument is that we need to be really careful to make sure that in the territory and nationally, of course, that we make sure that we recruit and train—

MS BURCH: Our own. Grow our own.

Dr Jones: the best and the brightest of our own. Certainly, the ANU medical school is a really good example of doing that. One of the problems that we are going to confront in the territory is the nexus between the universities and the post-graduate

training, which has not really been addressed as well as we would like as an organisation. There were some positive moves in the budget, I think, to provide scholarships for the ANU medical students with a view to retaining them here.

MS BURCH: Were those scholarships the PG ones, post-graduate years? They are intern years, those scholarships?

Dr Jones: No. There are two programs that I think you are talking about. One is the scholarships that are for people going into the ANU medical school program who will then be effectively required to do some time in the territory. The other one that I think you are referring to is what they call the PGPPP, which is to take people in their first or second year after graduation and put them in general practice as a way of exposing them to general practice as a discipline and as a specialty so that they get the idea that all things do not revolve around the high-end, “sexy” stuff that goes on in the hospital. We certainly welcome the continuation of that funding.

It is one of the things that again—and probably this is a theme that I am going to talk about this morning—the territory seems to be required in some senses to pick up and that we think probably the federal government should be doing. That is not the business of this committee, I know, but the PGPPP is a program that we believe has not been adequately funded by the federal government and the territory is having to “pick up the slack”. I think one of the things that we would like to see the territory government do is keep putting pressure on its federal counterpart to make sure that those sorts of programs and the post-graduate training programs are adequately funded.

The post-graduate training programs for the other specialties are generally based in the hospital and are funded by state and territory governments. The post-graduate program for GPs of course is funded by the federal government and, we believe, insufficiently so. A lot of the stuff that comes out of the budget and some of the things that we have talked about already revolve around the territory trying to fill in gaps that have been created elsewhere. But it is not something that I am saying we should not do.

We have got a vocal population in the territory. They are often very involved and they, I think, often put pressure on the government to respond to things that occur in the community. We have got to be careful, I think, to make sure that we do not overreact to that and take measures that are not necessarily in the community’s best interest or in patients’ best interest. The AMA is always accused of being defensive about these things but I think we have got to watch very carefully what sort of measures we take to put in place people like nurse practitioners and others doing things that GPs have traditionally done, on the basis that there is a shortage of GPs. Master degrees or not, they do not have the training in diagnosis and management of complex conditions that GPs do.

Looking at that, one of the curious things I thought in the budget was the announcement of the enhanced community centre at Belconnen, which seems about \$31-point-something million. It was a big chunk of money with, it seemed to us, no great detail about what the need was that was being addressed and what the detail was going to be of the sorts of services that were provided. We inevitably hope to have

some input into that process as it evolves but I think that is something that we are going to be watching with some interest.

It is not even clear where it will be. My understanding is that some of the intent is that it will provide some services that are currently provided within the hospitals; so whether there is an element of moving the deck chairs, I am not sure. Mind you, it will be, I think, welcomed by people on the north side who perhaps could look at the budget and otherwise not see a lot in it from their perspective.

One of the things that we are concerned about, with respect to aged care—and we think it is a good idea—is that the territory government again, unfortunately, is picking up one of the problem areas that are generated in part by federal issues, and that is to look at doing something about the shortage of GPs visiting residential aged-care facilities. You are probably aware that you are looking at a typical GP who visits residential aged-care facilities. Fairly clearly, I am a lot closer to the end of my career than I am to the start. Fourteen per cent of GPs in Australia do 85 per cent of the nursing home visits or residential aged-care visits.

So the measure to provide an in-hours locum service, as it is being called, into the residential aged-care facilities, we think, is a very good thing. We think it will take pressure off GPs who have got a full caseload in their rooms and then are trying to find an hour or half an hour or three-quarters of an hour or two hours sometimes to go and visit people in the residential aged-care facility at often strange hours, which is not just bad for the GPs but is bad for our patients as well.

Going and seeing someone at 7 o'clock at night—there are fewer staff in the residential aged-care facility; they are often less trained than those that are there during the day—means the information flow is sometimes difficult. They are often agency nurses or agency staff who do not even know the resident. So there can be some issues on that. I think this initiative is a really good one.

We are a little bit concerned to hear via the ubiquitous grapevine in Canberra that there is going to be a tender process involved with this. The understanding that we had was that the after-hours locum service that currently operates would continue to provide this service. They are the ones that have the conduit to the GPs that they are going to need to recruit. It is complex because GPs depend on the after-hours service for, among other things, their, what is called, vocational registration. It is one of the gateways to the Medicare system that means differential rebates for patients. We will be watching very closely to make sure that this process does not put that under threat, because it will mean potentially at least the loss of GPs to the territory. As I said, I could probably talk all day; so I will probably say enough is enough.

MS BURCH: I am interested in going back to your comments on the Belconnen centre and its new model of service and on GPs visiting aged-care facilities. An earlier speaker today spoke of the benefits of having enhanced roles or enhanced practice of nurses, say, in aged-care facilities to take some of the burden off of visiting GPs. You do not seem to be supportive of extended practice.

Dr Jones: I would not say “not supportive of it”; I think I am very cautious about the notion of extended practice, which enjoys a fair amount of currency. When people

talk about nurse practitioners, for example, you very rarely hear them saying “nurse practitioners”; they usually say “independent nurse practitioners”. We have some concerns about the capacity for these things to become fragmented and, in the case of residential aged-care facilities, for the care to become a bit disjointed.

MS BURCH: But that could be enhanced through e-health, if e-health were to come through.

Dr Jones: There are certainly some opportunities there in terms of e-health. I think, with respect to the roles that people play, it is an interesting turnaround in a sense. Historically, residential aged-care facilities started as convalescent homes just for those people who got out of hospital and went there for a couple of weeks and then went back home again. The whole thing is in a sense coming full circle, because residential aged-care facilities are now much more of a spectrum than they used to be. They are not like a mini-hospital population.

But one of the things that have happened over time is that there has been a gradual—in a less public place I would probably say—dumbing down of the workforce in the residential aged-care facilities. I have said it anyway. And now we are saying, “Let us get some nurses back into the residential aged-care facilities, because that is what people actually need.” I do not think it is a bad thing at all; I just have some concerns about how fragmented that might become if we are not careful.

To give you an example, I had a very elderly lady in one of the residential aged-care facilities who needed pain management. One of the things I wanted to do was prescribe her a dose of painkiller at night, if she needed it. Because of their staffing structure, I was not able to do that. There was no registered nurse there; a registered nurse was not able to go to the drug cupboard and sign for a narcotic and give it to her on an as-needs basis. We had to either not give it to her or write it up as a regular dose whether she needed it or not, so that it could be put into her Webster pack and the non-nursing person that was present was able to give it to her every day. It is a catch 22 for the, in this case, 90-plus-year-old person. I certainly do not think it is a bad thing if we have more hands-on nursing within residential aged-care facilities. I think it is a really good thing.

THE CHAIR: We will move to some other questions.

MS BRESNAN: We have talked a bit about some of the federal work that is happening. There is also the work obviously on the National Health and Hospitals Reform Commission and, I guess, a general understanding that we need to be pretty much focusing on preventative types of initiatives. In the AMA’s opinion, is the ACT government doing enough to make a shift towards a more preventative-type focus in the services we are providing?

Dr Jones: I am sure that is part of the intention, although we have not seen the detail yet, of moves like the enhanced community centres. I think they would be an opportunity for that sort of service to be provided. It seems to be a truism in the health system at the moment that, if you throw education at people, it will change their behaviour. If you have programs of education, it will change people’s behaviour. Whether that is actually true or not remains to be seen, I think.

But to answer the question, I think there are a number of public health initiatives that the government currently runs that make perfect sense. If we look at some of the measures in tobacco control, we think it is a very good thing that the territory is moving in that direction. Those are the sorts of measures that are actually concrete, behaviour-changing measures that we think are probably the desirable ones.

MS BRESNAN: Using mental health as an example, having those early intervention-type programs, means you are not always focusing on the crisis when it comes to someone's health situation but you are actually trying to prevent that crisis from happening as much as you can.

Dr Jones: That is a very complex question in some senses. Where do you intervene? The judgement becomes whether you are going right back to trying to micromanage families almost, in some senses, because for so many of the issues for people with, if you like, the non-psychotic kinds of mental illnesses—people with depression and anxiety disorders and those sorts of things—a lot of those things are rooted deep in personality and family and early development and those sorts of things. It is a bite that I am not sure I would want to take in terms of trying to work out how you should best intervene in those sorts of things.

You are right: there is an element of crisis management but I think that partly reflects the resources that mental health enjoys in the system generally. I would not necessarily be critical of any government, given the complexity of the problem and the scope of the problem. But the reality is that I do not think we have enough resources in the community to go and intervene at an early enough level on a large enough scale for it to make a lot of difference.

MR SMYTH: Back to the acute care beds, you have said that the increases over the last couple of years only keep up with increased demand. Does the AMA have a position on additional beds? Is there a shortfall? Is there an optimal number of beds we should have in the ACT?

Dr Jones: I guess the number that we tend to look at is often the occupancy rates of the beds, which we know. It gets back to what I was saying before about the so-called four-hour rule and using the beds efficiently. I do not know whether anybody really knows what the right number is for a whole range of these sorts of services. If you are a GP, as I am, and you are out there in the community, you know that there is, as one of my colleagues once said, a huge amount of untapped pathology out there. That is his way of talking about it.

There are so many things that, if we got every single person and threw all of the resources of the system at them—and this gets back to Ms Bresnan's question about the early intervention in mental health services; you could make the same arguments about early intervention in diabetes, about early intervention in heart disease and a whole range of other things—if you take life coaches and present them to each one of us, we could do a great deal but whether as a community we can afford it is another matter altogether.

The same thing probably applies to public hospital beds to a degree. We freely

acknowledge that what we are talking about often is arguing about where the line is drawn rather than necessarily having an absolute number in our head. Part of that is reflected in things like waiting lists, waiting times in the emergency departments that we talked about before. But it is in a sense all we can do. From the AMA's point of view, all we can do as an organisation is look at what is happening elsewhere in the country and what are the benchmarks here and internationally and argue that we need to push the line a bit further.

MS BURCH: The changes in practice, day surgery, all those other things come back onto the need for beds and people's length of stay in hospitals as well. And that changes over time?

Dr Jones: Absolutely. It is instructive for me to sometimes go back and think about what used to happen when I was a baby and when I was working as an intern. People with gall bladder disease would be admitted to hospital for 10 days to settle them down and then they would be sent home with a booking to come back six weeks later and have an open operation, which would then take 10 days for them to recover from and be discharged. Nowadays, they are treated in the emergency department and sent back to their GP to be investigated, brought in and have keyhole surgery, which requires them to be in hospital for three days.

There is no doubt that hernias are done in one day, where it used to be a three to seven-day stay in a hospital. There is no doubt there are a whole range of areas where that is the case. And my understanding from the budget papers is that most of the increase in the public hospital beds is actually in the acute assessment beds where we are talking about those people who are acutely ill with, I presume, things like colycystitis, gall bladder disease, appendix, those sorts of things.

I think we have to be—and I guess that is what your question is about, is it not?—continually looking out for those sorts of opportunities to change the way we use the beds as well as just how many there are.

THE CHAIR: We might leave it there. We thank you very much, Dr Jones, for your time and for your contribution. A transcript will be made available to you as soon as possible, which you can check for accuracy.

Dr Jones: Thank you.

THE CHAIR: Thanks very much. We will now adjourn. We are due to come back at 12.25 for the Canberra Business Council. We will have a private meeting prior to that.

Meeting adjourned from 11.25 am to 12.23 pm.

FAULKS, MS CHRIS, Chief Executive Officer, Canberra Business Council

THE CHAIR: I welcome Chris Faulks from the Canberra Business Council. Chris, you have seen the privileges statement and understand it?

Ms Faulks: I have and yes, I do.

THE CHAIR: I invite you to make an opening statement, if you would like to make one.

Ms Faulks: The Canberra Business Council is the leading peak body in the ACT and capital region, representing over 400 individual members and the interests of more than 30 industry organisations which we call kindred organisations. The council and its kindred organisations remain committed to working with the ACT's elected representatives across all parties to ensure outcomes that are conducive to stimulating the growth and development of Canberra and the capital region.

Could I just say very quickly that before the last election we put a paper to all parties in the Assembly at that time outlining the fact that we are strongly of the view that the Australian Capital Territory has a number of competitive advantages which we are currently not leveraging off appropriately. They include the fact that we are the seat of the national government and the home of national institutions, that Canberra has a cluster of world-class tertiary education and research institutions and is the home to the most highly educated and environmentally conscious population in Australia.

We remain committed to working with government and with all of the representatives in the Legislative Assembly to develop hopefully in the future an economic development strategy which will leverage off those competitive advantages so that we can maximise sustainable economic growth in the ACT.

THE CHAIR: Thank you. Would you like to give us some of your thoughts on this year's ACT budget?

Ms Faulks: Yes. The Canberra Business Council gave qualified support to the ACT budget. We recognise that in the current economic climate, with the downturn in the economy and the significant and substantial impact that has had on the bottom line of the ACT budget, there are constraints in terms of what the government and the ruling alliances can enforce in the ACT. We are supportive of the modest average annual spend of only \$49 million for new initiatives. We are strongly of the view that this is not the time, in this particular year, for governments to drastically reduce public sector employment, spending or services in order to deliver a balanced budget, nor is it the time to burden businesses with new taxes and levies.

In particular, we support the capital works expenditure, the focus on health and education, initiatives directed at improving the environment and sustainability, funding to improve planning and procurement policies and practices, support for export-oriented businesses, investment in tourism, although that is far too small, and we welcome the ongoing financial support for projects like ScreenACT, the Exporters Network and the Chief Minister's export awards.

We are particularly pleased, although it is a very modest start, that the government has begun to move away from stimulus around bricks and mortar. We are very supportive of that, but we do not think that is necessarily the only direction for the future of the ACT. The investment of \$90 million in e-health and the CollabIT program and the \$19 million for the web portal, we think, is the beginning of a new direction that we need to go in which is leveraging again off our knowledge-based economy and the fact that we are the most educated and wired-in community in Australia.

Our concerns relate to the magnitude and duration of the forecast budget deficits. It is our view that some quite serious measures will need to be taken to claw back those deficits in future years—that is, beyond 2010. Those concerns are amplified by the fact that the budget does not clearly outline how the ACT government expects to eliminate the deficit by 2015-16. We appreciate the fact that it will be consulting and we are supportive of that. Nevertheless, it is quite a worrying time for business to be looking at seven years of deficit. And could I say that our concern beyond that is that at the same time that the ACT will be clawing back its deficit, the federal government will also be clawing back a very substantial deficit.

When those two occur at the same time, the pain for the ACT is going to be significantly compounded. The worst case scenario is a perfect storm where you have budgets at both levels taking drastic measures to return the budgets to balance or surplus and that is likely to have a substantially and disproportionately negative impact on business and employment in the ACT.

THE CHAIR: Thank you. There have been some issues raised. I know that the Business Council had something to say on procurement issues in the ACT.

Ms Faulks: That is right.

THE CHAIR: That has been raised with me personally by other groups. Are you able to talk us through some of the concerns around procurement?

Ms Faulks: There is quite a wide range of issues. The government have held a number of roundtables and it is our view that they are beginning to listen to the concerns of the business community. The issues range across the fact that the paperwork is, in some cases, ridiculous. The insurance requirements have been totally disconnected to the risk associated with some of the projects. For example, you were looking at \$10 million and \$15 million in insurance sometimes for projects that were really quite small and had quite a low risk component.

We have lobbied hard to have the insurance requirements—that is, professional indemnity and personal liability—matched to the risk associated with the work that is being done. I think the government is listening there. To give you an example, there was an InTACT project or tender recently to go to a panel. Most of our members that responded to that had to submit 70 pages in response, multiplied by 10 criteria. In some cases—and I actually saw the responses—we were looking at hundreds of pages to respond to a tender. The private sector, depending on the size of the tender, has estimated that it costs between \$10,000 and \$50,000 to respond.

That is fine if you are a large organisation and you have got people who do nothing

else but that, but for small organisations it becomes very difficult. The reason we began lobbying the government is that we are hearing on a regular basis that it is more difficult to do business with the ACT government than any other jurisdiction in Australia and sometimes overseas. We have exporters that find it easier to do business with defence in Washington than they do with the ACT government.

I can go a little bit further. We—

MS BURCH: Are we comparable though to other jurisdictions, or federally, in that matter as far as insurance and risks are concerned?

THE CHAIR: I think she just said that it is worse than in any other jurisdiction, but if you want to elaborate.

Ms Faulks: The government have moved to amend that. There are other areas as well. It is our view that the government, and not just this government but previous governments, have very ambitious infrastructure projects—“infrastructure” in terms of quantity—and do not usually reach them or meet them within the period that is allocated.

Our view is that some of the management of those projects could be put out to the private sector. There are companies in the ACT, for example, that are actually managing procurement and project management for the Victorian government, the Queensland government and the New South Wales government. They could easily, particularly in the current environment where we are trying to roll out the stimulus—the federal government’s stimulus—within a very short time frame take up some of that work.

MS LE COUTEUR: Can I make a brief commercial announcement? As you may or may not be aware, the public accounts committee is starting an inquiry into the procurement and we look forward to your submission on this subject.

Ms Faulks: You will get a submission on that.

MS LE COUTEUR: Can this be a bit of segue? One of the things you talked about in this submission was incentives for small business.

Ms Faulks: Yes.

MS LE COUTEUR: I am not really aware that there were any in the budget, particularly.

Ms Faulks: No.

MS LE COUTEUR: What do you think there should have been?

Ms Faulks: Business do not want handouts, and that is often a surprise. They do not want business welfare. I was at a meeting last night, for example, where Lighthouse, which is a government funded project here, indicated that in the time they have been going, a quite short period, they have had 60 companies go there, 55 of which were

looking for seed funding to get their organisation or their initiative up to the next level. It was available under the knowledge fund until that was abolished in 2006.

That is the sort of thing that business is looking for. There is a little bit of money around now, although it is regarded as not sufficient. I think the problem with government and with bureaucracies is that they tend to become risk averse, and I understand that. When you are investing in innovative initiatives some of them are not going to produce outcomes.

That is what business is about. There are some that you will invest in and you will not get a return. There are others that will actually become some of the strongest businesses that we have in Canberra. I can name quite a few that benefited under previous seed funding arrangements and have gone on to become very successful ACT businesses. That is the sort of business assistance that we are looking for in one area. We are looking for a taxation and business regulation regime that is at least competitive with other jurisdictions. The reality is that other jurisdictions are competing with the ACT. They are offering incentives to business; they are offering all sorts of arrangements to attract businesses there.

I understand, again, that we are a small jurisdiction and we have restrictions around the amount of money that is available, but if we are to grow the economy beyond a public sector economy then we have to attract businesses here, successful businesses. And that requires a policy that is business-friendly, if you like. We are not saying that the current arrangements are not business-friendly; we are simply saying that, from our point of view, we would like a growth or a business development strategy, a longer-term one, that looks at some of those broader initiatives. Most of the other states have them, and we had it with the white paper before but that tended to just fall over. There really has not been an economic growth strategy or development strategy since then. We will certainly be putting something to government on that. We are working on something at the moment.

MS BRESNAN: Just around that, when we were talking about the small business, do you think that the small business incubators that were run were helpful in terms of our getting people to be able to establish small businesses and then to continue providing that start to become more viable?

Ms Faulks: They are. We have had a couple of goes in the ACT at doing that sort of thing. What tends to happen is that goes for a little while and then the funding is cut. If you look at some of our innovative businesses in particular, they cannot wait around for government processes. For example, at the federal level they cut the commercial-ready funding. That has put a whole lot of businesses that were in the pipeline into a hole. Two things happened as a result of that: businesses become quite sceptical of government. They then try and make other arrangements. If they cannot find the funding in the current arrangements, their projects do not go ahead or else they just go offshore and get funding from other places.

If there is one message I would like to send, it is that the ACT and surrounding region is in a competitive environment to attract businesses and we need to be a bit smarter about all of the arrangements that do that. We need to put a sign up that says we are open for business.

I have had three interviews with companies in the last two weeks, all of whom have said that they will probably be going to Adelaide or other places in New South Wales because it is just easier to set up there.

MS BURCH: There is a program to support businesses. I think it is called Business Point.

Ms Faulks: Yes. That is a slightly different thing. It does not make money available—

MS BURCH: And there is no venture capital through that?

Ms Faulks: No. That is really to assist, and it works very well. It is to assist businesses, for example, to develop business strategies or business plans to look at marketing. It runs a series of seminars, brings people in with a little bit of mentoring—all very important for small business. But if you are looking at innovative businesses, quite often they need a capital injection at a particular point to ratchet up to the next level to commercialise their product.

As I said, everybody understands there is risk involved with that and some of them will not progress. But if you look at Epicorp, for example, if you go back and have a look at the figures—the actual success rate of those businesses and the investment—the return on investment was quite remarkable.

THE CHAIR: Mr Smyth, you had some questions?

MR SMYTH: You mentioned deficits, and the ACT position has worsened since the release of the federal budget. I note in the last paragraph of the document you put out at the budget breakfast that you were calling for a strategy to address the deficit. What is it you would like the government to detail?

Ms Faulks: Firstly, we would like some detail and we will be working with the government to look at areas where they will need to make cuts. I need to make it clear that we have been calling for the last period of time for no cuts in the public sector in the ACT or the federal level in this particular environment. That would be the worst outcome for us and we have made a plea that they do not cut, that both levels of government do not cut procurement in this particular environment, just to help the businesses get through the downturn.

But the reality is that with two massive deficits at both levels of government some very hard decisions are going to have to be taken. As I said, the worst case for us would be a 1996 Howard government budget at the federal level, matched up with the 2006 Stanhope government budget at the ACT level. If those two things came together it really would be a perfect storm.

MR SMYTH: So their concern is that the year's delay in this budget and the delay at the federal level might culminate in it all happening in one area at one time.

Ms Faulks: The reality is that somebody has got to pay back the deficits. We all know

that; we know that from our personal finances. Businesses know that particularly. What we would be asking for is a much closer relationship with and education, if you like, of the federal government by the ACT government because when decisions are taken at the federal government level they have a disproportionate impact here.

There needs to be very close cooperation between both levels of government so that those harsh decisions do not hit at the same time. Could I just extrapolate that a bit further? In our pre-election submission we made it very clear that the relationship between the ACT government and the federal government has to be very close.

We have just seen \$22 billion in infrastructure spending go out from the federal government and not one penny of that came to the ACT. I have seen the recommendations that went from Infrastructure Australia to the federal government and the Majura Parkway was in it. Somewhere between there and the announcements in the budget, that was cut out.

You will notice the heading of our media release is “Nation building for every corner of Australia”. That was the Treasurer’s quote in his budget speech, but obviously that does not mean the nation’s capital. We think there is a lot of work that needs to be done between both levels of government to get the federal government to understand that over the next five years when both government are paying back their deficits this could have a multiplier effect in the ACT. We also got nothing for the centenary of Canberra.

MR SMYTH: I assume all members are aware that the announcement of the Majura Parkway was incorrect. We have not actually got \$220 million for new roads.

Ms Faulks: No, there was no money in there. I checked that. I rang the Chief Minister’s office here and Albanese’s office; there is no money there. So what we are saying is that it seems at the moment the federal government is looking as it should at the national-international economic situation, looking at Canberra and saying we are wealthy, we are employed, we are educated. All of those things are true. But when the hard decisions need to come in the next five years, we need to be very careful of the impact here. When the Howard government cut 12,000 out of the federal bureaucracy in 1996 the ACT went into recession. So we really need to be very careful.

MR SMYTH: The cuts to tourism and the \$3 million loss to the business funding: the business funding I know was the end of some programs, but would it have been desirable to leave that money there and have it as a start-up or an R&D fund?

Ms Faulks: We actually think there needs to be more of a strategy rather than just leaving money there from programs that finish. We would like to see something that was far more focused and strategic and based on evidence in terms of what has been successful in previous areas.

We do not think there is enough funding for tourism. We think that tourism was one of the key competing advantages that the ACT has because it is the national capital and has the national institutions. We would like to see a lot more investment in tourism, particularly in the short term because we think that bringing people that might have gone further afield down the road from Sydney or from closer at this time

is something that we could really leverage off.

MS BURCH: In terms of tourism, do you think that is about making use of Canberra as part of the region as well? Thinking about it, we have the snowfields not far from us; we also have wine regions. So do you think it is about actually doing it from a regional perspective?

Ms Faulks: Everything we talk about is not just confined to the borders of the ACT. It is really about the ACT and the surrounding region. That is everything from Yass, Goulburn, Queanbeyan, Cooma. We have to look at it as a region. We cannot draw a line between here and Queanbeyan and say, “We are only going to look after the ACT,” because they are too closely tied.

MS BURCH: Do you think the autumn event is a good investment in tourism?

Ms Faulks: I would have liked to have seen a lot more consultation with the industry before the autumn event was announced. We were supportive of another major event. Floriade is obviously very successful, but I think there needs to be a lot more conversation with the tourism industry.

The interesting thing in Canberra is that tourism—I suppose all industries—is small; it is close, and there are a lot of people with a huge amount of expertise there. I think if you sat down with them, they would certainly come up with that other event of the year that could be funded. Victoria has done this very well. They just roll from one major event to the next.

THE CHAIR: We will leave it there. Thank you very much for your time, Chris. The transcript of these proceedings will be made available so that you can check it for accuracy.

EVANS, MR ALAN, Director, NRMA

COLLINS, MR RON, ACT and Regional Policy Specialist, NRMA

THE CHAIR: We welcome representatives of the NRMA. Before we commence, have you read the privilege statement and do you understand its contents?

Mr Evans: Yes.

Mr Collins: Yes.

THE CHAIR: Thank you. Mr Evans, would you like to make an opening statement?

Mr Evans: Yes, I will make a brief opening statement, Chair. The NRMA, in its 2009-10 budget submission, put forward what we consider to be the key issues, which were: the Gungahlin Drive extension; the need for the airport road links—Morshead Drive, Pialligo Avenue and Fairbairn Road—to be taken through to completion; the Fairbairn Avenue and Majura Road link upgrade; and also that we were very keen to be assured that the existing 2008-09 ACT budget and forward estimates for the road network were confirmed. In particular, we sought from the government confirmation that the restoration of the Tharwa bridge, the Tharwa Road upgrade and the Flemington Road duplication were completed in the time frames that were specified in that budget.

We welcome the fact that the budget addressed the majority of those issues and priorities, of course with the assistance of federal funds. It is our view that, given the amount of revenue collected by the federal government from motorists, both in the ACT and nationally, there should be greater provision of funds from the federal budget for roads in both the ACT and elsewhere.

We also believe it is important that the road linkages in the newer developing suburbs are addressed very early in the planning process and that provision is made for them. We have seen some of the issues arising out of Gungahlin, for example, where the planning was not done or the provision was not made early enough.

We were pleased to see the park and ride facilities continue to be investigated. We think park and ride is a good way forward, in making sure that you can get people onto public transport where it is appropriate and reduce congestion. We were, of course, concerned about the increase in parking fees and fines. It is our view that it is seen as far too easy a task to engage in what I would call punitive measures to address issues in regard to motoring rather than educative measures. Sometimes we think that is dictated by a desire to increase revenue rather than to address the fundamental problems.

So, overall, we will give it a tick, but there are some issues of concern for us in the budget.

THE CHAIR: Thank you very much. Do members have questions?

MR SMYTH: What is the answer regarding fees and fines? What is the strategy that the government should be following there?

Mr Evans: I think, as a consequence of a meeting yesterday with the Chief Minister, where we started the process with the roundtable, you have got to have a comprehensive strategy. You can adopt either the term “vision zero”, which has been adopted in Europe, or the safer systems approach. But in order to address the whole issue surrounding what I call the transport network, you have to take all aspects and work on them. And that is not only the drivers but the vehicles and the actual road system, to make sure you are taking a holistic approach to them, rather than trying to isolate a particular aspect and deal with that alone.

Unfortunately, that has been a trend for a number of years. The focus has been entirely on the driver of motor vehicles, rather than looking at the whole transport network and saying, “Why isn’t that working properly?” Why are people, for example, not obeying the law, and why are we getting issues such as congestion when there are options that people can pursue? No-one has taken a holistic approach.

MS LE COUTEUR: Continuing the theme of a holistic approach, what is your view on things like transit lanes, cycle lanes and bus priority lanes, which take a more holistic approach to our road system?

Mr Evans: Our approach is to look at the needs of the network and how that would best be met. If there are opportunities to have a bus lane operating at particular times, for example, which will ensure a freer flow of buses, you should do so. But if you then blank it off for 24 hours, for example, and you do not allow multiple use, be it taxis or vehicles with multiple passengers, you may be defeating the end result. In particular, at times outside peak hours, if you still preclude people from utilising it, you may not be making the network as efficient as you can.

When it comes to things like cycle lanes, we are quite supportive of cycle lanes. Our primary concern has been safety. There are some classic examples in Canberra where we think there was not enough regard paid to safety in terms of making sure that you have got proper separation between cyclists and motor vehicles, and vice versa, so that, in the event that a mistake occurs, the consequences are not going to be catastrophic.

Cycle lanes are a great idea, provided you ensure you have got proper separation, proper safety for the cyclist and proper awareness of all involved in the use of that road about the likely prevailing conditions. Adelaide Avenue is a classic example where we think it is terribly wrong. There are going to be disasters on Adelaide Avenue and the consequences will be horrendous for all concerned.

MS BURCH: There is difficulty with retrofitting cycle lanes on existing road structures.

Mr Evans: Exactly.

MS BURCH: Does that mean you do not do it? With the need to move forward, it is around having them both available where we can.

Mr Evans: It does not mean you do not do it but you need to look at how you do it. If

it is going to be an additional cost to provide it so that you have got the proper separation then that cost has to be borne. There is the cheapskate way, as I call it, of saying, “Okay, we’ll just add a lane or shrink a lane, a motor vehicle lane, and put a cycle lane right beside it.” The consequences of a cyclist and a car colliding at 80 kilometres an hour on Adelaide Avenue are going to be horrendous. It was a cheap way of doing it, when you needed to make sure that you had proper separation.

You can say, “We’re advancing the world because we put a cycle lane in.” What you are doing is putting people’s lives at risk, their health at risk, because you were not prepared to spend the money and make sure there was proper separation and proper safety.

MS BRESNAN: When you are talking about proper separation, how would you see it being done? If, in your view, the way it is currently being done is inadequate, how would you see it actually being done?

Mr Evans: If you are going to try and put it on a public road then you have got to make sure that, firstly, the lane widths are correct, and there are standards around those, and, secondly, that there is a separation between the nearest vehicle lane and the cycle lane so that there is a margin for error. If a cyclist happens to hit an impediment—it could be that someone leaves something on the road, for example—and they deviate from their path, they are not going to go into the path of a motor vehicle. With a motor vehicle, if a dog runs out—and invariably people will make an effort to avoid them—they are not going to clean up a cyclist.

You have got to be very conscious of just those little things. But there is a lot of work being done both here and overseas to make sure that you can provide those cycle lanes in a safe manner.

MS LE COUTEUR: Where, as Joy said, you are retrofitting a road and you have not necessarily got a lot of space, do you think it would be a better solution in some cases to not have any cycle provision?

Mr Evans: Absolutely; build it separately. If you cannot provide that separation, that safety barrier, albeit that it is not a physical one, you should not do it, because you are inviting someone to engage in an activity in an environment which is not safe.

Mr Collins: The example that we often use is Northbourne Avenue. Northbourne Avenue has been dramatically reduced in lane width to accommodate an on-road cycle lane. There was no eating into median strips or anything like that to provide adequate width for a good useable cycle lane. Constantly we have members complaining or telling us about the bicycles coming out into the traffic lane because there is not enough width to pass another cyclist down that lane. It is creating many more conflict points for both motorists and other road users like cyclists and buses, trucks and the like along that avenue. An appropriate off-road facility—albeit travelling, in essence, a metre away from the actual road—may have been a better option, and that is upgrading the footpath, giving it better usage or taking out the median strip with a more stringent, dedicated cycle lane.

THE CHAIR: You have outlined in your submission to government some of the key

pressure points, and some of those are being responded to, particularly Gungahlin Drive extension. Looking beyond them, where do you see the other emerging bottlenecks that the government needs to be aware of in the next few years?

Mr Evans: In the new suburbs that are being developed. Much as we might wish for a world without the motor vehicle, the reality is that it is going to be around for a very long time as a primary means of mobility for the citizens of this territory. So make sure that you plan properly for it and provide access roads which can cope with the demand. We do not want to see a repeat of the Gungahlin Drive extension.

THE CHAIR: The next emerging area, along with Gungahlin, will be Molonglo Valley. What kinds of pressures will that place on some of these east-west routes, particularly Parkes Way and Hindmarsh Drive? How do you see that? Is there a need to upgrade those in response to those growing areas?

Mr Evans: I think certainly there has got to be better planning and there is a need for making sure that you do properly calculate the load that those roads are going to carry, be it Hindmarsh Drive or Cotter Road et cetera. And make sure that you take steps beforehand rather than waiting until afterwards and then finding that the pressure mounts and you have suddenly got roads which have got congestion and, unless you make major efforts, you are not going to relieve that congestion. There is a cost, but it is a cost of living in this territory.

THE CHAIR: Turning to road safety more directly, I might just ask for your views. There was a recent report that we have more cameras per capita or the like than other places. What are your views on the effectiveness of our speed camera regime and do you believe there are improvements that could be made in those areas?

Mr Collins: The last information that we received in relation to 2007-08 was that something like 40 million cars have been checked by speed cameras in the ACT. The actual infringement rate is something like 0.14 per cent of those. Our argument has always been that we are not against speed cameras if they are used as a measure to reduce crashes. However, the last rollout of speed cameras across the state was purely based on a survey of speed as opposed to a need for improving the treatment of the intersections or the section of road. In essence, they are saying that the actual statistic was not there that the crashes were occurring but their surveys indicated that people were speeding at those points.

We know inherently that, once you put a speed camera in, traffic speeds will reduce in those areas. That is fine. But there has not been any correlation to an improvement on crash statistics. In essence, from a community's point of view, it is not doing the job it should be doing. That is our concern.

MS BURCH: Do speed cameras have an effect on all crashes, though? There are often circumstances other than speed in crashes.

Mr Collins: There are often. If the evidence is there to say that crashes are occurring and the main reason for those crashes is speed because people are not slowing down quickly enough, by all means utilise the benefit of a camera to reduce that speed. The evidence is not out there at a number of the most recent locations where it was put in

place.

MS LE COUTEUR: Continuing on safety, what else do you think the ACT should be doing in terms of improving road safety, particularly around town centres and the possibility for a 40 kph speed limit there?

Mr Evans: This is one of the issues. You take that holistic approach. It starts with driver education, for example, right from a young age—the education of people from preschool right through. The NRMA conducts a number of activities which address those, but in terms of the resources we have got we cannot meet the demand. We literally spend millions a year on that. But it is part and parcel of life education that needs to be done. Whether you are in a car, you are on a bicycle or you are a pedestrian, there is a whole range of factors that we can start to educate young people about so that they are safe on the roads.

It is in simple things. There are some young people where classically you can get it to them at a very young age. There is a system of limiting a motor vehicle for carrying young people. Again, it is a lot of work. The Australian regulations at the moment allow you to put young people in the front seat of a motor vehicle with a lap sash belt. We have been arguing for some time that there should be very stringent rules which preclude you putting young people in a position in the motor vehicle which is going to place them inherently at risk.

When you are moving through the age at which you are learning to drive, again there is a whole series of measures that can be put in place, including things like—we run a major road travel forum. We take young people out of the ACT—people in years 10, 11 and 12 who are in the process of getting their licence—and undertake a major exercise in conjunction with the health authorities in New South Wales to get them to understand and appreciate it, using real-life situations and young people who have been involved in crashes which have materially affected their lives. Then you go through the driver education process, so you have got that.

Then there are the motor vehicles. A classic example is that motor vehicles today are inherently safe because of pressure we put on. But governments, for example, can lead by example in buying their fleet. Fleets are the major determiner of what we, the rest of society, get to drive either in the first instance or when we get second-hand vehicles. So it is vehicles with electronic stability control and proper seatbelt fittings in the back for young people et cetera—because they will become the cars that people will buy.

And then there is the road system. We now know enough about how we can make roads safer by simple design measures.

It all comes back to investment at an early age in the educational phase, investment in vehicles and investment in roads. That is why you have got European countries, for example, having things like vision zero, which is that no-one will be killed or seriously injured as a consequence of a crash on the transport network.

We happily accept that in this country five people die on average every day. That is 1,500 people a year. If any industry had that level of consequence from its activities—

I will use an example; it might seem a bit crass. We had 140 people die as a consequence of a bomb in Bali. Billions of dollars have gone into making sure that we are now alert and aware. But 1,500 people die each year on our roads and we do not take the same care.

Mr Collins: Another comment in relation to road safety is about enforcement from a high-visibility police presence. We think that will send a clearer message to the community than speed cameras will: if the perception is that people are aware that no matter what road they drive on in the territory there is a chance of being caught for speeding, they will be more—

Mr Evans: Or breaking any other law.

Mr Collins: Or breaking the law—they will be more cognisant of doing the right thing, as opposed to the current system, where they know where the speed cameras are, they know where they will slow down and they may take excesses elsewhere. We think that a higher visibility of policing sends a stronger message. When a person is pulled over onto the side of the road and issued with an infringement notice, it is something they remember. When they go through a speed camera and three to four weeks later receive an infringement notice, they go, “Yes, I will have to think about how I stop that in the future, possibly.” The message is much stronger coming from a direct conversation with a police officer.

MS LE COUTEUR: Have you looked at the other alternative for reducing road crashes, reducing the amount that we use the roads? I note that in your submission you are talking about a 0.5 per cent per year increase in car numbers in the ACT. You are presupposing that the numbers are going to go up all the time, but another approach to reducing road fatalities would be to reduce the use of the roads. Do you see that as a possibility?

Mr Evans: That is always an option, but let me mention a discussion I was having with a former colleague of mine from the commonwealth public service, a former departmental head. What we have got in Australia is cities which were mainly designed post the advent of the motor vehicle. The motor vehicle has occupied a major part in our planning. We have got to go into major retrofitting if we want to have a public transport network which meets the Australian people’s need for flexibility and mobility in their transport. That is a key. The more you dig down and the more research you do, you find that the key thing about Australia is that we want flexibility and mobility. To get a public transport system that meets that need is going to require significant investment.

You also have to be very careful that you do not suggest that by having a public transport network you are addressing issues like greenhouse gas. There is a major research project that was undertaken at Harvard University, for example, that showed that the greenhouse gas emissions coming from a public transport system which was under-utilised have a greater consequence than people using their private motor vehicles for their transport. We have to be very conscious and careful about what we advocate and what we do not advocate, to make sure that we get the balance right.

We also have to look at motor vehicles in terms of not just their through-life cost but

their whole-life cost. It is an easy matter to say, “Let us all go to electric motor vehicles”—providing you understand that the through-life cost of an electric motor vehicle is less than that of a petrol vehicle but the whole-life cost might be greater because of the consequences of the construction of those vehicles and their disposal.

It needs a lot more thinking and a lot more planning or changing people’s expectations. One of the things is that people have an expectation today that they are going to have a significant degree of flexibility in their mobility. Maybe you have got to say to people: “We as a society have decided that you do not have that degree of flexibility in your mobility. You are going to have to have a lesser amount.” That is a significant argument for politicians to take forward to the community. I would not like to be the one to tell people that they are going to significantly reduce their mobility.

THE CHAIR: All right. Brendan, one more?

MR SMYTH: In your submission, on page 7, you talk about Fairbairn Avenue and the Majura Road link upgrade, and the need to duplicate Majura Road. Initially it was announced in the budget that we got \$220 million—which has since proven to be false. You suggest here that the ACT government should expedite that. Is that something you still agree with?

Mr Evans: Yes.

Mr Collins: Yes.

MR SMYTH: I call that section the Monaro Highway extension because it is the final bit of the Monaro Highway. In terms of its regional impact, would it not be appropriate for the federal government to fund it?

Mr Evans: You are getting onto my hobbyhorse, Mr Smyth.

MR SMYTH: Yes. I just thought I would throw the bait out.

Mr Evans: I think it is. This is the problem. If you look at most states and territories, you will see that the revenue they collect from motorists is generally returned in full or in addition to what they collect. It is the federal government that has got a significant share of the revenue from motorists—the bigger share. If you do not want to use the \$15 billion you collect from motorists to do what the original intention of that exercise was—to construct and maintain roads or, as in our case, we argue, a public transport network and systems as well—then be honest and say so. That goes for all governments, by the way.

If you do not want to say that then put more back so that we can build a transport network. It is not just for the private motor vehicle; it is for the public transport network as well. We need to make sure those things are being done, because the demands on states and territories cannot be met from their revenue. People do not like paying twice for the same thing.

MR SMYTH: Given that the feds have now said that they will not fund the Majura Road upgrade, should the ACT government do it as a priority?

Mr Evans: It should be on their priority list, yes, but equally I am never going to give up on getting the federal government to put more money into the transport network. That is one of the things we have to keep campaigning on to make sure that they do it—or, if they do not, explain why they are not prepared to address these issues. As I said, it is the transport network per se, not just roads.

MS BURCH: The infrastructure that was funded in the budget—it is more than just the GDE—was fairly well targeted on priority areas that you identified?

Mr Evans: Yes. As I said, overall we were quite pleased with what we identified as the key issues in the whole being met.

THE CHAIR: We will leave it there. Thank you very much for your time. We appreciate your contribution and a copy of the transcript will be issued to you as soon as possible, which you can check for accuracy.

Meeting adjourned from 1.10 to 2 pm.

CARTER, MS CATHERINE, Executive Director, Property Council of Australia, ACT Division

HEDLEY, MR TONY, President, Property Council of Australia, ACT Division

WHEELER, MR CHRIS, Council Member, Property Council of Australia, ACT Division

THE CHAIR: Welcome, representatives of the Property Council, to today's hearing. Just before we start, I will get you all to confirm that you have read the privilege card and you understand its contents?

Ms Carter: Yes.

Mr Hedley: Yes.

Mr Wheeler: Yes.

THE CHAIR: Thank you. If you have not already done so, I remind you to turn your mobile phones off or onto silent. Would like to make an opening statement?

Ms Carter: The Property Council of Australia welcomes the opportunity to provide a submission to the committee today. We are the nation's peak representative of the property industry. Our members help shape, build and finance our cities and so we have a long-term interest in the future of our cities and of Canberra. Locally, Property Council members include property owners and developers who invest directly in the infrastructure that underpins Canberra. We play a vital role in sustaining the future growth and sustainability of our city.

Property is a key business sector and driver of the ACT economy and an important partner with government in delivering well thought out and sustainable initiatives and policies. I think it is important to reinforce, in fact, in the context of this inquiry the importance of the property sector to the ACT economy.

The property sector and associated industries represent approximately 30 per cent of the total ACT economy. In addition, the property sector and associated industries are one of the biggest employers in the territory. Hence we take a keen interest in the ACT budget and the economic health of the territory. The Property Council has welcomed a range of positive expenditure initiatives outlined in the ACT budget handed down this month, though there are some mixed messages for the property sector with some very positive initiatives on the one hand and some negatives on the other.

On the positive side there is a clear focus by the ACT government on projects which will provide direct economic stimulus into the territory, as well as potential environmental benefit. In particular, we welcome the inclusion of the Tune Up Canberra initiative proposed by the Property Council, which will provide incentives for commercial property owners to improve energy efficiency in existing buildings. While we would also have liked to see support for programs for adaptive reuse and redevelopment of ageing stock, we are nonetheless very happy with this particular initiative. We believe Tune Up Canberra will provide a number of tangible deliverables to the ACT government, the property sector and the community. It is an

important initiative and we are keen to get to work to roll it out as quickly as possible.

Other positives in this budget include the simplification and clarification of the change of use charge and the reduction in rates. The introduction of a moratorium for eligible developers on fees due to delays in commercial developments in recognition of difficulties with arranging finance is also a very welcome and sensible addition. Our hope is that these fees, which present such a significant deterrent to investment in the territory, will ultimately be abolished altogether. We also welcome the increase in funds to ACTPLA to help them get on with the job, and we have welcomed a range of other initiatives relating to investment by the ACT government in infrastructure and the territory's capital works program.

I would also like to say here that we were pleased to see the government, through the ACT budget, take a step closer towards developing a sustainable transport plan for Canberra. I refer particularly to the million dollars in funding for the pilot of new rapid transit buses, the program to increase parking fees across government parking areas to encourage a shift away from car-based transport and also the increase in ACTION bus fares. Inevitably, many people are likely to be resistant to or unhappy about increases in pay parking and an increase in bus fares, particularly during difficult economic times. However, in terms of parking, it is important to ensure that people are able to have options and other transport alternatives.

Currently, there is very little incentive when it is generally cheaper and more convenient to drive a car and park rather than taking public transport. Additional sites do need to be released for car parking structures and for park and ride facilities. When car park pricing is treated equitably across the territory, this will make it viable for the private sector to provide additional car parking on a commercial basis. The feasibility studies which are to be undertaken by the government should assist in achieving that outcome. With respect to increases in ACTION bus fares, it needs to be borne in mind that bus fares do not cover the cost of providing the service and the ACT government will need to subsidise ACTION to the tune of \$74 million in 2009-10. This subsidy is paid for by all ACT taxpayers whether they use ACTION buses or not.

There are many complex factors involved in achieving a genuinely integrated sustainable transport plan for Canberra. The budget decisions that have been made around these issues are supported by the Property Council. In spite of these many initiatives, however, the Property Council has some very serious concerns about the territory's overall budget position, particularly in light of decisions contained in the federal budget handed down this week and the impact it will have on the ACT.

There is no doubt that the ACT is faced with what we have described as the triple whammy of the impact of the global financial crisis, the downturn in the property market and spending cuts by the commonwealth government, particularly now in terms of reduced GST revenue to the territory. The reduction in GST payments to the territory accumulates to \$186 million over the four year, although, of course, that is partially offset by other revenue such as general revenue grants and special purpose payments, being \$141 million greater than expected in the ACT budget. The net effect, however, is that when all commonwealth payments are taken into account, the ACT is worse off than expected by \$45 million over the four years.

Even before this was known, however, the ACT government expected to accumulate operating deficits of over \$1 billion over the five years from 2008-09 to 2012-13, projecting a balanced budget by 2015-16. The ACT government will now be forced to find further savings in coming budgets as a result of reduced GST revenue. This will be a massive undertaking for the ACT government and it is one that we are very, very concerned about.

While we understand and support the ACT government's desire to have a long-term strategy or a recovery program to achieve a balanced budget by 2015-16, we believe that far more will need to be done to achieve this goal. The territory faces the prospect of a large increase in taxes and charges plus substantial resources being diverted from community services over the coming seven years, both to service the debt accumulated from at least five successive operating losses and to return the budget to surplus. The savings and revenue required to achieve a balanced budget by 2015-16 are massive and, in our view and from what we can see so far, unlikely to occur.

The success of the strategy to balance the budget will depend on the government's revenue projections being achieved without suffocating economic growth with high and rising taxes and charges and fiscal discipline and political courage in keeping expenditure under control. The government's track record on controlling its spending indicates that greater commitment is required to achieve budget targets. Over the seven years since 2002-03, actual expenditure has exceeded planned expenditure by \$735 million, or an average of \$105 million per year. This record will have to improve if the ACT community is to avoid the burden of crippling taxes and/or prolonged debt.

The greatest weakness in this budget and the forward estimates is the reliance on a very narrow tax base. The ACT government depends on Australian government grants, mainly GST, and taxes on property for some 60 per cent of its total revenue, and that weakness is getting worse. In 2009-10 property taxes account for half of all ACT taxation revenue and that burden is projected to increase to even higher levels in subsequent years. In addition to being very high, property taxes are also increasing much faster than other sources of revenue as the ACT government relies more and more heavily on property taxes to fund its activities.

Since 2004-05, property taxes, as a proportion of all territory source revenue, have progressively increased from 20 per cent and are budgeted to carry an increasing burden to 30 per cent of territory sourced revenue by 2012-13. Over the five years to 2007-08, the increase in conveyancing taxes exceeded the increase in total government revenue by 57 per cent. Over the same period the increase in all property taxes was 54 per cent greater than the growth in total government revenue.

At present the ACT government shows little interest in appreciating the long-term consequences of the creeping reliance on property taxes. This trend clearly cannot continue without eventually causing a loss of investment in the property sector, reduced capacity to pay taxes and, inevitably, fewer publicly funded services. The budget failed to draw attention to this problem and failed to outline the government's strategy for reforming the tax system to broaden its base, simplify it and make it more efficient, fair and competitive.

An important matter that I have touched on but really do need to reinforce and draw to

your attention is the unreliability of the expenditure estimates. In terms of the forecast budget deficit, forecasts in the past have not been reliable. As you are aware, the ACT budget contemplates a significant deficit in 2009-10 and for a number of years beyond that. The fact that we are going into a substantial deficit, which is likely to grow into very much bigger deficits in the long term, is naturally of concern to government, industry and the community. I need to get into a couple of detailed numbers, so please bear with me, but they are important.

From 2002-03 to 2008-09, the average annual rate of expenditure increase has been 8.8 per cent. If government spending continues to increase at 8.8 per cent, expenditure in 2012-13 will be \$4,278 million or \$180 million more than estimated in the ACT budget. This would bring the operating loss to \$476 million in 2012-13. The government is assuming that from the base of 2008-09 to 2012-13 spending will only increase by 4.2 per cent. We do not see how that is possible when, from 2002-03 until this point in time, the annual increase has been more than double that amount. This leads to the question: what programs and services will have to be cut by the government?

Before concluding and handing over to my colleagues, one of the most disappointing things about the federal budget was that there was almost nothing in it for ACT infrastructure projects. We believe that one of the reasons the territory missed out on infrastructure investment and the delivery of community assets is the lack of a coherent, long-term infrastructure plan. What we mean by that is something like a 20-year plan like the Queensland government's south-east regional plan, for example. We know that this is something that the ACT government wants to do and has committed to doing, in fact.

The territory has clearly missed out on federal funding for Canberra infrastructure projects, and to us the message could not be clearer—no long-term plan equals no money. We really want to urge the ACT government to get on with the job of delivering a long-term infrastructure program for Canberra. Just quickly on the subject of infrastructure funding, I want to add that the Property Council recognises that infrastructure is very expensive. So the ACT government needs to be innovative and open to all practical alternatives from planning to delivery.

The Property Council strongly supports the use of responsible government borrowing to fund long-term infrastructure. Debt funding spreads the costs over the life of the infrastructure so that future generations that benefit help meet its cost. We believe that the ACT government has the capacity to invest in infrastructure using government debt without impacting its AAA credit rating, and we welcome that initiative contained in this budget.

In closing, the major problem for the territory remains that the ACT government continues to rely too heavily on a very narrow revenue base for its revenue. It depends on Australian government grants, as I highlighted earlier, mainly GST, which is now reduced, and taxes on ACT property—and to be clear what that means, it is both home owners and commercial property—for 60 per cent of all revenue. I would like to reinforce again that what that means is that in the forthcoming financial year property taxes will account for half of all ACT government revenue. This position is clearly untenable and completely unsustainable.

The Property Council recommends to the ACT government that, firstly, they engage external consultants with public finance expertise to provide expert advice and assistance to the ACT government to develop recommendations and a long-term plan to deal with these very serious problems; secondly, the ACT government needs to get on with the job of developing a long-term infrastructure plan for Canberra; thirdly, and given the ACT governments' commitment to community engagement, that they again convene urgent economic roundtable discussions with industry and the community to identify strategies to deal with the problems and that they do that very quickly and, finally, as part of all that, the ACT government needs to commit to an urgent and immediate tax reform program to ensure that the tax system going forward is simple, clear, efficient, fair and competitive and sustainable for the Canberra community. Thank you.

THE CHAIR: Thank you. I have a couple of questions to start off. You talked about the expenditure estimates and expressed some scepticism about the government's ability to meet them, given their past performance. The flipside of it is revenue estimates, particularly looking forward at conveyancing revenue and others growing considerably in the next few years. Do you have a view of the credibility of those estimates, particularly as they relate to property revenue?

Mr Hedley: It is correct that they have been notoriously inaccurate in past years, through the boom years. All outside the ACT Treasury could see the significantly increased activity to the point where, in some instances, it was almost to 100 per cent underestimate at the commencement of the financial year versus what was actually achieved at the end of that financial year.

Because of the significant amount of stamp duty—and stamp duty relates to turnover activity, and turnover activity relates to the general economic performance—it is difficult to know exactly what is going to happen in the present year. I suspect, personally, that the revenue estimates will be slightly higher than what is in the budget papers because I think that a significant number of transactions are in the process of happening at the moment, which I suspect that Treasury are not even aware of at the present time, including a couple of major ones, but which people in the industry are aware of.

Yes, they have been inaccurate in the past. It does not leave you with a strong feeling of confidence that the current estimates are in fact anywhere near accurate.

Mr Wheeler: In previous years, we have been quite vocal about the underestimating or the overestimating, depending on revenue expense. Tony's comment about general activity, though, is the most important thing. If there is greater activity, then that normally leads to greater turnover of stock and stamp duty and so forth.

The forecast in this year's budget essentially compares the expected effective GDP growth for the ACT in our budget compared to the federal budget. The federal budget forecasts in two years time, for instance, a 4.5 per cent increase across the board in GDP. For us, by comparison, it is three per cent. So it is actually 50 per cent less. It is still an optimistic number, three per cent in two years, but it is a more realistic number than what the federal government's is. Still if we got three per cent, everyone in the

community would be quite happy, though we suspect realistically it will be less.

Mr Hedley: I think the other point to make is this: because stamp duty is so high in the ACT, it is actually an impediment to transactions. The costs of doing a transaction in the territory, whether it is people who might be advancing in years and they sell their place and move to a smaller place, are so high that it is actually an impediment to social mobility; it is an impediment to turnover. In our opinion, if the rates were reduced to a more realistic level, there would be better economic outcomes; there would be better social outcomes. But they are very high; they are amongst the highest in Australia.

Mr Wheeler: To follow on from that, the government has projected, of course, revenue from sales. To be fair to the government, they have actually given us more detail than they have in previous years, which we have asked for. That was appreciated.

What we are seeing, though, is, if you look at the most recent sales, an auction last week of commercial sites, the EpiCentre sites; there were three sites there. They were not sold at auction; they were passed in. There were negotiations with the highest bidder. Whether they proceed or not is another matter.

So the government then has to be realistic and, if it has an ambitious sales program, which it does this next year for commercial property, they need to have realistic goals set about pricing because if they do not have realistic goals they will not sell; there will not be the activity; they will not get their revenue. Obviously and naturally, the market will not know what the reserves are. But the reserves need to be not too ambitious; they need to be realistic for the times.

MS LE COUTEUR: You talked about the tune up Canberra program, which seems like a very good program from my point of view. Can you tell us a bit more about how you would like to see it administered? Apparently your initial proposal had money in it for administration, \$400,000, which seems to have disappeared. How do you think the ACT government could best administer this?

Mr Hedley: There has been some consideration given to it, and it was our concern within the property industry that leaving it with ACTPLA was not a wise decision. It was our view that it is not core business for ACTPLA and the government has recognised, by many various pieces of legislation and by incorporating more staff into ACTPLA, that it has not been able to carry out its core business. Its core business is planning for Canberra and approving DAs.

Adding this additional function into ACTPLA when it is not its core business and when it does not have a lot of experience in program delivery, we think, is a big mistake. Our view is that it should either go to TAMS or it should go the new department of sustainability for the program to be administered, and that would leave ACTPLA with the responsibility of doing its core business. As I said, there has been recognition that there have been difficulties for ACTPLA in the past in achieving its core functions. So we would like to see it with TAMS, which has a lot of experience in a number of these areas and other programs, or with the new department of sustainability.

I understand that the South Australian government has given their equivalent program over there to the department of sustainability to administer. We think that is a much better way of doing it than giving it to ACTPLA.

MR SMYTH: In terms of the expenditure, you are saying three per cent is very optimistic. Is there an estimate that the council has determined might be a more appropriate number?

Mr Wheeler: If we knew we would be—

MR SMYTH: Very wealthy.

Mr Wheeler: Correct. Obviously, when that question has been put in the federal sphere by Joe Hockey and others, they have been very reluctant to answer that. We are not economists. We are obviously mostly optimistic people. We would certainly hope that the target of three per cent in the outgoing years is actually achievable. We realistically think it will be less but, certainly, hopefully not negative.

MR SMYTH: In regard to the stamp duty, the charges, the rates, is there a better scheme around Australia on which we could base our rates and charges?

Mr Hedley: Could we take that on notice and give you a short paper on that? We have done some analysis of the situation prevailing elsewhere in Australia and there are differences in many of the states and territories in the rate of stamp duty that is charged; secondly, the rate of land tax that is charged; thirdly, the rate at which stamp duty increases. There can be a base amount. There are quite different variations in the states and territories. We do have that work back at the office and we can make it available.

Mr Wheeler: What we can say with certainty, though, is that we have in the ACT the highest stamp duty rate for the top level of commercial property. It is 6.75 per cent for purchases over \$1 million.

Mr Hedley: That is the highest in Australia, and that must be a significant disincentive to investment in the territory when real estate investment trusts and property trusts and other major financial institutions are making decisions about the area in Australia where they would invest. Capital is mobile; it goes where the opportunities are and where they are welcome. If the taxation regime is such that they are taxed at such a rate that it is not attractive for them, they will not invest here.

MR SMYTH: And in regard to land tax and change of use charge?

Mr Hedley: The change of use charge does not apply anywhere else in Australia. The change of use charge is a charge which is imposed to vary the purpose clause of the crown lease. Because it is freehold land elsewhere in Australia there is no change of use charge.

The decision which was announced in the budget to reduce the change of use charge from 75 per cent to 50 per cent is welcome. Secondly, the decision to waive change of

use charges in relation to disused service station sites is also welcome. There are a series of those around the territory where the service station has closed, it has become an eyesore, but the charges which were proposed and notified to crown lessees were such that there was no economic imperative—in fact, there was a positive disincentive—to redevelop them.

We welcome very much the decision of this government to remove those charges for a period. That should see activity to redevelop service station sites. They are, generally speaking, located in shopping centres, close to amenities and bus routes and things of that nature. We think that is an important announcement to make.

In relation to the broader question of change of use charge, we would very much like to see the situation in the ACT that prevails elsewhere in Australia, that is, there is no change of use charge. If you are in Melbourne and you have a two-storey building and you knock it down and put a six-storey building up, there is no change of use charge. That prevails elsewhere in Australia.

Mr Wheeler: If I can perhaps add to that, in terms of giving you a figure for what change of use charge actually produces for the territory, I think the projection in a normal year is around \$7 million to \$9 million which, in the scheme of life, is not a lot of money but it provides an enormous disincentive for investment. And this is actually, in part, why we are calling for a review. If inefficient taxes like that were identified and removed, the actual benefit, the enormous benefit that that would free up in terms of igniting activity and investment, would significantly outweigh the up-front loss of recurrent revenue.

Mr Hedley: That was demonstrated about a decade ago when the then Carnell government introduced policies to deal with some of the redundant office buildings, for example, the Waldorf across the road from here, the Jolimont Centre. The Carnell government waived for a period of time betterment charges or change of use charges to enable those things to happen.

An analysis was undertaken by David Hughes, who was then in ACT Treasury, which showed that after two years the increased economic activity generated by creating the Waldorf, for example, more than outweighed any minor loss. For example, the Waldorf was an office block but once it was split into 90 or 105 apartments, most of which were owned by investors, there were transaction costs every five years; they were on-sold; there was land-tax applicable to each of them; and there were 104 lots of rates applicable to them. The amount, the quantum, that they got was significantly more in two years and, after that, they have been well and truly ahead.

As I said, for that short period of the Carnell government, at the urging of the Property Council at the time, those policies made a significant economic impact. We would very much like to see something similar. In our discussions with the ACT government before this budget was announced, we very much urged similar sorts of policies to be introduced. The time is right for a re-examination of those old policies.

MR SMYTH: What about land tax?

THE CHAIR: We are just about to finish up. We will have one quick question on

that. Joy Burch also has a question, I believe. Is that correct?

MS BURCH: Yes, I do. I just have one.

THE CHAIR: We will go to land tax and we will finish with Joy's question.

MR SMYTH: What would you like to say about land tax?

Mr Hedley: We would like to put in a very short submission on land tax, comparing the rate of land tax, the incidence of land tax, in the ACT to elsewhere in Australia. We can get that to you very quickly. It will show where it is applied in states and territories and the rate at which it is applied and compare it with the ACT situation. It is pretty stark and straightforward, I think. But we will get that in to you within the week.

MS BURCH: If you can answer this briefly, you made mention that you welcome the moratorium and the extra money into ACTPLA. I am interested as to when you see those benefits flowing through your sector.

Mr Hedley: Soon.

MS BURCH: Soon?

Mr Hedley: Hopefully. It has to be recognised that the government itself recognised that ACTPLA did not have the resources to deal with the commonwealth stimulus package. Legislation, which had the effect of exempting it, was introduced and passed through the Assembly. And that was a recognition by the government itself that they could not comply with the Rudd government's use-it-or-lose-it mandate. There is significantly more money and more investment and more jobs, which have been held up for years within ACTPLA. If you look at the stimulus package in the territory, there is probably a factor of 900 per cent more private sector investment which has been held up.

The decision by this government to give more resources to ACTPLA to get on with the job is welcomed. It is what we have been asking for. We also recognise that the government has recently amended the regulations, about two or three weeks ago, to exclude a significant amount of minor work, which previously had to go through ACTPLA, and send it out to the private certifiers to deal with. So we welcome that.

That is the other reason why we do not want ACTPLA then to get diverted onto the tune up program, which we think really would divert it from its core business. In the current situation where there are still delays, there are still problems, why add to those burdens by giving the tune up program to ACTPLA?

THE CHAIR: We will have to leave it there. Thank you very much for coming in. We look forward to that additional information that you have undertaken to give to the committee. We will get you a transcript as soon as possible for you to check. Thank you.

Mr Hedley: Thank you.

Mr Wheeler: Just one point: why is it that we have to wait for the federal budget and then realise we need our own mini-budget? Why cannot our budget be presented after the federal government?

THE CHAIR: That is an excellent question, Chris, which we will be certain to put to the Treasurer.

Mr Wheeler: Thank you.

DUNDAS, MS ROSLYN, Director, ACT Council of Social Service

THE CHAIR: We welcome Ms Roslyn Dundas from ACTCOSS. We acknowledge her as a former member of this place, and no doubt a member of this committee.

Ms Dundas: Twice.

THE CHAIR: Would you like to make an opening statement?

Ms Dundas: I will, thank you, Chair. The ACT Council of Social Service is the peak body for the community sector here in the ACT. We also take on the role of being a voice for those who are living with disadvantage.

I presented to the secretary, and there is a copy available for each of you, the ACT Council of Social Service budget snapshot, which was presented at a forum on 6 May 2009. I apologise for not having a separate submission for consideration by the estimates committee, but we believe the snapshot provides you with a comprehensive view of our take on some of the key initiatives in the 2009-10 budget.

Before the budget, as part of our annual contribution to the public submission process, ACTCOSS undertook consultation with the ACT community sector and those in the community living with disadvantage. This resulted in a 100-page submission titled *Prioritising people*, which we did send to each of you before the budget, but I have provided another copy to the secretary and the chair of this committee so that you have it in front of you. It was a long and detailed submission, as there are a significant range of issues affecting the community sector and those living with disadvantage.

We call it *Prioritising people* because prioritising people means remodelling current systems to not see the problem but to see the individual and to work to support them across whole-of-life issues. We believe that, by resourcing and supporting the community sector, the government can support families and communities suffering disadvantage, as well as maintaining and growing a large contributor to the ACT economy.

We believe that there is room for the government and the community sector to work together to achieve a vision of a community in which we are all included and that we are all proud to be part of. However, we were disappointed to see that the budget, when presented in early May, did not respond to this call. At these times especially, we cannot afford to let the community sector go backwards. While the Treasurer stated repeatedly before the budget and afterwards that there would be no cuts in the 2009-10 budget, this does not mean that programs are not ending. There are contractions in funding, there are programs that have been finished and not renewed and there are losses to the sector and to the community through this budget. And with the lower indexation rate than was anticipated, services are feeling the pinch and are being affected.

Community sector organisations, at the same time, are reporting significant increases in demand for their services. I was speaking to a number of organisations this morning. I have some figures for you. One organisation has seen a 60 per cent increase in what they call call-out figures. This is one part of their work. It is a very intensive part of

their work, and there has been a 60 per cent increase in 12 months alone. They are anticipating over the next three months and over the next year, the next financial year, that that figure will continue to increase; yet at the same time their budget is staying static.

Another organisation have seen a 35 per cent increase in demand for their services over the 2008 calendar year. Knowing that they are unable to get extra money out of the ACT government, they have started increasing their fee-for-service provision, so taking the money from the pocket of the community directly as opposed to taking it through the taxes that come through to the ACT government.

Another agency were looking at a shortfall of around \$30,000. So we are not talking about large amounts of money in terms of the entire ACT budget. They went through a series of negotiations before the budget to see if they were able to get that extra \$30,000 to meet the shortfall in their funding. That money was not forthcoming in this budget and they have been invited through their funding provider to renegotiate a reduction in outputs, a reduction in the services they deliver to the community.

This puts this organisation and many other organisations in a significant bind, because how do we hang up the phone on somebody who is calling to report a significant problem in their lives? Do we walk out of a therapeutic counselling session halfway through the session because their hours are up? Do we leave a family knocking on the door when they have got nowhere else to go, because we have done our quota and we have met our targets for the year?

If the financial crisis continues, as was predicted in both the ACT and federal budget delivered last week, the demand for community sector services will continue to rise. But we expect, due to the imposition of the efficiency dividend in the outyears in the ACT budget cycle, that services will continue to see constrained funding.

We will say there are a range of welcome initiatives in this budget, and we appreciate the work the government has done and is continuing to do in areas of health and in a range of other key areas. However, an opportunity has been missed to stabilise the base of the community sector before the really hard times hit. This will impact quite severely not just on the sector that I represent but on the community more broadly.

THE CHAIR: Thank you very much, Ms Dundas. This is a question you may not know the answer to. If you do not, we will put it to some of the ministers, but I thought I would put it to you first. I had discussions last week with representatives of the Women's Legal Centre and they were very unsure as to what their status was under this budget. They receive no recurrent funding from the ACT government but they did receive some program funding for an Indigenous program. I am not sure if you have been able to extract from the government whether or not they have received any additional funding.

Ms Dundas: This is one of the areas where a program has not been cut; it has been finished. The community inclusion fund, which was managed by the Community Inclusion Board, has not been renewed. There are a number of programs that were funded under that program. The government will say, and we did hear this at the time, that it was three years worth of funding, and that three years is up. However, over

those three years, these services and programs have met an identified need. They have not been not doing a lot; they have been doing excessive amounts, and that demand is still there. There is a need for a range of services that were funded under the community inclusion fund that is not currently being met and there are doors that are being closed.

At the ACT Council of Social Service post-budget forum, the Treasurer did acknowledge these issues and indicated she thought that a range of these services were then going to be absorbed into departmental lines or whole-of-department budgets. But that process, if it is underway, has not been communicated as clearly as it could have been and there is still, as you have indicated, a lot of uncertainty about the future of these services.

THE CHAIR: We will be sure to ask the Treasurer further questions on that next week. Do other members have questions? Ms Le Couteur?

MS LE COUTEUR: Thank you. Do you have you any idea how the ACT government could maximise its revenue base or, conversely, or probably as well, minimise its spending, while acting in a socially conscious and responsible manner? Given the economic circumstances that we all know we are in, the government has got to move in one or both directions. But how can it do it without affecting your sector?

Ms Dundas: I certainly appreciate the tension that all treasurers find themselves in at this point in time. We are saying that there could have been an opportunity to stabilise the sector, through not a lot of money, that would have allowed us to be in a better place to meet the increasing demand. We note that in this year's budget there have been some changes to bus fares, there have been some changes to parking fees and there has also been an increase in the infringement rate—I am not sure what the technical term is but I am going to call it the infringement rate. We see the need to ensure that money does come in, but if you are going to increase the cost of parking without then channelling it through into better transport services, you again disadvantage those who can least afford it.

We think there are different approaches that could be taken to the implementation of the fine system. In many European countries there is actually a sliding scale. So those who can afford to pay more for breaking the law pay more and those who cannot afford more are fined at a lesser rate. That is one way that you could apply some innovative thinking to the approaches.

To get to the crux of your question, Ms Le Couteur, I do not have all of the information in front of me. As was pointed out by the Property Council on their way out the door, the government itself did not have all of the information before it as the budget was being crafted. There is still a lot of wading through federal budget figures and federal budget information that needs to be done before we do have the picture before us and we can start to rearrange the puzzle pieces, as it were.

MS BRESNAN: Going back to the community inclusion fund, you mentioned that it was stated at the budget meeting that you had that it was expected that some of the programs would be absorbed into other program areas. We have gone through and had a bit of a look and there are particular ones, particularly around people in multicultural

areas—refugees, language assistance and those sorts of things—which look like they will actually end because there is no indication of where they would go. These are very vulnerable groups that we are talking about. Are they going to be able to go somewhere else that you know of to get those services? Will the cessation of those sorts of programs, particularly around language assistance and case management assistance for refugees, have quite a big impact on that area of the population?

Ms Dundas: I think it will. If we look back at why this funding was established in the first place under the community inclusion fund, it was in recognition, I believe, that significant portions of the community were having difficulties accessing other services, mainstream services, and there was an idea that through the community inclusion fund we could tackle that.

Three years is not enough time to completely tackle a lack of community inclusion. It is an ongoing process. The government itself has recognised that it is an ongoing process by maintaining community inclusion work in the Chief Minister’s Department. But this work cannot happen on goodwill alone. I have provided you with some statistics of organisations who are seeing increasing demand. If the individuals who are accessing the services through community inclusion funded projects have to look elsewhere for that support, that just shifts the demand onto services that are seeing constrained funding and increasing demand. Something is going to give somewhere at some time.

MR SMYTH: In that regard, you made a statement a few moments ago that the opportunity was there to stabilise the sector for not very much and the government passed it up. How much is “not very much”?

Ms Dundas: If you look at budget paper 4, you can see the decrease in community sector indexation. When you add that up you get just under \$400,000. That is the difference between the projected indexation last year—last year it was four per cent indexation—and the indexation of this year, which is 3.15 per cent. That money is being cut through the outyears and it is part of, I believe, departments trying to meet the efficiency dividend early.

Again, we are not talking about huge tracts of money, but it would have gone along way in terms of keeping community sector staff well resourced—well resourced to the level they are currently resourced, which is under all the other sectors—and allowing community sector organisations to build on the indexation model, which provides some stability in terms of making sure that extra money comes in.

MR SMYTH: The model is part WPI, part CPI.

Ms Dundas: Yes.

MR SMYTH: What should it be?

Ms Dundas: We think there are many benefits to the model. It is a lot better than the model we had before, which was straight CPI, and we recognise that 3.15 per cent is more than 1.75 per cent, which is the current federal CPI rate. That is why we were asking prior to the budget that there be special recognition that the formula this year

was going to give a lot less than was anticipated. We could have taken this opportunity to stabilise the sector with a little bit of extra funding through a separate line item to meet the shortfall in indexation to allow us to get through these tough times.

MR SMYTH: You said—and if I have got the number wrong please correct me—the other day when we were celebrating 20 years of the Assembly that your member groups had been expressing increases across the board of up to 40 per cent. If your call is 40 per cent greater than last year but the rate is only going up 3.15, what happens in that gap?

Ms Dundas: That is a very good question, Mr Smyth, and we are going to have to wait and see. Part of the call to stabilising the sector is allowing organisations to actually do these calculations and work out what is required to continue to deliver to meet the increasing demand.

One of the beautiful things about working in the community sector is everybody is incredibly focused on supporting those who are in the most need. It is our job, it is our role, it is why we do it. But it leaves us little space to sit back and consider the true cost of the service delivery, to consider the true impact of the service delivery. We do need the time—time is money—to be able to work that out.

What we are seeing through this budget is a reduction in capacity to even have those conversations. I look at the list of the range of organisations that you are hearing from today. Most of the ones that could be considered to be from the community sector are peak organisations. We have the space in our work to come and have these conversations, but you are not going to get many service delivery organisations here. They do not have the capacity to tell you what is actually going on because they are too busy doing it.

MR SMYTH: You said in your submission to the third appropriation that the call on the sector was coming from areas that had not been previously felt or expected. Is that continuing?

Ms Dundas: Yes.

MR SMYTH: Is it stabilising or are there more problem areas emerging?

Ms Dundas: We are certainly seeing that more and more people are looking to the community sector for support. These are the recently unemployed, these are people who would not normally make contact. “Those who are not already known” might be a better way of putting it. They are not already known to a range of community sector organisations. If the predictions in the ACT budget and the federal budget come true, we anticipate we will be seeing more new people. That will continue to put stress on organisations. It does not mean that all of the people that we have been seeing for the last 10 years are suddenly going to go, “We’re all better now, thanks.” There is still going to be work that needs to be done with those families as well.

MR SMYTH: Just a last one: the sector got \$100,000 in the third approp to review community sector contracts.

Ms Dundas: The government got \$100,000 to do a review of community sector contracts.

MR SMYTH: All right, the government got the \$100,000.

Ms Dundas: It is a big difference, Mr Smyth.

MR SMYTH: Can you update the committee on where that review is?

Ms Dundas: I think that is a question you need to ask government.

MR SMYTH: So the consultation has not started?

Ms Dundas: No.

MR SMYTH: Okay. You raise a concern in your document that, even though they are going to review the contracts, there does not seem to be any allowance, certainly in 2009-10, should they find favourably that the contracts need to be increased.

Ms Dundas: We do not want to anticipate the outcome of any consultation, but we would be very surprised if it does not say that the community sector is under-resourced and that there needs to be more ways of supporting the sector in the delivery of its services, whether by way of straight cash or other resourcing capabilities. There does not appear to be anything in this 2009-10 budget that will meet that.

There is a range of other projects that the government has committed to that we do not see any resource in the 2009-10 budget to help deliver, such as the ACT government's multicultural strategy, the provision of appropriate after care from the Alexander Maconochie Centre, issues that will occur due to the change to the school leaving age that has been flagged, the delivery of gender auditing under the parliamentary agreement and the human rights compliance that our public authorities and a range of community sector organisations need to meet.

THE CHAIR: We will need to wrap in a second. Ms Burch, would you like to ask some questions?

MS BURCH: There has been some discussion about some programs being drawn back and activity funded through mainstream programs. In relation to mental health growth, there is more money in mental health with 50 per cent going into the community sector. Will that take up some of the need or that service provision?

Ms Dundas: Certainly, we welcome that initiative. We are pleased that the ACT government has recognised the role of the community sector in delivering mental health services—that is a really welcome initiative—but, Ms Burch, it is not going to effectively meet the programs that were funded under the community inclusion fund. There is a range of programs. It is not just mental health services; it goes across multicultural youth services and literacy programs. Women's literacy is another example—

MS BURCH: It was just an example, because if you look through it there are literacy initiatives and programs. I was just wondering whether this will take up some of what you feel you have lost.

Ms Dundas: Not adequately.

MS BURCH: That is fine.

THE CHAIR: I take it that is all the questions. We will leave it there. Thank you very much for your time, Ms Dundas. A transcript will be made available to you as soon as possible for you to check for any corrections.

Ms Dundas: Thank you, Chair, and thank you to the committee for allowing me this opportunity.

GILMOUR, MS PENNY, Secretary, ACT Branch, Australian Education Union
MALONE, MR PETER, Assistant to the Secretary, Industrial, ACT Branch,
Australian Education Union

THE CHAIR: We welcome representatives of the Australian Education Union, ACT Branch. Could you confirm for us that you have had the opportunity to read the privileges statement and you understand it? Would you like to make an opening statement to the committee?

Ms Gilmour: Yes, thanks. Thank you very much for the opportunity to address the committee today. You will see from our submission that we chose to concentrate only on two aspects of the appropriations, the ACT budget—those being the class size initiative, and the provision for that in the budget, and the provision for Treasury funding for teacher salary increases in the next bargaining round. Of all the things that we could have picked up, those are the two that we remain most concerned about, particularly the provision for salary increases, which we think will make it very difficult to attract and retain quality staff in the ACT as the gap between salaries able to be earned in the private sector in the ACT and in the government sector across the border in Queanbeyan continues to widen.

THE CHAIR: I might focus a bit on the class sizes, the reduction in the average class size. You have expressed some public concerns, and obviously there are some concerns in the submission. Are you able to talk us through the feedback you had from some of your members, maybe in some detail, about the challenges they face with large class sizes currently?

Ms Gilmour: Yes. Certainly the AEU supports initiatives that will reduce class sizes. There is good research evidence that shows that, if you can have a class size around 21, you can do significantly better things with students. That is in the early years of schooling, and we currently do have class sizes of a maximum of 21 from kindergarten to year 3.

I should draw the committee's attention to an error in my statement in that regard. I indicated that the maximum class size of 21 applies preschool to year 3. We wish that it did, and we have lobbied very hard but so far without success. Preschool classes remain at a maximum of 25. We believe that that in itself is something that could and should have been addressed. It is around the duty of care issues as well as the pedagogy issues. Even though there are two adults in charge of a preschool class, a teacher and an assistant, it is the teacher who has the main responsibility. Their assistant works very closely with them but is in a subordinate role. That is the first thing.

We believe that, rather than an average of class sizes across the system of 21, the government would have made a more effective contribution to easing the pressure in class sizes if it had looked at a maximum of 25 across the system or an average of 21 across a school. We believe very strongly that when the community hear statements like "an average of 21 across the system" they do not understand "across the system" to mean the same thing that we and the government understand it to mean. I think they believe that they would have the opportunity to not see classes of 30, or indeed in excess of 30, as we have had in some schools. An average across the system does not

necessarily mean that there will be no classes with student numbers as high as 30, because indeed it is an average. But also schools will make management decisions from time to time about how best to cater for the needs of students in their care, and that may result in them having class sizes larger than 21.

Certainly we are concerned that there is still going to be pressure remaining but also that the community and our members will not see class sizes of 21 across the system being the rule rather than the exception. There is enough scope in this, despite the potential employment of 70 extra staff, to still have classes up around 30. It is our view, and the research supports it, that 25 is a better number than that. The benefits of between 25 and 21 are debatable once you get past year 3. Our position has always been that 25 from years 4 to 12 would be an adequate fit and would still produce good outcomes in the system while relieving some of the pressure on class sizes in those pockets where they are under pressure.

THE CHAIR: During the election campaign, there was a forum held by the AEU over at the CIT there. There was at least one primary school teacher who did complain of having a class of, from memory, 33 and 36 students. Are you aware of cases like that still existing?

Ms Gilmour: I am not in the primary sector. I am aware that as recently as last year there was a PE class with 35 kids in it and there were maths classes of 32 and 33.

THE CHAIR: Thank you. Members?

MS LE COUTEUR: In your opinion, is the government likely to be able to recruit the 70 new teachers it is talking about? If not, how do you envisage that its program is going to be able to roll out across the ACT government and what will be the impact on your members?

Ms Gilmour: We have certainly expressed concern about the capacity of the government to recruit the teachers that the class size initiative would require. The reason for that is that the salaries in the ACT are becoming increasingly uncompetitive against our colleagues, both here in the non-government sector and across the border.

Our starting salaries are still competitive, and that is an important point, but the teaching workforce is a very mobile workforce. Today, right now, the gap between the salary paid to the most experienced unpromoted ACT teacher and their colleague across the border in Queanbeyan is 4.9 per cent. That is a significant consideration, particularly when ACT teachers no longer have the superannuation advantage that they used to have for new starters. Each year we not only get new starters who are new teachers at the beginning of their careers, but we get teachers who have some experience and come in at some point up the scale.

Our concern is that, in looking at what remuneration is on offer in other jurisdictions, including the non-government sector here, versus what is available in the ACT government sector, it will be a less attractive proposition for people and they are likely to go where the dollars are best, particularly in times of economic pressure where other costs are rising.

THE CHAIR: Mr Smyth.

MR SMYTH: In regard to the provision for pay increase, I notice in your submission you say that it appeared that three per cent would be put aside for each year but it is down to 2.5, I think I read somewhere—two in the first year and 2.5 then. For every per cent of increase, what does that represent to the territory in a raw number?

Ms Gilmour: It is about \$2.2 million.

MR SMYTH: \$2.2 million. So by saving a per cent you have saved \$2.2 million? Okay. Is it clear in the later years what the decreases will be?

Ms Gilmour: The calculation of two and 2.5 is based simply on subtracting the figures in budget paper 3 from each other and coming up with the difference. It is a bit of a rough estimate: you hope that it is not any worse than that, but it does not appear to be any better.

MR SMYTH: Okay. The bargaining commenced in February this year?

Ms Gilmour: It did, yes.

MR SMYTH: Were you given an indication that it would be three per cent or it was likely to be three per cent, or was three per cent just a number being thrown around?

Ms Gilmour: No. The bargaining parameters that were advised to us by both CIT and DET staff, which we understood resulted from a cabinet decision, were Treasury funding for three per cent in each year of an agreement up to four years in duration. Our view about that was that three per cent was insufficient when compared to what was being offered in other jurisdictions, including to our colleagues in the private sector here, who will be looking at an eight per cent salary increase on 1 July this year for the congregational schools and a 10 per cent plus salary increase for the Anglican schools here at the top of the scale. So it is 4.9 versus New South Wales, eight per cent versus the congregational schools and more than 10 versus the Anglicans.

We expressed our concern then; however, we made a deliberate decision in both tables, shall we say, not to spend time arguing about either the quantum or the duration of the agreement—because we all know that those are always the last things to settle in a negotiation—but to spend our time as productively as we could in dealing with content issues in our claim and in terms of whatever the employer wanted to put on the table.

THE CHAIR: Thank you. Ms Bresnan had some questions for you.

MS BRESNAN: It is in relation to the same point. Given that we have already seen that the figures interstate are greater in terms of what pay is available, do you know if that has resulted in teachers leaving the system here and, if you have any figures on that, if it is having an impact on it?

Ms Gilmour: I do not have any figures on it, but certainly anecdotally our members

tell us that they are leaving and where they going. We have had resignations from our membership for reasons other than age retirement. People will tell us they are no longer working for ACT DET. Often they will tell us where they have gone, and often it is interstate to other teaching jobs. Can I just correct the record? It is not an eight and 10 plus per cent increase; it is a differential between our top of the scale and the others. I apologise for that.

MR SMYTH: So the first you found out about the increase dropping below three per cent was when the budget was tabled? You were not given notice of that in negotiations?

Ms Gilmour: In my other capacity, as Assistant Secretary of Unions ACT, I attended a meeting that the Treasurer and the Minister for Industrial Relations convened before the budget. No figures were provided at that meeting. Indeed, both in meetings with our own Minister Barr and at that meeting I specifically asked what the wages policy figure was, what the provision to be made was. I have been consistently advised that the people who may have been able to answer the question were not authorised to do so, but what was said was that, while the government had no intention to do anything other than honour the commitments in the current agreements, when we saw the budget figures we would understand very clearly that a provision of four per cent for a wage increase was not tenable and we would notice that the figures had been reduced.

MR SMYTH: Right. And the current agreement expires when?

Ms Gilmour: On 30 June in schools. The CIT one expired on 31 March.

MR SMYTH: Thank you.

THE CHAIR: Mr Doszpot?

MR DOSZPOT: Ms Gilmour, a pertinent question was asked by, I think, Ms Le Couteur regarding the additional teachers that can be recruited. Would the union have any issue with the re-engagement of retired teachers?

Ms Gilmour: No, provided that they were appropriately qualified. One of the realities for some teachers who have left the service in recent years is that they were employed at a time when three years of pre-service training was acceptable. The ACT has for a long time now had a position that we completely support—it will not employ in permanent positions teachers who have less than a four-year qualification. We strongly support that, but it means that if you have left the service and are seeking re-employment, you can only get contract work as a three-year trained teacher or you can upgrade your qualifications. While there is assistance to do that, of course, somebody who has had a whole workforce life experience and is coming back again probably is not that keen on contemplating picking up study at that time.

MR DOSZPOT: Could that study be undertaken while they are actually teaching?

Ms Gilmour: Yes, and indeed, that is how many teachers who were three-year trained actually upgraded. They did external provision. There are a number of providers who offer upgrading courses by correspondence. Nevertheless, even though you can do

them in distance mode, it is still, as it is for anyone who is working full time and undertaking study, an ask. I think it is probably even a little more of an ask for people who are returning to the workforce.

MR DOSZPOT: Thank you.

MS BURCH: We have the Property Council here and as I am thinking property, there is a lot of infrastructure being built around the schools. Just generally, how do you feel about all the infrastructure coming into schools and how do you manage that day to day?

Ms Gilmour: We are very pleased to see the injection of funds for infrastructure improvements. The AEU commissioned an independent report last year about the state of infrastructure in public schools across the nation and it has been really heartening to see that between the injections that state governments and our government have made recently and now the federal government boost those projects will go a long way to meeting the needs of infrastructure in our schools which, in many cases, was looking pretty old and tired; so we certainly welcome that. I am not sure I understand in terms of—

MS BURCH: Are the teachers starting to make comment on the impact? I am just thinking of working around a building site, because it is quite crammed in in the time lines.

Ms Gilmour: Yes, I suppose there are a couple of things. Obviously for those who are in the brand new facilities like Kingsford Smith, that is great. Having been out there recently I was really impressed with how light and airy it is and the lovely broad spaces and stuff like that. For the schools that are having upgrades while classes are going on, it is a site management issue. One of the things that I think it is important to put on the record is that DET has very good procedures for managing construction work. When there is any issue, like hazardous material such as asbestos and those kinds of things, there are procedures that have been refined so much they are absolutely routine, with dust monitoring, air monitoring and all those kinds of things.

We have not had specific complaints about being unable to work in safe conditions or being too cramped. I think that, like most teachers, our teachers are prepared to put up with a little bit of cramping and loss of space in order to make sure that there is a safe work environment and knowing that they will get a benefit at the other end. But I guess that sort of accommodation and the pressure of fencing off places and closing access to parts of schools will get a bit more intense before it lets up as the projects that have been approved under the various initiatives get underway. I am quite confident that our principals are well placed to manage that because they have shown themselves to be so in the past.

THE CHAIR: One of the things that was excluded from that infrastructure money was air conditioning. I think that was not allowed to be part of it.

Ms Gilmour: Yes.

THE CHAIR: In the newer schools that is probably not a problem because they are

well designed and the like. With some of the older schools, is that a problem for teachers in terms of the conditions they work in, particularly in summer?

Ms Gilmour: Yes, it is. Every year we get complaints from members at both the coldest and the hottest times of the year about the stifling nature of the work spaces for themselves and the students. We have not had anybody send children home because things have gotten to that extreme, but we have had inquiries from our members about the point at which that becomes an option and, again, that is a management issue for the principals.

I guess it is a difficult one. We certainly support trying to have schools that are the most environmentally friendly they can be and create the least carbon footprint, but many of the schools in the ACT, as in other jurisdictions, are old construction design and do not lend themselves well to retrofitting of nice, natural air venting and all those kinds of things. I think that is one of the issues that are going to remain a bit of a tension across the system for a while, because the federal government funds cannot be used for that purpose.

THE CHAIR: Yes, it is an interesting one. The comparison is here: this building is very old and awful but we are getting a new air conditioner. We all want to see environmental efficiencies, but we should not impose that on teachers when they are in stifling heat. There are challenges there.

Ms Gilmour: I think it is important to note that in managing those situations the principals have been quite clever at moving locations around the school to places that are least comfortable and trying to manage as best they can. Having said that, I acknowledge the point that you are making about the environment.

THE CHAIR: Mr Smyth?

MR SMYTH: Correct me if I am wrong, but the federal money can also be used for security to protect the infrastructure, even things like CCTV cameras. Does the union have a concern about the safety of students—and teachers as well—given some of the events that have happened in ACT schools recently?

Ms Gilmour: We remain always concerned to ensure that the environment is as safe as it can possibly be for both students and staff. There have been issues in the system that have not been able to be managed well, in our view, not because of any lack of skill or any wanted effort on the part of the people engaged in them, but simply because of the nature of the issue and indeed the students who exhibit.

One of the problems that we have as a system is that we have very little opportunity to offer appropriate placements for students in primary years who present with complex mental health issues, for example, and they are presenting at school at younger and younger ages with more and more complex needs. At some of the schools the students have been referred to the psych ward at the hospital and the hospital have said they are not able to cope with them. So a solution that suggests that the child might be returned to the school is not tenable. In those cases we work with our members to try and ensure that there are risk management assessments made of the situation and that management plans are in place for that student, either in that environment or another

one.

It remains of very great concern to us that just the nature of the students in our community who have complex needs is becoming more difficult to manage. To put it in the vernacular, we are getting more and more pointy end kids every year and there seem to be fewer options to deal with them. That is why one of the things that the union has advocated in our salaries claim is looking at the provision of a broader range of alternative settings to try to deal with that.

MR SMYTH: And the department's response to that?

Ms Gilmour: At this stage there is no provision for it in this budget, but the dialogue has continued and they have certainly acknowledged that it is an issue.

MR SMYTH: And in regards, say, to students not of your campus coming on to your campus and causing trouble—and we have all seen the clips texted around mobile phones around the country—is something like CCTV useful in that regard to secure the campus and protect the students and the staff?

Ms Gilmour: Like all security measures such as that, it can be, but in one sense it depends where the action is happening because you can have CCTV—what is the word I am looking for?—having a broad look—

MR SMYTH: Black spots?

Ms Gilmour: and still have black spots where things could be happening. It is a tool, but I do not think it is ever wise to rely on it as the answer to your security issues.

MR SMYTH: Yes, addressing the problem is the first step, but have the toolkit there if you need it.

Ms Gilmour: Yes.

THE CHAIR: I think we will finish up there. Thank you very much for your time. We appreciate your input. There will be a transcript provided to you as soon as possible for you to check and correct.

Ms Gilmour: Thank you very much.

ROBERTSON, MS EMMA, Director, Youth Coalition

BARRY, MS ERIN, Policy and Development Officer, Youth Coalition

THE CHAIR: We welcome the representatives of the Youth Coalition. Thank you for being here today. Have you both had a chance to read the privilege statement and are you familiar with its contents? Do you understand its contents?

Ms Robertson: Yes.

THE CHAIR: If you would like to make an opening statement, please do so.

Ms Robertson: Certainly. For your information, the Youth Coalition is the peak youth affairs body in the ACT. We are responsible for representing the interests of young people aged between 12 and 25 years of age and, of course, those who work with them.

Thank you very much for having us along today. We want to start by acknowledging that the ACT government did have significant challenges in developing the budget for 2009-10, particularly in light of the current economic crisis. We certainly welcome the fact that there were a number of key initiatives in the budget that were funded. So we think there are some promising gains for young people, particularly the focus on infrastructure. I want to mention a couple of those and then I will talk a little bit about some of the gaps or needs as we see them.

A couple of the things that we wanted to highlight initially were, firstly, the \$11 million commitment over four years to support young Canberrans in out-of-home care. We believe that is a really significant investment, recognising the growth in need in the area. However, we are keen to see more detail about how the money will be spent. We particularly call on the ACT to address performance in relation to support for young people transitioning from out-of-home care and also to further develop mechanisms to monitor the objectives, compliance with standards and outcomes for young people in out-of-home care.

Secondly, we wanted to mention the \$20,000 recurrent funding that has been committed to enable the Youth Advisory Council to provide an ongoing program of consultation with young people and also to acknowledge that there are other commitments to fund community engagement, coordination and activities. We congratulate the ACT government on providing that specific funding for engagement of young people and look forward to working particularly with the Youth Advisory Council. However, we wanted to note that it is important that alternative participation strategies are also developed and implemented and that we are particularly keen to see how government might engage a diverse range of young people, especially those who are experiencing disadvantage or who are consumers of youth services.

I want to mention next the health initiatives. There are quite a number of health initiatives. I make mention of the feasibility study into the establishment of a centre for adolescent health and also the working towards an integrated prevention of chronic disease. We really applaud those things. There are a number of significant mental health initiatives, such as the \$2 million in the next financial year to be split fifty-fifty between government and community services, with a focus on psychosocial

support. Again, we acknowledge and welcome initiatives like these.

I want to highlight them in order to stress that we think it is an excellent opportunity for government to be aligning health services with an initiative like a centre for adolescent health. It is a great opportunity to align health services across the community. We hope that an initiative like that might provide leadership for the progression particularly of youth health issues in the ACT. Again, we think it is vital that each of these initiatives is further developed in collaboration with the community youth sector, young people and youth service providers—basically the key stakeholders—because we want to ensure that they meet the needs of young people in Canberra.

With other initiatives that were included under health, such as the mental health training for police, emergency service workers and teachers, we particularly note that some of those initiatives do not identify a specific youth component. We think it is really important that that is identified in initiatives like these, because we believe that there are specificities for young people that need to be addressed in those initiatives.

I want to talk next about housing and homelessness. Again, there are a number of initiatives funded under the banner of housing and homelessness. Particularly of interest to us is the \$898,000 over four years to address chronic homelessness—that is labelled as the rough sleepers program—and the \$1.113 million over three years for a foyer model to establish a service for young people aged 16 to 25 years.

We applaud that there is an unprecedented level of investment happening in the ACT around bricks and mortar in public housing as a result of the federal stimulus package. I want to acknowledge that this budget does also deliver some further properties and support services to assist people in maintaining housing and address the issues that might affect their ability to do this. We call on the government to increase that commitment to support services, particularly in light of the idea that we will have 320 new properties in ACT housing. We particularly call on support services to be really prioritised.

There is still some confusion in the community sector with regard to funding of existing homelessness services, however, so we are seeking clarification around their funding levels, particularly now that the Australian government budget has come down and in light of the expectation of increased demand in these services. Again, we emphasise the importance of a commitment to a rigorous process in developing the models for the service delivery that includes community engagement and consultation, utilising the evidence base and application of the local knowledge. We are really keen to see that programs are not just picked up from somewhere else and it is assumed that that will work in the ACT. We also call on the government to develop a new youth homelessness action plan in order to build on the successful collaboration between government and the community youth sector that is happening under the previous plan.

Lastly, in terms of acknowledging government initiatives in the budget, I will quickly make mention of the infrastructure. I am sure you are aware of the initiatives that include upgrades in regional infrastructure projects such as Eddison Park, the developments in Gungahlin and a health centre in Belconnen. They are a couple of

examples.

We welcome those promising initiatives and recognise that it is essential in the rollout of those that the community is engaged and consulted from the outset about the shape and design of those services. We believe that we need to get these vital infrastructure investments right from the outset in order for them to be of most value to the community, and particularly to young people in the community, because they will be the ones that will be stuck with those projects in years to come. So we want them to be able to keep using them.

In terms of gaps and concerns, we highlight that youth sector viability has again not been addressed in the 2009-10 budget. While we support the model that was used to calculate the community sector indexation, as has previously been discussed here, the reduction in indexation from the expected four per cent to 3.15 per cent does put the community sector under some stress, at a time when demand for services is increasing daily. Just this morning, we heard of an increase in numbers of young people accessing one of the regional youth centres of 50 per cent in recent times, and that is a significant increase for services to be picking up within their current funding.

The service systems set up to support young people must be viable to address the existing and emerging need and provide targeted support. We certainly, in our budget submission, called upon the ACT government to consider all of the 30 recommendations that were outlined in the ACTCOSS report *Finding solutions: towards the long-term viability of the ACT community sector*. We also called for recognition of the reported increase in demand and unmet need by increasing the youth services program by 25 per cent. It probably seems like we always call for an increase in funding to services, but what we are seeing and what is being reported to us is that the demand for services is increasing as a result of the economic circumstances.

I want to particularly mention cuts to existing services. While the ACT government offered assurances to the community that there would be no cuts to services in the budget, we believe that critical services have been cut, and in particular by the cessation of the community inclusion fund. The two that we particularly want to mention include the highly successful Indigenous numeracy and literacy program that Gugan Gulwan Youth Aboriginal Corporation run, and the drop-in service at the multicultural youth centre.

With regard to Gugan Gulwan's program, we recognise that the ACT government has made a large commitment to literacy and numeracy in the budget. However, what is of concern to us is that that has been identified as a commitment within the public education system. The program does not include funding to community-based education programs, and particularly this one that has already been running quite successfully. The Gugan program targets young people who have disengaged from mainstream school settings and, as such, their need for access to literacy and numeracy is really significant. They are not engaging with the mainstream schooling system, so they will not be picked up by the existing programs.

With regard to Multicultural Youth Services, with the end of their funding through the community inclusion fund and no commitment to recurrent funding from any other

program in the budget, they will be looking at closing their drop-in service at the end of June. That is currently accessed by around 40 to 60 newly arrived or refugee young people each day. We believe that is very significant and that the loss of that service will further isolate some of Canberra's most marginalised young people, in an economic environment where risk factors are increasing for all members of the community.

We urge the ACT government to consider the impact of all of its decisions specifically on young people. Young people are often disadvantaged economically under normal economic circumstances, let alone during times that are very uncertain or unstable. An example of this is that an increase in ACTION bus fares by 11 per cent is going to impact on young people in a different way from its impact on the broader community. Public transport is often the primary means of transport for young people and they are also more likely to be earning lower wages or to be unemployed.

Lastly, I want to mention that, following the release of the Australian government budget, we are concerned about where there might be further cuts to services. I want to put the case that community youth services are the safety net for many young members of our community who are experiencing disadvantage or crisis in unstable economic times. It is actually the safety net for those who are experiencing disadvantage in stable times, so in unstable economic times those people are going to be experiencing potentially even more disadvantage and more people are going to be relying on community services.

In these times we also see an increase in the complexity of issues facing young people who are more marginalised and community services are picking up that safety net. As such, we call on the government to really recognise that. As I said, we applaud the initiatives that have been committed to in the budget but call on the government to recognise that there are still some significant gaps in those services. Thank you.

THE CHAIR: Thank you. Do members have questions?

MS LE COUTEUR: You mentioned a number of issues regarding the community inclusion fund but you did not talk about the reduced indexation. Is that going to have an impact on your services?

Ms Robertson: Yes. We made a brief mention of the indexation. Our experience is that most community youth services are running lean. We recognise that the model used for indexation is something that we supported, but given that the expectation was that the amount would be higher and we are now facing looking for cuts, services run very lean and do not have fat to trim. So that is a significant challenge, and probably made even more significant by the fact that demand is increasing in quite an unprecedented way.

THE CHAIR: Thank you. Mr Smyth had a question and then Ms Bresnan.

MR SMYTH: In your submission to the government at the pre-budget stage, I see there are 32 recommendations that cover a gamut of areas. Is it possible—do not do it now—for you to give us just a tick and a cross as to how many of them were accepted

by the government for being funded and accepted and how many were not?

Ms Robertson: Certainly. We can take that on notice. There were a couple of things that were funded such as the familiar awareness program. Certainly, we were very happy about that but we can get back to you with how many were for and how many against.

MR SMYTH: Yes, all right. For your interest, Gagan Gulwan were here this morning and raised the whole issue of literacy and numeracy programs; so the committee is very much aware of it.

Ms Robertson: Great.

THE CHAIR: Indeed. Ms Bresnan.

MS BRESNAN: Thank you. You have mentioned the youth foyer model. Is there something you would prefer to see other than that type of model? I am just wondering if government has consulted with you about the effects of using such a model.

Ms Robertson: Certainly, my conversations with the department are that they have yet to develop the model. We support some of the principles in the foyer model—certainly the principles that support young people around housing as well as education engagement and other kinds of support to address what is happening in their lives.

There are probably a couple of things within that model that we would tweak. I guess that is where we think it is really important that government engage with in that case specifically the youth housing homelessness sector around that. Certainly, we have taken steps already to start those conversations.

MS BRESNAN: They would be two main areas as part of that that you would see that would actually need to be, I guess, developed in a different way than being proposed at the moment?

Ms Robertson: Yes. We mentioned the rough sleepers, I guess, because we recognise that most young people in the ACT experience different kinds of homelessness. We just need to further investigate whether a model that comes from another jurisdiction looks the same or whether it would need to be targeted in a different way to have the biggest impact in the ACT.

MS BRESNAN: You have not been consulted about that as yet, though?

Ms Robertson: No, not as yet.

THE CHAIR: Okay, Mrs Dunne.

MRS DUNNE: I will start off on the foyer. I just wanted to clarify whether before this announcement the Youth Coalition or the youth sector to your knowledge been consulted on this as a possible model for youth housing?

Ms Robertson: On the foyer model?

MRS DUNNE: The foyer model.

Ms Robertson: Yes, there was certainly some research that was done here, it was a few years ago now, around that and then subsequently the Youth Coalition was also commissioned by ACT government to do some research; so I can pass both those reports on to the committee.

MRS DUNNE: That would be interesting, and I would not mind your view. I know this is a process developing, but the foyer model tends not to grow out of government; it tends to grow out of community. I am wondering what the Youth Coalition's view is about the desirability of, say, a foyer being run, say out of a government department rather than through a community organisation?

Ms Robertson: I guess we would have to look at the detail of the model and how it is going to operate. The other thing I think that is really important to recognise is that current services are providing a range of models. For example, there is an existing stairwell project that is run in conjunction with two community youth service providers. I think that there are some real learnings from that project that we could apply to how we might develop any future models.

MS BURCH: At the moment there is a youth plan, the youth consultative process, going on, with youth week a month or so ago.

Ms Robertson: Yes.

MS BURCH: Does that feed into some of the notions you have got here about consulting, around the homeless action plan and foyer model and things like that. Are you able to get information out there?

Ms Robertson: Certainly, we are a little concerned at the timing of the youth plan. We recognise that government is taking action and developing a plan, but certainly one of the things that we have been raising is how this might fit to other strategies and other plans, and particularly I think the timing in relation to things like the draft multicultural strategy which identifies young people as one of its priorities, but also how it might fit into the roll out of a bunch of initiatives that I guess have been committed to. We have not yet got that overarching plan or direction of where we are heading.

THE CHAIR: Mr Coe.

MR COE: Yes, thank you. You touched earlier on some of the strains for young people including bus fares and parking, and then federally there is the straitened youth allowance and just the general recession. Young people often bear the brunt of a recession early on.

What sort of scope is there within the current budget arrangements for the youth sector to deliver services for unemployed young people? Do you see the current budget actually being able to handle an increase in services should youth unemployment rise over the coming year or so?

Ms Robertson: I guess we are concerned about the capacity within the current budget and particularly I guess within the budgets of the community youth sector. My reflection would be that most services are at capacity. Certainly, what is of concern to us is that once people become unemployed it is the associated things that then come along with that.

If people are unemployed, they may be unable to sustain a tenancy, particularly in a market where rental prices are incredibly high. In respect of public housing, while we are getting an injection around infrastructure, that will take some time to roll out as well. What we hear is that the services are at capacity dealing with people with multiple issues. Having an influx of more people that are coming in and accessing services because they are experiencing unemployment, for example, that need probably cannot be met within the existing services.

MR COE: In the event that youth unemployment goes up to 10, 15, 20, 25 per cent, as it has in previous downturns in the economy, under the current arrangement do you think the sector would really be pushed to deliver services?

Ms Robertson: Absolutely. And certainly that is of concern when we are looking at requirements for young people to be in education, employment or training.

MR COE: Thank you.

THE CHAIR: We might have one more question, Ms Bresnan?

MS BRESNAN: Just a quick question in relation to what you were talking about then. Do you think if there was better integration across government services provided to young people—for example, the headspace model where they can actually go to one place, one location and access what they need—do you think that would help the overall situation including the housing, employment and health issues which often come together?

Ms Robertson: Yes, Both the community sector and government can always do coordination and integration better. I guess the advantage of models like headspace is that young people are not having to uncover a pathway to support in all different areas.

I think that we also have to be careful about creating one-stop shops that we think will fit everybody. An example of that is where we have often been asked the question, “Why do not multicultural young people access mainstream youth centres if the multicultural youth service is going to close or the drop-in component of it is going to close?” Our experience is that multicultural young people do not necessarily just translate to the mainstream setting. It is quite complicated to unpack the reasons why they might prefer to get the majority of their support in a service that is specifically identified for them.

THE CHAIR: We will leave it there. We thank you very much for your time and contribution.

Ms Robertson: Thank you very much.

THE CHAIR: There will be a transcript made available to you to check for accuracy, but thank you again for coming in.

Ms Robertson: Fantastic. Thank you all for your time.

Meeting adjourned from 3.38 to 3.48 pm.

FALCONER, PROFESSOR IAN, Acting President, Conservation Council ACT Region

VANCE, MS ROBYN, Acting Executive Director, Conservation Council ACT Region

THE CHAIR: We welcome representatives of the Conservation Council ACT Region. I invite you, if you would like, to make an opening statement.

Prof Falconer: I am the Acting President of the Conservation Council ACT Region and substantive Vice-President. I will be speaking on their behalf. I have read your orders.

THE CHAIR: Sorry; that was the thing I forgot to ask. Have you read the privileges statement and do you understand it?

Prof Falconer: Indeed.

Ms Vance: Yes.

THE CHAIR: That is very good. It is good someone is on top of things at this point in the afternoon. Is there an opening statement or should we move straight to questions?

Prof Falconer: No, I would like to make an opening statement and I would like to give Robyn the opportunity to comment on one of the particular issues.

On the background of the rather disadvantageous financial position that the federal and ACT governments find themselves in, we feel that the budget, as proposed, has been kinder than one would have anticipated necessarily. In particular, we are very much in favour of the “switch your thinking” proposal which is encapsulated in the budget. Robyn will be detailing this a bit more but this fits very much in with the way the Conservation Council operates.

We are pleased to see the development of some urban wetlands like the Dickson and Lyneham ponds on Sullivans Creek, which has been a stinking mess this last summer and is badly in need of attention. We are pleased to see there is work going on with respect to the improvement in waste management and in water recycling, particularly with respect to the irrigation of sports areas where recycled water is very appropriate.

The nature reserve program, we are glad to see, has achieved a mention. Supporting Greening Australia on the lower Cotter revegetation is very good. I was glad to see Kama woodlands, Kinleyside, in particular, recorded as a Canberra nature park area and that there was a modest proposal in the budget to fence them and other things. The urban forest renewal program, we were glad to see, had a substantial float and is highly necessary for maintaining the quality of the urban life in our gardenish city.

Though the Conservation Council’s specific proposals, for example, for increased rangers working in the Canberra nature park had not got funding, at least we were glad to see there is going to be a land management officer appointed at Mulligans Flat, which is a major step forward, and is another salary in that area of rangers and land

management.

We were also glad to see that the enviro grants program still exists. There was some doubt in our minds whether it would. Though it is a modest program, it does fund on-the-ground work very successfully in the ACT and we were glad to see it. We were also glad to see that there are reviews put forward on the conservation acts, the no waste act proposals, the climate change legislation and so on, all of which are good things. We would like to be assured, or at least be more confident, that the financial situation will not result in major impacts on the conservation budget overall in the future and particularly with reduced expenditures which received publicity in the press recently.

There is one thing that we find puzzling if not non-productive, and that is a road extension through Mulligans Flat reserve, which is the Gundaroo Road. If you go along it, it is, at least last time I was on it, a dirt track. To turn that into a bitumen highway will perhaps speed up your travels to Gundaroo for lunch but we cannot see that it would do much else. And to allocate \$13.5 million for that road, I think the money would be better spent in other places.

The priorities listed in the Department of Environment, Climate Change, Energy and Water budget statements, we would support. In particular, we obviously support community partnerships, one of which is the partnership between the ACT government and the Conservation Council. Robyn would like to say a few words with respect to the “switch your thinking” proposal.

Ms Vance: Leading on from what Ian said in regards to the “switch your thinking” program, the Conservation Council is very supportive of the \$19.1 million allocated over four years and, as the Conservation Council continues to campaign on sustainability and looking at reducing dangerous climate change, we are very interested in working with the Department of Environment, Climate Change, Energy and Water in the future to participate in this program.

THE CHAIR: Thank you. Members have questions.

MS BURCH: On the community partnerships, you mentioned that it is a partnership arrangement. How do you see that working for you? Do you have views on this? Do you have conversations with the government about how that may evolve?

Prof Falconer: It evolves through projects in a range of community partnerships and has been evolving for a long time. One of the former commonwealth government community partnerships in which we had a significant role to play was called “cool communities” and was on energy efficiency in the community.

We are currently involved in a major community partnership with respect to Gungahlin—biodiversity, conservation and understanding by the community of the environment at Gungahlin. We inherently work through a range of community partnership proposals.

Ms Vance: The project in Gungahlin has been particularly successful and has been received quite well by members of the Gungahlin community.

MS LE COUTEUR: As you would be aware, there was half a million dollars allocated for commercial waste in the ACT government. There is not a huge amount of detail about that and how that would be spent. Have you got any suggestions? How do you think it should be spent?

Prof Falconer: We are participants in a joint project with the business community on this one. It was launched 10 days ago, something like that, and our participation in it is to work together with actual businesses in both fostering and understanding waste issues and getting a mentoring program going within the business community in terms of management of waste. We are very much concerned about commercial and industrial waste. We feel that the domestic waste issue is largely being handled very well in the ACT but the commercial-industrial waste is not, and it is an obvious area where there is significant room for improvement.

MR SMYTH: On that point, as a follow up, I have a personal interest in the no waste by 2010 strategy. Where do we go to with something like the no waste strategy? The government seems to not want to talk about it. We have had the Chief Minister say that it was only an aspirational target, which is absolutely incorrect.

Prof Falconer: It is up for review and I think it is funded in the current budget. We would obviously like to participate in that because we have an active interest in it. It was never more than an aspirational goal; it could not be.

MR SMYTH: Sorry?

Prof Falconer: No waste by 2020, was it not?

MR SMYTH: No, it was by 2010. If you read the original documents from 1996 and the community consultation, they said, “We do not want a wobbly target. We actually want to do this.” That was the community aspiration. By 2001 we had reduced it by almost 70 per cent and the next step was to attack all business waste and get the business community on board. How will the project you are working on work and what is the target?

Prof Falconer: Primarily through cooperation between business entities. A couple of major business entities have agreed to act as mentors or sponsors to encourage other people and have already got into place extensive strategies within their own companies for dealing with commercial waste. And we are hoping that, by facilitating that and by those companies acting as mentors for other companies, it will be possible to spread through the commercial-industrial community in the ACT the actual techniques and abilities of handling that type of waste on a relatively low-cost basis, because the bottom line is important.

MRS DUNNE: I want to come back to the “switch your thinking” program. Ms Vance spoke about it. One of the things that I am concerned about is that there is roughly \$5 million a year in the budget for it but there does not seem to be much by way of programs. Do you have a feel for how this one-stop shop arrangement will work and how it will connect with the existing arrangements? To what extent is it an extension of the heat program? How will it interact with the heat program? For

instance, how do you anticipate that that roughly \$5 million a year is going to be expended and on what?

Prof Falconer: We are as much in the dark about it as you are.

MRS DUNNE: It is not just me then.

Ms Vance: No.

Prof Falconer: We would want to be involved in any opportunities we had to participate in it and to actually interact in terms of the way it operates. But we have no more detail on it than you have.

THE CHAIR: In your submission, you talked a bit about planning and made some specific recommendations in relation to planning. I want to get your broad views. I know there is a recommendation for a position within ACTPLA. There is some stuff on a betterment charge. I want to get your views. I think the submission touches on, but maybe does not go into definitive detail on, the issue of in-fill as an environmental concern.

Obviously we face the great challenge in the ACT that the spread-out nature of Canberra makes it difficult to provide a sustainable transport system in particular. What is the council's view on in-fill in the future and how much would you support seeing many more people living around our town centres and the like?

Prof Falconer: We have a policy on this area. In general, we are against the development of greenfield sites, with specific exceptions. We are not against the development of the new Molonglo suburb as currently defined. We think that is an area where the ecology and biodiversity are negligible and it can be very satisfactorily covered in well-developed urban communities. But in general we are not in favour of greenfield development.

This means that, by implication and actually, we are in favour of in-fill. Our proposal on the Molonglo development actually talks about high-density, medium-density and low-density developments within the new Molonglo suburb. We do not think it is efficient in terms of infrastructure, energy or land use to build suburbs on greenfields in the dim distance in the ACT. Conversely, we are interested in effective in-fill, effective increasing urbanisation around community centres, in the same way as is actually undertaken at the present time.

THE CHAIR: How far does that extend? Does that extend to high rise around our town centres and along our transport corridors, or are you talking about a more medium-type density in-fill?

Prof Falconer: We are interested in the development of transport corridors because we have an interest in the development of an efficient transport system and you have to have enough population adjacent to the transport system to make it economic. We have no specific policy with respect to high rise but, in general, we have no opposition to it as long as it is sensitively done and there is enough open space associated with it to provide recreational areas for people living there.

MR SMYTH: On that, if Molonglo is acceptable, is the further extension or the current completion of Gungahlin acceptable?

Prof Falconer: I was very glad to see in the budget papers that Kinlyside was listed as a Canberra nature park. That is something that the Conservation Council has been arguing for five years. It is a very nice area of biodiversity and grassy woodlands and there was no need to develop it. The first I knew that it was going to be converted to a Canberra nature park was in these budget papers.

It is the same with Kama woodlands. We have been arguing that Kama woodlands in the Molonglo Valley should be conserved as a Canberra nature park and the first inclination we had that it was going to actually happen was in these budget papers. That is great. I am afraid I have lost track of the question.

MR SMYTH: The question was: is the development west of the proposed development in Gungahlin acceptable? Of course the next town centre after that is Kowen. Is Kowen acceptable?

Prof Falconer: Our thinking does not extend as far as Kowen. But in general we are not in favour of *Pinus radiata* wherever it is found, and Kowen is largely *Pinus radiata*.

MR SMYTH: It certainly is.

MRS DUNNE: There is not much biodiversity there.

Prof Falconer: There is not much biodiversity in a pine forest.

THE CHAIR: Ms Bresnan has some questions.

MS BRESNAN: This is a question in relation to your general funding position. How are you currently placed in terms of recurrent funding for operational purposes and is there going to be any impact on the funding levels? Are funding levels going to have any impact on the services which you are delivering now?

Prof Falconer: We are continuously almost broke.

Ms Vance: We are in a position where we had quite an active campaigner until recently. We have advertised and we have had a look around and there are some fantastic campaigners out there that we would love to get on board. We are still waiting to see what our financial position will be like in the future in order to hire someone and actually give them a good shot at getting out there and campaigning for what the conservation council is all about.

MS BRESNAN: So basically the current funding levels are not great?

Prof Falconer: We are dependent on multiple sources of funding but the funding coming through the ACT government is our core funding. Without that, we would just fall in a heap. We do projects for a variety of parties, including the ACT government,

which raise funding. We do some projects for the commonwealth government. We also have a major fundraising campaign, like all NGOs do, to raise funds from the private sector. The funds that we raise from private individuals are a great help. But we are almost broke all the time and that is the way it goes.

MRS DUNNE: I want to go back, Professor Falconer, to your passing comment about the lack of rangers. It seems to have been the position of the conservation council for a number of years that there is a need for more on-ground specialists. Would you like to give the committee an exposition on how many rangers you think that we need, what their specialities should be or where they should be located?

Prof Falconer: Yes. We are always short of rangers. My particular personal angle on this one is that I am an active member and have been convenor of the Friends of Aranda Bushland, which is one of the on-the-ground, working Canberra nature park groups which interact with rangers all the time. They are stretched very thin.

My understanding is that there are not enough rangers to simply service the Canberra nature park's conservation groups, of which there are lots now. There must be something of the order of 30 areas of Canberra nature park that have now got volunteer groups that are doing the bulk of the work. And there just simply are not enough rangers in the area to service these effectively.

They do their best and they skate around. But they are skating around. You might get a ranger for half an hour on a Sunday if it is scheduled but then he is off picking up dead kangaroos off the road. They are very scarce people, the rangers. The level of competence in the ranger service is extremely good. They are very capable, they work hard and they are strongly motivated but there are just not enough of them. And we did put in a specific budget submission this time for two additional rangers.

MS BURCH: You have made comment about open space and waterways and park and grassland areas. What are your thoughts on urban forest renewal? There are significant moneys in that for conserving trees and replacing trees and space.

Prof Falconer: It can only be beneficial. Having got a spread-out garden city, really it has to be done. It is going to simply deteriorate if adequate funding is not put into that area. And so we are very pleased to see it. You have only got to drive around to see the number of trees that need to be taken down and replaced by replanting.

MS LE COUTEUR: Do you think that we are going to end up having significant changes of species in the urban forestry planting, given the drought and the increased temperatures?

Prof Falconer: I would hope so. Some of the previous selections of species that have been planted have not been the world's best. But there is enough expertise in the ACT now to do replanting effectively with effective species. I have reasonable confidence in their capability to do it.

THE CHAIR: We might wrap it up there. We thank you very much for coming in. Thank you for your time. A transcript of proceedings will be made available to you as soon as possible for you to check and correct if needed.

Prof Falconer: Thank you very much for the opportunity.

TENNANT-WOOD, DR ROBIN, Director, Canberra Environment and Sustainability Resource Centre

CARMAN, MR GREG, Treasurer, Canberra Environment and Sustainability Resource Centre

THE CHAIR: We move to our final community group for the day, the Canberra Environment and Sustainability Resource Centre. Can I ask whether both of you have read and understand the privileges statement?

Dr Tennant-Wood: Okay.

Mr Carman: Yes, we have. No problem.

THE CHAIR: Would you like to make an opening statement?

Dr Tennant-Wood: I would like to thank the committee for seeing us at such short notice. Our appearance this afternoon is regarding the financial situation of the environment centre. Perhaps I should give you a little bit of history as to where we are coming from on this. I took over the running of the environment centre in April 2005, at which stage the centre was in the doldrums. It had reached a point where the management committee had burnt out. The staff had burnt out, basically. I took over, with new blood and a new management committee, and we started to rekindle some enthusiasm.

It became apparent towards the end of that year, though, that we were not going to reach the community, our core constituents, by sitting in our building waiting for people to come to us. It was going to be necessary for us to take our projects and programs to the community. By the end of 2006 and the beginning of 2007, it was becoming blindingly obvious that we just were not going to have the finances to run all our programs and projects.

Like the conservation council, our core funding comes from the ACT government. We do receive grants through the external grants program and also through corporate funding, but nowhere near enough. At that stage, we were receiving about \$70,000 per annum from the ACT government. At the end of 2007, I went and spoke to Mr Mike Zissler and Mr Hamish McNulty, who were respectively at that stage the CEO of TAMS and the executive director of environment within TAMS. They gave me a great hearing and at the end of that meeting said, "Put in a submission to us. Actually, send it though to Mr McNulty and tell us how much extra money you need."

I did that. I did a sort of budget submission for them and sent it through to them. In February 2008, I got a reply from Mr McNulty, who said that we were too late for their budget for the 2008-09 year; however, he could find us an extra \$20,000. So our base level of funding for the 2008-09 year went up to \$90,000. He also said could we please resubmit our budget to them in time for the 2009-10 budget, which I did. I think you have those documents in front of you.

I subsequently met with Mr McNulty again and then, after the election, with Mr Corbell, Minister Corbell. At each of those meetings, I was given a very good hearing and an indication of support for our submission. In February this year, I met

with Mr Paul Lewis, who I think was the director of sustainability policy and programs within the new Department of the Environment, Climate Change, Energy and Water. He actually said to me, “I will support this submission through to the budget; deliver it to Treasury.” That was the last face-to-face meeting I had with anybody.

Our problem is that we work on a very small budget. Last year at around this time we had to replace every computer we have in the building. They just went down one after the other and there is a limit to how long you can put computers back together with blu-tack and rubber bands. That put us at a \$5,000 loss. We just do not have this sort of discretionary funding in our organisation. We then had to subsequently upgrade our entire network, because the old network could not support the new computers.

As a result, we are entering this financial year—this next financial year—with an operational deficit of about \$13,000. Our anticipation was that, if we received additional funding from the territory, as we had requested, we would be able to make up that shortfall over a period of years. When the budget came down, the government had indeed extended its spending on environment community groups, but instead of increasing the base funding of our own organisation and the conservation council the new funding has been directed to a new organisation, SEE-Change Inc.

Our problem is that, apart from the deficit, we have now suffered a significant loss of our capacity to serve the community. With the upgrading of the new computers and the new network, we have Canberra’s only dedicated environmental library but we now do not have access to the catalogue because the new computers and the new network will not support the old library catalogue software. We have had a quote for around \$12,000 to \$13,000 to upgrade all of that. We now have people coming in and saying, “Do you have a copy of X report or X book?” We say, “Well, probably. There are the shelves. Go and look for it.” We just do not have access to our catalogue. This is putting us and our community at a severe disadvantage. We were expecting to be able to restore that library catalogue to full accessibility in the new, coming, financial year. That now will not happen unless we can somehow expand that funding.

Prior to the current negotiations, the centre had received absolutely no increase in funding from at least 2000 up until last year that I know of. My involvement with the centre goes back to only 2000, but since 2000 we have sought no increases and received no increases other than the usual CPI.

Our project work within the ACT community aims to address social sustainability and equity issues in the context of a total sustainable approach which is environmental, social and economic. A lot of the work that we do and a lot of the projects we undertake are aimed at that sector of the community that simply cannot afford to self-fund projects. The necessity to repair our deficit will result in reduced community outreach projects to a sector of the community that really needs the services that we provide—such as vegie gardens in community organisations in disadvantaged areas of Canberra.

We feel also that by adding another environmental organisation into the very small funding pool there is an element of competition that has been brought in—so, instead of three organisations working together cooperatively, we have got three organisations

competing and setting up a rivalry for reduced funding—not reduced funding, but a relatively smaller funding pool.

The conservation council, SEE-Change and the environment centre all have totally different agendas and different approaches. We do not stand on one another's toes in that respect. SEE-Change work as a catalyst group for grassroots people—people who know that they want to make a change but need help in doing it. The conservation council works as a lobby group and works with that grassroots environmental campaigning area. We tend to drive through the middle as a resource centre for people who would love to do something more for the environment but just do not know where to start and do not have the resources and the information. On an annual budget of about \$95,000 per annum for the next four years, we just cannot afford to do that. Hence our petition to the committee. Do you want to add anything, Greg?

Mr Carman: Other than that, as Treasurer, I can say that she got the maths right.

THE CHAIR: Mr Smyth.

MR SMYTH: How much was the increase that you requested?

Dr Tennant-Wood: Our full budget was for \$152,000. While we did not expect to get all of that, we were given an expectation that we might receive part of it.

MR SMYTH: So you have currently got 95.

Dr Tennant-Wood: Yes.

MR SMYTH: And you were hoping for somewhere between 95 and 152?

Dr Tennant-Wood: Yes.

MR SMYTH: What does it mean you cannot do now?

Dr Tennant-Wood: There are a lot of our community outreach projects where we can start on the expectation that yes, we can cover them financially but we hope to get funding in. For example, we are currently working with Richardson primary school to put in a garden for students. Richardson is a fairly impoverished school; they cannot afford to do it themselves. We have started this project on our financial basis, on the expectation that we will get funding in. That in fact is happening. But we just will not be able to start those sorts of things until we can say, “Yes, money is in the bank. We have got the funding for it. Now we can do it.”

We are currently doing a federally funded project on e-waste production. Before we started that project, we knew that as an organisation we did not have all the answers. We needed to get answers, to scope the problem. We were able to bring together a group of about 25 experts across the board in waste management, recycling, the electronics industry and the retail industry. I think we had representatives from government, industry and the community. We were able to spend a full day, have these people in a room and thrash the issue out. It cost us about \$750. For us to spend \$750 on a single day's project is a big commitment, but it gave us, in the end, a great

report that we could then use as the basis to go to the federal department of the environment and say, “This is what we know now. We need to find out more on these areas.” And it worked. We got a federal grant through to do that job. We will not be able to do those sorts of things; we will not be able to get that sort of base information in.

MR SMYTH: And you currently subsidise SEE-Change?

Dr Tennant-Wood: SEE-Change operate out of our premises. SEE-Change started in 2006 or 2007. In mid-2007, Professor Douglas, who is the chair of SEE-Change, came to us and said would we be able to host SEE-Change for a couple of days a week for their intern program. We said yes. So for the first 12 months of SEE-Change’s operation they worked out of our office free of charge. It is the centre’s policy to assist and mentor other groups, and we are delighted to be able to do that. Since the middle of last year, the middle of 2008, they have been paying us a service fee for the use of our computers, phone and so forth, but it is a very small charge. We have in fact been supporting SEE-Change as an organisation.

MR SMYTH: Does not getting the additional money put something like the harvest festival at risk?

Dr Tennant-Wood: The harvest festival cost us \$7,500 to put on, and we got \$5,000 back.

Mr Carman: So yes is the answer. The other thing is that it was a big risk. We would not take that risk this year.

Dr Tennant-Wood: Yes.

Mr Carman: But given that we have established it, probably it is a goer. We might think about risking two and a half grand again this coming year, but it is obviously something we would have to worry about.

Dr Tennant-Wood: There are also grants we can apply for to put on a festival like that.

MS LE COUTEUR: I understand that you get your premises free of charge or at a nominal rate of rent from the ANU. Is this secure? I imagine that you could not afford to pay rent.

Dr Tennant-Wood: We could not afford to pay rent, no.

Mr Carman: It is not secure, no.

MS LE COUTEUR: Exactly. It is another threat.

Dr Tennant-Wood: It is not secure. We are on a five-year lease from the ANU from the time we sign the paperwork—which has not been signed yet, not because we dive under the desks every time they come round but because the ANU just have not asked us to sign the paperwork. Part of the arrangement with the ANU exchange

development project was that the development consortium, which was the ANU, the ACT government and Balderstone Hornibrook, was to relocate the community groups that were living in the area which is now the new UniLodge. We were all split up, but we all secured accommodation. The ANU had the spare block of land which is where we are, and the building was brought down from Mount Stromlo; it was surplus to requirements up there. We are indebted to the ANU for their support. The ANU really has done us a great service in hosting us.

Mr Carman: It is a great improvement, too. It is a really wonderful site compared to where we were.

MS LE COUTEUR: Yes.

Dr Tennant-Wood: It is. We have ANU students who come and work with us. We quite often put ANU students on to work on projects. And the ANU is looking at channelling its research and development in sustainability areas through us to the community. The ANU is very aware that there is a community perception that it is a big elitist organisation sitting in the middle of the city; it wants to bring the community to it, and we provide a good community interface. So in that respect, that is how we pay them back for their hospitality.

MS BURCH: You have mentioned that there are partnerships between the conservation council, SEE-Change and you or that you work together. Can you explore that? And how is the funding now competitive across the three of you given that you all seem to cohabitate to some level?

Dr Tennant-Wood: My understanding is that the conservation council—we spoke to the director a couple of weeks ago—receive about \$120,000 a year. They have always received more than the environment centre, because they have always done more of the campaigning on the big projects. So that is sort of historical. Up until now, SEE-Change has received—it got some discretionary funding to start off, through the Chief Minister; it got a grant from the NRM small projects fund; and then at the beginning of this year it received \$45,000. I think that was through the environment department, but I am really not sure; SEE-Change would have to clarify that.

MS BURCH: Do you do projects together or work together?

Dr Tennant-Wood: We work with the other two organisations inasmuch as we support one another's projects, but because we all have different core constituencies and different approaches we find that it is a lot more effective for us to maintain that sort of broad approach. A lot of people who would feel very comfortable coming to us might feel uncomfortable going to one of the other two organisations—and that works for all three. It is a good broad approach. Having three organisations is very positive in the context of covering the environment and the environment sector in Canberra. We are part of the conservation council's new waste network, for example. That is a subject that is very important to us and something where we do a lot of work. SEE-Change supported the harvest festival with us. There is a certain amount of cross-pollination, but we do not collaborate, as such, on projects.

MS BRESNAN: Just a quick question. You have talked about the impact that the

budgetary cuts are going to have on some of the projects you provide. From an employment perspective as an organisation, what impact will it have in those terms?

Dr Tennant-Wood: At the moment we have about 2.2 full-time-equivalent positions spread over five part-time people. We are all working part time—from me right down. That is purely because of straitened circumstances. At our peak, which was about the middle of last year, we had about five full-time equivalent positions spread over 11 people.

The people who work for us are typically university graduates who want to get a bit of work experience before they jump into—I hesitate to say it—a real job. They might want to go and work in policy development or work overseas; they will come and get work experience with us. Frequently they are students who have done a specialist subject as part of an honours degree, for example, and they will come and apply that in a project through us. We have done that a couple of times with graduates. Or they are people who have a specific interest in an area of environmental work and want to apply that in the project. The type of work we can offer particularly suits a lot of young people who do not want to commit to a complete full-time job yet, but want to come and apply.

It will have an impact inasmuch as we will probably have to go down to me and probably two part-time project people just to keep the projects we have got running ticking over.

Mr Carman: I would just like to clarify that the funding for a number of those positions comes from other grants. It does not come from you guys.

Dr Tennant-Wood: Yes.

Mr Carman: You guys basically pay Robin's three-quarter full-time position, and that is it.

MS BURCH: The core funding?

Dr Tennant-Wood: Yes. And the overheads.

Mr Carman: Yes. The balance of what you guys give us goes into our overheads, yes. I do not know if that was your question or not, but I just thought I needed to clarify that.

MS BURCH: That answers the question, thank you.

THE CHAIR: Thank you very much for appearing before us. We appreciate your input. The transcript will be made available to you as soon as possible, so you can check that for accuracy.

The committee adjourned at 4.29 pm.