



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

WEDNESDAY, 20 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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Privilege statement

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Amended 21 January 2009

The committee met at 9 am.

Appearances:

Stanhope, Mr Jon, Chief Minister, Minister for Transport, Minister for Territory and Municipal Services, Minister for Business and Economic Development, Minister for Indigenous Affairs and Minister for the Arts and Heritage

Chief Minister's Department

Cappie-Wood, Mr Andrew, Chief Executive

Dawes, Mr David, Deputy Chief Executive, Strategic Project Facilitation, Business and Projects

Neser, Ms Kate, Chief Finance Officer, Strategic Finance

Tomlins, Mr George, Executive Director, Strategic Project Facilitation, Business and Projects

Cartwright, Ms Carol, Executive Director, Arts, Communications, Events and Protocol

Stewart-Moore, Ms Karen, Senior Manager, Arts, Communications, Events and Protocol

Cox, Mr Ian, Director, Business and Industry Development, Business and Projects

Whitney, Mr David, Director, artsACT

ACT Stimulus Package Taskforce

Lambert, Ms Sandra, Coordinator General

Overton-Clarke, Ms Bronwen, Coordinator

Cultural Facilities Corporation

Elvin, Ms Harriet, Chief Executive Officer

THE CHAIR: We welcome the Chief Minister and officials from the Chief Minister's Department. Chief Minister and officials, there are just a couple of housekeeping measures before we start. I am sure that we do not need to ask the Chief Minister whether he understands the privilege statement, but we will just get him to confirm that when he starts and also get officials when they start to state that they have read and understand the privilege statement. We are reasonably limited for time. The committee has indicated that where there are excessively long answers where the question has been answered I will ask an official or the minister to wrap it up once it has been answered. Minister, would you like to make an opening statement?

Mr Stanhope: I have no opening statement other than to thank the committee for inviting me and officials from the Chief Minister's Department to appear today. We look forward to assisting the committee in better understanding the budget. I and my officers are getting ready to render whatever assistance we are able. Thank you.

THE CHAIR: Thank you. Ms Le Couteur?

MS LE COUTEUR: In estimates on Monday, Treasury advised us that the ACT government's approach to sustainability assessment and triple bottom line reporting now rests with the Chief Minister's Department. Can you tell us what is the status of

this work and what sustainability assessment and triple bottom line model are you using? Will there be any public consultation before it is adopted? I will have some more on this, but we could start there.

Mr Stanhope: Mr Cappie-Wood would be happy to respond.

Mr Cappie-Wood: Thank you very much. There has been a clear statement by the government in the past in terms of a sustainability approach, which is governed in “People place prosperity”. The issue of the triple bottom line was raised in those discussions. And there has been work commenced inside the Chief Minister’s Department to facilitate the development of a triple bottom line methodology. That methodology is still being worked up. Initially it will be worked up in consultation with other chief executives, to ensure that we have an understanding in buy-in in terms of the particular approach and to be able to also develop an assessment tool for triple bottom line activities. So it is not just a reporting tool but an assessment tool at the same time. It is intended that, once we have those initial discussions and the preliminary framework that would be discussed with government, we would be recommending to government that there would be a form of public engagement around the refinement of that. At this point in time, it will be several months yet before we have that before government.

MS LE COUTEUR: How long before you have it before the public in the form of public engagement?

Mr Cappie-Wood: I suggest that that is probably a question best answered when we have that in front of government and the time taken for us to have all of the elements—that is, not only the reporting tool but the assessment tool—refined with the chief executives. I would imagine that we would be looking at no more than four months before we would have something out before the public.

MS LE COUTEUR: So early in the second half of this year—four months?

Mr Cappie-Wood: Yes.

MS LE COUTEUR: Great. Are you assuming on this that you are going to do the sustainability assessment at the beginning of projects and at the end of them?

Mr Cappie-Wood: Yes. That would certainly be—

MS LE COUTEUR: And will it then match up with the budget reporting?

Mr Cappie-Wood: That is what we—

MS LE COUTEUR: And in annual report reporting?

Mr Cappie-Wood: Given that there is a whole process of budget performance reporting, as it currently stands, I think it opens up a broader question in terms of accountability about how the triple bottom line reportage will blend in with the current budget reporting.

MS LE COUTEUR: Absolutely, yes.

Mr Cappie-Wood: That is a broader question of how accountability reporting is being looked at. There is a separate project being undertaken in the Chief Minister's Department about reviewing the entire accountability framework and trying to refine the accountability tools and reporting methodologies, part of which we would want to incorporate triple bottom line issues into.

MS LE COUTEUR: I assume that, given the government's recent commitment to zero net carbon emissions, that will be a major part of this reporting—that the carbon emissions are, hopefully, zero?

Mr Cappie-Wood: I think that that would probably be informed by the energy policy specifically. I can be corrected on this, but I think the question of zero carbon omissions is an aspirational one as opposed to being one formed by specific targets that are associated with progression towards that, which might come through the energy policy.

MS LE COUTEUR: Hopefully through a lot more than the energy policy. If it is going to happen, it will have to come through everything.

Mr Cappie-Wood: Yes.

MS LE COUTEUR: You have sort of answered my next question, which was really going to be this: given this, and given the reporting you are looking at, is climate change reporting analysis going to be part of every major project?

Mr Cappie-Wood: That is something which I think we are currently evaluating to say, "How can you embed this"—to use a hackneyed phrase—"into the processes?" "How do you actually make sure that questions of sustainability"—because that is effectively what the triple bottom line assessment tool or reporting arrangements are intended to do—"are part of ongoing decision making, reportage and evaluative processes?"

MS LE COUTEUR: I have been mainly talking about the environmental part of the triple bottom line, but what about the social analysis? Presumably that is going to be part of it. How is that going to happen?

Mr Cappie-Wood: Yes. Not only the social analysis but also the question of the economic side as well. It has to be all part of the question of triple bottom line. The social analysis, in terms of the inclusion, in terms of how minorities and questions of equity are dealt with, is partly to be informed by the work that came out of the inclusion board and partly by work that is currently being undertaken in terms of looking at the work that went into the Canberra plan refresh and the rest of it, which is saying, "If these are government's social undertakings, which are embedded in the major planning documents, how do we then see those as being brought to bear in terms of decision making and in terms of reportage?" That will be part of our, literally, triple bottom line assessment and reporting tools.

MS LE COUTEUR: So you have got the overall—

Mr Cappie-Wood: Yes.

MS LE COUTEUR: and each agency will do its own analysis for its programs?

Mr Cappie-Wood: Yes.

MS LE COUTEUR: And that will be somehow put together in a whole-of-government sense?

Mr Cappie-Wood: We are initially looking at what is the framework. Each agency would then be responsible for its own activities, but reporting in such a way that not only would each agency take on its own reportage through annual reports but also there will be whole-of-government reporting as well.

MS LE COUTEUR: Okay. Last year there were new requirements for ESD in the Chief Minister's annual report directions, but having gone through one cycle of annual report hearings I know that they have been inconsistently reported against. In fact, that was one of things that PAC talked about. Is there anything that you are going to be doing to improve that reporting? And, given the issues that you have got with that very limited reporting, how do you think you are going to be able to make the much more ambitious—I assume, I hope, much more ambitious—triple bottom line reporting work when this part is not working properly?

Mr Cappie-Wood: That goes to the question of what is a policy framework which informs the intended outcomes. Are they clear enough? I think weathering the change, in terms of the environmental ones, made some of the targets quite explicit. Individual agencies are working towards those. It is, again: what is the clarity of the reporting mechanism and what are the targets or indicators which will be used to be able to inform not only whole-of-government but individual agency actions? It is patchy at the moment.

Some agencies are substantially advanced on this; others are still at the starting blocks. What we are wanting to do is provide a framework which will assist those agencies. This will not replace the agencies' own efforts in this regard. But, with the establishment of the new department and the emphasis that that has, we have already had a whole-of-government discussion on sustainability. David's recent appointment, I think, is a major step forward in terms of the impetus behind this.

We will be, I think, progressing quite quickly now. They have already had discussions on the question of the green economy, part of the triple bottom line issues again. So there is a momentum which has been building. We want to continue to sustain that, and one of the ways of sustaining it is getting embedded the triple bottom line approach as an assessment tool and reportage.

THE CHAIR: I will go to Ms Bresnan and then Mr Smyth.

MS BRESNAN: I am following up on this. Are we likely to see in the next budget that there will be some incorporation of the triple bottom line in that?

Mr Cappie-Wood: Depending upon the outcome of the lead times associated with that, it is anticipated to be a full cycle. You would anticipate that you would see some elements of that in, hopefully, the next budget but, depending upon how the budget reporting is changed to incorporate it, that would be a decision by government. Certainly we are wanting to see some elements of that.

The process of triple bottom line reporting should be informed by what are targets and indicators to be achieved in the full cycle. If that was the case, we would have that full cycle starting now. But unfortunately we are in the process of still developing up those frameworks.

MR SMYTH: Chief Minister, on a different subject: I notice in the federal budget they are going to build infrastructure on every corner of the earth but the ACT seems to have missed out. I have two questions. The first one is about the Griffin legacy. We resolved the question of the federal government paying for the car park that they have received. Is the work going to go ahead at Parkes Avenue and, if so, when?

Mr Stanhope: The issue in relation to the land exchange that occurred as a result of commitments made by the federal government in relation to Constitution Avenue has not been formally resolved. It is a matter of achieving discussion between me, the government and the federal government. I most recently raised that with Lindsay Tanner at my last meeting with him, which was about four weeks ago—maybe four to six weeks ago, I am not quite sure. It is a matter of continuing concern to me.

There is something of a holding position in the nature of the arrangements or the impasse. I accept that it is an issue that has to be resolved. You are quite right: this is a significant issue. As a result of an explicit understanding between the ACT government and the commonwealth government, which involved the upgrading of Constitution Avenue—we would transfer certain land associated with the roads, road verges to the commonwealth—the commonwealth acted immediately to gazette the new arrangement. They, through a formal legal process, have taken ownership of that land and then they withdrew the funding.

I have indicated to Mr Tanner that at the end of the day, if funding is not restored and the matter is not resolved, the land will need to be returned. And I have indicated in conversation that we of course remain hopeful that the funding will be applied, but at the end of the day, if it is not, the ACT government cannot tolerate the fact that the land be retained. So we are at an impasse.

In the discussions, it is fair to say that Mr Tanner did indicate that he would be looking in this cycle, in their electoral cycle, which now has one budget left, we presume, to regularise the position. My attitude on this is that, if in next year's budget the commonwealth does not restore the funding, then I think that we will have to insist on the land being returned.

MR SMYTH: We are waiting for two years, in effect, before we attempt to get our land back?

Mr Stanhope: That is the attitude that I have adopted. Mr Tanner has left open the

possibility—he has not promised—that the position will be regularised. He accepts and understands the nature of the relationship. I have to say that there is an informal acceptance by the commonwealth that in withdrawing the funding—they were not privy to the underlying arrangement, namely, that there had been an exchange of land; that a deal had been done; it is true—the commonwealth have welched on a deal, and the legal implication to that is that they have taken ownership of land as a result of that and yet they have withdrawn funding.

But Mr Tanner has left open, in discussions with me, the possibility that he will seek, subject to their budget position, to restore the funding. And if he does not, of course, then we will have to simply insist that the land be returned. I believe a reasonable time frame is this electoral cycle. As I have just said, if the money is not returned through next year's federal budget, then I think the ACT has no option but to demand that the land be returned.

But it is complicated by the fact, as you have pointed out, the commonwealth had built a car park on our land. And I was chastised on *Chief Minister Talkback* for not actually maintaining it appropriately.

MR SMYTH: One of life's bittersweet ironies.

Mr Stanhope: Yes.

MR SMYTH: The dilemma now, though, is that work on certain blocks on Constitution Avenue was predicated on the upgrade of Constitution Avenue through the Griffin legacy. I note the fence has gone up on the new ASIO headquarters site, which will put pressure not just on Constitution Avenue but on Parkes Way. In the construction phase, how are we going to cope with a road that should have been bigger but now is not?

Mr Stanhope: I am not sure that the issue in relation to Constitution Avenue and its carrying capacity will be impacted particularly by the construction but, with some of the proposals that are in hand for the redevelopment and development of Constitution Avenue, there certainly is a major looming challenge. I accept that. That is why I agreed. That is why we agreed to the arrangement with the commonwealth. I think, in the longer term—and I think this will not be an issue for some years yet, but certainly into the future and certainly perhaps the medium future—if the commonwealth does not restore funding for Constitution Avenue and for the necessary upgrades—heaven forbid, I do not want to talk the commonwealth out of restoring that funding—then it will be an issue that an ACT government will have to face. There is no doubt about that.

MR SMYTH: The other issue that the federal government has reneged on is, of course, payments for the Olympic relay. Have we had any resolution of that outstanding debt?

Mr Stanhope: I think you can look at this in two ways. The commonwealth will probably insist that they did not renege, that the costs that they met are equivalent to around half a million dollars, through AFP costs. The issue for us is that we negotiated in good faith with the commonwealth on a fifty-fifty split, which came out

at around, on our initial estimates, \$500,000 each. But, as a result of the security issues surrounding the relay, the cost of course ballooned significantly, the fifty-fifty arrangement was not extended beyond that initial estimate by the commonwealth and we were left to carry that significant extra cost.

I have written to the Prime Minister at least a couple of times, if not more, in relation to the issue. The commonwealth was not initially sympathetic and I remade the case. I cannot recall whether or not my last representation to the Prime Minister has been responded to.

Mr Cappie-Wood: I cannot remember a response to that.

Mr Stanhope: I would have to check. I will get back to the committee. I wrote, essentially, a letter of appeal to the Prime Minister after the commonwealth had indicated it was not inclined to change its position. I must say that I cannot recall whether or not the Prime Minister has responded to my appeal. I will confirm to the committee the status of that.

MR SMYTH: To go back to the Griffin legacy, you said the commonwealth has built their car park on our land, which of course could be quite akin to the land rent scheme where people are building houses on our land. Can you update the committee on where the land rent scheme is at?

Mr Cappie-Wood: The land has been transferred, so it is no longer ours.

Mr Stanhope: Yes. I do not want to regress too much. It is actually not our land now. This is the difficulty, of course. It is actually now commonwealth land. It should be ours. It is commonwealth land.

MR SMYTH: I think you said they have built their car park on our land.

Mr Stanhope: Yes.

MR SMYTH: I was just quoting it back to you.

Mr Stanhope: I am just clarifying for the record. The commonwealth have formally taken ownership of that land. It is just that they have not paid for it.

MR SMYTH: Is there a change to our debtor policy that you can now go for two years without paying a debt? When will this policy be applied to all people in the ACT or does the commonwealth get special treatment?

Mr Stanhope: At the end of the day, we are of course hoping that the commonwealth will meet its obligations but I will not go over that ground.

In relation to land rent and the land rent scheme, we remain positive of a good outcome. I am not sure that I can provide much additional information in relation to that. We continue to seek to facilitate the development of a specific land rent finance product—and we remain positive—but at this stage that product has not been finally approved.

MR SMYTH: Have we a financial institution who is willing to lend for it?

Mr Stanhope: We remain positive that we will have, hopefully sooner rather than later. I must say that I have been hoping that genuinely for the last couple of months. But matters continue to progress. The wheels turn slowly but the government remains positive.

MR SMYTH: On that, in terms of insurance, one of the problems of course with buying a house is opting to get mortgage insurance. How many mortgage insurance companies were contacted regarding the land rent scheme?

Mr Stanhope: I would not have a clue, Mr Smyth. Mr Dawes may be able to assist. If not, we are more than happy to take that question on notice.

Mr Dawes: Part of that I would have to take on notice, Mr Smyth, but in short, with a lot of the negotiations we had with the financiers after the introduction and the lead-up to the introduction of the bill, mortgage insurances were engaged in some of those discussions. I think we all know where the global financial crisis then came in. One of the major mortgage insurers in Australia is owned by AIG from America and I think we all know what happened there.

MR SMYTH: But that happened a long time after these negotiations started.

Mr Dawes: That is correct. But the bill was not introduced until July last year, so we have got to remember that and put that into perspective as well. At this point in time, we are negotiating, as the Chief Minister indicated, with the financier and we remain very hopeful that we will have a positive outcome in the coming months, weeks.

MR SMYTH: All right. So we know of Genworth, MGIC and PMI. Were there any more insurers?

Mr Dawes: Those are the three major ones here in Australia. Genworth, as you know, is owned by AIG and they are the major mortgage insurer in the country. Also, too, we have to remember—and I just cannot recall which one of the other majors was being taken over by QBE—negotiations stalled a little around that time as QBE were doing their—

Mr Cappie-Wood: PMI.

Mr Dawes: PMI, I have just been reminded, was the other major insurer that was being taken over by QBE and that also stalled some discussions in relation to this.

MR SMYTH: If they are three of the major mortgage insurance companies in the country, how did each one respond to the scheme?

Mr Dawes: I would have to go back and get the update on that. Obviously there were a number of questions raised and we worked through some of those issues. I might just deflect to Mr Tomlins.

Mr Tomlins: We met with the mortgage insurers, most of them, in Sydney. The only ones who were clear about their position was St George. St George is not involved in land rent in the ACT at the moment, but all of the others were interested. Some were very interested at the time. PMI were interested but at that stage, as Mr Dawes said, they were been taken over by QBE and declined to really go into details until they knew where they stood with QBE.

MR SMYTH: Were they contacted before the bill was tabled and passed in the Assembly, or after?

Mr Tomlins: I would have to take that on notice. The main reason that we did not go into detail with the mortgage insurers in the first instance was because the banks were quite positive.

MR SMYTH: All right. Which insurers came on board? Have any insurers come on board?

Mr Tomlins: At this stage, no.

MR SMYTH: If none had come on, why were they not contacted before the scheme was launched?

Mr Tomlins: Essentially, the government is not involved in the business of making loans for people, whether they purchase land by any mechanism. Therefore, we do not generally have to go into the mechanisms that lie behind the banks. We talked to a range of banks and received quite positive support. We did not talk to them about where they would be getting their funding or their loan to equity guarantees or any of those arrangements. We talked to the banks, the law society and a range of people about the product and got general support. We did not feel the need to go into depth behind how the lawyers or the banks were going operate.

MR SMYTH: So what forced the change that you had to start looking for mortgage insurance?

Mr Tomlins: Essentially, the market changed dramatically. The banks are changing loan to equity ratios right across the board. People who have got very good asset backing are finding it is hard in the property industry to get money. The banks moved from a position of looking at new products to tightening up their existing products.

MR SMYTH: That was not the case in May, June or July last year. That certainly is the case now, but that was not the case a year ago.

Mr Tomlins: Certainly, that is what caused the change. The banks looked at the product in general. When the legislation was in place and they looked at it and where it went to, there were various risk committees. I am not too sure what the time was but circumstances have definitely changed.

THE CHAIR: When did that attitude change from the banks?

Mr Tomlins: Towards the end of last year. Certainly, from September and, with some,

before that.

THE CHAIR: We have heard a lot about it being prompted by the global downturn. Obviously there was the collapse of Lehman Brothers in, I think, September. That was something that clearly signalled a shift and after that we saw significant changes. Were they not expressing concerns prior to that happening?

Mr Tomlins: I know the legislation went through in July; they were looking at it. One other thing I have learnt is that the banks have a very elaborate committee structure and it tends to move fairly slowly with new products. One bank told us that they would have to reengineer their computer system and it would take something like nine to 15 months before they got into the queue. So it is a reasonably slow process with a new product. It was only a couple of months after the legislation that there was the financial downturn.

THE CHAIR: I have a number of questions in relation to land rent. I know there are a number of committee members who are keen to get a run so we might come back to it. I will give Ms Burch the call.

MS BURCH: Thank you. I refer to page 427 of the budget paper. I was prompted by Mr Smyth's referral to commonwealth arrangements and that leading priorities is leading and coordinating ACT governments' delivery of the nation-building projects. Can you tell us about the department's role in the delivery of that and what that is?

Mr Stanhope: Thank you, Ms Burch. The ACT Coordinator General, Ms Sandra Lambert, is best able to respond to the arrangements that we have put in place and progress in relation to our response as a jurisdiction to the commonwealth's requirements in relation to nation building.

Ms Lambert: There are a range of elements to this program, which cover education, housing, social housing and regional and local infrastructure. The education one comprises a range of programs called the national school pride program, primary schools for the 21st century and a program around science laboratories and language centres. That is a significant program; it totals something over \$200 million.

For the social housing program there is a repairs and maintenance component. There is a new social housing component as well, which is broken into two stages, and there is an energy efficient homes program which is a program that goes directly from the commonwealth to householders. It is not something that the government gets involved in directly. And then there is a program around roads—black spots and so on. So it is quite an extensive program. We have met all our timetables so far and construction has commenced. For instance, in the housing area, we have already been expending the commonwealth dollars.

To date there have been very tight time frames. There are a range of commonwealth processes that need to be conformed with, including reporting. To date, the ACT has met all its requirements and indeed has been a bit ahead of it. We know that we are on track with our spending. For instance, in the maintenance area and housing we were allocated \$3 million to be spent by the end of June. At the end of April we had expended approximately \$930,000. So we know we are on track at the moment and

certainly the dollars that have been allocated to the ACT are well on track in terms of the time lines and timetables that we have to meet.

It is quite a significant program. It is particularly important for education and housing. It requires constant vigilance, if you like, to make sure that we are meeting the requirements. We set up a very small task force in Chief Minister's. It has a very small number of people on it, at a cost of approximately \$1.1 million. We have provided some additional resourcing through the budget—or government has provided some additional resourcing—into ACTPLA and TAMS, which also have delivery components in this. That is probably the briefest overview I can give at the moment.

THE CHAIR: Thank you, Ms Lambert.

MS BURCH: I am interested in the task force, given that it is going into schools. The communication loop with schools about progressing projects—that is well-coordinated and managed?

Ms Lambert: It is well-coordinated. Phil Tardif is here from the education area. If you need to, he can talk to you in detail about that, but I can answer it pretty well. What has happened in education is that there has been a significant process of consultation within schools run by the education department, so that when projects have been proposed, schools have agreed them and the sign-off has been from the principal, the school board chair and the P&C. In the ACT that process has run very smoothly to date. In many other jurisdictions that is not the case, but it has been the case in the ACT. To the best of my knowledge, schools feel they are fully informed about this process.

The other part of the process, of course, is the Block Grant Authority and the non-government schools. We do not have direct responsibility for that money but we are meant to be facilitating their processes. We are doing that with them on a regular basis and that also has been a very effective relationship with the non-government schools and so meeting the time frames that are required for the Block Grant Authority.

MS BURCH: Whilst there is diversity in what they getting, it is probably within a limited scope. Are they exchanging ideas or sharing so they get a stronger value, whether it has been planning or—

Ms Lambert: Certainly in the government school sector there has been a significant sharing of ideas and there must be that to make sure that we meet the time frame. For instance, in the national school pride program there is significant construction of shade structures. That is also happening in the non-government school area, so of course there is a capacity to feed across. Because it is being run very tightly and with a small team that is certainly what is happening. But, as I said, one of our jobs is to enable the Block Grant Authority, for instance, to know what is happening in the government sector so that we can share that knowledge and expertise, and we are doing that.

MS BRESNAN: Just with the housing money which you also referred to, how have

you been engaging with the community sector on that, appreciating there are those time lines there, to actually see where the need is and where the money is to go to with second tranche of funding?

Ms Lambert: As to the second tranche of funding, Minister Hargreaves hosted a seminar at the MBA. Everyone was invited to that and we talked that through. We also as a task force meet with members of the community sector. There is a process occurring at the moment around stage 2, where, when we need to, we engage with the community housing sector and so on as well.

MS BRESNAN: What community sector representatives are on the task force?

Ms Lambert: It is a government task force. We are a task force—

MS BRESNAN: Sorry, I just thought you said there was community sector representation.

Ms Lambert: No. I am sorry, if I said that, if I implied that, that is not the case. We have representation from government agencies on the task force. There are representations from the housing agency, from my position, from the Chief Minister's department, from the department of the environment and from TAMS. They are the people who are on the actual task force.

MS BRESNAN: Okay. I am aware that a consultation briefing was undertaken. I guess I am referring to the actual community sector group, particularly those that are involved in community housing and social housing—how they have been involved in the process.

Ms Lambert: I have not been involved directly with them, apart from the formal briefings that we have had, but my advice is that Housing itself is meeting with those people. Certainly, members of the task force have been meeting with those groups as well. For instance, ACTCOSS has been involved with us and so on.

MS BRESNAN: What about the actual housing groups that are providing housing in the ACT?

Ms Lambert: I will ask Ms Overton-Clarke. She has been doing that liaison. She is officially the housing coordinator so she can give you more specific detail about that.

Ms Overton-Clarke: At the moment we have got a call for proposals open for stage two. As Ms Lambert said, that started with the information session and then we officially called for proposals. For stage 2 we want to achieve 264 dwellings, all of them energy efficient, a six-star rating. We are anticipating that we will get a number of proposals from community housing providers. That is what we hope for. As part of the call for proposals, we have asked organisations to register with us so that we can follow up with them and work with them on their submissions. That officially closes this Friday, after four weeks, but we will be continuing to work with organisations after that date.

There is a very tight time frame in terms of our needing to put proposals to the

commonwealth by 30 June. So we will be working over the next few weeks to assess those proposals within the criteria that has been set by the commonwealth and augmented by details from our housing area as well.

MS BRESNAN: You said you will be working with some of those groups that have—

Ms Overton-Clarke: Yes.

MS BRESNAN: put in applications just to—

Ms Overton-Clarke: And they have been working with them over the last weeks, yes.

MS BRESNAN: They have? Okay, thank you.

Ms Overton-Clarke: Apparently after a slightly slow start we have had, just this week, quite a significant number of applications; so we are really pleased.

MS LE COUTEUR: Is it mainly greenfield sites or infill?

Ms Overton-Clarke: It is both.

MS LE COUTEUR: And the infill, is it single units, multi units?

Ms Lambert: Both.

Ms Overton-Clarke: We are yet to receive the proposal but we expect both. Of course, the main criteria for the nation building houses is that they are housing people who are directly homeless or there is strong interrelationship between clients that we move out of our housing stock and into the new stock. The strongest part of the assessment to the commonwealth is being able to demonstrate that the stock will meet the needs of people who are homeless. For us, of course, we will to have a diversity of form, a diversity of location.

Particularly, we will be looking at access to services and schools and all of the criteria that we need. That will include very much a range of dwellings but we are primarily looking at two-bedroom stock because that is what we are missing in our housing portfolio. I know Housing would welcome some more detailed questions around it when Minister Hargreaves appears.

Ms Lambert: But the housing must occur, as Ms Overton-Clarke just alluded to, within the context of the overall reform framework of the national housing agreement. So we have to avoid concentrations of disadvantage and so on as well. That is not as big an issue, obviously, in this jurisdiction as it is in others.

THE CHAIR: I am going to try to get through the committee members. I know a number of others have questions; so I will move to them. I know Mr Coe has to go and I do not know if you have still got time to ask a question before you leave.

MR COE: Yes, I have got a few minutes. Chief Minister, the question relates to the

OwnPlace scheme and the government's general housing affordability strategy, which seems not to be delivering that many houses to that many people.

The OwnPlace scheme, as I am sure you are aware, involves a house and land package for under \$300,000 where the land comes in at \$100,000. So that means that builders have up to \$200,000 to construct a house to be compliant with the scheme. From the research that I have done and research that my colleagues have done, it seems that just about every single package is coming in at 295, 297, 298, \$299,000, which means that almost every house is coming in at 195, 197, 198, \$199,000 or so. One particular person contacted me and was advised that a house that he signed up to, or was about to sign up to, was being sold for \$197,000 in the OwnPlace scheme.

However, the same house was listed on the builder's website for \$137,000. The same house, same inclusions pretty much, with, say, a \$60,000 mark-up. So builders have up to \$200,000 to play with and it seems quite a few of them are using it in spite of the fact that the same plan may well attract a significantly cheaper cost should they go through the process independently. So I am just a bit curious as to what sort of policing there is in this space. At \$197,000 that comes to \$1,781 per square metre. That is 1,781 per square metre. There are houses for sale in Franklin where it is coming up as \$1,252 per square metre, \$1,453 per square metre. So 1,781 is a pretty expensive house per square metre and I was wondering, Chief Minister, what sort of checks, what sort of audit you have done in this space.

Mr Stanhope: The OwnPlace scheme is managed by the LDA. The LDA is appearing before the committee at the committee's invitation on another day. But having said that, we have through our Australia-leading affordable housing strategy, which now is regarded around Australia as the best and the most successful in the nation, mandated that 15 per cent of all housing will be affordable. That is a requirement that we have imposed on the LDA for housing development for greenfield estates. The LDA markets its formal requirement to produce affordable housing under the OwnPlace program. It promises to deliver home and land packages at \$300,000. I think I need to say, and I —

MR COE: The question is on the assessment. What assessment do—

Mr Stanhope: Certainly, but the assessment is essentially the market. If there is anybody out there, including the constituent that contacted you in relation to his dissatisfaction or concern about a \$300,000 house and land package delivered under OwnPlace, who believes he can do better, as you put it, if he pursued the process independently, in your words, then I would urge him, Mr Coe, as I am sure you urged him, to pursue the process independently and to pick up that house for under \$300,000. I would be very interested, Mr Coe, if through this process you were table the address of the house that he or any of us could pursue independently on a land and house basis at under \$300,000.

MR COE: So would you be concerned if that was a \$50,000 or \$60,000 mark-up?

Mr Stanhope: Well, I certainly would be concerned, Mr Coe, and—

MR COE: And what would you do if that was the case?

Mr Stanhope: I would certainly be very sceptical. If you are suggesting that there is out there in the marketplace a builder delivering house and land packages at \$240,000—

THE CHAIR: Not house and land. He said the house.

Mr Stanhope: It is only the house? It is not house and land.

MR COE: The house component—

Mr Stanhope: So this house and land package—

MR COE: No, I said very clearly, Chief Minister—

Mr Stanhope: So this is the house that will be delivered without the land.

MR COE: I said very clearly the mark-up—

THE CHAIR: The question is where is the mark-up?

Mr Stanhope: Where in Canberra—

THE CHAIR: Where is the mark-up?

MR COE: was \$197,000 as opposed to \$137,000.

Mr Stanhope: Where in Canberra is the house and land package for \$240,000, Mr Coe? Where is it?

THE CHAIR: Has this issue been brought to your attention before, Chief Minister?

Mr Stanhope: No, it has not, and I must say that the LDA—

THE CHAIR: To the attention of your department?

Mr Stanhope: All I know about the OwnPlace program is that, as I understand it, it is fully subscribed. So popular is it at its full subscription that we have actually doubled the number of blocks. I think we have gone from 120 to 240 as a result of overwhelming demand because of how attractive this particular product is. It is so overwhelmingly popular that the LDA has not been able to meet demand. I think it behoves you, Mr Coe, to answer that question. Where is the house and land package in the ACT that beats the LDA's OwnPlace package? I have not seen it.

In that context of course, Bob Winnel from Village Building, the champions of affordable housing and those that set the benchmark, of course, offered for sale 60 house and land packages in west Macgregor last weekend at under \$360,000. Of the house and land packages offered by Village Building under, of course, the government's mandated affordable housing requirements, I think 20 of the 60 or thereabouts—one-third of the offered products—sold. So at \$360,000, Village

Building company now—and that is the affordable end of the market, here and everywhere else in Australia—managed to sell one-third of the house and land packages on offer. The OwnPlace is fully subscribed.

MR COE: So would you agree that \$1,781 per square metre is an extortionate cost, it seems?

Mr Stanhope: I think you need to ask the LDA that. This program is managed by the LDA, not by the Chief Minister's Department.

MR COE: So \$1,781; is that too much?

Mr Stanhope: I will take the question on notice, Mr Coe, or I would urge you to come back and address the question to the appropriate officers, namely the LDA.

MR COE: Yes, you can certainly take that on notice. I would like to get a response as—

Mr Stanhope: I will take it on notice on behalf of the LDA, but they are appearing before the committee.

THE CHAIR: Have these concerns been put to your department or to your office?

Mr Stanhope: They have not been put to me that I am aware of, but I will take the question on notice.

THE CHAIR: Sorry, Mr Dawes?

Mr Stanhope: I will take the question on notice, Mr Seselja.

Mr Dawes: It has not been put to me at all. It is the first I have heard about it, so it is something that we would have to have a look at. But if, for example, we felt that anyone was, in the way you are putting it, potentially gouging the community—

Mr Stanhope: There are five named builders actually, I think. I would be happy to—

Mr Dawes: we would actually remove them from the system.

Mr Stanhope: Yes. What I will do for the committee is contact the general managers of the five companies that provide housing for the LDA. This is a partnership deal; the LDA provides the land. Who is it? It is Jennings, Graeme Shaw—

Mr Dawes: PBS.

Mr Stanhope: PBS. I will get in touch with those five companies and put to them your suggestion, Mr Coe, that they are gouging first homebuyers and see what they say.

THE CHAIR: So this is the first time this has ever been—

Mr Stanhope: So that is Graeme Shaw; is it Jennings?

THE CHAIR: This is the first time it has ever been raised with you, Chief Minister?

Mr Dawes: Jennings, PBS.

Mr Stanhope: Jennings, Graeme Shaw, PBS. I will get on to them, Mr Coe, and put to them—

THE CHAIR: Is this the first time this has ever been raised with you, Chief Minister?

Mr Stanhope: your allegation that they are gouging—

MR COE: My allegation, is it?

Mr Stanhope: Your allegation that they are—

MR COE: I used that word, did I?

MS BURCH: Well, you brought it in.

Mr Stanhope: Yes. You have just alleged that they are gouging first homebuyers.

MR COE: I used that word, did I?

MRS DUNNE: Mr Dawes used the word “gouging”.

MR COE: Did I use that word?

Mr Stanhope: Mr Chair, I will get—

MRS DUNNE: Mr Dawes used the word “gouging”. Nobody else did.

Mr Stanhope: information for the committee from each of those five building companies, put the allegations of Mr Coe to them and get a formal response from those five companies for you.

THE CHAIR: Could you also confirm this is the first time that this has been raised with either you or your office?

Mr Stanhope: I will take that on notice, Mr Seselja.

MS BURCH: I have a question.

THE CHAIR: Well, hang on.

Mr Stanhope: What, that these five companies are gouging? What do you want me to confirm in relation to—

THE CHAIR: The issue about the price gap—

Mr Stanhope: The gouging, yes.

THE CHAIR: between what is on the website and what is offered under the scheme.

Mr Stanhope: I will ask. I will find out from my office whether anybody has alleged that these five companies, these five reputable ACT companies at the heart of our building industry, are gouging first homebuyers.

THE CHAIR: Mr Coe, did you—

MS BURCH: Thank you.

THE CHAIR: Well, hang on. Mr Coe, did you have anything more on that?

MR COE: No, that is fine for the moment.

THE CHAIR: Okay. I think Ms Hunter and Mrs Dunne were waiting for questions.

MS HUNTER: I have some questions—

Mr Stanhope: Which particular company was doing the gouging, Mr Coe? Have you got advice on that?

MR COE: Look, I will—

Mr Stanhope: It would help me if I knew which company it is.

THE CHAIR: We will come to order. Ms Hunter has a question.

Mr Stanhope: Which is the gouging company, Mr Coe? Is it Graeme Shaw? Is it Jennings?

MS BURCH: He has got it written down.

Mr Stanhope: Is it PBS? Which one is it?

MR SMYTH: As a principle, if the government puts out cheap land, is it acceptable for somebody to inflate their house price?

MS HUNTER: I believe it is actually my turn to ask a question.

MS BURCH: There is a question by Ms Hunter.

MR SMYTH: As a principle, if the government is putting out cheap land, is it okay for—

Mr Stanhope: I have taken the question on notice.

MS BURCH: Excuse me, chair.

THE CHAIR: There is a bit of provocation from the Chief Minister, so we will come back to it. Ms Hunter—

MS BURCH: Prompted.

THE CHAIR: Sorry?

MS BURCH: Prompted.

THE CHAIR: Ms Hunter has a question. I will give her the floor.

MS HUNTER: Thank you, chair. I want to ask some questions about the Community Inclusion Board, the community inclusion fund and also community engagement. Starting with the fund, obviously, the fund was going to be finishing up on 30 June this year. My first question is around whether those programs that would not continue to be funded by other departments or whatever were assisted to find other funding sources and whether they were advised to apply last October in order to slot into the budget cycle, and to seek other sources of funding.

Mr Stanhope: Thank you, Ms Hunter. Ms Davoren would be happy to take your question.

Ms Davoren: Just as a bit of background, the community inclusion fund was transferred to DHCS in mid-2006, but we have worked with them to provide this information today, because we obviously understand the committee would be interested in that. Also as background, the fund was a time-limited program, and a number of partnerships between the community sector and government service delivery programs were supported for that period.

What we have in terms of the current arrangements are a number of projects that have got ongoing funding or alternative funding sources. That includes funding for a caseworker for the Woden community service support to provide outreach support for participants in the big issue project; CYCLOPS and Canberra college's education support program for young carers and pregnant and parenting students; the Brindabella women's group's mums at home and community project; an extension of the Karinya House program to Erin House to provide support, accommodation and individual case management for pregnant and parenting young women; the spice program, which offers students an alternative to five-day-a-week schooling through volunteer work placement while continuing with education; and the program through the CIT that provides a transition to mainstream courses for Sudanese refugees. The agency is currently exploring some options for a number of other programs.

MS HUNTER: So that's underway at the moment?

Ms Davoren: Yes.

MS HUNTER: I will be interested in having a look at how that will go. Connected to that, of course, is the fact that when the fund first came out there was a connection to the Community Inclusion Board. I just wanted to find out the status of the board,

because if you actually look in budget paper No 4 on page 35, at the top there, the support for the Community Inclusion Board drops out in 2009-10. So I'm just wondering about the status of the Community Inclusion Board. Will it continue in some form or is there some other mechanism that is going to be put in place?

Ms Davoren: The board again was a time-limited program, and that funding ended a year ago. The government provided an additional year of support. During that year we have all worked with the recognition that we wanted to evolve on our community inclusion policy and how we support those issues across government. So in terms of the board, the board will end formally on 30 June this year. As has occurred before, we will be doing a substantial end-of-term report that really provides an overview of the policy and community engagement activities that the board has done. That will also be used to inform our policy moving forward.

In terms of how we would like to frame that policy, the government has agreed to an approach which includes the development of some inclusion goals and a high level action plan that targets key across-government areas; targeting of our accountability for that by creating a subcommittee of cabinet, the community inclusion committee of cabinet, to oversee that progress; and the appointment by the Chief Minister of three community inclusion advocates to continue that important community-based leadership that we would like to see going on. We would be promoting that through at least two community inclusion forums that we would use to promote those discussions with the community.

MS HUNTER: On the issue of the community engagement unit, some resources have been moved over back into the Chief Minister's Department. I just wanted to have some understanding of what the unit will be doing, what new initiatives or projects might they be picking up and what their function and role is going to be.

Ms Davoren: As you would understand, the across-government community engagement function was transferred to the Chief Minister's Department late last year, and that function has been placed into a new team, communications and engagement. That team is carrying on some of the work that was commenced by DHCS around improving our community engagement website and also providing across-government leadership and better coordination of our engagement activities. There is an additional resource that is embedded in that funding in the budget papers.

What has also been provided is funding for one year for a project to look at a broader approach to engagement, which we have indicatively called the Canberra conversation, but that has also been used by some external groups. We are looking at options as to how we do some of that wider discussion, rather than just the front-end engagement. We are trying to open up the big picture-type issues to try and really engage a broader cross-section of people in Canberra. So the policy division is working with the communications and engagement team on that particular area.

MS HUNTER: Is that linked to the two community inclusion initiatives, which seem to be linked to the reaching out to the community that has been mentioned?

Ms Davoren: Yes.

Mr Cappie-Wood: Could I just add to that. Part of the work in reaching out to the community and the community engagement will be—this is currently underway—exploring how the community wants to be engaged, and what are the channels and the access that they prefer to see. When we look at community engagement, it goes beyond merely the usual suspects, if I can use that term. There are a lot of people who feel disenfranchised sometimes by the methods that we use. We want to find out what and how we can improve those. We also want to make sure we reach those people who those usual channels and accesses do not reach; for example, people with disabilities, people who do not have access to the web et cetera. How do we reach those people? How do we hear those voices in terms of making sure we bring their voice to decision making?

So that is a fundamental part of trying to shape community engagement, so when we come back to the standard methodologies and approaches, if you like, to government that are included on the website at the moment, we think we can improve that substantially. But we can only do that by listening to people. Hence, we are engaging through that process at the moment.

MS HUNTER: Could I just pick up on the Canberra plan as well? I noticed in the same section that at the top there is the report on achievements against the Canberra plan, which was pledged in 2008-09. Then it is not applicable in 2009-10, but down the bottom it says that there will be an annual report on the Canberra plan. So what is the difference between a report on achievements and an annual report?

Ms Davoren: A very simple explanation—it is a mistake.

Mr Cappie-Wood: It is a wording mistake. It is not something new.

Ms Davoren: We just used slightly different wording, and then it was just replicated again rather than just replacing the wording. So it is an ongoing report against what has been—

MS HUNTER: So, we will see an annual report?

Ms Davoren: Yes.

Mr Cappie-Wood: Yes.

MS BRESNAN: My question is about the community inclusion, and I am sorry if I missed this in the answer you gave. The programs under the community inclusion funding that were going to receive funding, were they given any assistance to find any other sources of funding?

Ms Davoren: I would have to take that on notice and refer that to DHCS, because we were not directly involved in that work. As I explained—

MS BRESNAN: So when they took over in 2006, they took over all aspects, including that?

Ms Davoren: Yes.

MS BRESNAN: So the Community Inclusion Board did not have any involvement with that process?

Ms Davoren: No. Again, I think you would have to direct that question to DHCS. I believe the chair of the board did have some involvement in terms of—

MS BRESNAN: I will follow that up with them.

THE CHAIR: Mrs Dunne had a question.

MRS DUNNE: Thank you, Mr Chair. I would like to go back to the issue of housing affordability, if I could. Can you, Chief Minister, give an exposition of how the OwnPlace scheme is designed to work? You are guaranteeing a block of land at \$100,000, but at the same time you are tying people who enter the OwnPlace scheme to a limited list of builders. Did you look at the option of perhaps decoupling the land from the list of builders and giving people more scope to shop around for builders?

Mr Stanhope: Thank you, Mrs Dunne. I will ask Mr Dawes whether he can assist. But, once again, I suggest that this scheme is managed by the LDA. The LDA has, I understand, accepted an invitation to attend before the committee, but Mr Dawes will provide what assistance he can today. I think it needs to be understood that this program is managed by the LDA, but Mr Dawes will provide what assistance he can today.

Mr Dawes: As the Chief Minister has indicated, the LDA will be able to answer that more fully next week when they appear before the committee. But we need to remember with the OwnPlace scheme that it is just one of the initiatives that the LDA have undertaken. As we—

MRS DUNNE: It is the issue I am asking the question about, Mr Dawes.

Mr Dawes: Exactly. You will find that as we move forward in the coming years there will also be the compact blocks in particular which you were referring to available to the general public and also the builders. When we look at the rate of take-up of these particular packages, that was the quickest way to get those house and land packages to the market so that we could capitalise on the commonwealth's \$21,000 first homeowners grant at that particular time. Now, as we move forward in the coming years, that land will be available more generally to builders but also to the general public. So it will be opened up far more broadly than what it is currently. It was just an initial step to get that scheme up and running.

MRS DUNNE: When you came up with your list of builders, was there discussion about the level of fitment, the add-ons and things that would be part of the price?

Mr Dawes: Mrs Dunne, that is a question that you would need to take to the LDA, because they actually went through that expressions of interest process. But I understand that that is the process that they undertook.

THE CHAIR: We will do that. Just a quick one for the Chief Minister on this before

we move on. Chief Minister, on 11 March there was an article in the *Canberra Times* in relation to OwnPlace about the refund. We noticed that the following weekend, or a few days later, there was an ad in the *Canberra Times* talking about OwnPlace and land rent. There wasn't any connection between the article which was critical of OwnPlace and the ad a few days later?

Mr Stanhope: Yes, there was. Parts of that particular report in the *Canberra Times* were erroneous. One of the concerns I have in relation to the talking down of affordability initiatives is that young Canberra families will actually be dissuaded from pursuing an good option that is open and available to them. I took a quite deliberate decision in a conversation held by my office. We were very concerned to send a strong signal to potential first homebuyers, people wishing to enter the market, that this was a good, solid continuing program.

THE CHAIR: Now, you also responded to the article with a letter in the *Canberra Times*. Can you just take us through the process? Was that a letter that your office prepared or was that done through the department?

Mr Stanhope: I will have to take that on notice, Mr Seselja. I must say I have completely forgotten. I will check it.

MR SMYTH: Were you aware of this compensation issue when it appeared in the *Canberra Times*? Had it been brought to your attention?

Mr Stanhope: I guess that is some of the concern that I had in relation to some of the descriptions around the new arrangements. As to the new arrangements that the LDA put in place—once again, this is an issue that should be addressed to the LDA—I was aware of the issue, but not in any particular detail. It had never been put to me as an issue of any concern at all, and it isn't. In fact, the LDA was seeking to make arrangements for people entering the scheme easier, and that is what they have achieved. There is a level of misunderstanding around exactly what it is that the LDA has done.

MR SMYTH: What was your follow-up on becoming aware of it in the *Canberra Times*? What other actions did you take?

Mr Stanhope: Well, I rang the editor, actually. The first thing I did was to ring the editor of the *Canberra Times* to suggest to him that there was a misunderstanding in the way in which the *Canberra Times* had presented that particular article, and he agreed. I had forgotten this particular incident until you reminded me now. You obviously have the press cuttings there. My memory is that it is a very dramatic heading which really distorts some of the script.

I did ring the editor. In fact, it is the first time in probably two years that I have felt the need to ring the editor of the *Canberra Times* in relation to anything. It was a concern that the *Canberra Times*, particularly through the dramatic subeditor's heading to that particular story, had sent a message that the OwnPlace scheme was in some way fundamentally flawed. As a result of what I regarded as a significant misrepresentation of OwnPlace, it was decided that we should follow up with an advertisement saying that this scheme is alive and well and we welcome continuing

interest by young first homebuying Canberra families. In my conversation with the editor of the *Canberra Times*, he accepted that there was an issue, not so much with the journalism but certainly in relation to the message conveyed by the heading to the story.

THE CHAIR: Do you think it is reasonable, Chief Minister, that you spend taxpayers' money on an advertisement because you were annoyed about an article? I mean, that is essentially what happened.

Mr Stanhope: That would be unreasonable, Mr Seselja. That would be—

THE CHAIR: But you were annoyed about it, so then there was a whole range of actions, including an advertisement.

Mr Stanhope: No, I was not annoyed. I was concerned that young first home buying Canberra families—

THE CHAIR: You were not annoyed?

Mr Stanhope: I was concerned, Mr Seselja. I have a concern for young Canberra families.

THE CHAIR: Okay.

MS BURCH: Could I have a question on another theme?

THE CHAIR: I think we are just finishing up on this. Essentially, it was done because you did not like an article and so several thousands of dollars of taxpayers' money would have been spent to respond. It does not actually respond to the article. It just promotes your scheme.

Mr Stanhope: Well, we advertise all the time, Mr Seselja, and we will continue to do it. In fact, you know, I would not hesitate to advertise—we now take a complete page every Saturday, a full page. It might just be that this Saturday we will stick in another ad in relation to OwnPlace.

THE CHAIR: But is it just to respond to poor—

Mr Stanhope: It might be just to respond to anything, any negative media that comes out of this hearing.

THE CHAIR: publicity and embarrassing headlines?

Mr Stanhope: That would be completely unreasonable for anybody to do that.

MR SMYTH: Do you often ring the department and ask them to put in ads?

Mr Stanhope: No, I do not.

MR SMYTH: Is it appropriate for the ad strategy of the ACT public service to be

directed from the Chief Minister's Office?

Mr Stanhope: Absolutely.

MR SMYTH: It is?

Mr Stanhope: Of course it is.

MR SMYTH: So you decide—

Mr Stanhope: We are the government.

MR SMYTH: Well, how many other ads have you determined that go in?

Mr Stanhope: It is the government—

MR SMYTH: How many other—

Mr Stanhope: The public service is not an entity of its own, you know. It has a head, and the head is the government. The head is the head of the government, the Chief Minister. Mr Smyth, if I had the time—I am noted for just a tad of micromanaging here and there—I would like to be responsible. If I had the time—but I probably do too much micromanaging as it is—I would be happy, Mr Smyth, to determine and oversight our entire advertising, but I realise that is a bit unreasonable.

MS BURCH: Thank you.

Mr Stanhope: But it is a reasonable responsibility of a minister to have some input into the advertising which his agencies are doing. I would find it absolutely remarkable that we would advance the proposition that the public service determines a government's advertising. No, the government, that is, the executive, through this process, Mr Smyth, should accept full responsibility for the advertising that it does.

THE CHAIR: How much was spent on this ad?

Mr Stanhope: I would have to take that on notice. Probably not enough. I would have preferred a full-page advertisement. I thought the ad was a bit tiny myself.

MS BURCH: Mr Chair, I have questions on communication and—

THE CHAIR: Well, Mr Smyth, do you have any questions?

MR SMYTH: Well, no. Ms Burch wants to ask about the communications unit. That is where my question is. She can go first and I will come back to some of this advertising.

THE CHAIR: Ms Burch?

MS BURCH: Output 1.4 in budget paper No 4 is about coordinated communications and events. There are a number of dot points under there. There is the Canberra

celebrations. Can you tell us where we are progressing with that?

Mr Stanhope: The centenary celebrations?

MS BURCH: Yes, the centenary celebrations.

Mr Stanhope: Thank you, Ms Burch. I will ask Ms Cartwright and Ms Stewart-Moore to respond to planning and the arrangements that are in place.

Ms Cartwright: Thank you. Could I just have the question again, please?

MS BURCH: The question was: can you update us on the progress for the planning of the centenary of Canberra celebrations?

Ms Cartwright: Certainly. I would be pleased to. We are just in the process of finalising the contracting arrangements for a creative director that we expect to be able to announce in the next couple of months. I will ask Karen to bring us up to speed on the rest of the program.

Ms Stewart-Moore: We are making progress on a number of fronts. Last December we signed a very important agreement with the commonwealth government to enter into a partnership to facilitate and develop these celebrations, which was very exciting. That is now moving into a more nuts and bolts phase of working out how the two governments will work together. Obviously, we have been working on this for a number of years and the commonwealth government have only really just started on this process and so have some way to go in terms of catching up in that area.

As Ms Cartwright mentioned, we are also undertaking an appointment of a creative director, and that process is underway. We are also making progress on a number of smaller projects that we have started, commemorative projects. Those include a wine that has been developed by the Canberra District Wine Industry Association. We have also looked at ways of commemorating the number of anniversaries in the lead-up to 2013 as well.

As you would be aware, there are a number of historical moments in the lead-up to 2013, and those are being commemorated. Last year we did that and one of those commemorative projects looked at the 2008 site selection of Canberra. We also had the republication of Roger Pegrum's *The Bush Capital*. So that was a number of smaller projects that we began.

We are also in discussions with Golf Australia regarding the Women's Australian Golf Open, which is a premier women's sporting event that would be flagship event of 2013, and that is wonderful to get that underway.

MS BURCH: So you are yet to appoint a director. Would the planning be finalised following that appointment or will they come—

Ms Cartwright: The planning is well underway and with a big project like this we are on a five-year project. We are very well placed at the moment, three and a half years out and just about to announce a creative director. I would expect that in the six

months after that we will very much hone the program. We have had much consultation from the community, with many, many ideas coming through. It is now time to really form those and develop them and finalise a program.

MS HUNTER: Just with the creative director, was that first advertised in early March?

Ms Stewart-Moore: Late February.

MS HUNTER: Late February?

Ms Stewart-Moore: Yes.

MS HUNTER: Is there a reason that it is taking some time to go through that process, to identify someone?

Ms Stewart-Moore: It was a two-stage process. We started with an expression of interest, which really was a bit of a catch-all to bring out those people who might well be interested. Then there was a second stage, which was a restricted tender out of the shortlisted process. So, as you can imagine, some of that takes some time and we are now looking at contract negotiations with a preferred tenderer. So that just takes a bit of time to get through.

MS HUNTER: And when are expecting that to be completed?

Ms Stewart-Moore: I am hoping that perhaps towards the end of June we will have that ready. But it is a really important appointment and I think it will help us move forward.

MS HUNTER: Going back, you talked about signing an agreement with the commonwealth and that that was a big step forward. But I noticed in the federal budget they were not very helpful. There certainly was not any additional funding given. So is that going to have an impact on what we can do at the ACT level or is there ongoing lobbying to try and get the commonwealth to cough up a few dollars?

Mr Stanhope: Thank you, Ms Hunter. I never miss an opportunity to discuss with the Prime Minister or the federal government, other ministers, the Minister for Finance and the Treasurer, the fact that time moves quickly at times and slowly at others. But in relation to an impending centenary, the next three years and nine months will pass very quickly. I have expressed to the Prime Minister and, most recently, three weeks ago to Treasurer Wayne Swan my growing concern that the commonwealth has not yet formally committed, other than through a commitment to cooperate and the establishment of a joint taskforce and the signing of an MOU, all of which were significant steps forward. But, of course, at the end of the day any genuine involvement by the commonwealth will require a level of resourcing.

I raise these issues regularly. It is raised at senior officer level by Mr Cappie-Wood and others. It is raised at officer level by Ms Stewart-Moore. There are regular exchanges now between Mr Cappie-Wood and his counterparts within the federal government and certainly regular meetings now between Ms Cartwright,

Ms Stewart-Moore and others within the centenary unit with officers within the federal Attorney-General's Department.

It is a matter of some continuing concern to me that we began our preparations and arrangements, what, four years ago and it is only in recent times that we have made the advances that we have. There are three years and nine months to go till the formal centenary in March of 2013, but I am concerned at how quickly time passes and how significant lead times are, particularly in relation to attracting events.

You know, we are in discussions with a whole range of national organisations with a view to attracting to Canberra in 2013 national and international events. Ms Cartwright and Ms Stewart-Moore might be able to provide some additional foresight about time scales, but we are shooting high. We have put to Cricket Australia that we would love a cricket test—the first ever cricket test in the ACT in our centenary. It is a big ask, but the lead times are now—and they might even be on the verge of passing—and the schedule for test cricket is set four to five years out. The price tag, unfortunately, for a test match is very high.

These are the sorts of issues that are creating problems for us. We have made a commitment to the Australian Women's Open Golf, and there is a significant price tag involved in attracting that event. We have made representations and received very positive responses from the Australian Rugby League in relation to a significant event. There is not a big price tag on that, so we are proceeding positively. At this stage we have had very strong suggestions from the Australian Rugby League that they will support the Australia-New Zealand test in 2013, the Anzac Day Australia-New Zealand rugby league test. At this stage they have given in-principle support to that being played in Canberra in 2013.

There are some things we can do, but there are some things that are just beyond our capacity, without commonwealth support, to arrange. The difficulty for us now is that—and I do not want to send a negative signal—we are reaching the point now where we will probably have to lower our horizon in relation to cricket from a test match to, hopefully, at least, a one-day international. It is interesting that the 2013 team is England and an Australia-England test match in a centenary, of course, has a whole range of symbolism around it. A one-day match between Australia and England as part of the formal one-day series, of course, would be fantastic, but it is perhaps not quite what we would be interested in. I was interested in Chris Gale's comments in relation to test cricket the other day. Perhaps we should be shooting for a 20-20. Who knows? But they are the sorts of issues that we are facing and the sorts of difficulties that we are confronting.

MS LE COUTEUR: I was just interested in the emphasis and theme that you are going to have in the centenary celebrations. I guess, I am hearing that the answer is sport because that is all you have talked about—

Mr Stanhope: Well, I use those by way of example. They are easy examples, Ms Le Couteur, but—

MS LE COUTEUR: I certainly hope to have a lot more actual community involvement and a lot more arts. Hopefully it will be positive, looking into the future,

but I would also like to see sustainability, given the challenges that the ACT is going to have in the future, that being part—

Mr Stanhope: Certainly. That is how—

MS LE COUTEUR: not just a celebration of sport.

Mr Stanhope: Well, absolutely, Ms Le Couteur. I was using examples to illustrate the difficulties that we confront in the face of no concrete resourcing response at this stage from the commonwealth. We have, in this budget—and we will probably get to this budget sooner or later during this estimates meeting—provided \$14 million, and the \$14 million will be devoted significantly to precisely the sorts of arrangements. That is what we, as a government, and we as a community can do by ourselves. We can arrange and we can support a one-year long community celebration. We have provided, on the top of previous funding, an additional \$14 million.

I defer again to Ms Cartwright, but our focus is very much about what we as a community can do to celebrate, you know, our pride as a community here within the national capital. That is the position we have put to the commonwealth—a two-tiered structure. We would be happy to focus on a community celebration and we have been looking to the commonwealth to support an expression of the nation's pride in their capital as the commonwealth's contribution to the celebrations. We look to the commonwealth to reach out to the rest of Australia whilst we Canberrans concentrate on the joy that we take in being the community that populates the national capital. Our thinking is along those lines.

Ms Cartwright: There will be a balance between sport and arts and culture and community engagement—a variety of programs. At the moment we have not established a set theme because obviously we are waiting very keenly for the creative director to come on board. There will be many, many themes. What we want to do is engage the Canberra community to be involved and celebratory about Canberra's 100th birthday, but we also want to engage the rest of Australians as Canberra is the nation's capital. There are many layers and complexities about developing a program which will cover all of those. Obviously, sustainability and being environmentally aware and all of those things are going to be blended into it as well.

Mr Stanhope: I have also invited the Queen, Ms Le Couteur.

MRS DUNNE: Mr Chairman, could I just follow up from that?

THE CHAIR: Yes.

MRS DUNNE: You said, Ms Cartwright, that there is no theme yet because there is no artistic director. Why are we four years into the process before we come up with an artistic director? If, as the Chief Minister says, the lead time for getting events here is so long, why are we waiting until year 4 for a creative director?

Ms Cartwright: I think it is a perfectly right time to bring on the creative director. Part of the sport negotiations and negotiations of those international things do not really sit with the creative director. We have got to get a mix of all of those things.

But the timing is about right for the creative director to come on. What we have already done is to take a lot of interest from the community. There are lots of ideas out there, and it is perfectly appropriate to formulate those in the next six months. Given that some of these major international sporting events have a very early lead time, we are in negotiations with those, outside of the creative director appointment process.

MRS DUNNE: So when Ms Stewart-Moore talked about a contractor, are we talking about an individual person or are we talking about some commercial entity who is going to take on the creative directorship role?

Ms Stewart-Moore: It is likely to be an individual person.

MRS DUNNE: It is likely to be an individual person?

Ms Stewart-Moore: It will be an individual person.

MR SMYTH: In the entire output class 1.4, I notice there is an \$800,000—

THE CHAIR: Sorry, before you ask that, Mr Smyth, I think Mr Cappie-Wood has something to add to that answer.

Mr Cappie-Wood: Thank you very much. The question of the theme has been raised with commonwealth government officials in terms of the joint working party that we have with them. They are wrestling with the issues around themes that they would like to see as well. So we are trying to bring—

MRS DUNNE: Nothing too adventurous, I am sure.

Mr Cappie-Wood: They are doing it from a national perspective as well, and how to bring the national perspective to bear in terms of the celebrations, knowing that we have to deal with the question of our history and formation, and the nature and character of Canberra and the place it has within Australia not only as it is today but also into the future. That is the most exciting part: what is the future and how do we theme that? Our commonwealth colleagues are engaged in trying to think through how they can form an important part of this because they see their role as being one of outreach to the rest of Australia. Hopefully, we can draw them into that and the appointment of the creative director will just be a catalyst to their solidifying their own thoughts.

MRS DUNNE: How much of the \$730,000 this year is for the creative director?

Mr Cappie-Wood: As the creative director will not be formally contracted—

MRS DUNNE: Sorry, this budget that we are talking about—the \$730,000 in the 2009-10 year for the centenary?

Mr Cappie-Wood: In the 2009-10 year, subject to final confirmation—and that is where the negotiations on the contract have not been concluded—there are a variety of matters which we still have to finalise. Once that is there, I assume we will be

disclosing the nature of our usual contractual arrangements.

MR SMYTH: Just on the unit itself, I notice that there is an \$800,000 reduction. Is that money lost to communications and events? Does it reappear somewhere else?

Ms Cartwright: The \$800,000?

MR SMYTH: Yes, your output this year is expected to be \$6,700,000; next year it is \$5,900,000. There would seem to be a reduction of \$800,000.

Mr Cappie-Wood: There is, and I might ask Kate Nesor, the department's senior financial officer, to help us in that particular area. But it should be noted that there is an anticipated reduction in certain areas, one of which was sponsorship for live in Canberra, which is anticipated to reduce slightly in the course of the year. It would be a reflection of that as well.

Ms Nesor: Could I have the question again, sorry?

MR SMYTH: Sure. On page 32 of budget paper 4, output class 1.4.8, communications and events, government payments for outputs this financial year are \$5.9 million, next year it is \$5.7 million, but the total cost goes from \$6.7 million down to \$5.9 million. Why is there the loss? Part of that has just been revealed. What functions will disappear from this area that are not covered by this cost?

Ms Nesor: Sure. There are actually a few one-off items that we are stopping. You need to remember that the estimated outcome figures include some Treasurer's advance and also some of the second approp money. So there are a couple of big things that are not included in next year's budget. There was a \$300,000 donation to the Victorian bushfire appeal. That is not included in next year's budget. Also, there was second appropriation money for the Beijing torch relay residual costs, which are not included in next year's budget. There was also a shop in Canberra campaign that was transferred from TAMS and a reduction in the Medicare change of address campaign. So there are a few items that are ceasing or reducing, or one-off items from this year that cease next year.

MR SMYTH: So there will be no job losses in the area as a consequence?

Ms Nesor: No.

MR SMYTH: How much of the live in Canberra sponsorship is lost?

Ms Cartwright: It is not lost yet. We anticipated last year that we would target for \$50,000, but we got in the realm of \$130,000. We are just about to go out again for commitment to sponsorship from Canberra businesses. They are still very enthusiastic and keenly supportive of the program. However, in the current economic climate we are expecting that we will not achieve the same level of sponsorship as last year. We have put in a target for \$50,000, which is what we put in last year, and I think if we reach that target of \$50,000 we would be very happy.

MS BURCH: On the live in Canberra, how active is it and what are the plans for that

over the next 12 months, with the change in global circumstances?

Ms Cartwright: Understandably, there is a change in global circumstances. We are maintaining the program. We are still working very strongly with Canberra businesses, who are indicating that there are still skill shortages in Canberra and they are very keen to see people moving to Canberra. But we are also very mindful that there is a changed environment out there and that some Canberra people may feel that bringing people to Canberra either from interstate or internationally may be taking their jobs. So we are not planning to do any international programs in the next 12 months. We have been to South Africa recently, a couple of months ago, but we are not going to any international workshops and shows in the next six months.

Mr Cappie-Wood: What we are seeing is how to better shape live in Canberra to the current circumstances. How do we better match live in Canberra's capabilities, which are largely promotional, to the skilled business migration programs as well? In order to assist the information on both of those programs, because they are almost the flipside of the same coin, there is some research work which we are undertaking in terms of skill requirements in the local economy. When that work has been completed, it will assist us not only in terms of questions about domestic skill formation but also, if we are targeting people to come to Canberra through the skilled business migration program and other programs, what specifically they will be looking for, so that we can do better matching. How then do we tune live in Canberra to better promote Canberra in the climate that we are facing?

MS BURCH: So to match our need?

Mr Cappie-Wood: Yes, exactly.

MS BURCH: And a more targeted campaign.

Mr Cappie-Wood: Yes.

THE CHAIR: We will go to a break. I have one quick question, Chief Minister, as a follow-on from before, in relation to OwnPlace. You said that you contacted the editor of the *Canberra Times* and that he agreed with you.

Mr Stanhope: No, actually if I could just reflect on that, I rang the editor of the *Canberra Times* and he was not there. He returned the call and my chief of staff took it. I will confirm with my chief of staff exactly what the editor said, but the report to me was that the editor of the *Canberra Times* agreed that the heading, I think it was, certainly did not reflect the reality of OwnPlace. But I will get all the details and provide those to you. I will be happy to get a statement from my chief of staff.

THE CHAIR: Thank you.

MS HUNTER: Could I just ask one quick question, chair?

THE CHAIR: If it is brief, sure.

MS HUNTER: I was just noticing that there were two demographic studies set down

for next year and there were two completed in the last financial year. Could you quickly run through the two that have been completed and what is being proposed for 2009-10?

Mr Cappie-Wood: Whilst we are finding that, there have been contributions in previous budgets to developing a demographic capability within the Chief Minister's Department. The intention of that was to be able to work with ABS to further refine their set of projections.

There are two processes underway. I think we are blessed with a demographer that came out of ABS who is very skilled. We have, I think, the best of both worlds and very good working relationships with ABS. We have formed an information partnership with them on a range of fronts. The first of them is to give a detailed local projection suite—in other words, across the neighbourhoods, what are the detailed breakdowns, particularly by age and sex, into the future. So that is a more detailed breakdown than we currently have. We are then looking at a 50-year long-term population projection as well.

We are having to try and reach beyond our borders, because the impact on our services goes well beyond our borders now. Effectively we have a service catchment of 600,000. So it is more that just considering the ACT in our future, and the demographic considerations will look to some extent beyond our borders and at the impact of that as well. We are trying to get long-term projections based on current trends. This will be, I think, very informative for better planning and better service delivery in the long run.

THE CHAIR: We will leave it there.

Meeting adjourned from to 10.33 to 10.53 am.

THE CHAIR: We will recommence. Chief Minister, just a quick follow-up on some of your answers in relation to OwnPlace earlier. You said in your answer that it would be wrong if the ad was taken out because you were annoyed about coverage in the *Canberra Times*. We have got an email from your chief of staff that indicates that that is exactly what happened. I will table this in a moment, but this email from your chief of staff says:

The Chief Minister is very annoyed about today's P2 article in the Canberra Times ...

It seeks a number of actions, including:

- . A detailed brief explaining ... OwnPlace ...
- . A letter to the editor attacking the reporting and the Canberra Times willingness to work together with the Lib leader in trying to talk down our housing affordability schemes.
- . A media release (as above) ...
- . A half page ad for Saturday's paper ...

This was at 8.40 on the morning of the article. It seems that that indicates that that is exactly what happened—that this was because you were annoyed about negative reporting about your OwnPlace scheme.

Mr Stanhope: I was annoyed at a negative and erroneous representation that impacted on the potential attractiveness of OwnPlace to young Canberra families that might have accessed the scheme but would have been put off by a report which did not reflect the reality. I was certainly annoyed about that and I wanted to correct that impression.

MR SMYTH: Is it appropriate then to lash out and use taxpayers' money, spend money on ads, just to assuage your annoyance?

Mr Stanhope: It would not be appropriate to do that, no, but it is certainly appropriate to correct a misrepresentation, a talking down—

MR SMYTH: But that is what you did. It is 8.30 in the morning and you are telling people to go and place ads in the *Canberra Times* and get it up on the front page of the early news section.

Mr Stanhope: Yes.

MR SMYTH: Is it appropriate for you to micromanage the government's advertising bill in that way?

Mr Stanhope: Absolutely.

MR SMYTH: And you have done this often?

Mr Stanhope: No. I certainly often suggest appropriate subjects for advertising and I often—

MR SMYTH: And how often are your suggestions followed up?

Mr Stanhope: Probably every week now in relation to the full page that we now take in the *Canberra Times*. I make suggestions, requests and directions regularly in relation to the sort of information that should appear in our standing one-page advertisement in the *Canberra Times*. I involve myself in that every week.

THE CHAIR: Chief Minister, if it is about correcting the record, if it is about ensuring that first home buyers have adequate information and that misleading headlines are corrected—a couple of weeks before this particular article, there was a headline that said “Bank ready to lend on land rent: Stanhope”. Was an ad taken out to correct the record saying that the bank was only agreeing in principle and was not yet ready to go?

Mr Stanhope: If we took out an ad every time a matter of fact was misrepresented somewhere in the media, we would be taking out an ad every 10 minutes.

THE CHAIR: So it is just when you are annoyed? It is just when it is negative politically for you—that you take out an ad?

Mr Stanhope: That can be your impression and the spin that you wish to put on it, Mr Seselja, but I have answered the question and I have denied that that is the case. If you want to continue to spin and misrepresent my answer, that is your privilege, Mr Seselja.

THE CHAIR: I am not sure which part I have misrepresented. Mr Smyth, sorry, did you—

Mr Stanhope: Where you just misrepresented me is that I just said that certainly I am always annoyed at misrepresentation of the government's position and I was motivated by a strong desire to ensure that there was no misunderstanding within the community around the operations of a fantastic scheme for supporting home ownership, particularly for young Canberra families. I will continue to advocate for OwnPlace, just as I will continue to advocate for land rent, in the face of quite stringent attacks on both of those initiatives by the Liberal Party of the ACT.

THE CHAIR: Is this is a conspiracy between the *Canberra Times* and the Liberal Party?

Mr Stanhope: Absolutely not. No. I am not into conspiracies, Mr Seselja, but perhaps you are.

MS BURCH: Ms Le Couteur has got a question.

MRS DUNNE: There is a question here.

THE CHAIR: Sorry, we will just finish on this. Mr Smyth, did you have any further questions on this?

MR SMYTH: I guess the question really is this. You asked for a brief explaining the current situation with OwnPlace. How many compensation payments have been made?

Mr Stanhope: I do not think you call them compensation payments. This is a question you would probably need to ask of the LDA, but I would be more than happy to—yes. The headline was “Refunds for buyers in failed housing plan”. The OwnPlace scheme—

MR SMYTH: Were there refunds?

Mr Stanhope: Now that I have got this information, I think we need to put this conversation in some context. The headline in the *Canberra Times* reads “Refunds for buyers in failed housing plan”. I might just defer again to Mr Dawes. Is the OwnPlace scheme fully subscribed or not?

Mr Dawes: It is fully subscribed.

Mr Stanhope: It is fully subscribed. Is a scheme that is fully subscribed a failed housing plan? Does the OwnPlace program deliver house and land packages at \$300,000? Mr Dawes, does it?

Mr Dawes: Yes.

Mr Stanhope: Yes, it does. The OwnPlace scheme delivers house and land packages at \$300,000 and is fully subscribed. And it is described by the *Canberra Times* as “Refunds for buyers in failed housing plan”.

MR SMYTH: So were refunds given?

Mr Stanhope: OwnPlace is not a—if you were a young Canberra family and you read—

MR SMYTH: Were refunds given?

Mr Stanhope: “the OwnPlace Program has failed”—

MR SMYTH: Were the payments returned?

Mr Stanhope: “Goodness me; I will withdraw my application immediately.”

MR SMYTH: Were payments returned?

Mr Stanhope: What would you, if you were a young Canberra family and you read—

MR SMYTH: Why don’t you answer the question?

Mr Stanhope: a big headline in the *Canberra Times*, a reputable—

MR SMYTH: Were payments returned?

Mr Stanhope: broadsheet of record which said “Refunds for buyers in failed housing plan”—OwnPlace is an outstanding success; it is not a failed housing plan.

MR SMYTH: We will see.

MRS DUNNE: But have refunds been paid, Chief Minister?

Mr Stanhope: It is not a failed housing plan.

MRS DUNNE: Mr Chairman, the question is: have refunds been paid?

Mr Stanhope: If I was a young Canberra family and I had just lodged an application—

THE CHAIR: I will give him some opportunity to answer. There have been a lot of questions.

MS BURCH: We have spent considerable time on this. There are a number of other areas to cover.

Mr Stanhope: for a house and land package in OwnPlace and I picked up the *Canberra Times* and read—

THE CHAIR: Are you saying I should ask the Chief Minister to stop?

Mr Stanhope: “OwnPlace: failed housing plan”, I would withdraw my application.

MS BURCH: I think we can change the theme, thank you.

MS LE COUTEUR: Yes.

MRS DUNNE: Yes.

Mr Stanhope: That is why I placed the advertisement. I placed the advertisement in discussion with the LDA in order to overcome—

THE CHAIR: Chief Minister, I will ask you to wrap up this answer.

Mr Stanhope: a claim in the *Canberra Times* that OwnPlace was a failed housing plan.

MR SMYTH: Were refunds paid?

Mr Stanhope: It is clearly not a failed plan.

MR SMYTH: But have payments been returned?

Mr Stanhope: It is an outstanding success.

THE CHAIR: Okay. We have got that bit. One more question from Mr Smyth on this and then we will move to others.

MR SMYTH: The question is: were payments returned; were refunds given?

Mr Stanhope: I will take that question on notice. What has happened—

MR SMYTH: But you asked for a brief on it.

MRS DUNNE: You have asked for a brief.

Mr Stanhope: I do not call them compensation payments. Others do. Certainly the nature of arrangements in relation to the payments has changed.

MR SMYTH: So the payments were made?

Mr Stanhope: Here we go—the program. This is the sort of stuff I am responding to—claims by the Leader of the Opposition, Mr Seselja, that the program is a policy

failure for the ACT Labor government. That is what we were responding to. Sometimes you need to respond—

THE CHAIR: You responded in the article. Do you need taxpayers' dollars to respond to what I say?

Mr Stanhope: Do you support that headline, Mr Seselja? Is OwnPlace a failed housing plan?

THE CHAIR: Do you support this one: "Bank ready to lend on land rent"? Why didn't you correct that and put out an ad?

Mr Stanhope: Yes, I do. I do. We remain in very positive discussions.

THE CHAIR: They are not ready, because they are still not ready. Well, they might, but they are not ready.

MS LE COUTEUR: Chair, maybe we should move on.

Mr Stanhope: You have talked down land rent, Mr Seselja, to the point where you have risked it. I do not know why you are doing the same now to OwnPlace.

THE CHAIR: We will wrap it up on this issue.

MRS DUNNE: Can the record show that the minister has not answered the question?

MR SMYTH: In clarification, the Chief Minister has taken that on notice and will tell the committee the number of repayments.

Mr Stanhope: Sure. Sure, I will be happy to.

THE CHAIR: Ms Le Couteur.

MS LE COUTEUR: This is a totally different topic. I want to go to page 34 of budget paper 4.

Mr Stanhope: Could I just—

MS LE COUTEUR: Could we—

Mr Stanhope: Sorry to interrupt, Ms Le Couteur. I have actually this morning written, as I promised, to the five building companies that it is claimed by the Liberal Party are gouging first home buyers.

MR SMYTH: No, you used that term.

MRS DUNNE: No, you used the term. Mr Dawes used that term and the record will show that, chair.

Mr Stanhope: I am hoping for responses today. I am just undertaking to table the

responses from those five companies for the information of the committee.

THE CHAIR: Thank you. Ms Le Couteur.

MS LE COUTEUR: Mr Stanhope, I go to page 34 of budget paper 4. It appears, to my reading of this, that the funding for business and industry development has been reduced by about \$3 million. What is actually going to be cut and, in these hard economic times, why are we cutting?

Mr Stanhope: I will ask Mr Cox to handle that.

MRS DUNNE: Page 34 of BP4.

MS LE COUTEUR: Page 34, yes—the middle of page 34.

Mr Cox: The difference between the two figures of around \$3 million is a result of the cessation of two one-off major projects which was, I believe, the national plant phenomics facility which the government—

MS LE COUTEUR: Sorry, could you speak up. National what facility?

Mr Cox: It is the national plant phenomics facility, which the government contributed \$1.1 million towards. The second one was a contribution of \$2.5 million to the ANU for the ANU National Climate Change Adaptation Centre. So they were one-off investments made under an innovation co-investment set of arrangements which fall out of the budget. So in terms of program mix, there is not any offs going forward. In fact, there are two small new programs that have actually been added to elsewhere.

MS BURCH: Can you tell us about those?

Mr Cox: The first one is the international student ambassador's program, which is a small program of about \$83,000 per annum over three years. The second one is our involvement in the Shanghai World Expo.

MS LE COUTEUR: That is a separate line, I think. Given the economic times and given, as we have just heard, that the government is talking about stimulating the green economy—Andrew Cappie-Wood said that you had been talking about that—is this sufficient money to do this?

Mr Cox: We have quite an array of program activities. I can provide a list of our total program mix if you would like?

MS LE COUTEUR: Yes, thank you very much.

Mr Cox: But the program mix targets a range of issues, activities, interests and development objectives right across the board. The mix is probably around 15 or 20 different involvements. That set of involvements has not changed going forward.

MS LE COUTEUR: How do you relate to the major projects facilitation, because that presumably is another part of business development?

Mr Cox: That is reasonably separate. Most of the work that my branch does is around enterprise and entrepreneurial development.

MS LE COUTEUR: Okay. Are you going to be involved in the tune-up Canberra program, given that you are involved with the business communities?

Mr Cox: No.

MS LE COUTEUR: Is that a no?

Mr Cox: That's a no.

THE CHAIR: There are some follow-ups from Mr Smyth and Ms Burch on this issue.

MR SMYTH: Chief Minister, last August, you released the document *Capital development—towards our second century*, which is your blueprint for business in the ACT. Is there any specific funding in this year's budget to implement the *Capital development* document?

Mr Cox: There are a couple of themes in *Capital development*. One is trade development and the other one that I have, if you like, line control over is innovation. In the area of trade development, the current budget has made some reasonably strong forward commitments in our trade development program. For instance, the trade commitment program will be funded for four years. The ACT exporters network will receive an additional four years funding. The international student ambassadors program has a trade connection as well. There is specific funding for trade missions and there is also some additional funding or some forward funding, line item funding, for the Chief Minister's export orders. So that is the export component of it.

MR SMYTH: But they have been ongoing programs for some time?

Mr Cox: They have been ongoing programs but the funding essentially dissipates over the short term, over the next year and a half.

MR SMYTH: But the question was, is there specific funding to implement *Capital development*? It is a new document that turned up last August.

Mr Cox: The other programs that relate to another area I have line management responsibility for is innovation. There is innovation funding for a program called innovation connect. There was some additional funding for the Canberra business development fund, which is a small BC fund. We also established some funding for the lighthouse innovation centre as well.

Mr Stanhope: There is, it should be said, excuse me Mr Cox, significant additional funding which can be directly related to *Capital development* in relation to skills, of course. One of the major areas of focus and, indeed, an area in which we are responding directly to representations from the business community particularly is in relation to skills.

I think you would all be aware of the very strong statements that Mr Chris Peters continues to make about the fact that even in these times of recession, the ACT continues to suffer a skills shortage. This budget provides an additional \$46 million directly to skills development, which is a direct response of course to capital development. They are funds that are actually administered by departments other than the Chief Minister's Department. They are funds administered by Education, Health and other departments.

MR SMYTH: Chief Minister, has there been any analysis done on the effectiveness of the economic white paper and what contribution it made directly to the growth of the ACT economy?

Mr Cox: There has been no specific analysis.

MR SMYTH: All right. Are there any specific targets in capital development that you can point to that indicate we have achieved what you outline in your three strategic themes?

Mr Stanhope: Other than the fact that the ACT has been the strongest performing economy in Australia in recent years with the lowest unemployment, the No 1 indicators of economic strength—

MR SMYTH: It is also the No 1 lagging indicator; it follows.

Mr Stanhope: We will see. You have been saying that for five years now, Mr Smyth.

MR SMYTH: No, I have not been saying it for five years. I started saying it last year.

Mr Stanhope: You have been talking the economy down for five years and you continue to do it.

MR SMYTH: No, no. I do not talk the economy down.

Mr Stanhope: We had one of the strongest performing economies for the last five years with the lowest unemployment.

THE CHAIR: It was you who said the unemployment rate was going to double though, wasn't it, Chief Minister. That was you, wasn't it?

Mr Stanhope: Mr Cox might be able to respond directly to the question.

Mr Cox: The document was actually produced in our policy areas. The business industry component of that document is relatively small. I would have to engage one of my colleagues in addressing that specific question.

MR SMYTH: Again, a question for the Chief Minister. What are the targets in capital development? Give Mr Quinlan his due, there were more than 40 actions outlined in the white paper, the target being the most pro-business friendly jurisdiction in the country. It was clearly the major target. I notice this has disappeared. How will we know *Capital development* has worked?

Mr Cappie-Wood: *Capital development*, as has already been indicated, is intended to be a high level, flexible and responsive document to changing economic times. Three themes, as already pointed out, are investing in people, encouraging business innovation, and building infrastructure and planning for the future.

This is a document that informs the Canberra plan—the Canberra plan refresh towards our second century. In that and the Canberra plan you might have seen it in terms of the document, under “a strong dynamic economy”, it has got not only what the priorities are but how we will know whether we succeed.

It indicates there that our AAA credit rating is retained; the budget remains in surplus—and clearly we have seen changed economic circumstances externally which have affected every state and territory on that—unemployment remains below the national average; more diverse employment opportunities; and a higher rate of broadband connections and use. They are some of the key indicators, primary indicators, associated with a strong and dynamic economy that we built into the Canberra plan.

MR SMYTH: But specifically for business, there is no guidance in here. Why have 47 actions? I mean, what are the actions that we will take? There is a recitation of what we have done. There is the justification of the need to refocus. There are a whole lot of statistics which, as even Ted said, was just a statement of the bleeding obvious. What concrete milestones can people look to to mark the map of progress towards *Capital development*?

Mr Cappie-Wood: The concerns that people have expressed about the nature of the initial white paper were that it was, in fact, too low level. It contained too many minor actions as opposed to saying, “What is our strategic intent?” This document is intended to inform the Canberra plan, the Canberra plan being the overarching planning document for the ACT government into the future.

Here we have a strategic document as opposed to what I call an action plan document. As such, the strategic document is trying to be strategic. It is not including what I would call low level detailed actions. What we do have coming out of that is things such as the results of the skills activities. I would have to say that the work there in terms of the collaborative arrangements on skills, the \$51 million associated with that—and there is a clear action plan associated with that—is one indication about how you take a strategic document and then bring it down to what I call actionable activities. Significant successes have been achieved in implementing the skills agenda that was originally formulated from those collaborative actions.

MR SMYTH: Will you now be, therefore, issuing an action plan? If this is the overarching document, when is the action plan due?

Mr Cappie-Wood: I pointed to the skills document. One of the principal underlying capabilities of any strong economy is having the skills to be able to achieve that. The skills document is perhaps the best example of where that has been brought down into funded actionable statements. There will be, I think, an update release shortly about the successes and achievements under that more detailed strategy.

MR SMYTH: Right, that covers one of your themes. And the other two themes—when will the action documents be issued for those?

Mr Cappie-Wood: Investing in our people also covers the question about investing in the ACT public service. There are two strategies associated with that. They have funded actions associated with that. I can provide details for you in that regard. In terms of encouraging business and innovation, there is a business innovation strategy that was developed too by government. There is funding that has been attached to that which is reflected in the current budget and the previous budget.

In terms of building infrastructure and planning for the future, there has already been a towards infrastructure statement document released. There has been an infrastructure statement associated with the budget documents and work is commencing on the internal infrastructure development processes within government which will be able to support this initiative and strategy.

MR SMYTH: Right. I notice in output class 1.6, and perhaps this is a crossover into Mr Dawes's area, that one of the things is to coordinate activities across government to facilitate the delivery of private sector developments. In the output class accountability indicators, everything listed is of course a government action. What is happening in the private sector development in the ACT and how does that marry up with infrastructure and planning for the future and the *Capital development* document?

Mr Cappie-Wood: You are asking how we take into account what is happening in the private sector, to be able to sort of—

MR SMYTH: I assume business relates to the private sector?

Mr Cappie-Wood: Yes, but what you are saying is do we take into account the activities of the private sector in formulating our strategies, in terms of government strategies?

MR SMYTH: No, I am asking that given project facilitation has a role to facilitate the delivery of private sector development. Yet the only accountability indicators on page 37 are, of course, government projects. Where is the facilitation of private sector development and growth as well?

Mr Cappie-Wood: There is significant action undertaken inside Chief Minister's Department in terms of facilitating private sector activities. Keep in mind that when we have an accountability, it is about accountability of government actions. If the private sector is not coming forward with proposals that need facilitation, we cannot be held accountable for particular actions.

So in terms of the accountability, it is limited to government actions, and I think rightly so. In terms of the activity in response to market-led demand for those services, there is a significant list of projects which are undertaken by the project facilitation group within the Chief Minister's Department.

THE CHAIR: Ms Burch has some further questions in this area and then I will move to Ms Bresnan. I also have one follow up from what the Chief Minister said earlier but I will hand over to Ms Burch.

MS BURCH: I have one question, just because it was mentioned. Then I will turn to something else. The Shanghai World Expo—what sort of benefits are we expecting from that type of activity?

Mr Stanhope: Mr Cox.

Mr Cox: The Shanghai World Expo is a fairly unique event. The Australian government is putting \$83 million into the establishment of a major pavilion to showcase Australia's story. The estimated number of visitors through the expo over the six months of the expo is about 70 to 80 million. The daily through-put of visitors through the Australian pavilion is around 40,000 a day.

The Australian pavilion at Aichi in Japan four years ago was, I think, the fourth or fifth most visited pavilion. The theme of the expo is better city, better life. Austrade and DFAT have also chosen a range of priority industry sectors that will be showcased and blended through the communications of the pavilion. Some of those resonate quite strongly with the ACT. They include ICT, culture, environment, urban planning.

It is a unique opportunity to actually message and present the credentials of Canberra as a city through the overall messaging of the expo. In terms of specific benefits there, we are signing up to what is known as a silver sponsorship package. The Australian government has been very keen to get a whole-of-nation, whole-of-government presence in the expo.

At this stage all states and territories, apart from Tasmania, have indicated they will sign up as a sponsor or have signed sponsorship agreements already. What our sponsorship agreement also provides are some specific benefits in terms of the six months of the program—things like three major hosted events that the ACT will be able to participate in.

There is talk about actually having a states and territories week throughout the six months of the expo; so the ACT will have an opportunity to sell its story quite strongly within a week of the expo. There are various other accesses available through things like facilitated trade mission support. We have opportunities to showcase our companies to the Austrade-generic programs that are being run continuously throughout the six months of the program. In terms of sheer numbers and throughput and the ability to actually produce content and push it through the opportunities there, I think there are quite significant outputs.

MS BURCH: And our business sector is quite enthused by the opportunity?

Mr Cox: The business sector—yes, they are. It is early days yet. We have to go through a process of actually consulting, engaging and involving the business sector. Essentially, that will happen as soon as we sign the contract with DFAT.

MS BURCH: I had a supplementary to what Brendan was talking about—the Canberra plan and a renewed vision or a refresh of that. I was just interested in the process for that renewal.

Mr Cappie-Wood: The refresher, the Canberra plan: towards our second century, has taken place. This is the summary document associated with that. When I referred to that it was, in fact, a summation of the work that was undertaken towards the end of last year to produce that refresh. That included work around making sure that the social, economic and environmental issues that are reflected in the Canberra plan were also relooked at. Hence, when we looked at that so-called refresh, that capital development—effectively that paper replaced the economic white paper—we were looking at the review of the social plan to make sure that that was correct.

There have been regular reports against its success. Those have been taken on board and the work of the Community Inclusion Board was incorporated into that. We are literally saying this was a refresh. This is something which, I think, again stands the test of time. The Canberra plan is the underpinning document which guides the activities and individual agency actions and it is the coordinating document across government.

MR SMYTH: Just to finish on business—the overall net. There has been a reduction of \$3 million because of terminating programs. What was the increase to the business budget this year?

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

MR SMYTH: Has there been a net increase?

Mr Cox: There has been a small net increase.

MR SMYTH: A small net increase. Therefore, if it is a net increase, given you have lost about \$3 million, the increase will be more than \$3 million?

Mr Cox: No, I am sorry—taking into account the reduction, those two amounts—the 2.5 and the 1.1—were one-off contributions to a co-investment program. One was under a commonwealth program called the NCRIS program, which is the national collaborative research infrastructure strategy, and the government's \$1.1 million was a co-funded amount which the states and territories were engaged with the commonwealth on to establish the Australian Plant Phenomics Facility, which has a \$20 million node in Adelaide and a \$20 million node in the ACT. Interestingly, the commonwealth has provided another \$10 million to that node in the current federal budget.

It was a one-off co-contribution. All the other states and territories were involved in similar funding arrangements and, similarly with the ANU, the \$2.5 million was a one-off for the establishment of the ANU climate change adaptation centre. The sort of magnitude that the ANU is contributing I would have to take on notice but it is in excess of \$10 million to establish that facility.

MR SMYTH: Including the one-off, so overall we are not spending this much—

Mr Cox: Taking those one-offs out, there has been—

MR SMYTH: We are not spending as much this year, the coming year, as we spent this financial year.

Mr Cox: Taking those one-offs out, there has been an increase in the amount—

MR SMYTH: But if the one-offs are left in then that is spending money, as Ms Le Couteur said, this year, and we are spending less next year.

Mr Stanhope: No, that is simply not true. Capital payments essentially are in the nature of grants. It was a \$2½ million capital payment. It simply has to be accounted for somewhere. It is accounted for through the business and industry development budget. The payment for the ANU is essentially a grant. It is for capital works. This is one of the payments. It is a capital payment. But because of the fact that it has not actually been applied to the territory's asset base—it is being applied to the ANU's asset base—it is accounted for as a grant. It simply has to be accounted for somewhere. It is accounted for in the budget through the business and economic development budget.

In terms of the record level of capital funding in this particular budget, which we could actually attribute to business and economic development as well as to anybody else, it would be tantamount to saying, "Oh, well, we're spending millions of dollars here or millions of dollars there and an extra \$10 million in capital to CIT for skills enhancement. Let's just attribute that to business and economic development. We'll increase their budget by \$10 million." It is a capital payment to the ANU in one instance, and I think the CSIRO in the other—payments by the ACT government to the ANU and payments by the ACT government to the CSIRO which are capital payments for capital works. Of course they are not contributing to the ACT government's asset base; they are grants.

The business and economic development budget in this budget has increased. There has been a net increase and in the environment that we are in that is a fantastic result with a limited spend in this budget of \$49 million, I think it is, in our operating accounts. Any increase by any agency is a very significant achievement.

MR SMYTH: So what is the magnitude of the limited spend? How much is it?

Mr Stanhope: We will take it on notice.

THE CHAIR: Thank you. Before I move to Ms Bresnan there is just a quick follow-up on a statement earlier in relation to unemployment, Chief Minister. I put this question to the Treasurer and I think she said that we should address it directly to you. You made a statement in the Assembly in relation to forecasts for unemployment. You cited Access Economics. You said that Access Economics—and you also said Treasury accepts this—is forecasting that unemployment will double or thereabouts in the next 18 months, that figures in the budget do not match up with our 3½ per cent, I think it is, by the end of the next financial year. Did you receive a briefing from Treasury to the effect that it was likely to go to around five per cent and, if so, when?

Mr Stanhope: Access Economics, I think, forecast an increase in unemployment—5.4, from memory. I will have to go back and check those numbers. At that time, in discussions with Treasury, Treasury indicated to me that, whilst they did not at that time have—and I think the 3.8 that is published in our budget is the first time for some time that Treasury, and I would have to defer to the Treasurer in relation to this, have formally developed an estimate in relation to unemployment in the territory, and I believe the budget papers reveal that at 3.8.

Access Economics I do not think have revised down their prediction that unemployment might reach, I think, 5.4—it might even have been 5.6. I had discussions with Treasury in relation to that estimate and they said to me then that unemployment would certainly increase. They did not have an exact figure, but they had no basis on which to not agree with the Access Economics estimate at that time. Treasury have now provided their estimate. I say it is very pleasing that their estimate is significantly less than the Access Economics estimate.

THE CHAIR: So they accepted that at the time, but then they did their own analysis.

Mr Stanhope: They accepted that there would be a significant increase in unemployment in the territory, but at that stage they did not have a number of their own.

THE CHAIR: When I put this to the Treasurer and asked if anything had changed from that statement to when the budget was finalised there was not really an answer and we were asked to put it to you.

Mr Stanhope: There is an answer. Since that answer Treasury have for the first time, I believe, in some time actually undertaken a detailed assessment and arrived at an estimate. Their estimate, which they stand by now on the basis of their latest analysis, is the estimate that is included with the budget papers, which they previously have not done.

THE CHAIR: Okay. Ms Bresnan.

MS BRESNAN: My question is in relation to the arboretum, just to clarify a couple of things. I am just wondering how much extra funding has been allocated either through policy adjustments or extra appropriations to the arboretum over the past financial year in total and including this budget and the second and third appropriations.

Mr Cappie-Wood: I am happy to take that, if that is okay. If I can go to last year's appropriations: the 2008-09 budget had 2.4 million in the 2008-09 year and 2009-10; 3.4 in 2010-11; and 2.4 in 2011-12. There was a second appropriation, which had brought forward 1.9 million, and a third appropriation of 750,000. With that added to this year's additional allocation, there is an additional allocation of 6.3 million, which is made up of 4.240 in 2009-10 and 2.060 in 2010-11. All these are capital. There is a certain recurrent component which goes to the operations of the arboretum and the budget in 2009-10 added an additional 0.2 million, rising to 0.6 million in 2011-12, to undertake the operation and maintenance of the existing forests.

MS BRESNAN: Is it possible to get that breakdown of the figures?

Mr Cappie-Wood: Yes, I am very happy to do so.

MS BRESNAN: On page 41 of budget paper 4, there is a figure listed for the estimated total cost for the arboretum. Does this figure include all infrastructure costs, including forest plantings? Is it also possible to get a breakdown of that?

Mr Cappie-Wood: In terms of the breakdown for forest plantings versus other aspects, because across the 2008-09 and the 2009-10 budget there are not only provisions for forest plantings but also in the second and third appropriations there is funding for some additional forest plantings, pathways, entrance works, picnic areas, protection of a secure optic fibre cable and some ceremonial gardens and related activity. I can give you a breakdown of the works by year, including which forests, in terms of the forest plantings.

MS BRESNAN: That would be good.

Mr Cappie-Wood: It is intended that by the end of 2012 there should be close to 87 forests planted. That does not include the Himalayan oaks or the cork forests which are there at the moment. There is a sizeable ramp-up in terms of plantings and I think we will see the arboretum coming into its own very shortly.

MS BRESNAN: Just to clarify: that figure on page 41 includes the infrastructure and the plantings; is that right?

Mr Cappie-Wood: Yes. That will cover plantings as well as some of the infrastructure. We can give you the breakdowns out of that.

MS BRESNAN: That would be good. Referring to page 37, I think, of budget paper 4, there are a number of different initiatives listed there. I just was not able to decipher it. We have the million trees initiative, the forest plantings and then one million trees across Canberra, which is in the urban forest replacement.

Mr Cappie-Wood: Yes.

MS BRESNAN: Are they all related specifically to the arboretum or are some of these different projects?

Mr Cappie-Wood: I am just trying to —

MS BRESNAN: So they are all different projects?

Mr Cappie-Wood: Yes.

MS BRESNAN: Do any of them relate to the arboretum at all?

Mr Cappie-Wood: Yes, in terms of the information—

Mr Stanhope: Which page is this, Ms Bresnan?

MS BRESNAN: It is on page 37, but there are a number of figures up—

MRS DUNNE: It is on page 37—“Output 1.6: project facilitation”, under f. Is that what you are talking about?

MS BRESNAN: Yes. I am referring to that, but we have also got the million trees initiative. There are forest plantings and one million trees across Canberra. There are all these different initiatives but it is quite difficult to see how they relate.

Mr Stanhope: Yes. If you go through those ones again, I can help you with those. Page 37 is just a target, a project facilitation. That is just the arboretum there. Which are the other projects on your list, Ms Bresnan?

MS BRESNAN: There is the million trees initiative.

Mr Stanhope: Yes, that is the overarching tree-planting regime. And the next one?

MS BRESNAN: Forest plantings?

MRS DUNNE: Urban forest.

MS BRESNAN: Urban forest, yes.

Mr Stanhope: That is part of the million trees initiative overall. The million trees initiative is an overarching initiative. We set ourselves an aspirational target of planting a million trees over the next 10 years or some such.

MS BRESNAN: So none of this relates specifically to the arboretum?

Mr Stanhope: They do, to the extent that we are counting the arboretum trees in that. We have set ourselves an aspirational target of planting a million trees and I think it was over 10 years. Of course, the 100,000 trees that we eventually hope to plant in the arboretum will go towards the total of a million. So the million trees actually encapsulate the planting of every additional tree. It is a target we set ourselves—that we will attempt to plant one million trees, essentially in the urban area. I think it actually extends into the Cotter. But we will seek to plant one million trees in the next 10 years. Those other tree plantings, to the extent that they are extra trees—and to that extent we will not count the urban forest renewal program because they are a replacement—the other program you mentioned, the million dollars across Canberra, they will be counted in the million trees. But it is a separate program and it is not related to the arboretum.

MS BRESNAN: In relation to the arboretum again, last year you indicated that the arboretum project was one of several projects that would deliver on meeting the challenges of climate change. I think \$100 million has been identified as climate spending last year and around \$40 million was designated as future provisions for climate change works. How much of this \$40 million has been allocated to the arboretum this year?

Mr Stanhope: I am not sure that any of it has. Actually, I cannot answer that question, but—

MS BRESNAN: Is it possible to get that later?

Mr Cappie-Wood: We are happy to do the breakdown in terms of the expenditure of moneys in the arboretum last year, this financial year, but I am not quite sure the source of the—

MS BRESNAN: Last year it was indicated that the arboretum project—this is the information we have—was one of the projects which would deliver on meeting the challenge of climate change. I am just wondering if any funding for that has been allocated to the arboretum.

Mr Stanhope: I must say that my immediate response is no, but I will have to check that. Certainly, Ms Bresnan, in relation to the urban tree renewal, this is a live debate, I guess, in relation to climate change and climate change amelioration. There are some of us who believe the planting of any tree is relevant to addressing climate change and there are others who are disinclined to adopt that attitude. I think it is perhaps an argument that we would have, but—

MS BRESNAN: Is it possible for that to be looked at to see if funding has been allocated?

Mr Stanhope: Sure. We need to take that on notice.

MS BRESNAN: Okay.

Mr Stanhope: I am for the trees myself.

MS BRESNAN: I know.

THE CHAIR: I will come to you in a second, Mrs Dunne. Chief Minister, I wanted to ask you a couple of questions about the land rent scheme, particularly in relation to what information was given prior to the scheme being legislated. When did you first have concerns raised in any form with you or your office, or indeed the department, about the land rent scheme and the issue of negative equity?

Mr Stanhope: I might have to take it on notice, Mr Seselja. I do not have the deep interest in the minutiae that you do, so I will have to go back and check the records on that.

THE CHAIR: Obviously, a pretty important part of the critique that has come out, certainly in recent months, is the issue of negative equity. The earlier answers have suggested that a lot of the concerns have come about as a result of the global downturn. Were there concerns about this particular issue expressed to the department or anyone else—I do not know if Mr Dawes can answer—in relation to the issue of negative equity and when were they first raised?

Mr Stanhope: I think it is fair to say, Mr Seselja, we are aware that you have raised concerns. As a result of concerns that you have raised, and the political position that you have adopted in relation to the scheme, Treasury undertook some detailed analysis of the issue around negative equity. The Treasury analysis actually suggests that your concerns around the issue of negative equity are completely unfounded. But in the context of the issue being raised, we would certainly be happy to check our records and determine when they were first raised. Certainly, the issue has been raised, but I think most assiduously by you. Certainly, as a result of the public elevation of the issue by the Liberal Party, Treasury did some detailed analysis. The Treasury advice to government is that the concerns are unfounded.

THE CHAIR: So it was as a result of my concerns that this analysis was done? It was not as a result of anyone else advising the government, Treasury or yourself in relation to these concerns?

Mr Stanhope: I would have to defer to others, Mr Seselja, on that.

THE CHAIR: Others being Mr Dawes?

Mr Stanhope: I would say that we would have to check these things.

Mr Dawes: We would have to check that. Also, we need to understand about negative equity, Mr Seselja. People enter into negative equity for a variety of different reasons. One of the advantages of land rent is that people will not be entering into negative equity, because the greatest part of a household going into negative equity is the overall package and what is affected more than anything is the land component. What we have got to remember is that the people who will be entering into the land rent scheme will be paying rent on the value of that particular land at that point in time, which is attached to the unimproved capital value of that particular block, and they are assessed each and every 12 months.

We have seen that happen from time to time. If you look back at the nineties, people were purchasing homes for \$100,000—and I remember very clearly back in the early nineties that people were buying house and land packages for \$120,000—and the market changed dramatically as a consequence of some decisions that were made federally, and people were then on-selling those for \$90,000. There was around a 25 per cent drop in valuation, and that was all linked to land. So one of the great advantages of the land rent scheme is that people who enter that will be cushioned against the greatest part of the potential negative equity.

THE CHAIR: Just on that issue, are you saying that it is actually of benefit in terms of equity to only own the house as opposed to owning the house and land?

Mr Dawes: Actually, we need to go back through, and Treasury, as has already been stated, has done quite a bit of analysis on that. I have been around the building industry for quite some time and I have not noticed the cost of buildings going backwards. The cost of housing rises pretty well every year. If you look at—

THE CHAIR: How does that go in comparison with the cost of land?

Mr Dawes: The cost of land, as we are all aware—

THE CHAIR: Versus cost of building. What has been the experience over the last 30 years?

Mr Dawes: I thought we were talking about land rent. The cost of land has gone up dramatically; I think we all know that. But what we have got to remember is that, with the land rent scheme, one of the great opportunities for people, whether they are older Canberrans or younger Canberrans, is the land rent scheme. It gives them security of tenure in this particular segment of the market, and with the cost of building, it has been proven in some analysis that I saw that Treasury have done, in which they have gone through a number of different cycles, that building construction costs have increased over the years. Land is the one factor that goes up and down, and certainly we have seen it going up in the last few years, but it has certainly tapered off, and in some cases, with where we are going at present in the market, it has come back a little.

THE CHAIR: What was the banks' response to that Treasury analysis? I think that Treasury analysis was used in some of the correspondence to respond to some of the banks' concerns. Did the banks accept that analysis?

Mr Dawes: I would have to go back and check the records on what the banks' responses were. But the financier that we are talking with currently has agreed with the figures that Treasury have produced.

THE CHAIR: Is that financial institution, in order to get better security, looking at any increase in their margins—for instance, looking at increased interest rates or fees and charges to cover some of the increased risk?

Mr Dawes: That is something we would have to direct to the particular financier, but my understanding—

THE CHAIR: So that has not been put to you or put to them at this stage?

Mr Dawes: My understanding is it has not.

MR SMYTH: With respect to the whole issue of whether or not the house loses value, I have seen documents that I have quoted from that say cost of construction does not necessarily equal value, so from the outset there may be negative equity. There is concern that improvements would decrease in value—depreciate—more so than the land. As Mr Seselja was saying, these concerns were clearly raised with the government quite early on in the piece. What action did the government take to address those concerns?

Mr Tomlins: The government undertook the analysis that Treasury undertook. As I understand it, that has been provided to the opposition. We also spoke with the industry. I guess, as a rule of thumb, building prices go up by about six per cent per annum and depreciation is about two per cent per annum, so house prices move up slowly, and not as fast as land prices. But the variability of prices for housing is far less, as Mr Dawes was saying, than the variability of prices for land. Land will obviously go up faster than house prices, but it will also go down faster. So the risk of

negative equity is greater when the land component is there than it is when it is not.

I suppose that a comparison of where the variation between the mix of land and housing is different is when you look at detached housing versus medium density housing. Medium density housing has a far lower land component and you can see that there is a different shift. But the building price of medium density units still goes up quite markedly.

THE CHAIR: You talk about land going up over time more than houses. Was that ever a factor in the government's consideration at any level—that, by holding on to the land, they were potentially seeing a financial benefit to the government because they are holding on to the asset that does appreciate?

Mr Stanhope: No.

THE CHAIR: Sorry, Mr Stanhope?

Mr Stanhope: No. Our interest is in assisting young Canberra families into the dream of home ownership.

Mr Tomlins: The analysis that was done was to look at what happened right across Australia and across the Western world in the early 2000s, when house prices effectively went from about three times normal household income to about six times. It created an affordability gap for those on household incomes of between about \$30,000 and \$75,000, so we developed schemes to plug that gap. Essentially, this was to get households into the market at a lower level without changing the risk substantially. The fact that the government was prepared to go in at two per cent land rent meant that it certainly was not going to be a profit-making exercise for the government for those people.

MR SMYTH: You mentioned earlier this morning, Mr Tomlins, that for instance AIG's collapse affects Genworth, who was a big re-insurer here in Australia. Genworth is in fact the re-insurer for both the Commonwealth Bank and the National Australia Bank, which I understand they still do. So doesn't that counteract your argument that it was a change in the market that stopped the re-insurance market from accepting this as a product? They are still insuring the standard product.

Mr Tomlins: I think it was Mr Dawes who made the comments about—

MR SMYTH: All right, Mr Dawes, yes.

Mr Tomlins: Genworth. While we spoke to the re-insurance market, we did not structure land rent as being totally dependent on the re-insurance market. We had essentially informed the re-insurance market of land rent because, as we have seen, there have been a number of misunderstandings about land rent. In fact, there are still people out there who have questions about who actually owns the lease and those sorts of things. So it was an information session that was given to the re-insurance market. The product was not dependent on a commitment from them, and we did not see that as our role.

MR SMYTH: At the nub of this is the inability of people to get a financial institution to lend to purchase the house. Has a list of the lending institutions ever been made available to participants by the ACT government?

Mr Stanhope: They are in the Yellow Pages. It is under “banks”.

MR SMYTH: But did the government ever put together a list or refer people to a list that they had compiled?

Mr Tomlins: Not that I am aware of. Our business is to facilitate people into land. The government has always been clear that it cannot become a financial institution or an intermediary.

MR SMYTH: Chief Minister, is the ACT government responsible for www.actaffordablehousing.com.au, a website?

Mr Tomlins: Yes.

Mr Stanhope: I would have to refer to others on that.

MR SMYTH: All right. I am told, and I quote from a document here, “As above, a list of financiers offering finance is now available on the website and will be updated as more become available.” So the government did at some stage publish a list of companies that were willing to finance under the land rent scheme, didn’t they?

Mr Dawes: I am not aware of that, Mr Smyth, but we will take that on notice.

MR SMYTH: My understanding is that the list has now disappeared off the website. Who removed the list from the website?

Mr Dawes: Again, we would have to take that on notice, Mr Smyth. I think we need to go back and check that.

THE CHAIR: Okay. The Chief Minister said it is not the job of government, but clearly there was an intention at some point to do that and then at some point that fell through.

Mr Stanhope: We have sought it at all times because that is what we do.

THE CHAIR: You just said they should go to the Yellow Pages.

Mr Stanhope: There is a list of financial institutions in the Yellow Pages.

THE CHAIR: That is fine.

MR SMYTH: And there was a list on actaffordablehousing.com.au.

Mr Stanhope: The underlying point is the point which Mr Tomlins just made. We are offering land rent as a wonderful opportunity for families that would otherwise not be able to dream the dream of homeownership. It is an opportunity; it is not an obligation.

We are not forcing people to access land rent. It has to be understood that we bring a certain aspect to the possibility of land rent, namely land. We are not a lending institution, we are not a financial institution, we are not mortgage brokers, and we do not negotiate finance deals or mortgages.

THE CHAIR: I think that point has been made, Chief Minister.

Mr Stanhope: It actually underscores that we are providing an opportunity, a product, and it is not our role to finance that opportunity.

THE CHAIR: I understand that. I want to flag that we are due to move on at around 12 o'clock to cultural facilities and the arts. Ms Burch has a question, Mrs Dunne and Ms Le Couteur, so we will try and get through those. If we go a little bit after 12, I apologise. I will go to Ms Burch.

MS BURCH: It is back in the business area. I am looking at a media release. They seem to like that here. It is a project called CollabIT. Can you tell us what that is?

Mr Cox: It is a networking engagement program that has as its aim to bring together multinationals, small ICT companies and also government agencies as well that have an ICT delivery dimension to them. The idea is to bring those companies into a supply chain, so that when there is an ICT project that the federal government, for instance, might be putting out in the public domain, small ICT companies can work collaboratively with larger prime contractors to get involved with those programs.

The CollabIT program itself is a product of the Australian Information Industry Association. It runs the program successfully in a couple of other states. I know it is in Victoria; I cannot tell you what the other one is. I think we are about the third jurisdiction that has actually joined forces with the AIIA to deliver the CollabIT program. AIIA are also contributing resources to the program of about the same order that the ACT government is putting in on an annual basis.

MS BURCH: So it is facilitating involvement with the smaller—

Mr Cox: It is about developing opportunities at the smaller end of town, the small ICT companies. One of the great opportunities for ICT companies is in the area of government procurement. It is very difficult for small companies to get involved at the ground level of procurement contracts. The program is about blending the interests of multinationals and the larger primes with SMEs to bring them through a supply chain relationship. What is of interest to the multinationals also is that the SMEs also provide those companies with a source of flexibility and innovation that sometimes larger companies do not have.

MS LE COUTEUR: I have a follow-up about the arboretum. Chief Minister, you were unsure if it was being counted as part of the climate change initiative but budget papers from last year show quite clearly that it was. We have got \$10 million on it last year. For this year, budget paper 5, on page 7, we have various projects meeting the challenge of climate change, including the establishment of additional forests at the Canberra International Arboretum and Gardens. I have got a couple of questions. How much of the climate change spending is actually spending on the arboretum and

then—

Mr Stanhope: Well, that is the question we just took on notice, Ms Le Couteur. I was not aware that in this budget that was said anywhere, but that was in response to Ms Bresnan.

MS LE COUTEUR: Sorry, I thought you—

Mr Stanhope: I think there are two issues that we are perhaps at cross-purposes on. I don't know the answer to that question. That is the question that I thought Ms Bresnan was asking and which I said we would take on notice and provide a breakdown—

MS BRESNAN: You did also say that you were not aware of any funding that had gone towards that.

Mr Stanhope: I have to check that. And we have agreed and—

MS BRESNAN: It is in the budget papers that, you know—

Mr Stanhope: Mr Cappie-Wood said that we will provide a detailed breakdown.

Mr Cappie-Wood: We will provide that.

Mr Stanhope: The secondary question though—and this was the point of my other response to Ms Bresnan—is that there is a debate about whether or not planting trees should be counted as a climate change amelioration effort. I am one of those that believe, yes, it should. So there are two aspects to this: one, where is the funding coming from; and two, do we regard the arboretum or, indeed, any other tree-planting as a legitimate response to climate change?

MS LE COUTEUR: That is getting on to the major point of my question. Given that we are now clear that the arboretum is part of the climate change initiatives, how are you going to measure the climate change benefits? Given you've done that, I assume you've calculated a cost per tonne of abatement. How does this compare with other things that we might do to reduce CO₂ emissions?

Mr Stanhope: I will take advice from the climate change minister and his department in relation to that. I would be more than happy to provide you with that information.

MS LE COUTEUR: Thank you.

Mr Stanhope: On the most recent information available to me—and I perhaps cannot source it—is that on a per-tonne basis, one of the most cost-effective amelioration efforts is planting trees. So I look forward to the continuing conversation, Ms Le Couteur. But I will have to take the question on notice.

THE CHAIR: Okay, but—

Mr Stanhope: I am one of those who believe that planting trees is one of the most efficient carbon amelioration options available to communities.

MS BRESNAN: It will be good to get the information, given that you said it has been listed there, so we would like to hear what you say about that.

Mr Stanhope: Sure.

MR SMYTH: Just on the issue of climate change, Chief Minister, as the minister responsible for business, what link has the business part of your department had with the department of climate change, in particular, on the business smart and office smart programs?

Mr Stanhope: I would ask Mr Cox to answer that.

Mr Cox: The answer is no.

Mr Cappie-Wood: I think Mr Cox has answered already that in terms of some of the tune-up—I know that was not part of the question. We are yet to engage with that as it rolls out and forms up. In some of the areas that you were talking about, I am unaware that we have had engagement to date, but it is intended that there be some whole-of-government discussions before they fully roll out the program.

Mr Stanhope: I must say that one of the issues—it is such a broad question—is the one that Ms Lambert mentioned earlier in relation to the work being done in response to the nation building programs and the requirements which the commonwealth has in relation to six-star ratings. So we are entering some new ground across the board. We have made a commitment to a tune-up program. It is not a program administered by business and economic development.

This question is multifaceted. Ms Lambert has just drawn attention to the fact that, in responding to the \$300 million commonwealth nation building package, we are required to take into account a range factors. We have committed to six-star ratings. It is now being imposed on us by the commonwealth as one of the conditions. These are issues we need to work through. Some of the issues and implications around moving immediately to six-star ratings need to be considered, and we ought to be able to respond. So, it is a multifaceted question, and to do it justice I would have to ask Mr Cox to go through all of those things that he does, and we would have to invite Ms Lambert back. I am happy to do that.

MR SMYTH: Well, specifically—

THE CHAIR: We will keep it specific, because we will move on.

MR SMYTH: Specifically, the business smart and the office smart program, what role will business play in those programs?

Mr Cox: At this stage there is no discussion about any involvement at all in those programs.

MR SMYTH: So the department of the environment is doing business-related activity that they are not involving the minister's department in?

Mr Cox: I am not sure I understand that question.

MR SMYTH: Well, the Department of Environment, Climate Change, Energy and Water have two programs: one is called business smart, which is to assist business in recycling; and the other is called office smart, which is to assist the office in recycling. They had websites. You're not aware of this at all?

Mr Cox: Well—

Mr Stanhope: To be frank—

MR SMYTH: No, no, sorry, Mr Cox—

Mr Stanhope: I will take any question I feel inclined to take, Mr Smyth. You will not direct which of my officers answers the question.

MR SMYTH: Well, he does not seem to know about the program. I am just curious that the business unit in your department does not know what the department of environment is doing.

Mr Stanhope: Mr Chair, it is not the role of individual members of this committee to direct to my officers who will or will not answer—

THE CHAIR: He can certainly ask him if he was answering, and he was about to answer.

Mr Stanhope: Yes, and I can take the question.

THE CHAIR: That is a matter for you.

Mr Stanhope: And in this case I do.

THE CHAIR: If Mr Cox doesn't want to answer it—

Mr Stanhope: I determine the administrative arrangements, Mr Seselja. The question is to me.

THE CHAIR: Are you going to answer the question?

Mr Stanhope: I am. I think it is remarkable in the extreme to suggest that that part of the Chief Minister's Department dealing with business and economic development would liaise with business on their garbage collection needs.

MR SMYTH: So you do not think—

Mr Stanhope: I have determined some administrative arrangements—

MR SMYTH: there is an across-the-government approach to recycling?

Mr Stanhope: Yes, well, Waste ACT will—

THE CHAIR: The fairly simple answer is no.

Mr Stanhope: No, it is not a simple answer; that is a misleading answer.

MRS DUNNE: I have got questions, Mr Chairman, when this one is answered.

Mr Stanhope: Business ACT is not charged with responsibility for negotiating with business on their waste collection needs; Waste ACT is. That is being done through the department which has been established to develop and to pursue policy in relation to waste, which is the new department of—

MR SMYTH: I thought all of the ACT public service was interested in sustainability and driving—

Mr Stanhope: But they have different administrative responsibilities.

MR SMYTH: I would have thought that was a fairly reasonable approach to it.

THE CHAIR: Mrs Dunne has been waiting patiently. We will have questions from Mrs Dunne.

MRS DUNNE: Patience is one of my virtues, as you know.

THE CHAIR: Then we will move on to the Cultural Facilities Corporation.

MRS DUNNE: I am sorry I have to do this, but I have to go back to the land rent scheme again. I note that on 25 August last year there were a number of exchanges of emails which boiled down to the fact that a decision was made that inquiries about land rent would now be handled by the Chief Minister's Office and the Revenue Office and that the contacts for this in future would be someone in CMD and someone in the Revenue Office. Chief Minister, why was it decided that a scheme that was being run by the LDA had to have inquiries answered by the Chief Minister's Department?

Mr Stanhope: I must say that I am not currently aware of those arrangements. I would have to take the question on notice.

MRS DUNNE: Well, on the basis of that, Mr Chairman, might it be appropriate to ask that, if we are going to pursue land rent when the LDA comes before the community, perhaps officers from CMD could be available at the same time?

Mr Stanhope: We would be more than happy to do that.

MRS DUNNE: Thank you, Chief Minister.

Mr Stanhope: That is quite acceptable to us.

MRS DUNNE: That might be an easy way to get around to answer those questions.

THE CHAIR: That would be a good solution. We will move now onto the Cultural Facilities Corporation. I invite the representatives of the Cultural Facilities Corporation to come to the table. We thank and welcome the representatives of the Cultural Facilities Corporation. Just a reminder, when you first address the committee, could you confirm that you have read and understood the privilege statement and, for the purposes of Hansard, if you could identify yourself and state your position. I will throw it open to members, and I will go the other way this time. I will go to Ms Burch and then Mr Smyth.

MS BURCH: Thank you. Looking at budget paper 4 at page 475, under the 2009-10 priorities, there is a dot point talking around a multiyear capital project comprising a package of conservation upgrade works for various places that are listed. Are you able to give us an idea about what that package is?

Mr Stanhope: Thank you. Ms Elvin.

THE CHAIR: Could you just indicate, in relation to the privilege card, that you have read and understood it?

Ms Elvin: Yes, I have read and understood that and will comply with it. This is a very extensive package and it is very important to the corporation because it is the single largest injection of money into the historic places from the ACT government since the corporation came into existence in 1997. As indicated there, it is a multiyear package. It is also a multisite package covering some 15 buildings across three historic places—Lanyon, Calthorpes House and Mugga Mugga. It also covers the historic gardens and grounds of those sites, and the work ranges from very detailed work to the fabric of the buildings right through to infrastructure work such as work on roads, water supply and so forth.

I might give you some indication, perhaps, of the range of works. In terms of the fabric of buildings, it includes work to roof structures, gutters, downpipes and chimneys, ceilings, walls, and in the case of walls particularly to address cracking of walls, which has been a problem after the severe drought conditions, and we see that particularly at Calthorpes House. It also includes work to windows, doors, balconies, plumbing and electrical services, fencing and drainage, upgrading of public access roads at Lanyon, sustainable water catchment at Lanyon, work on the historic grounds, bushfire safety, Indigenous and historical archaeology, management of the collections at those sites and further detailed studies. I think you can see it is a very broad ranging and detailed package.

MS BURCH: You made mention it is multiyear. What is the span of it, of the works?

Ms Elvin: It is a four-year package. Amounts are set out for each of those years to address the works in priority order.

MS BURCH: Could you—

MR SMYTH: I am sorry. Supplementary to that, given it is about our wonderful electorate of Brindabella, you mentioned lots at Lanyon but you did not mention those

magic words—the Nolan Gallery. Could you give me an update on my favourite subject in the arts world? What is happening with the Nolan collection, the gallery at Lanyon, and what progress has been made in getting the Nolans back to where they belong?

Mr Stanhope: Yes, I would be more than happy for Ms Elvin to give us an update, but I think at this stage the simple answer is that the ACT government, as I understand it, awaits a response from the commonwealth on our plan to relocate Nolan to CMAG within the city.

Ms Elvin: Yes, that is entirely correct. The Chief Minister wrote to Minister Debus, the responsible commonwealth minister, I think just over a year ago, just before the last budget, seeking his views about the creation of a dedicated gallery space in Canberra Museum and Gallery. You will see in the budget papers for this year that that funding has, in fact, been rolled over into the new financial year, but we are still awaiting a decision from Minister Debus. We meet with commonwealth officers on a regular basis. We met with them most recently a few weeks ago and we have emphasised to them that it really is important for us to get a decision because it is creating a difficult situation for us both in terms of our inability to progress the works at CMAG but also in terms of what we use the Nolan Gallery building for at Lanyon.

MS LE COUTEUR: I have a supplementary on this.

THE CHAIR: Sure.

MS LE COUTEUR: During all this work, will the facilities remain open? What impacts are there going to be on—

Ms Elvin: We are expecting that there will be some impact on opening of the historic places, and I think that will particularly affect Calthorpes House because it is a relatively small site and extensive work needs to be done. At Lanyon we have greater opportunities to spread the works so that it can remain open at all times. But, clearly, we will seek to minimise the impact on opening hours and the impact on the community.

MS LE COUTEUR: And are local firms involved in the work or is it too early to tell?

Ms Elvin: We will go through normal procurement requirements. Because of the scale of works involved, I imagine that a lot of the work could be satisfied by local trades, but clearly we will comply with procurement requirements.

MRS DUNNE: Could I follow up on the Nolans, please?

THE CHAIR: Sure.

MRS DUNNE: Thank you, Mr Chairman. I came across a letter recently dated June 2004 from Lady Nolan to the feasibility study about the future of the Nolan Gallery. In that letter Lady Nolan went to some lengths to express hers and Sir Sidney's considerable affection for the gallery and the place that it played in the history of

Lanyon. Lady Nolan also expressed concern that the lower visitor numbers were due to fewer special exhibitions and activities than had been a feature of the Nolan Gallery in the past. There is also in that collection of letters an undated letter from Jim Bragg, the former Assistant Secretary responsible for cultural recreational matters in the commonwealth, to the feasibility study. It states, “To move the paintings away from Lanyon would be a clear breach of the specific undertakings given to Sir Sidney Nolan.”

I know that we have discussed this on a number of occasions, and the Chief Minister said that he had had discussions with Lady Nolan about these issues. What steps are in place to ensure that Lady Nolan has been, and continues to be, fully engaged in the process of the possible rehousing of the Nolan collection? I know that it is the view of the government that it should be rehoused, but it is dependent upon the commonwealth. So what processes are being undertaken to ensure that Lady Nolan is in the loop at all times? When has she been contacted, and what has been the response to those contacts?

Mr Stanhope: Well, it is true that the ACT government has been very open in our communications with Lady Mary in relation to the collection. As you indicated, Mrs Dunne, I met personally with Lady Mary to discuss with her our thinking and to hear from her her views and her particular perspective.

Lady Mary is not supportive of the change. I put to Lady Mary in my discussions with her the reasons that the ACT government had adopted the attitude that it had adopted. At the end of the day we did not agree. But I concede that Lady Mary was not sympathetic to the position that I put, and I understand her particular position—her desire that the collection remain at Lanyon—but that is not the ACT government’s policy position.

There are some complicated ownership arrangements. Some of the works within the collection belong to the commonwealth. They were gifted by Sir Sidney to the commonwealth. Others, I believe, remain within the ownership of Sir Sidney’s estate and the issue in relation to the collection is an issue ultimately for the commonwealth. I have written to the commonwealth and had discussions with the relevant respective ministers, and we await their decision.

I am aware—I would perhaps need to see some information from the commonwealth about the extent of its contact with Lady Mary—and I understand that it is certainly the case that the commonwealth is similarly negotiating with Lady Mary around her views. I believe that some of the time that this issue has taken to resolve is as a result of steps which the commonwealth has taken to engage with Lady Mary in relation to the collection.

MRS DUNNE: On that subject, in relation to the Nolan Gallery, what plans are afoot for the building, which is now known as the Nolan Gallery? If the territory’s plans to relocate the Nolan pictures to CMAG come about, what plans are there for the building?

Ms Elvin: Well, we will consider a range of possible re-uses of the Nolan Gallery building if the decision is made by the commonwealth to permanently relocate the

collection to CMAG. Those uses could include developing the building as a visitor interpretation centre for Lanyon or other uses in the immediate term, possibly for staff office accommodation so that we can remove that office accommodation from the Lanyon Homestead and open up those areas to historic interpretation.

I think there are a range of very good uses to which the building could be put, and I should say in all of those uses, if it is decided to move the collection permanently to CMAG, we would ensure that recognition is given to the connection, the association between the late Sir Sidney Nolan and Lanyon.

MRS DUNNE: What is to stop the commonwealth from saying, “Well, they are our pictures,” or, “They belong to the Nolan estate, but we are the custodians of the pictures and we will take them to the National Gallery.” Why do you think that they will allow them to be housed in CMAG?

Ms Elvin: We have offered that as the ACT government’s best way of fulfilling its custodianship responsibilities. We are not saying that is the only option. Indeed, I understand that one of the reasons that Minister Debus’s decision is taking a certain period of time is that he is consulting with all stakeholders, with Lady Mary Nolan, of course, but also the National Gallery, to see whether that is another option. My understanding is that Lady Mary Nolan emphatically does not want the collection to go to the National Gallery.

MRS DUNNE: That is my understanding as well. Who owns the Nolan Gallery? Who owns the building?

Ms Elvin: It is an ACT government asset.

MRS DUNNE: Thank you.

THE CHAIR: Ms Le Couteur has a question.

MS LE COUTEUR: Thank you. My question is about public art. There was an announcement that the per cent for art program was going to be discontinued. Is that going to make any problems for longer-term planning for public art in Canberra?

Mr Stanhope: Long-term planning?

MS LE COUTEUR: Yes.

Mr Stanhope: Well, not necessarily, I think, is perhaps the best answer that I can give. Certainly the per cent for art scheme has been terminated as from this budget. An allocation was made within this budget and next year. The forward budget, as you would see from the budget papers, does not make provision beyond the next two years for public art. That, of course, does not mean that decisions could not be made on an individual basis in the future to fund public art, but that is a summary of the position.

The per cent for art scheme has been terminated, with regret. Some provision has been made in the next two years, but beyond that there is no provision for public art. That does not mean that it could not be provided for on an individual or site-specific

purpose in the future, but at this stage, of course, that would be just speculation.

MS LE COUTEUR: Given there is currently some provision—and I think it might be about \$2 million because there was three quarters of a million rolled over—is all this money going to go on static sculptures? I actually think it would be nice if some of it went on smaller, non-permanent things like light shows, more community based art and fewer large metallic sculptures.

MRS DUNNE: The one on Yarra Glen is not static.

MS LE COUTEUR: True, true, true.

MS BRESNAN: That is true.

Mr Stanhope: We are actually in a transition in relation to public art arrangements and decision making and responsibility for that decision making or advice at the moment. The government has relied on a public art panel. I am in the midst of considering a way forward, having regard to some of the community feedback and some of the other issues and having regard to the fact that the nature of the scheme has changed.

But I, Ms Le Couteur, am supportive of all sorts of suggestions. I think public art is not, and should not be seen to be, just statues, and statues in large places. That was the initial focus of this particular program, and I think an important one, recognising that since self-government there has been some commitment to public art, to statues in public places, but not particularly significant.

It is interesting when one looks at the portfolio of public art for which the ACT government is responsible. I think there are somewhere in excess of 100 works on public display. I think it is 120. Almost all of that was purchased prior to self-government, some of it not, but the majority of it predates self-government. Since self-government we, as successive governments, have not matched the prior self-government investment in public art, and I was seeking to address that.

It is relevant, Ms Le Couteur, just to conclude, that some of the public art funds have been devoted to providing paintings within particularly our medical facilities. The Queen Elizabeth Mothers and Children's Centre has been, it is fair to say, completely and brilliantly decorated with art purchased under the public art scheme. The mental health wards at Calvary hospital have received some absolutely wonderful work, from local artists, which hang permanently now in the mental health wards at Calvary. I believe some works, but not many, have been provided to Canberra Hospital. But I think that what you suggest is something that we should consider as we go forward in a decision-making process now in relation to future management of those things.

THE CHAIR: Ms Bresnan has some questions and then Ms Burch and Mr Smyth.

MS BRESNAN: I refer to page 373 of budget paper No 4. It relates to funding which is sitting within the education department, but I just wanted to check with you about it. It is funding for the performing arts theatre at Woden. I am just wondering if artsACT has had any involvement with the theatre.

Mr Whitney: No, we have not had any direct involvement at this stage. We are, of course, involved in some of the other theatres that are within the school system—in particular, Erindale college. A lot of the arts activities that we support occur there—and also arts activities in the amateur sector that are performing at Erindale. When this theatre is constructed and rolled out, we would like to be actively involved in ensuring that there is community access. I think in the budget paper it talks very clearly about it being an educational facility with a strong community engagement, and we would be looking at that committee engagement continuing.

MS BRESNAN: Does artsACT, in terms of the funding which is distributed to all these performing arts centres—do you have any participation in that, in looking at where the need is for these sorts of facilities, given what the needs for artists are in the ACT?

Mr Whitney: We do internally. Is your question still about the centre that is proposed at Canberra college?

MS BRESNAN: It is whether—obviously, the funding has been allocated for this—you have any input into determining where the theatres and resources go in terms of the arts?

Mr Whitney: Not directly with the education department. We certainly have a strategy that talks about arts facilities and we also have an arts policy, which leads to fund particularly our key arts organisations. Most of the key arts organisations are associated with a venue somewhere, whether they be performing arts or whether they be the visual arts or community arts activity. We have, if you like, a spatial plan of Canberra—where the needs are and what the opportunities are. We are continually trying to match up, where we can, the best option for arts organisations—for their activity to occur.

MS BRESNAN: Okay; thank you.

THE CHAIR: I was going to move to Ms Burch. Is it a quick question?

MS BURCH: Yes.

THE CHAIR: Righto, Ms Burch.

MS BURCH: Public art is not the only capital in here. There is some work—indeed, more statues, Ms Le Couteur—with a bronze foundry and some landscaping at Strathnairn. Can you tell us about that—what benefit will come out of that piece of work?

Mr Stanhope: I should say in relation to the bronze foundry—it is a lovely expression—that there was a bronze foundry or a bronze casting capacity in a facility in Fyshwick and my understanding of the history of this is that some years ago the owner of the particular building in which the foundry was housed suggested that there were other uses. Where was it housed previously?

Mr Whitney: The community-based organisations also were struggling a little bit to keep themselves going, so they saw that as an opportunity. A couple of pressures were on them, so they voluntarily closed down. They transferred the assets that they had—which was the kiln for reducing the bronze down to a molten state and also a gantry and a tin shed—to Strathnairn. It has been sitting in a paddock there for many years.

Mr Stanhope: It is in a pile. It is a sad and forlorn site. There is a pile of bronze foundry gear—machinery, capacity—lying in a paddock at Strathnairn. This funding is essentially for a shed—

MS BURCH: So it can house and come together again.

MRS DUNNE: Perhaps a lick of paint for the corrugated iron.

Mr Stanhope: Yes.

Mr Whitney: The other interesting development is that, through the ANU School of Art, their sculpture workshop provides a summer school facility for local Canberra people to be involved in creating work through their foundry, but there is no other time throughout the year that the community can access that, because it is a teaching facility. Over the last few years a series of workshops have evolved. There is now a great interest in that and the local artists have to cast their work interstate. This is an attempt to resolve that so that they can actually have—

Mr Stanhope: The ANU has the only bronze foundry—bronze casting capacity—in the ACT at the moment. But of course, as Mr Whitney says, it is not accessible for most of the year.

MS BURCH: So this will increase access to local artists?

Mr Whitney: Absolutely—and Strathnairn has got quite a range. It is a multi-art community centre, so there will be an opportunity now for some of the sculptors who are currently working there to have their work cast there rather than having to send it interstate.

MS BURCH: On “arts and beyond” capital funding, looking at the ACT arts fund, I understand that last year there was some money in the budget. Is there an increase or further support to arts groups, looking at arts groups and art projects, probably similar to what you mentioned about the smaller groups? Can you tell us about that?

Mr Whitney: Yes. The ACT arts fund is the principal support for arts activity. The arts fund this year is about \$4.9 million. Some 75 per cent of that goes to our key arts organisations and the other 25 per cent goes to individual project applications and also to support things like the book of the year and the poetry prize.

The increase is really from 2007-08, when it was about \$4.4 million. The jump—it is currently at 4.9—has enabled us to do two strategically important things. The first is to offer five-year agreements with our key arts organisations. This provides them with much greater stability in terms of their long-term planning—rather than three-year funding, which is how we were, which meant that in year 1 they were principally

writing the application, in year 2 they were busy trying to develop it and then they began their reporting in stage 3 and were writing again.

It also links into national structures coming through the Australia Council. There is a particular initiative there, the visual art and craft strategy, which is four-year funding. Giving our organisations a five-year cycle means that they can link more closely with external sources of money.

The increase that occurs is about \$286,000 that we have been able to divest across the key arts organisations that have applied this year. The arts fund operates on a calendar year, so we have been able to increase some of the organisations that applied to us for this year and we are about to move into the next round of funding for groups. Over the next two years, we will move them all across to five-year funding and be able to extend that funding.

MS BURCH: So that growth shows an increased participation level across arts in ACT?

Mr Whitney: Yes. The participation rates in the ACT are very strong, both with the organisations and the community that accesses them. It provides workshop facilities and also provides exhibition spaces and performance activities. The recent bureau of stats figures released last week indicate that Canberrans continue to be the highest consumers of arts across the country, in both attendance at galleries and cinemas and theatre activity but also in terms of participation. We have a very strong participation rate.

THE CHAIR: Mr Smyth and then Mrs Dunne.

MR SMYTH: A quick one for the Chief Minister. Minister, does the ACT Labor Party's 2008 election platform commit itself to ongoing support, including funding, for Canberra Arts Marketing?

Mr Stanhope: I am sorry, Mr Smyth; could you repeat the question?

MR SMYTH: Did your election commitments include funding and supporting Canberra Arts Marketing?

Mr Stanhope: I am not aware that they did, but I will check that specifically, Mr Smyth.

MR SMYTH: You might check page 31, because it does. Why did the government withdraw its funding from Canberra Arts Marketing effective 1 January this year?

Mr Whitney: Canberra Arts Marketing was a key arts organisation funded through the arts fund. That arts fund is assessed by a group of peers, the ACT Cultural Council. The ACT Cultural Council lost confidence in the organisation; it flagged that to the organisation and gave them some options to review their program. The art organisation also lost the confidence of the Australia Council, which had withdrawn its funding. With the withdrawal of the Australia Council funding, first, and then, secondly, the loss of confidence from the ACT Cultural Council, the organisation was

not able to continue. It was not able to continue its programs in order to satisfy the community.

MRS DUNNE: What have you done to fill the gap?

Mr Whitney: The sense from the community was that the move away from a cooperative marketing model, which was the option that Canberra Arts Marketing were offering—the suggestion was that there was a greater need for audience development strategies to increase attendance at activities. The sense from our key arts organisations is that they are doing good activity, but are just not able to advocate that and get an audience to come and see some of their activities. We worked with ABAF, the Australia Business Arts Foundation, to provide a series of workshops. Over the last 15 months, I think there were three quite targeted workshops about audience development initiatives. We are working with the Australia Council and with the Canberra ticketing options, part of the Cultural Facilities Corporation, to understand attendances at theatre activity, not just at the Canberra Theatre but also at the Street Theatre and Tuggeranong. So we are beginning to map where those audiences are.

MRS DUNNE: They are the places that have the computerised ticketing?

Mr Whitney: That is correct, and that is the project that we are working with at the moment. We will be working with the Australia Council to expand that program later. We are at this stage providing opportunities for the key arts organisations in that audience development model to look at how they can understand their audiences better and then how they can connect and relate to those audiences.

MRS DUNNE: There is a great deal of segmentation in that there is a theatre audience and a gallery audience and they may not necessarily cross over. With the diversity of key arts organisations, what is being done to help them identify their audience and also what is being done to encourage some crossover from one to other?

Mr Whitney: Encouraging the crossover—we have not started that just yet. The workshops we are running are for all art forms, but what is interesting is that the groups of amateur theatre presenters have taken this opportunity to form themselves now into an alliance. They now advertise collectively; they now have a shared website; and they now work together to provide support for themselves.

The gallery network is developing itself in the same way. There is now a relationship between each of the galleries and the visual arts organisations such as PhotoAccess, Megalo and Craft ACT. They are now working together as well.

So you are quite correct: the segments are growing strongly. I guess we are taking the opportunity in the future to look at how we can work those two different segments together to provide a much greater audience development strategy.

THE CHAIR: Thank you. We are coming to the end. Ms Burch has another quick comment, I imagine.

MS BURCH: It is quite quick.

MRS DUNNE: Mr Chairman, I do have one important question.

THE CHAIR: It will have to be very quick.

MRS DUNNE: I cannot guarantee it will be very quick, but that depends on the answer rather than the question.

THE CHAIR: We will go to Ms Burch and see how we go.

MS BURCH: On 478, there is an indication of education and public programs at facilities; it is item (c). I am interested in the types of programs and the target group or the sector that comes through there, because there seems to be an increase in activity there.

Ms Elvin: This is essentially two types of program—educational programs, which clearly are targeted at schools and educational institutions, and community programs. In both those areas we are seeing terrific demand for the full range of programs that we do—Canberra Museum and Gallery and the historic places. For example, during the recent major travelling exhibition from the National Gallery, which is being demounted as we speak, *Ocean to Outback*, which I know a number of you saw, the education staff at CMAG developed a special education program for the early childhood sector, which is a group that we have developed a particular expertise in, and every one of those sessions was booked out. We are trying to step up to that demand. As you see, we are forecasting that next year we will try to meet that demand by putting on more programs. I could go on with lots of other examples, but I am conscious of time.

MS BURCH: I thank you.

THE CHAIR: Mrs Dunne, very, very briefly; then we will wrap it up.

MRS DUNNE: This is probably a question for Mr Whitney's area. This has been raised with me by arts organisations. Is it a condition of funding or in some way does artsACT otherwise require that someone who is a financial member of a key arts organisation but who also receives remuneration from that organisation can no longer be a member of the board of that organisation?

Mr Whitney: Yes. We are continually reviewing our process of support for arts organisations. One of the issues that we have been working with the organisations on is about changing the governance structures. In many cases, the board arrangements of those organisations have left a little bit to be desired. We have been encouraging them to review how they have an independence between the management of their organisation and the operation of their organisation. That may require that some of the organisations have had to look at their current practices and in some cases change their practices to provide that independence so that the board of management of the organisation is just that—a board of management—and the people who are involved in the board are not directly benefiting from being a member of that organisation.

MRS DUNNE: What is the philosophy underpinning that? I can think of a whole

range of boards where people who are paid by the organisation are members of the board—Actew Corporation, Qantas, BHP. What is the underpinning philosophy to say that if you are remunerated by the organisation then you cannot be—?

Mr Whitney: Principally we are talking about conflict of interest. We are not talking about people who are ex officio members of the board; we are talking about someone who may be the administrator of the organisation who may be sitting on the board and may be making a decision on how much the administrator might get paid. That is the sort of thing. That is what we are trying to separate from. We have some of our organisations where the membership is an open membership, so anybody can join the membership and find their way on to the board. Then they may also be receiving direct remuneration from the advantage of being within the organisation and on the board. It could be a conflict of interest; it could be the perception of a conflict of interest. We are trying to just—

MRS DUNNE: Are you actually ruling out and making it impossible for someone who is remunerated by an organisation to be a member of the board or are you looking at ways of ameliorating any perception of conflict of interest?

Mr Whitney: I think we are taking the former view. We are certainly working with the conflict of interest issue; we are also looking at other governance issues and ensuring that the board has a complement of people who are going to serve the organisation in the best way. Some of the boards maybe did not have the best financial advice, the best legal advice or the best governance advice on them. That is the strategy that we are moving toward. If there are currently people who are on the board who might be receiving direct remuneration, we are asking the organisations to change their approach.

MRS DUNNE: Sorry—why?

Mr Whitney: To avoid that issue of a conflict of interest.

MRS DUNNE: But there are plenty of ways of avoiding conflict of interest without excluding a whole class of people from membership of a board. Surely there is a conflict of interest with Actew or Qantas where people who are remunerated are on the board.

Mr Cappie-Wood: But they are ex officio as opposed to full board members—I think is the issue.

MRS DUNNE: No, it is not; it is not the case.

MS LE COUTEUR: It is quite common in public companies that some members of the board will also be employees and are not ex officio. This is not an abnormal situation.

Mr Whitney: I think the answer is it is a normal situation. This situation round the boards may be the need to provide a very strong clarity between the best administration organisations with a board and the best strategic governance for the board. Some of the organisations that we have been talking to have embraced it and

have now got very clear operational committees as well a board that is separate from that. So they are taking that as a way forward. The reason that we are very clearly looking at this is that separation. We have had some arts organisations where people who have been holding positions on the board are also directly receiving a benefit from being part of the organisation. It does not provide a real clarity for us in the sense that that organisation is given the best advice it can to move forward.

MRS DUNNE: Are you considering in the future—

Mr Stanhope: I need to go.

THE CHAIR: We will wrap it up there. Thank you, Mr Stanhope. Thank you, officials. There will be a brief private meeting and we will come back at 2.30 for a public hearing.

Meeting adjourned from 12.35 to 2.30 pm.

Appearances:

Hargreaves, Mr John, Minister for Disability and Housing, Minister for Ageing, Minister for Multicultural Affairs, Minister for Industrial Relations and Minister for Corrections

Department of Justice and Community Safety

Goggs, Mr Stephen, Acting Chief Executive

Crowhurst, Ms Moira, Chief Finance Officer

Ryan, Mr James, Executive Director, ACT Corrective Services

Folpp, Mr Barry, Deputy Executive Director, ACT Corrective Services

Tong, Mr Greg, Senior Manager, Business, Policy and Coordination, ACT Corrective Services

THE CHAIR: Good afternoon, minister. Good afternoon, Mr Ryan and Mr Goggs. We will commence. I will mention some housekeeping matters first. Witnesses, please ensure that mobile phones are turned off. Please ensure that you speak directly into the microphone for Hansard. One person should speak at a time. When witnesses come to the table, they are to state their name and the capacity in which they appear. I would also point out that the committee has agreed that where answers are excessively long I will ask the individual to wrap it up.

Mr Hargreaves: Does that go for questions too, Mr Chair?

THE CHAIR: Well, indeed. Questions cannot be excessively long.

Mr Hargreaves: Fine. That is fair.

THE CHAIR: That way we can get through as many questions as possible. We will give you a reasonable amount of latitude, minister, but if it is excessively long, I will just ask you to wrap it up, and the same for officials.

Mr Hargreaves: Sure. Thanks, Mr Chairman. I am happy to answer both of them.

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

Mr Hargreaves: Thank you very much. I do appreciate the opportunity to expound on how good Corrective Services have become in recent times. The government is very proud of the achievements in corrections policy in 2008-09. As minister, I am looking forward to 2009-10 to consolidating those achievements, as well as continuing to develop and implement the government's reform agenda.

We will be looking holistically—that is, well beyond the prison gate—and concentrating on further developing and refining the through-care model, with the aim of achieving the lowest possible recidivist rate possible here in the ACT. While 2008-09 proved to be a watershed year for corrections with the construction of the Alexander Maconochie Centre, the government had in its mind the awful limitations of the former Belconnen Remand Centre—an institution that would still be in existence had the opposition had its way—this coupled with the economic absurdity

of spending a premium of over \$10 million of ACT taxpayers money on incarcerating prisoners and remandees in disparate jails in New South Wales, done to the detriment of prisoners, their families as well as the economy of the ACT.

The committee may well ask where we are up to today. Well, the answer, Mr Chair, is that we have transferred all ACT remand prisoners into the AMC and we have closed Quamby and, importantly, we have closed forever the Liberal Party's preferred prison option, the Belconnen Remand Centre. What an option.

The Canberra community a few Saturdays ago took the opportunity to inspect the Liberal Party's preferred jail option, and from what I am told, Canberrans were horrified by the dilapidated nature and gruesome reality of the former remand centre. I am delighted to report to the committee that a decommissioning of that facility was undertaken at the earliest opportunity, and I look forward to its eventual dismantling.

The committee may well ask where we are currently up to in respect of prisoners at the AMC. At this point I would like to acknowledge the hard work of the men and women officers of corrections and their efforts in setting in place the comprehensive rehabilitation and personal development programs that are an integral part of the AMC philosophy. What sort of programs are we talking about? Therapeutic programs include—this is not an exhaustive list—the adult sex offender program; the cognitive self-change program; the family violence cognitive self-change program; alcohol and drug education courses; and anger management programs.

Couple these with vocational education programs that provide prisoners with opportunities to develop skills that can lead to recognised qualifications and what you have is a comprehensive focus on positive outcomes, not punitive, short-sighted incarceration—the proposed cut of \$1.3 million in operational funding for the AMC proposed at the last election by the Liberal Party or, indeed, their proposed \$1 million slashing of health services to the Alexander Maconochie Centre, also proposed at the last election. In fact, for the secretary's benefit, I will table the Treasury summary of Liberal election commitments to the committee just to show that I am not telling porkies.

Mr Chairman, when the Stanhope Labor government took office, it took immediate steps to address the address the problems at the BRC, firstly, by committing to the building of a new prison; and secondly, by converting the periodic detention centre at Symonston into a temporary remand centre and, more recently, temporarily reopening the former Quamby juvenile justice facility as a remand centre. We have now moved from a prison system of the past to one of the future.

While this took time—I would like to express my gratitude for the patience shown by prisoners and staff and their families during that time—we have now created a corrections system in the ACT where prisoners are living in a facility designed, built and operated in accordance with human rights principles, as enshrined in the single most important social justice initiative enacted by the Stanhope Labor government—the ACT Human Rights Act of 2004. I would remind the committee that the second most important social justice initiative by this Labor government was the construction of the AMC, the subsequent closure of the BRC and the bringing home of our interstate prisoners.

I am also pleased to report that, despite still being in its early days of operation, 100 per cent of our prisoners and remandees at the Alexander Maconochie Centre, where they want to, have engaged in vocational education and training programs. This is an Australian first and compares with the national average of 30 per cent participation. All prisoners suitable for employment are currently engaged in work. Prisoners are performing horticultural, cleaning, sewing and kitchen and laundry duties. Prisoners have also started work in the coffee shop in the visitors area and, wherever possible, a prisoner's employment is being linked to their relevant education and training program. The feedback I have been receiving is that prisoners are keen to take advantage of the new programs on offer. I am very hopeful that this will lead to improved rehabilitation outcomes. These are the foundations on which the government will continue to build a better corrections system.

In 2009-10 this government will take advantage of this platform to progress our corrections reform agenda. Corrections has begun work with other ACT government agencies on a comprehensive, whole-of-government approach to finetuning its programs so that they best address the specific needs of the AMC's prisoner population. We are creating a drug and alcohol therapeutic community at the AMC. This initiative uses a segregated community approach for offenders with moderate to high level drug and alcohol addiction. Corrections will work with the Alcohol and Drug Foundation of the ACT—ADFACT—to create an environment where prisoners with similar offence histories can support relationships. The self-help and mutual support will assist the personal change that is the goal of the targeted rehabilitation programs available to members of this therapeutic community.

Just the other week we had a third seminar involving all corrections systems players in regard to the through-care model of prisoner management and rehabilitation. At the Alexander Maconochie Centre, through care will begin as early as possible during the prisoner's incarceration. It will require the early development of individual rehabilitation plans, which will identify any areas of risk, confront offending behaviour and provide the most suitable rehabilitation programs. Community organisations are being engaged to provide assistance with key areas such as housing and employment for prisoners upon release. Our through-care model will engage the prisoner's family and close associates in the behavioural change process to ensure support for the prisoner as he or she re-enters society.

In 2009-10 we will begin to utilise a transitional release centre at the AMC. The TRC, located outside the secure perimeter of the prison and within its lower security footprint, offers prisoners a community style of living where groups of prisoners will share a unit, living and recreational areas, budgeting and cooking. This style of living expands the opportunities available for prisoners to exercise discretion and decision-making, thereby improving life skills and the potential to successfully re-adjust to life outside the prison.

These are the tools needed to provide the long-term improvements to our corrections system so that we might achieve real, restorative justice in the ACT. That is our ultimate goal. Only through a genuine commitment to restorative justice can we successfully rehabilitate prisoners. At Corrections we have set in motion the changes that will lead us to that place. We, as a government and a society, still need to better

address restoration of all victims, and much work awaits us here. While that light on the hill remains some way off, we are now in a position to seek to achieve it. Mr Chairman, with that opening address, I am happy to field questions from the committee.

THE CHAIR: Thank you, minister. I will just start off with one brief one and then I will hand over to Ms Le Couteur. The 2009-10 budget for Corrective Services for this year is \$43.3 million. What is the breakdown in terms of, particularly, the cost of operating the AMC?

Mr Hargreaves: Mr Chairman, I would like to take that on notice, if I may. It is a specific piece of detail that I do not have with me.

THE CHAIR: Sure.

Mr Hargreaves: I am quite happy to provide it to the committee. I just do not have it.

THE CHAIR: Thank you. I am a little bit surprised we do not have that. Ms Le Couteur?

Mr Hargreaves: I am sorry about that. We all get disappointments in life, don't we?

THE CHAIR: Well, we continue to be disappointed, I suppose.

Mr Hargreaves: Yes. Well, as they say, get used to it.

MS LE COUTEUR: Minister, the ACTCOSS budget submission made several requests relating to the AMC.

Mr Hargreaves: Yes.

MS LE COUTEUR: I would like to just check with you the progress of those and what you see as a priority for the future. The first is a recommendation to allocate resources to establish a community through-care network for the funded secretariat consisting of community and government representatives.

Mr Hargreaves: That one, through you, Mr Chairman, to Ms Le Couteur, we will have to give some consideration to. It is not only a question of resources. It is a question of how it fits into the principles of how we manage the through-care model. We are committed to the through-care model with its attendant after care. I am examining the possibility of an out-care model to go with the prison system itself and so we are not locked into a particular model of how that will be managed.

One of the difficulties, Mr Chairman, with the through-care model that we are facing—and we are quite happy to face it, let me tell you—is the way in which we transition people from the judicial system, which is the police and the courts, into the human services system, which is the Corrective Services bit, and then into the community. You see, there is a point of time when the Corrective Services system has no authority over prisoners at all. So we need to manage it through that system where we do not, and so that is where the community itself needs to come to the fore. Quite

frankly, that is the challenge we have before us, and I have not completed the doing of that yet.

MS LE COUTEUR: Okay. The second recommendation was to build additional transitional beds for men and women post release from Alexander Maconochie Centre.

Mr Hargreaves: That is not on the agenda for the moment.

MS LE COUTEUR: Is it likely that it could become on the agenda in the future?

Mr Hargreaves: I am—

MS LE COUTEUR: Is it a financial issue or you think it is just a—

Mr Hargreaves: No, it is not. Mr Chairman, through you, to Ms Le Couteur, I am not making any recommendation to cabinet to change the way in which we do things at the AMC until two things have been achieved. The first one is that it has operated for a reasonable length of time so that we work out how it is actually going as a human rights compliant facility.

The second one is the nature of the people that are contained within it. I do not mean remanded and sentenced. You see, there are two populations that we will find in the prison. The first group, or the most recent group, are people who have never experienced a prison environment at all. Their first experience will be through the AMC. The second group are the ones who we are now bringing in from the BRC and from the prisons in New South Wales. These are the people that have been brutalised. These are the people who have a completely different attitude towards their own restoration.

We have got to manage the transition of one group through to the next group. I do not want to commit us to changing dramatically the way we are doing things at this stage until those two things have been looked at and reviewed. I am not closing the door, Ms Le Couteur, about the model that you are talking about at all. I think it is too early in the process, if I can put it to you that way.

MS LE COUTEUR: My final one is also from ACTCOSS: investing in alternative technologies so you do not have to do strip searching.

Mr Hargreaves: Yes, we have looked at that. We were the first institution to outlaw strip-searching for children, for example. We have also outlawed some of the ways in which internal examinations are done. For those people who have never visited Goulburn to know how they do that, it is one of the most barbaric incursions into human rights you could ever imagine, and we have outlawed that.

We are looking at alternative technologies to identify contraband, which is really all we are about. We are not interested in abusing people's rights. We are interested in stopping contraband, and that is it. But, again, the facility has been open now for only a couple of months and it really needs to be operating at full speed with all the kinks taken out of it, which I would expect to see happening within 12 months. I want to see it operate for 12 months before I do that.

MS BRESNAN: Just following up, is there going to be some review process put in place so that we know in terms of the strip searching if it is occurring and if there is going to be that need for alternative technologies? Is there going to be a period of review or a period where you might think about implementing an alternative?

Mr Hargreaves: Yes. Ms Bresnan, that is a fairly good question. The answer to that is yes. Can I tell you what day of the week it is going to happen? No, I cannot.

MS BRESNAN: Yes.

Mr Hargreaves: There are a number of things that we want to review. You see, what we have, in fact, introduced into the AMC in terms of our policies and procedures is quite innovative, and we will need to check them out along the way and fix them up and also check them at the end of 12 months. I have had a number of conversations, for example, with the human rights commissioner about how we can actually do this. We are very, very keen to see the human rights commissioner and disability commissioners and, you know, official business and that, actually be involved in it.

We know that we have got one chance at this. This is a human rights compliant prison. This is innovative. It is the best in the southern hemisphere, on paper, and at the moment it is the best in the southern hemisphere in bricks and mortar. We have got to see in the next 12 months whether the two actually meet and deliver, so there will be a case of a gradual checking of whether we are doing the right thing, but, yes, I have not actually determined a date or how it could happen.

I am aware that some people are saying that we should have a prison inspectorate. I am not convinced that that is necessarily the way to go. I think we need to do some thinking about that before we determine whether that replaces, does not replace or works in sync with, for example, our human rights commissioner, the official visitor function and all the rest of it. I think we need to do some thinking about that and develop some thinking about that between now and 12 months of operation.

MS BRESNAN: So strip-searching might still occur in the meantime?

Mr Hargreaves: Well, it may under certain circumstances with certain evidences. It is the sort of thing that we are not keen on. We do not want it to occur and so it is a case of if you have to, you have to, and you have to justify it. I also have to tell you that the processes and the procedures are available to almost anybody.

There are certain processes and procedures which are not available to people, but there is a certain class of people listed in legislation that can have access to or at least view those parts of the procedures that we do not have for public consumption. Assembly members are in that group, for example, as indeed is the human rights commissioner. Now, in my last meeting with Dr Watchirs I invited her to look at them. I said that I would give her a copy of the index of those particular processes and procedures and invited her to have a look at the policies and if she had any concerns to let us know what they were; let us see if we could address them.

MS BRESNAN: Just on the first point about the community through-care network, I

know that ACTCOSS already have a network which exists within organisations with organisations who are interested in corrections. Has there been a thought to perhaps building on that network, because that already exists and it has groups which have interest? Obviously there might be some in there which would not be providing service—

Mr Hargreaves: Yes.

MS BRESNAN: I am just thinking that it would be a good starting point to do it now that we are at the beginning of the prison opening and starting that process now and getting them involved.

Mr Hargreaves: Yes. The short answer is yes, but I would like to think that the networks we could introduce in the through-care model would be more extensive, in fact, than ACTCOSS have at their disposal. There is going to be —

MS BRESNAN: No, I am just suggesting building on them. They have already got the—

Mr Hargreaves: No, I agree with you. I agree with you. Indeed, that is why we had that seminar the other day on the through-care model. That was, in fact, to identify those stakeholders who would have an interest in where we are going—whether it be part of the programs to be introduced, whether it is supporting people in the community, supporting their families, religious organisations, part of ACTCOSS's network or part of the drug and alcohol network in town, which is very, very extensive, as you well know. Indeed, that is why, in fact, we are looking at the arrangements that we have, or should have, in place not only with those organisations but also government agencies, both in federal terms and ACT terms and non-government terms.

To that end, if I may, Mr Chairman, we have, at the moment, a number of memoranda of understanding with certain organisations in force at the moment which we have brought forward from previous times and have updated and some which are on foot and in negotiation. What I would like to do, for the benefit of the committee, is to table the list. That list has 58 MOUs listed in the total. You can see the range of organisations that we are talking to.

THE CHAIR: Thank you. I will move to Mr Smyth and then Ms Burch.

MR SMYTH: Minister, or Mr Ryan, could you explain the breakdown of the services that Corrective Services delivers? Obviously AMC is one area.

Mr Hargreaves: Yes.

MR SMYTH: What else is done?

Mr Hargreaves: You have got periodic detention and you have got community correction. You have got the court transport unit. Now, within the context of those, can I give you subsets?

MR SMYTH: Yes, sure.

Mr Hargreaves: In the context of remand and the AMC we have, as I have just mentioned to you, the court transport unit and the PDC. They sit in that remand section. As to custodial services, I will get Mr Ryan to give the exact types because there are, I think, seven in the custodial subset. That is the community corrections subset. I will get him to give you the list of those. I have got the initial titles, but I will get him to give the exact titles for them.

Mr Ryan: We divide our budget up into the various operational and functional areas in Corrective Services. Clearly the biggest one is the AMC itself. I was reluctant to give you a precise figure on that before. This awaits a little bit further a way of planning for the breakdown of the budget for this coming year internally. It is not straightforward, because there are a number of people that come in and out of the AMC to deliver services, people who deliver services also in the community. But the round figure is close to \$24 million.

THE CHAIR: This is for the running of the AMC?

Mr Ryan: Yes. That is approximate. It is not a precise figure.

MR SMYTH: Thank you, Mr Ryan.

Mr Ryan: In addition to that breakdown, we have the Court Transport Unit.

MR SMYTH: Yes.

Mr Ryan: That looks after not just transport but also security in the court cells and the security of offenders or alleged offenders that go before the courts.

MR SMYTH: And how much of the budget would it get? How much does court transport normally—

Mr Ryan: I have not got the figure for this coming year in front of me.

MR SMYTH: Okay.

Mr Ryan: I can give you the breakdown for all these, given time, after this gathering.

MR SMYTH: Yes, if you would.

Mr Ryan: There is a further breakdown for the Periodic Detention Centre. That then gives a total figure for custodial operations.

Over and above that, there is a community corrections amount, which is broken down into the following areas: probation and parole; reparations, to cover the supervision of people who are on community service orders; the offender intervention programs area; and the sentence administration secretariat, the group of people that serve the Sentence Administration Board. There is a further breakdown for the crime prevention initiative that we have going which deals with supported accommodation

in the community. At present, there is one house that we run for that purpose. I think that is it for community corrections. In addition to that, there is, here in town, the business policy and coordination area that looks after the administration, the governance and the policy areas for the organisation. As I said, I can give you a breakdown of those in due course.

MR SMYTH: You will give us a breakdown of the dollars in due course?

Mr Ryan: Yes.

MR SMYTH: You do not have them with you?

Mr Ryan: No.

MR SMYTH: Mr Hargreaves does not have them with him?

Mr Hargreaves: They are still under negotiation at the moment. You would understand, Mr Chairman, that the budget for a department like JACS has a cascading effect.

MR SMYTH: Sure.

Mr Hargreaves: That cascading has not completed yet.

MR SMYTH: When you deliver those figures with the breakdown, can you also give me the relevant figures for the previous year?

Mr Ryan: Yes.

MR SMYTH: Do we know what staff exist in each of these areas?

Mr Ryan: Yes, we do; but I should like to take that on notice as well.

MR SMYTH: All right. What is your total staff then?

Mr Ryan: It is 300.

MR SMYTH: And you do not know the breakdown?

Mr Ryan: It is roughly 200 in custodial operations and 100 not, but I would not—

Mr Hargreaves: There is a fluidity in this particular profession, though. We need to appreciate that. And, because of the qualifications of these people, if we have an accident in a certain area we can flood people into that particular area and then take another. For example, there is some work being done by people in the parole area within the context of the AMC; the question is: where do you count them? We are happy to give you the total number and try to give you an explanation of how that actually works. I ask the committee's indulgence—to understand that the actual work flow can be a little bit fluid.

MR SMYTH: All right. Thank you, Mr Ryan.

THE CHAIR: I will go to Ms Burch and then to Mr Hanson.

MS BURCH: In your opening comments, you mentioned a range of programs. Education was one of them that springs to mind, but a range of programs. Can you tell us how they contribute to the rehabilitation of prisoners?

Mr Hargreaves: Thank you very much, Ms Burch. The planning for a safe release begins at the start of an offender's sentence through the development of individualised rehabilitation plans. The plans identify risks and the needs, and provide necessary intervention steps. The variety of targeted programs that we offer prisoners is based on close consultation with psychologists, education officers and prisoners' case managers.

Programs being offered at the AMC include the adult sex-offender program, the anger management program, the cognitive self-change program and the family violence self-change program. As well as these programs, two drug and alcohol programs will be available: the first steps to recovery and getting them back. Vocational and educational programs will also be provided to prisoners, leading to the attainment of a recognised qualification. Courses that are available include general literacy and numeracy, hospitality, commercial kitchen operations, asset maintenance, industrial cleaning, laundry operations, horticulture, textiles and barista training.

A prisoner employment program is also available. The program aims to provide prisoners with the opportunity to engage in meaningful and sustainable paid employment, work experience, vocational training and education for the purposes of rehabilitation and reintegration into the community.

Several stakeholders will be involved in the coordination of the program, including government departments, non-government organisations and private enterprise. Caloola, a commonwealth-funded job network provider, will be assisting with job placement, while Habitat Personnel, an Indigenous-specific employment agency, has also agreed to be involved in job search and placement.

The program will see all prisoners arriving at the AMC undertaking skills audits and vocational assessments. Prisoners identified as potentially suitable for the external employment positions will undertake relevant work experience and vocational education training whilst at the AMC. The AMC has facilities available to provide realistic skill developments and experience in a range of industry and vocational areas, including building and construction, conservation and land management, nursery, industrial cleaning, small-engine maintenance, laundry operations and horticulture.

To cater for people with serious drug and alcohol substance abuse issues, a therapeutic community will operate within the AMC. As part of this there will be a range of specific programs offered to prisoners, including criminal conduct and substance abuse treatment, parenting for dads, financial management and relapse prevention. This program will be operated in partnership with the Alcohol and Drug Foundation of the ACT.

The AMC's pre-release transitional release centre, the TRC, is another tool which is designed to assist prisoners in rehabilitation and reintegration. The TRC concentrates on life skills and programs that enhance the prisoner's prospects of restoring and maintaining the family unit, readjusting to life in the community and finding employment. The AMC has a well-developed through-care model which engages family and close associates in the behavioural change process and ensures that these links are maintained throughout the period of incarceration or their contact with ACTCS. Where supports are not in place, links with community support agencies will be established prior to disengagement with the ACTCS.

The through-care community is kept highly involved at the AMC. There have been three forums held over the last 13 months, and through-care providers will meet on an approximately six-weekly basis at the AMC. There will also be, at least twice yearly, expos at the AMC for prisoners where community and government agencies can attend to show what services they can provide to communities.

I know you are getting upset about the length, but cool it.

THE CHAIR: I am pretty cool; I am sure you are coming to the end.

Mr Hargreaves: ACT Corrective Services currently has 35 MOUs—I have given you a list here—with 26 government and non-government agencies, ranging from the AFP to emergency services. Other MOUs include—and it is important—one with ACT Health relating to the provision of health services for people in custody; one with Centrelink regarding the sharing of prisoner information; and one with youth justice regarding the operational guidelines relating to the management of young people. I have given you a list of the other MOUs.

THE CHAIR: Thank you, minister. Mr Hanson.

MR HANSON: The opening statement that you made was remarkable in its nature—

Mr Hargreaves: I thank you very much.

MR HANSON: in that the first part of it covered basically a list of speculation and false allegations about policies and political platforms from five years ago. I think it quite remarkable that a minister would come in and make those sorts of assertions.

Mr Hargreaves: I thank you.

MR HANSON: I think it is necessary that I outline to you where you have speculated and where you have made those false allegations.

Mr Hargreaves: Was there a question there?

MR HANSON: There will be a question, but if you want to lead with your chin then you can expect that there will be a response.

Mr Hargreaves: I would like to just know if there is going to be a question.

THE CHAIR: I am sure there will be a question.

Mr Hargreaves: Okay.

MR HANSON: In 2004, to be very clear, there was an election held; there were different positions taken forward. One involved the building of the AMC. The Liberal Party policy was not to build the AMC but to invest the bulk of that money into the hospital system.

Mr Hargreaves: Yes; you lost that one.

MR HANSON: Indeed; unfortunately for the people of Canberra, that is the case.

Mr Hargreaves: Yes, you lost that one and the next one.

MR HANSON: Let me speculate quite clearly to you what would have occurred if the Liberal Party had won. That is that the BRC would have been completely reconditioned, refurbished or replaced. So the human rights breaches that have occurred in the last, three, four or five years have been entirely Labor's responsibility.

Mr Hargreaves: Is that right?

MR HANSON: So for you to sit here and say that this is a failure in human rights by the Liberal Party—it is quite the reverse. The breaches, the failure, at the Belconnen Remand Centre, I would contend, would not have occurred had the Liberal Party won the election. Moving forward to 2008, and the election there—

Mr Hargreaves: And the question is?

MR HANSON: you have made a number of allegations—

THE CHAIR: I will get you to come to the question, Mr Hanson.

MR HANSON: I will move on quickly, Mr Chair. Like the rest of the community, we were fooled into thinking that the Alexander Maconochie Centre was open. If you recall, you opened it. Perhaps to suggest that we should have a—

Mr Hargreaves: Actually, I did not. I did not.

MR HANSON: policy alternate to that when you had opened six months early a facility—

Mr Hargreaves: I did not.

MR HANSON: your government had opened the facility—is quite mischievous of you.

Mr Hargreaves: And the question is?

MR HANSON: We are moving to it.

Mr Hargreaves: I am getting old waiting for it.

MR HANSON: I am surprised that you do not actually have a breakdown of the staff in your department or a breakdown of the costs. I am somewhat disappointed in that.

Mr Hargreaves: I am devastated.

MR HANSON: But maybe you can give me the cost of the AMC to the community. Can you tell us what it has cost?

Mr Hargreaves: Yes. I will get you an exact figure—well, as close as we can, because the whole of the issue is not concluded at this point, as you well know, Mr Hanson. The contract has come to a conclusion, but the negotiations around mitigated damages and around agreed days which are not going to be taken into account have yet to conclude. The estimated project cost was \$131.330 million. The project expenditure to the end of March 2009 was \$128.268 million. The estimated expenditure pre 2009-10 as reflected in budget paper 4—page 308, for those folks who have not read it yet: works in progress, \$131.257—that is the total at this stage of the game. I cannot tell you the exact figure, and we will not be able to tell you that figure, until the conclusion of those negotiations, but I can tell you that, had you guys won the 2004 and 2008 elections, the social cost on the people of Canberra would have been so big—

MR HANSON: I can tell you the social cost, Mr Hargreaves. We need to look at the litany of failures at the BRC, and they are all yours—all yours.

Mr Hargreaves: Mr Chairman, I heard Mr Hanson in silence and I would ask you to ask him to do the same.

THE CHAIR: Actually you did not. You should not make false assertions, Mr Hargreaves.

Mr Hargreaves: Are we going to have it that way?

THE CHAIR: We should all listen to one another.

Mr Hargreaves: Do you want to set the ground rules now, Mr Chair?

THE CHAIR: You can—

MR HANSON: You set it when you started with your political stump speech, Mr Hargreaves.

THE CHAIR: Come to order. Come to order, please, Mr Hanson. Mr Hanson, please. Mr Hargreaves, you did not hear Mr Hanson in silence. I think it is better if people hear each other in silence. It would be more useful for all of us. Are you finishing your question?

Mr Hargreaves: No, I have not finished the answer. He had a very long time. I am

taking it that I get equal time?

THE CHAIR: No. Would you come to the answer? Do you have an answer to the question?

Mr Hargreaves: Yes, sure. The social cost to the people of Canberra would have been a disastrous effect. The reality is that we would still have the BRC open today. That is—

MR HANSON: That is quite mischievous of you to suggest that. You cannot speculate in that fashion. Where is your evidence for that?

Mr Hargreaves: Funny you should say that. In fact, I will just go to the Treasury's summary of the Liberal Party's election commitments. You want to talk about costs. I will tell you what the cost is. The cost, if you guys had been elected, to the community would have taken—

MR HANSON: No, you said the BRC would be open. Tell me that. Show me the BRC figure.

Mr Hargreaves: It was in your election promises. You would have taken \$1.2 million out over four years.

MR HANSON: No. Will you retract that statement then?

Mr Hargreaves: You would have taken \$1 million out.

MR HANSON: Will you retract that statement that you made?

Mr Hargreaves: You can retract it until you are blue in the face.

THE CHAIR: Thanks, Mr Hanson.

Mr Hargreaves: I will table that particular piece of paper while I am at it.

THE CHAIR: We appreciate you tabling that document which is available publicly.

Mr Hargreaves: I cannot answer the questions if I am going to be spoken over the top.

THE CHAIR: I do not think you have gone close to answering the question; so perhaps you could. It was about the cost. I think particularly we were touching on the cost blow-out as a result of the delay.

Mr Hargreaves: No, no word of a blow-out.

THE CHAIR: I think you do not have a final cost.

MR HANSON: Let me follow it up then and let me ask you quite clearly—

THE CHAIR: Do you have a final cost on that? You said you were going to—

Mr Hargreaves: There was no blow-out on that.

THE CHAIR: No, but in terms of the delay, how much did the delay—

Mr Hargreaves: I have explained that already.

THE CHAIR: No, you have not. What you said is you are going to try to seek some of the money.

Mr Hargreaves: No, I did not say that either.

THE CHAIR: But you must have a figure.

Mr Hargreaves: No, I did not.

THE CHAIR: Do you have a figure as to how much it has cost us.

Mr Hargreaves: I am not going to respond to words put in my mouth.

THE CHAIR: I am asking you a question. Do you have—?

Mr Hargreaves: You want to ask me a correct question from scratch. Let us talk about a blank piece of paper.

THE CHAIR: I will choose how I frame my questions.

Mr Hargreaves: Because you are good at blank pieces of paper. Let us talk about that.

THE CHAIR: How much did the delay in the opening of the AMC cost the taxpayer? How much has it cost to date? Do you have a number on that?

Mr Hargreaves: The contract, as my understanding is, is that it is at \$3.1 million or thereabouts.

THE CHAIR: \$3.1 million.

Mr Hargreaves: Capped at, and that is the cap for the amount of delay, which can be achieved through mitigated damages, however.

THE CHAIR: That is not the question.

Mr Hargreaves: However—

THE CHAIR: The question is: how much has it cost the taxpayer?

Mr Hargreaves: If you want to answer the question, you can knock yourself out.

THE CHAIR: You are not answering; if you could get to it?

Mr Hargreaves: If you would just be quiet for a couple of seconds, I might be able to try.

THE CHAIR: Go ahead.

Mr Hargreaves: Okay. My name is not Ms Gallagher, mate. The issue, as I have told you, the cost —

MR HANSON: Is that a criticism of Ms Gallagher?

Mr Hargreaves: It only takes 20 seconds or less to get—

THE CHAIR: It was an odd assertion.

MR HANSON: It was very odd, was it not?

THE CHAIR: Perhaps you could answer the question.

Mr Hargreaves: You are really a naughty boy; you really are a naughty boy.

MR HANSON: You are odd.

Mr Hargreaves: Mr Chairman, I have indicated to you already, the cost was \$131 million, with the budget. I have lost the actual figures now. I will get them for you again.

Mr Ryan: Yes, \$132 million.

Mr Hargreaves: It is \$132 million and then, of course, there are amounts which are recoverable through mitigated damages. Those amounts that are recoverable under mitigating damages are usually a negotiated amount. Those people who have ever experienced a major building project would know that.

MR HANSON: You probably have got more experience with courts than most of us have.

Mr Hargreaves: You have no experience in it at all; so I do suggest that you just button it for a little while. What happens is that some days of non-productivity are acceptable and some are not. Some are put down to failure to deliver on clauses of the contract and some are not. In most cases, they are negotiated but, in a lot of cases, they are disagreed between the contractor and the client. You can bet your life in this particular case that is the case.

MR HANSON: But what is the bill?

Mr Hargreaves: Then the litigation, if it goes that far—and I would expect that it probably would—what will happen of course is that the courts will determine that. Until we have that particular position resolved, I cannot tell you.

THE CHAIR: That is a separate question as to how much we are able to recover. What I am seeking at the moment is how much the delay in opening cost the taxpayer to date. If you recover all of it, good; if you recover some of it, that is good too. But how much has it cost us, short of us actually seeking that money?

Mr Hargreaves: Okay. I understand. I understand finally the question.

THE CHAIR: It is complicated, is it not?

Mr Hargreaves: There was an amount provided in a supplementary appropriation last year for any additional amount that we may have to pay out in cash to New South Wales for our people being incarcerated there. That amount of money was an amount that was covered, was put in there, as a total amount. Against that, we need to take off those amounts of mitigated damages that we received. Okay? So the amount of money, if you want to find that, you can have a look at your supplementary appropriation. I presume you do.

Mr Ryan: \$2.174 million

Mr Hargreaves: \$.2.174 million. No, that is not the amount. That is the amount that we appropriated. And the total amount that it actually did cost us in terms of cash to the territory will be that figure less the amount of mitigated damages that we can recover.

MR HANSON: This is the question that I originally asked.

Mr Hargreaves: I have already said it. I do not have to say it again. If you did not understand it, bad luck.

MS BURCH: I have a question through the chair.

MR HANSON: So you are saying that the total cost in delays beyond the original project price is \$2.17 million and that is minus liquidated—

Mr Hargreaves: No.

MR HANSON: Why do you not give us a figure? What is that figure?

Mr Hargreaves: I said to you—

MR HANSON: You did not give it to us.

Mr Hargreaves: It is \$2.174 million, which is the amount of money that we appropriated to—

MR HANSON: That is what you appropriated, but what is the cost of that?

Mr Hargreaves: Will you let somebody finish, please? How about you just let me get the conclusion out?

MR HANSON: Why will you not answer the question?

Mr Hargreaves: There you go again. I will just start again, if you like. From here on, every time you talk over me I am going to go back to the beginning of a sentence and start again.

MR HANSON: Go on then.

Mr Hargreaves: I will go back to the beginning of the sentence and start again.

MR HANSON: Go on then.

Mr Hargreaves: Go back to the beginning of the sentence and start again.

MR HANSON: Bring it on.

Mr Hargreaves: You are a clever little man.

MR HANSON: Indeed.

THE CHAIR: Can we move on, please?

Mr Hargreaves: The figure that Mr Hanson has so much trouble wrapping his head around is \$2.174 million less the amount of costs that we can recover through mitigated damages through the court, sorry, the liquidated damages—right?—also offset by the amount of money that we were paying, that we were actually not encountering as we went down the track. For example, at the very beginning it was based on a certain number of prisoners being housed in New South Wales and progressively over the next six months they will return to the ACT; so that only half of them at the end of that period remained in New South Wales. The half that actually came to us progressively did not eat into the provision of \$2.174 million.

THE CHAIR: I think we have got an answer there.

MR SMYTH: One more, sorry?

THE CHAIR: Sorry, Mr Smyth.

MR SMYTH: How much of the \$2.174 million has been spent?

Mr Hargreaves: Sorry, Mr Smyth—

MR SMYTH: To date, how much of the \$2.174 million has been spent?

Mr Hargreaves: I will have to take that on notice. I really do not have it with me. I do not have it with me.

MS BURCH: On matters of dollars, can you tell us what the economic benefits are now that we have AMC? What is the economic benefit to our community?

Mr Hargreaves: Thanks very much. Economic benefits of the AMC are extensive and are already apparent. The construction of the AMC contributed to the local community by creating further employment. In excess of 850,000 person hours went into the construction of the AMC.

THE CHAIR: If he is going to read it—

Mr Hargreaves: I will say it again. Yes, I am going to read it, because these are numbers. You do not mind, do you?

THE CHAIR: I have got to say that, if every time Ms Burch asks questions, there is going to be a read, prepared answer, we will just take that into account.

Mr Hargreaves: All right. Then I will tell you what I will do. Every time Mr Hanson does it, I will read it too. How is that?

THE CHAIR: I'll just take that into account in determining the timings for questions.

Mr Hargreaves: Well, I thank you for your forbearance, you know.

THE CHAIR: Pleasure.

Mr Hargreaves: It really means a lot to me. Mr Chairman, there are numbers. Ms Burch asked me about the economic impact, and I have got to give her numbers. I do not carry these numbers around in my head every day of my life. I would like to though; they are great numbers. In excess of 850,000 person hours went into the construction. In 2007-08 over \$10 million was budgeted to accommodate prisoners in New South Wales correctional centres. This money will now go into the ACT economy. The operating budget in 2008-09 is \$22.818 million, excluding depreciation. Again, this money goes into the ACT economy. A total of 171 staff are employed at the AMC, which represents an increase of 91 staff.

Custodial officers have been recruited nationally and internationally, resulting in a number of officers relocating to Canberra with their families. This has had a positive effect on the local community with a significant contribution to the ACT economy from taxes, housing, consumer items and the trickle-down effect. Ongoing maintenance of the AMC will be done by local people, with three permanent and one temporary staff member employed. Again it has got a trickle-down effect into the provision of supplies in the maintenance sector.

In addition to staff employed at the AMC, it has a building, repairs and maintenance budget of \$134,500 for the period 2008-09. As I said, purchase of building materials and supplies will support local businesses as well as the purchase of products for the maintenance of garden and grounds.

Now, that is the economic benefit of the dollars allocated through the budget. What needs to be understood by the community is the economic benefit of a successful restoration program. Let me pose this to you, and this is a very round figure: let us say that it costs \$100,000 a year to keep someone in jail. They are doing nothing really for the community, contributing nothing. They are just using up \$200,000 of taxpayers'

dollars. Let us say that we are successfully restoring them and they do not actually come back, and they end up with a job and pay \$30,000 in tax. That is a \$130,000 a year turnaround just for that one person. Now it is not lost because that person will probably be replaced, but the actual social benefit, which is an economic one, is \$30,000 worth of tax into the ACT community.

So I think the economic benefits are twofold: the first one is the amounts of money that we are actually paying ourselves by consolidating the BRC with the PDC, the new transitional release centre and those entities from New South Wales, the bringing together of all that within the context of the ACT; and the second is the economic benefit of a successful restoration program. If we are successful—I am sure that Mr Smyth would agree with this, because he was part of the process when we started talking way back in 1998-99—then the drain on the community economically will reduce, by definition. If we fail, we will be just as bad as they are in New South Wales, where every person coming out of the Goulburn Correctional Centre is an economic liability in the community they go back into. If we are successful in our restorative justice processes and we stop people from doing burglaries and start getting them in jobs and feeling good about themselves, then there will be, in my view, an economic benefit from that.

One of the things we talked about at the through-care forum we had the other day is how we go about measuring that. I do not have an answer to that, and I have been asking for some academic interest in possibly coming up with a model of costing that.

THE CHAIR: Thank you, Mr Hargreaves. Ms Bresnan—

Mr Hargreaves: I did not read that last bit by the way, Mr Chair.

MR HANSON: The cost, if you need the figure, is about \$164,250. You rounded it at \$100,000.

Mr Hargreaves: I used it because I know that for simplistic minds like yours, Mr Hanson, arithmetic would have been easier; no other reason than that.

MR HANSON: I am giving you the arithmetic—\$164,250.

Mr Hargreaves: Well, that is good. I am pleased.

THE CHAIR: Ms Bresnan, you had the call.

MS BRESNAN: Thank you Chair. Just a query or question around Prisoners Aid and their budget submission. I note that they put in a budget request, I think for \$370,000—

Mr Hargreaves: Yes.

MS BRESNAN: which is providing services to the population and their families. I obviously understand that they are negotiating now for an office space in the AMC?

Mr Hargreaves: Yes.

MS BRESNAN: That is our understanding—

Mr Hargreaves: It is not the same thing.

MS BRESNAN: Sorry, yes. Anyway, obviously I realise it is a different thing there.

Mr Hargreaves: No, it is not the same thing.

MS BRESNAN: But I am just wondering if you can give us an update on the assistance which is being provided to Prisoners Aid and also how they are going in terms of the office space—

Mr Hargreaves: Look, I cannot give you an update on how much money is going to Prisoners Aid. I will have to take that on notice and get back to you. But that is not about the \$300,000, I need to correct the record for you there.

MS BRESNAN: It is not?

Mr Hargreaves: No, it is not. I had a conversation with Prisoners Aid about this, and we are actually on the same page, or in the same book. We are not necessarily on the same page. What they wanted to do was to have a facility very similar to that in Western Australia called the out-care model. Now, that facility is a facility on the outside of a prison and it is to support the families of prisoners going in and out. Now—

MS BRESNAN: So is that the office which they are going to have which will be performing that function?

Mr Hargreaves: No.

MS BRESNAN: Okay.

Mr Hargreaves: No. That is a completely different facility. When a person is incarcerated, the family of the person needs support. But not only do they need supports in the community, they actually need supports as they go in and out of the visiting arrangements. For example, when a woman goes to visit her partner who has just been incarcerated, say, for the first time, usually that encounter is a very horrid one, a violent one. It is where the prisoner will pour out all of this angst and guilt and anger and everything else. Now, what happens often is that the woman will visit with, say, a little kid with her. The out-care model will look after that child while she goes in and it will prepare her for the horrible first encounter. The second one is not so bad; the first one is a horrible encounter. Nobody actually has been in a position to assist them. That service is provided. Now what Prisoners Aid were talking about was the variation on that model which exists in Western Australia, which is one that I am looking at trying to get cabinet support for to provide at the AMC for a future budget.

MS BRESNAN: So the \$370,000, which you said was not \$370,000—

Mr Hargreaves: My understanding is that the Prisoners Aid people wanted \$300,000

to provide that sort of service.

MS BRESNAN: Okay.

Mr Hargreaves: And it was not going to go as far as I wanted it to go to support the families of people that are incarcerated. So I said to them I could not support their submission the way that it was. I was not actually wanting to go where they were going; I wanted to go a little bit further. I wanted to check out the out-care model in Perth a little bit better and see if I could bring it to Canberra with a modified version of the same. But also, we are talking about a lot of money. We need to be convinced as a community that that particular organisation is best placed to provide those services or whether it should be a combination of organisations, which is probably my preferred model. So how do we go about doing that?

It would require, in my view, a budget submission of around about between \$1.5 million and \$3 million worth of capital and probably something in the order of \$300,000 in recurrent costs. This year I did not seek those funds from the budget cabinet process because I wanted to wait till the AMC had been opened for 12 months before doing it, which will allow me, having had the portfolio only for a number of months, to actually investigate the Western Australian model a bit more closely and also to see what is happening in South Australia. I believe they are leading the country at the moment, other than ourselves, in the provision of these types of services.

MS BRESNAN: So you said you have had some discussions with Prisoners Aid. So they are aware that this is the way forward?

Mr Hargreaves: Yes.

MS BRESNAN: So is it likely then to go into the next budget?

Mr Hargreaves: Subject to the investigations that I am about to engage in, for example, I have got a ministerial council on corrections coming up—I have forgotten the dates but it is coming up, I think it is in June. What I propose to do is to stay over for a day or a day and a half and go and revisit a number of out-care facilities. In fact, if you look up the Legislative Assembly reports that I have done on prison systems, you will notice there is a reference in there to out-care facilities. I saw them in the Acacia prison and in Bandyup, which is now Boronia, in Western Australia. I think there was another one—it might have been Casuarina, but I could be wrong. But I saw them in operation. I want to see how they operate in the context of the service.

You see, what we need to be particularly careful about is that these services are not seen to be part of the corrective services system. They have got to be the community. They are, in a funny way, a link between the corrective services system and a whole list of community support systems. So we need to make sure that, whilst we as a government are providing funds to help kick that along, we are not doing it in a way which can be influenced by government policy of the day. It is about the prisoners; it is about their families; it is not about getting political runs on the board. So I have got to get to that. But as I go down the track, you can bet I will let you know.

MS BRESNAN: Thank you.

THE CHAIR: Thank you, Mr Hargreaves. I will go to Mr Smyth then Mr Hanson and then Ms Burch.

MR SMYTH: Minister, how many prisoners and remandees are currently at the AMC, if you can?

Mr Hargreaves: I would rather not answer that question in public, Mr Chair. I can put this to you: I anticipated the committee wanting to know how close we were to complete, sort of thing. I can only say this much: I would rather not give you the number at the moment for fear that other people will try and calculate who is who and where they are. I can say this: when the last prisoner is in, I will let the Assembly and the community know, and that is not far away. We have less than 30 prisoners in New South Wales prisons at the moment, and arrangements are being made for their repatriation.

MR SMYTH: And that is likely to be by when?

Mr Hargreaves: Look, I cannot answer that question. I would love to—you can imagine I would love to. We have repatriated more than half from Junee and Goulburn. We have some individuals in institutions in New South Wales, and they need to have individual case management for their introduction in to the ACT because they are in particular institutions for particular reasons. The introduction of them into the AMC needs to be under a certain control. So there is a negotiation. We also need, of course, to understand that the last I heard there was at least one prisoner in New South Wales who did not want to come home. So that negotiation has to continue for a little while.

MR SMYTH: Will any remain in New South Wales? Are there any that are not intending to—

Mr Hargreaves: At this stage of the game, the answer is no. But I would like to put the caveat that one or two might. Look, can I say this: if a person has only got three months to go in a sentence and their program is doing well and they are being rehabilitated successfully, it would be irresponsible of us to bring them back. Yes?

MR SMYTH: Okay. Well, can I just add—

Mr Hargreaves: That is the only reason for the caveat.

MR SMYTH: But you will provide that information to the Assembly when it is available?

Mr Hargreaves: You can bet your life.

MR SMYTH: If the committee has not reported before it is available, will you undertake to report it to the committee?

Mr Hargreaves: What time is your reporting date?

MR SMYTH: It is set down in June.

Mr Hargreaves: Yes. If it has been achieved before you report to the Assembly, I will do this too. I would like to give this undertaking to the committee: I will give you an advance copy of my press release. How is that?

MR SMYTH: There you go. That will be fantastic. Well, if you cannot answer those questions, let us move to budget. In this current year, the 2008-09 budget total was \$43,719,000—

Mr Hargreaves: Sorry, Mr Smyth, could you give me a hint of what page so I can—

MR SMYTH: Well, on this here it is on page 292 of budget paper 4. The coming year's budget according to BP4 is \$43,304,000; the current year's budget according to the budget paper for last year was \$43,719,000. Why the drop by almost \$400,000?

Mr Hargreaves: \$400,000? I will have to take that one on notice. That is a very small percentage of that, but I will get the detail for the committee.

THE CHAIR: Thank you. Mr Hanson?

MR HANSON: Can we just go back to the issue of the cost blow-out, and I am just referring now to the public transcript from the inquiry into the delay at the AMC, and I will quote you. So you talk about the costs being:

... estimated to be in the order of \$2.333 million. Other costs, covering such items as reopening Quamby, storage, insurance and extension of fees to the project management consultants and design consultants have been estimated to be in the vicinity of \$1.05 million, making the total cost of delays to be an estimated \$3.383 million.

That is very different from the figure that you gave in response to the last question, which was \$2.17 million minus liquidated damages. What is the explanation for the difference?

Mr Hargreaves: Well, my understanding of it is that the figures that you just quoted to me do not have any—

MR HANSON: Well, they are your figures. This is quoting you.

Mr Hargreaves: Well, do you want me to answer the question or not? Because if you do, then you wait till I've finished. My understanding of the figures you have quoted to me do not talk about the amount of liquidated damages that might be subtracted from that.

MR HANSON: No, but you said \$2.17 million minus liquidated damages in your previous answer.

Mr Hargreaves: That is right, yes.

MR HANSON: But this is saying in your previous response to a question the total

cost of delay is an estimated \$3.383 million. Why is it \$2.17 today and previously when you answered that question it was \$ 3.383 million?

Mr Hargreaves: Because I have not included in your \$2.174 million some of the detail that you have got in the other one.

MR HANSON: We asked you for the total cost of the delay. Why did you not provide that then?

Mr Hargreaves: Mr Hanson, I gave you the cost as I understood it to be. If you wanted further detail, I was happy to take that part of the question on notice and get you a reconciliation between \$3 million and \$2.1 million. How is that? I am happy to do it for you.

MR HANSON: So the total cost of the delay is \$3.383 million? Is that correct or is it the 2\$.17 million you gave before? What is the correct one?

Mr Hargreaves: I told you that. I will get you a reconciliation between the two and provide it to you on notice.

MR HANSON: So you will provide the committee with a full cost of the delay—is that right?

Mr Hargreaves: I will say it for the third time. You quoted me 3.3 something million dollars—

MR HANSON: I am quoting what you said.

Mr Hargreaves: and I quoted you—I don't care.

MR HANSON: I am quoting you actually.

Mr Hargreaves: I don't believe you when you quote me, quite frankly.

MR HANSON: Well, here you go. I will table it if you like. I mean if you cannot remember—

Mr Hargreaves: You can table anything you like. Knock yourself out. If you can get your rocks off doing that, do it. Do it.

MR HANSON: I think it is a fair question.

THE CHAIR: All right; Mr Hanson will table it. And I think it is a fair—

Mr Hargreaves: And the point that I made—and I will say it again, Mr Chairman—

THE CHAIR: Yes?

Mr Hargreaves: Mr Hanson is saying, "I've got a figure of 3.38 and you said 2.174." I have said that I will get you a reconciliation between the two.

THE CHAIR: It is important, though, that the information we get here is accurate.

Mr Hargreaves: That is correct.

THE CHAIR: Has anything changed since that hearing to this hearing that would explain why this figure would be more than a million dollars out?

Mr Hargreaves: Mr Chairman, I will say it again, for the second time since you and I have been having the conversation: I will get you a reconciliation between the two figures.

MR HANSON: Do you have any explanation as to why you provided two quite different figures, one previously and one today? Is there any explanation for that? Was it a mistake?

Mr Hargreaves: I will say it again. How many times is this? No 5? Okay. I will say it again: I will get you a reconciliation of the two figures.

MR HANSON: Thank you very much.

Mr Hargreaves: And the cost is not final anyway. You know that and I know that.

MR HANSON: I doubt if it is going down, Mr Hargreaves. I doubt it was—

Mr Hargreaves: Then thank you very much for the congratulations.

MR HANSON: I doubt it was 3.3 then and it is 2.17 now.

Mr Hargreaves: Thank you very much. Can I say, Mr Chairman, that I have undertaken—I undertook five times—to get a reconciliation of two numbers that do not satisfy Mr Hanson. When I offered it the first time, it should have been good enough.

THE CHAIR: I understand that.

Mr Hargreaves: We are not going to achieve anything except the wastage of time.

THE CHAIR: I think it is reasonable, though, that we ask why there would be such a difference. Saying that you are going to get a reconciliation and answering the question as to why it appears to have changed—

Mr Hargreaves: That is going to get—you will get it.

THE CHAIR: is still a different thing, and it is a reasonable question.

MR HANSON: You do not know where your staff are—

Mr Hargreaves: You will get that in your reconciliation.

MR HANSON: and you do not know what the breakdown of the costs is in your department—

THE CHAIR: We also want to know that our minister is on top of things.

MR HANSON: You are giving us wildly different figures.

Mr Hargreaves: Yes, right. All right. Where are the congratulations for opening the prison in the first place?

MR HANSON: What, in September?

Mr Hargreaves: At all.

MR HANSON: In September?

Mr Hargreaves: At all. How about you, Mr Chairman? Where was your—

MR HANSON: Well, congratulations for opening the prison in September, John.

Mr Hargreaves: You were not going to do it. Your public pronouncements were that you were not going to do it at all.

MR HANSON: Let me offer you my congratulations on the world's greatest election stunt.

Mr Hargreaves: Not at all. You were going to wipe it. Where were you? Where were you?

MR HANSON: Where was I?

Mr Hargreaves: Yes, where were you?

MR HANSON: I do not think I had been elected yet, John.

Mr Hargreaves: You do not know.

THE CHAIR: All right; we will come—

MR HANSON: I had not been invited.

Mr Hargreaves: You do not know.

MR HANSON: I had not been invited.

THE CHAIR: We will bring it back to order. Mr Hanson, Mr Hargreaves, we will bring it back to order.

Mr Hargreaves: And you never will.

MR HANSON: I never will? Are you going to open it again?

THE CHAIR: Mr Hanson, thank you.

Mr Hargreaves: Grow up.

MR HANSON: Oh, come on.

THE CHAIR: We will go to Ms Burch.

Mr Hargreaves: Grow up.

THE CHAIR: Mr Hanson, thank you. We will go to Ms Burch.

MS BURCH: If there is some peace and quiet I will ask a question. It is around human rights, which seems to be underpinning the principles of the AMC. The question is: how does the AMC incorporate the human rights principles in its operations?

Mr Hargreaves: Thanks very much, Ms Burch. The AMC will operate in accordance with human rights legislation. I will make the point for the *Hansard* that, in fact, Bill Stefaniak, the then leader of the Liberal Party, was going to repeal the Human Rights Act if they won the election. Against that background, the fact that we are able to do a human rights compliant AMC is pretty impressive actually—pretty impressive.

THE CHAIR: It is good that you can go off the script sometimes, Mr Hargreaves.

Mr Hargreaves: You were sitting there when he did it—no use whinging about it.

THE CHAIR: Good thing you can go off the script. Thank you.

Mr Hargreaves: You want to try and interrupt—you cannot take away the truth. The design of the AMC gives consideration for human rights principles through the minimising of harsh overt signs of incarceration: no razor wire; no bars or windows—all cells have full-length windows and open views—no external wall; and perimeter fencing affords views of the external landscape.

The prisoners have a certain daily regime, the same as we do. You get up in the morning, have your breakfast, go to work, have your lunch, go back to work, go home, have your dinner, have some recreation, go to sleep and do it all again the next day. Interestingly, the feedback we got was that some of the prisoners were getting up early and going down to their part of the fence and having a look—watching the kangaroos graze and watching the sun come up. They are some of the things that we can do. Hitherto they would only be able to see the wall; that is all they would be able to see. They were saying that this is really nice and that is why they were interested in the positivity that was in that particular facility.

We selected a campus-style design for the AMC. The buildings are located around a central service area, a town square, to promote a community atmosphere as far as possible. We said—I have said this a number of times—that we have not created a

building; we are trying to create a small village here.

Cell blocks were designed to improve privacy, with a separate shower and toilet in each of them. Each side of the cell block has its own external exercise yard, association area, group room and laundry. The male and female cottages are designed to give prisoners a high degree of autonomy over their day-to-day decisions, therefore improving their prospects of rehabilitation. These cottages—four units which hold five prisoners.

When I visited some places in South Australia, the one thing that impressed me when I walked away was that people who were incarcerated for a dreadfully long period of time lost their activities of daily living skills. A woman, for example, was taken to the doctor and ran out into the traffic; she had no idea to look right or left. She had lost the training she had as a child. She did not have to worry about toothpaste, because somebody always replaced the toothpaste; she did not have to do it—did not even know about it. We need to give these people these skills back. They do not do that in these other jails; they do that in the AMC.

Talking about human rights—some people have been trying to make some capital about one or two of the incidents, if you like—I would not call them that—in the AMC in recent times. The human rights commissioner visited the jail. I have before me a letter from her report, from the Human Rights Commission. She says this, and I want to make sure this gets on the record:

My overall impressions of AMC were that it was an excellent physical environment, and ... functioning well. I wish to congratulate CS—

Corrective Services—

management and staff on their hard work in achieving this vast movement exercise, which has meant a huge improvement in human rights compliance ... The iris scanning and security systems appeared to be functioning well ... Detainees I spoke to were generally happy with conditions ... the food was excellent ...

She said there had:

... been problems with the in-slab floor heating not functioning in a number of areas ... These problems were being attended to ... heating was working in approximately 75 per cent of the detainee sleeping areas.

We are at about 80 per cent now. She said further:

... detainees had been provided with additional blankets ... over 80 small electric heaters had been purchased in the previous few days ... Detainees had also been provided with winter pyjamas the previous day.

When it comes to the iris identification, she said she was told that the delays were caused by registering new visitors. She said:

It took approximately ten minutes for each HRC staff member to be added to the

system, which seems reasonable in the circumstances. It is realistic to expect some delays ...

As far as I can see, that is a ringing endorsement of what we have been doing at the AMC by the human rights commissioner. I would like to table her letter to me. Ms Burch, have you got a follow-up?

MS BURCH: I have a supplementary on that.

THE CHAIR: Sure.

MS BURCH: You made mention of the cottages. Can you explain the set-up of the cottages and how that works?

Mr Hargreaves: Yes. Thanks very much. What we are trying to do is provide accommodation for people such as they would find on the outside, to prepare people, as I said, for the activities of daily living. They have got kitchen facilities. They are fully self-contained—kitchen facilities, a laundry and shower area, dining association area and an external secure balcony. Our prisoners in the cottages will cook their own meals and manage their own budgets.

I saw this particular facility in operation in South Australia where these male prisoners actually went to work but they managed themselves in their own cottage. They were given the activities of daily living skills that we all take for granted. In places like Goulburn and other New South Wales institutions, there is none of that. You just get a cell and when you have done your sentence they open the door and out you go.

People are not prepared in that way. Certainly they do things like anger management programs, drug and alcohol programs and such like but they do not learn how to get along in a group house. Those of us that have lived in a group house will know that the most difficult thing is to get along with somebody else in the place; so we have got to teach people how to do that. The minimum security cottages are just for that.

With the female prisoners, of course, we have got the mums and babies unit where they actually live an ordinary life. What is important about prisoner rehabilitation is that they have a routine, a daily routine, the same as the rest of us. They do not get up and walk around and pace. For those of you who have had the misfortune to go inside and have a look at some of the other bigger jails—and this has happened to me—you have a look at it and you see people pacing.

At BRC it was on all the time—pace up and down the wall. They did not have things to do, constructive things to do with their time. One of the constructive things you can do with your time is the washing up and sweeping out of your place. It is just the pride that you get in your own place and that is what we are trying to do in those cottages. Thank you.

THE CHAIR: Thank you again.

MS LE COUTEUR: One of the things that it says in budget paper No 4 is that you

are going to commence the construction of a new forensic medical centre. I was one of the lucky people who went out to see AMC and there was a medical centre there. I am just a bit confused. Is this for high-security prisoners or for mental health or what?

Mr Hargreaves: Firstly, you need to ask—it is a bit late, I suppose—that question of the Minister for Health. The health centre in the prison is actually like a community health centre. It is under the jurisdiction of the Minister for Health.

MS LE COUTEUR: It is actually in your budget paper.

Mr Hargreaves: Hang on. I know. It is contained in there so people know where it is but the medical management is done by the Department of Health, through the Canberra Hospital people. The forensic medical is about mental health patients and that is something the Minister for Health has got as a project.

MS BRESNAN: So that allocated funding is for mental health patients?

MR SMYTH: Sorry; just for clarification, where is it being built?

Mr Hargreaves: Hang on. Sorry about that. The problem with the use of the word “forensic” is that in corrections terminology you talk about—the forensic unit, for example, at Long Bay is where people with mental health issues are. I am just told—you are going to like this; Mr Smyth is going to have a joke—the forensic medical service is a morgue.

MS LE COUTEUR: Is AMC is going to have its—

Mr Hargreaves: And it is actually in the Justice and Community Safety portfolio because it is a subset of the courts. If you want to dig deep into those sorts of deathly serious things, you need take it up with the Attorney-General.

MS LE COUTEUR: It has got nothing particularly to do with AMC except insofar as randomly—

Mr Hargreaves: I sincerely hope not.

MS LE COUTEUR: I think we are clear on that.

Mr Hargreaves: We have done everything we can to prevent that.

MR SMYTH: As a question, perhaps following on from that, where are people who are remanded in custody because of their mental state—they are unable to be convicted—held?

Mr Hargreaves: That is a good question. I think it really depends on the—

MR SMYTH: Is that what you are aiming for?

Mr Hargreaves: I take Mr Smyth’s point. It is quite a good question and I have to say

I do not know the answer entirely because it really depends on the degree to which the mental condition is a safety issue to themselves or a safety issue to the community at large. Some of them go to the AMC and some of them go to the unit in the hospital.

MR SMYTH: PSU.

MS BRESNAN: Yes, but I guess the forensic facility which is being proposed and the three sites to be considered—is that where they would go to?

Mr Hargreaves: Again, it depends on the degree of the mental dysfunction. If the people are a danger to themselves and a danger to others and they were remanded to that facility by the courts, yes, that is true. Some people, in fact, are remanded to the PSU, the psychiatric services unit at the hospital, and they are actually in a secure facility within that unit. So it depends on the condition. Yes.

MR SMYTH: Perhaps in that regard—

Mr Hargreaves: I am sorry, Mr Smyth, just a supplementary. Given that they are actually, if you like, under the authority of the courts until the courts actually deliver them metaphorically to Corrective Services, the courts could, if they chose to, send them to Sydney to the Long Bay facility there.

MR SMYTH: To the Long Bay facility?

Mr Hargreaves: It is a court decision, not an AMC one.

MR SMYTH: Perhaps we could run through some of the changes to appropriation on page 304, budget paper 4. The first mention of the Alexander Maconochie Centre is \$2.174 million. I think we have covered that one. But at the bottom of that page is a rollover of the ACT Corrective Services managed accommodation program. \$400,000 was to be spent in 2008-09. It is now being spent over four years. What is it and why is that so?

Mr Hargreaves: I will get Mr Ryan to answer that question for you. It was actually a deliberate decision on the part of Housing. That is managed accommodation but I will get Mr Ryan to give you details.

Mr Ryan: Yes. The managed accommodation project, for want of a better term, was part of a crime prevention initiative totalling \$2.4 million, and that part of it envisaged the acquisition through ACT Housing of two houses for the purposes of providing accommodation for offenders. This project was running late this year, to the tune of \$400,000, and that amount has been rolled over for similar purposes in the outyears. And at present we have only one house.

MR SMYTH: You will not buy too many houses a year for \$100,000. What do we get for the \$100,000 each year for the next four years?

Mr Ryan: What we get is our contribution to it, which includes the staffing element of it, most of which has already been established. But we would need something additional for the outyears.

Mr Hargreaves: This amount of money does not buy the house. Housing ACT—

MR SMYTH: No, this is the service—

Mr Hargreaves: You might recall, in fact, a couple of years ago—or, no, maybe a year ago—I came before the committee and we talked about it in terms of Housing. I said that we needed to start thinking about the accommodation needs of people who are being released and we needed to start thinking about it before they came in from New South Wales. And this is the result of those considerations and the conversations between Corrective Services and Housing ACT.

MS BRESNAN: So this will be run by Corrective Services?

Mr Hargreaves: Yes.

MR SMYTH: Moving on to page 305, there is a section 16B rollover of \$650,000. What does that cover?

Mr Ryan: That was rolled over from 2007-08 and that was the underspend of the capital in 2007-08 which was rolled into 2008-09. That is not a rollover for this year. The rollover for this year is \$73,000.

MR SMYTH: That has just gone into general construction?

Mr Ryan: Yes.

MR SMYTH: If you go over then to page 306, there is a rollover of \$150,000 for the chapel and quiet place. Will that be spent this year?

Mr Ryan: All that will be spent this year is an amount of \$50,000. We originally had \$200,000 in 2008-09. Only \$50,000 will be spent; and \$150,000, from this year, will be rolled over into next year out of a total of \$513,000 for the project.

Mr Hargreaves: What I have done, to give you a picture on the timing of the expenditure of those funds, is to say that, whilst we need to construct a chapel/quiet place, we need to consider two other aspects. One is that we need to consider our Indigenous prisoners in the context of the type of spirituality that will occur in that particular facility. Some people actually will get in touch with their particular god inside a facility in a certain environment; some people do it outside. So we need to be aware of how the Indigenous people react.

With that in mind, there is also the fact that I wanted the people who are living in the AMC to have a say in what it will do and what it will look like. So I have asked the department to go slowly but surely in that consultation phase. If it takes a little bit longer than that and we need to roll it over a bit more, so be it, because I think, if this is going to be a facility which will give people peace of mind whilst they are there, I need to have those people who are going to use it involved in it.

MR SMYTH: So what is there now?

Mr Hargreaves: There is a specific space allocated for construction of the facility. I do not know whether you have been to the AMC.

MR SMYTH: I drive past it every day.

Mr Hargreaves: No? Okay. We might be a while but hang in there. If you go through it and you go right through the town square and out—

MR SMYTH: I am going to be following you—

Mr Hargreaves: There is another building and it goes on the outside. There is a space allocated for it. I think there is at least one design which we propose to put to the population who are resident in the AMC for their views and their thinking and their thoughts.

MR SMYTH: So there is no chapel there now?

Mr Hargreaves: We are also involving the chaplain in this as well, given that the chaplain is a chaplain for all faiths and not just one or two and not just Christianity. We also have the challenge that this is a quiet place as well as a chapel, but a chapel in its nomenclature denotes a Christian type approach, and that may not be suitable for our Muslim people, our Buddhist people or the Indigenous people. I want to get that right, given that \$513,000 has been put aside for this. The ground is there, it is earmarked for there, and now we are at the planning and getting it right stage. It is a little bit different from just building a bloody building and whacking it up; it is something that I want to—

MR HANSON: So you are saying that the reason that that was not built as part of the facility was that you wanted to consult and do all this sort of stuff, not that it was just a failure to deliver it on time?

Mr Hargreaves: No, it is not. What I am saying is—

MR HANSON: That is the spin, isn't it?

Mr Hargreaves: No, it is not—and you can smirk until the cows come home, and you will be condemned for it. The issue for this one is that—

MR HANSON: It is a lot of money, and I think you are just spinning this one. Are you doing this for the gym as well?

Mr Hargreaves: There are some times when the lows, the despicable lows, become very trench-like. We have had so many occasions where governments of all persuasions have provided facilities which are almost right and not quite right. It is unfair for us to provide a facility like this and then impose it upon people. We do not impose spirituality on people. We provide a facility for them to get in touch with whatever god they have. It is my decision. I have said to Corrective Services, "Please stop and then I want to consult with the people who are incarcerated there." It is unfair of us to impose this sort of facility on them and I want their advice before we do it.

When it comes to the Indigenous people, for example, there will be a quiet space around a particular building. If they want to have—

MR HANSON: If only you had consulted as thoroughly about school closures, John, I tell you.

Mr Hargreaves: Give it a rest. The despicable lows—only you know them.

THE CHAIR: All right. I think that question has been answered, minister.

Mr Hargreaves: I think that question, Mr Chairman, was grossly out of order.

MR SMYTH: What? Asking about the chapel?

Mr Hargreaves: No, not that one; the next one.

THE CHAIR: Mr Smyth, we are overdue for afternoon tea. Ms Bresnan has a question which she has been waiting to ask.

Mr Hargreaves: Yes, and he could do with a Bex and a good lie down.

MR SMYTH: Well, there are just a couple of rollovers, if the minister was quick—

MS BRESNAN: Can I just ask my question, perhaps?

THE CHAIR: I will go to Ms Bresnan and then we will go to a couple of quick rollovers.

MS BRESNAN: Thank you. We have talked about the funding, and with the gymnasium also I note there is not funding in the budget for that. I know we have had a conversation with your office about this, and there is going to be gym equipment available to corrections officers. I think we were told that we would see what would come out of the budget as to whether there would then be the gym.

Mr Hargreaves: Okay. Yes, I can answer that for you.

MS BRESNAN: I am wondering what is happening around that. The issue is that—

Mr Hargreaves: No, that is fine. I understand the question.

MS BRESNAN: prisoners do not have anywhere else to go but the officers do.

Mr Hargreaves: Yes, I understand that. Firstly, can I just say, with respect to the officers themselves, they actually brought equipment with them. It was already in existence, so it was not additional equipment, necessarily, that went into the facility. They have had this as a long-term provision as part of their OH&S working conditions.

The issue around the gymnasium—funds were not provided by the government of the

day, so I had some concerns and took these concerns to the cabinet around the provision of gymnasium type equipment. I use the words “type equipment” quite deliberately. I have said that we will work up a submission for the 2010-11 budget and see how we go to provide such a facility.

It has to be two parts. One is that there needs to be an indoor recreational facility so that people can actually do it. That is not being provided to the officers. The provision of equipment per se, other than basketball equipment and that sort of stuff, needs to be health related and not body building related. I have made it quite explicit that body-building equipment as such is not to be provided to prisoners.

MS BRESNAN: Why is that?

Mr Hargreaves: Because body building is about building image. My experience is best exemplified, I suppose, by a visit to the Fulham jail in Sale, where there were a bunch of Asians who worked out, ended up with massive muscles, massive physiques, were released and probably went into the standover trade. It is also the wrong image for prisoners.

MS BRESNAN: I guess it would be a self-worth issue as well.

Mr Hargreaves: Yes, agreed, except that there is a line and they cross it.

MR HANSON: Is there any research to back that up, John, or is that just your opinion?

Mr Hargreaves: What I have said, though, is that we need to be aware that there is a medical reason for this equipment to be there. I quoted in my points the need for cardiac rehabilitation. One of our prisoners, who has now been released, suffered a heart attack while incarcerated. Ordinarily, if he was there for a long time, he would, I believe, need to go through a cardiac rehabilitation program, which requires the use of arm cranks, treadmills, low rows, some strengthening equipment and things like steps. What it does not require is barbells. It does not require chin-up facilities, for example.

Obviously Mr Hanson, from his look of incredulity, has never been to the cardiac rehabilitation gymnasium at a hospital. I invite you to go and have a look. What I have said in a conversation with the CEO of JACS and the CEO of Health is that I would like Health’s input into what equipment we need in that particular facility, in the creation of the budget submission going forward. It is not only about cardiac; that just happens to be the one I know a little bit more about. There are other parts. For example, if we have an amputee we need to have certain equipment around the retraining of people who have suffered an amputation, particularly of the lower legs. So I need Health to tell me. This is a health facility for me; it is not about having a good-looking bod. Having a good-looking bod actually works in corrections systems badly.

MR COE: Can I quickly ask a question—

THE CHAIR: You and Ms Burch have both got quick ones. We can come back to this after afternoon tea if people want. I do not mind. But if there is a quick follow-up

on this, do it.

MR COE: It is a follow-up on this. You just said that it is important to get Health input on this.

Mr Hargreaves: That is right.

MR COE: But you have also said categorically that you do not want any body-building equipment.

Mr Hargreaves: That is right.

MR COE: Did you get advice from health professionals to say that, or are you restricting the advice that the health professionals can give you?

Mr Hargreaves: Mr Coe, I visited 18 prisons and talked to the administration of 18 prisons about the provision of recreation equipment in those prisons and the reasons for and the reasons against having it. I took their advice that body-building equipment is a bad idea. My perspective on the health aspect of it came from my own heart attack and what I went through, so I have applied that health knowledge, and I sincerely hope that you never have reason to use it.

MR COE: But, if health professionals say that barbells and dumbbells are a good idea for their health, are you going to accept that, or are you going to say, “No, that is not allowed”?

Mr Hargreaves: If the health professionals tell me that barbells are a necessary part of a health gymnasium, two things will occur. I will be absolutely staggered in amazement and I will probably accept their advice.

MR COE: Right, okay. I know people who have had a heart attack who use dumbbells when they go walking. So I am surprised—

THE CHAIR: Sorry, Ms Burch, did you have a quick follow to this or—

Mr Hargreaves: Yes, but only certain weights—only up to about 10 kilos max. After that—

MR COE: So light dumbbells will be allowed?

Mr Hargreaves: Probably. I am not a health professional. I am only a patient.

MR HANSON: But you said you were not accepting health professional advice; you are going off your own intuition?

Mr Hargreaves: Yes, well, you want to think about totality and not selective care.

THE CHAIR: Are you keen to ask a follow-up, Ms Burch, or—

MS BURCH: No, I think we will go to the break.

THE CHAIR: We will take a break and we will be back with Mr Smyth with some rollovers.

Meeting adjourned from 3.58 to 4.13 pm.

THE CHAIR: Okay, we will resume. I was going to go to Mr Smyth, but he is not here at the moment, so I will go to Ms Burch, and we are looking forward to some rollover questions. Ms Burch.

Mr Hargreaves: I am not going to roll over, that is for sure.

THE CHAIR: We will see.

Mr Hargreaves: That day is never going to dawn.

MS BURCH: Earlier on there was some conversation around through care for prisoners, and I was just interested in support for families and how the families were engaged and involved in the through care of prisoners.

Mr Hargreaves: Yes, thanks very much, Ms Burch. Through you, chair, I would suggest the committee have a look at the report of the Standing Committee on Community Services and Social Equity from 2001-04. It is about the forgotten victims of crime, and it talks about families of offenders. Quite frankly, it is a good body of work and it gives you a bit of a window into where we are headed.

We as a community provide a certain level of service to victims and the families of victims. We provide very little service actually to the families of offenders. There is a myth out in the community that the families of offenders are just as bad as the offenders. That is not so in a lot of cases. In that report, there is a story from a woman who came before the committee. She told a story about her husband who had been arrested by the police in the middle of the night and taken out because he had been dealing indecently with some young women, some young girls. What he had been doing was using his daughter as bait. He had not been indecently dealing with his daughter, but he had been dealing with her friends. When the police took him away, that was the first she ever knew about it. He had been ever so clever. He had even brought the family to Canberra from South Australia when the heat got a little too much.

When he was taken off to jail, the family was given no information about where he was going after he had been convicted, how they could visit him, what the rules were and how they were going to get there. They were given no idea of how they could get financial assistance, because he was the breadwinner. The kids would not go to school; the daughter could not face her friends who knew that she had been used as bait. Her son could not face the taunts of his fellows in the schoolyard because his father was a paedophile. There was no support for them at all. So we determined that we need to do something about it. What exactly, I am not sure. That was one of the challenges I put down to the throughcare forum the other day. Really, it is a community response; it is not a Corrective Services problem. We have no jurisdiction over the families of offenders. The community has to embrace them and support them.

So we need to look at that.

I see that as an integral part of the through-care service, because the family is the strongest bond in the human psyche. If a person is going to be successful, maybe we can use the family to help the process then. When we try to restore prisoners after their programs into the community, you have to restore their families and the damage that has been done to them, and I have just talked about that. Also, we need to prepare a family for a prisoner's return, because, if they return and the situation is dysfunctional, that offender is going to be back in jail pretty quickly through domestic violence or a range of other things. For example, we do not prepare a woman for the return of her husband after 10 years. This guy expects to pick up where he left off, and that is not often the case. We do not prepare that woman for that return.

We do not prepare, for example, a young boy who was six years old when his father went away, just a kid, but he is 16 when the guy comes back. The kid has been the significant male, the alpha male, in the family and the most significant male in his mother's life, then the old man turns up and wants his job back. If we do not prepare that family for that return, we end up with dysfunction. The offender will turn to drugs, to alcohol, to gambling and domestic violence and the whole thing, and then he is back in the system again. So—

MR HANSON: Are we doing that as part of this budget then, or is this just your—

Mr Hargreaves: No, what we are doing though—

MR HANSON: So you are not actually going to be doing that?

Mr Hargreaves: What we are doing as part of this through-care program is that we had a community reference group. There were about 26 organisations involved in this thing all the way along construction and the development of the AMC's programs. It is within that group of people that we want the thinking to start, because we want to know what role Corrective Services needs to play in leadership in terms of going forward into the—

MR HANSON: But those initiatives you are talking about: they are not implemented, there is no—

Mr Hargreaves: They are implemented in a limited way by Prisoners Aid, for example. I had a long conversation with Hugh Smith about that. There are a couple of other organisations that try to help. I know Denise Simpson actually does a little bit of work in the domestic violence area. We need to stitch it up into a more complete, holistic system. That is a body of work that we are going to be taking in the meanwhile. Where we need to look at making sure that the AMC and Corrective Services budget going forward is actually—

MR HANSON: When are you going to put that forward as a package?

Mr Hargreaves: We would remind ourselves, of course, that this budget contains no funds to do all that, but it does have policy funds in it. So there will be some thinking done there by my officers on how we can start doing some more work on that.

MS BRESNAN: Does Prisoners Aid get some funding now to provide those sorts of through-care services?

Mr Hargreaves: No. They get funded for general services, not specific. Also, can I just say that most of our services are prisoner-centric. Prisoners Aid, Justice Action, all those groups, those services, are prisoner-centric. I want them to be family-centric. So there is a paradigm shift that we need to engage in here. That is why I posed the question at that throughcare forum in the opening address and left them to their thinking. I think that we need to take it to the next paradigm. That is where I am going, anyway.

THE CHAIR: Mr Hanson.

MR HANSON: So, Mr Hargreaves, there are a number of faults that have been discussed in the media with the Alexander Maconochie Centre. You raised one earlier—the heating system.

Mr Hargreaves: Yes.

MR HANSON: The RFID system has not been delivered yet and we are not sure where that is at. We do not know whether defect 2.6 has been resolved. There is the fire alarm system, and I have also heard anecdotally about laundry doors, toilets flushing and showers. Can you outline for us what problems there are in terms of the systems at the AMC and when they are going to be resolved?

Mr Hargreaves: Yes, I can. I have tabled already the comments of the Human Rights Commissioner, who has investigated many of those complaints. Let me go through a couple of them that you have mentioned. The slab—I will go to that one first—80 per cent of that has been addressed. We need to—

MR HANSON: While we are talking about the slab then, if we can take them one by one—

Mr Hargreaves: I am just going to go through these, because there is a general comment about them all, and you need to understand how this works. The slab, fire alarm, doors and those sorts of things are contained within the building warranty system, and they will be fixed as we go down the track. We have not built just one building; we have built a series of buildings. It is a small village, and I would expect this sort of stuff to happen during the course of the taking over of these buildings. There is a building warranty period, and you do expect some problems with it. If the problems arise and they are dealt with rather quickly, then I do not think we have got an issue. I am trying to find what the Human Rights Commissioner—here it is—actually said. Yes, she was talking about the slab heaters as one of the examples, and she goes on to others. She says the heating was being attended to and was working at approximately 75 per cent. She said—

MR HANSON: Seventy-five per cent of it is working?

Mr Hargreaves: She said—

MR HANSON: You have had six months to get this right.

Mr Hargreaves: I said it is 80 per cent—

MR HANSON: Eighty per cent now, is it? This is what I struggle with: you took this thing over and opened it in September. You did not receive prisoners for a further six months. What were you doing for six months? Why is it the systems were not checked? Why weren't they working? Why was this not a functioning, workable prison?

Mr Hargreaves: When we are talking about the heating, I need to tell you, one, we were building it and, two, the heating was not on, you know.

MR HANSON: You didn't check it? You did not think to check it?

Mr Hargreaves: We checked, but it was not on, and it has to be done—and we have said this before—while people are actually there and living in it. That is why you have got—

MR HANSON: But you had that 28-day period.

Mr Hargreaves: Even you understand I would hope—

MR HANSON: You had that 28-day period.

Mr Hargreaves: the building warranty period and what it is for. Even you would understand that. You know what happened when my heating failed in my house? I went without any kind of heating for a good week. These folks did not. They got 80 heaters in pronto, they got blankets, they got winter clothing. Excuse me, these guys got treated considerably better than we do ourselves. And the Human Rights Commissioner is quite happy with that. It is part of the building warranty period. The other thing in relation to the RFID—we have said this before—it was never intended to be available on the first day that people were received—

MR HANSON: Well, it was at one stage, and it slipped.

Mr Hargreaves: No, it was not,

MR HANSON: At one stage it was, wasn't it?

Mr Hargreaves: No, it was not. No.

MR HANSON: It was part of the program and then you took it out of the project.

Mr Hargreaves: It was taken out because it is not going to be delivered by the same contract.

MR HANSON: Yes, but you said it was never intended, and that is not true.

Mr Hargreaves: Well, look, okay—

MR HANSON: The intention was—

Mr Hargreaves: we can be pedantic if you like—

MR HANSON: that it be delivered as part of the system.

Mr Hargreaves: Let's be pedantic if you like. Let's be pedantic. Fine. Okay.

MR HANSON: You then took it out because you were going to work through the contractual arrangement—

Mr Hargreaves: Your overtalking is so tiresome. I am not going to answer any more questions until you stop talking—

MR HANSON: You said never, and that is not true?

Mr Hargreaves: Chair, I am not going to answer—

MR HANSON: I think I can correct inaccuracies in your statements, can't I?

Mr Hargreaves: any more questions until he stops talking.

MR HANSON: You said never, and that was a lie.

Mr Hargreaves: I have just stopped.

THE CHAIR: Minister, there is a back and forth.

Mr Hargreaves: I am not answering any questions until he stops talking.

THE CHAIR: Could you answer some of these questions for us? You sort of skimmed over the heating issue. Why wasn't that checked during the commissioning period?

Mr Hargreaves: It was.

THE CHAIR: Well, if it was checked, did you not realise that it wasn't working?

Mr Hargreaves: No.

THE CHAIR: How can you not realise that the heating is not working? Isn't that the point of this commissioning period, to figure out where the kinks are? I would have thought that heating would be a fairly straightforward one.

Mr Hargreaves: Mr Chairman, you have bought a new house recently. Was it in absolute 100 per cent working order when you took it over?

THE CHAIR: I did not buy a new house.

MR HANSON: This is like your restaurant openings, is it, John?

Mr Hargreaves: You bought a pre-loved house.

MS BURCH: Mr Hanson, I would rather you did not interject.

Mr Hargreaves: Was it in total working order when you took it over?

THE CHAIR: No, it was not.

Mr Hargreaves: No, right—exactly the same thing with the jail; exactly the same.

MR HANSON: But—

MS BURCH: I am calling the chair. You are a visitor to the committee.

THE CHAIR: You built a house, or a prison in this case. Isn't the point of this period to get these things right? That is the point that Mr Hanson has made and you have skimmed over it on heating. If you could answer that and then move on to some of those other issues that—

Mr Hargreaves: The heating is covered by the warranty period. The builder has to make it good—Bovis Lend Lease have to make it work, and that is what they are doing. In the meantime, we have provided for the people of the AMC. That is what the warranty period is for; otherwise we would not need a warranty period.

MR HANSON: You had six months to get it right. Anyway, with RFID—

Mr Hargreaves: The RFID was never intended—

MR HANSON: Do not say “never” again, because it was, Mr Hargreaves.

Mr Hargreaves: On my watch, it was never intended—

MR HANSON: In the original scope of the contract it was meant to be delivered at the same time. You cannot use the word “never”, because that is not true.

Mr Hargreaves: You did ask the question. You finished?

THE CHAIR: You want to deal with the RFID issue first?

MR HANSON: I have finished that point and that is not a question.

Mr Hargreaves: I will when he stops talking.

THE CHAIR: He has put a number of questions to you. Do you want to answer?

Mr Hargreaves: No, not until he has finished talking, no.

THE CHAIR: I think he has finished, so you can answer.

Mr Hargreaves: Are you going to shut him up if he overtalks?

THE CHAIR: I will do my best.

Mr Hargreaves: You'll do your best. I thought you were the boss.

THE CHAIR: I will do my best to control both of you.

Mr Hargreaves: I thought you were the chief. Maybe he is after your job. Maybe that is what it is—could be.

THE CHAIR: Do you want to answer the question, Mr Hargreaves?

Mr Hargreaves: I will be happy to answer the question.

THE CHAIR: Thank you.

Mr Hargreaves: The RFID started off as part of a package. It then was taken out of the package. This is question the he is going to.

MR HANSON: I thought you said “never”.

Mr Hargreaves: All right. If you do not want the answer, you want to make your own answer, knock yourself out.

THE CHAIR: I certainly do. I think the committee does, too.

Mr Hargreaves: Go ahead and make up your own answer.

THE CHAIR: Please go ahead and answer.

Mr Hargreaves: Okay. I told you. It was in the original contract; it was then taken out of the contract, given to another contractor to actually deliver. That second—

THE CHAIR: Who is the contractor?

Mr Hargreaves: I am not going to talk over things. I am going to go back and start again. It started in the original contract; it was given to another contractor to deliver. It was never at that particular point, from that point on, ever supposed to coincide with the opening of the doors to the prisoners. It was always going to be late. I said that in Mrs Dunne's inquiry and I said that before today and I have said on the public record. It is due to finish its installation in June, and then we will see.

THE CHAIR: Who was the contractor for the RFID?

Mr Hargreaves: NEC.

THE CHAIR: They are the only contractor in relation to the delivery of that product?

Mr Ryan: No. They are the contractors for the cabling and so on.

Mr Hargreaves: We have got other contractors involved in cabling and all that sort of stuff.

THE CHAIR: Who are those other contractors?

Mr Hargreaves: I will take that on notice and get you a complete list. The thing about the RFID also is that it is a prisoner-centric security system. It is actually a freedom system. In fact, it allows greater freedom around the facility.

MR HANSON: Why is it not implemented now?

Mr Hargreaves: Because it is not fully installed now. I have got news for you. According to my watch, it is May, not June. I just told you and you were not listening. It is due to be installed in June.

MR HANSON: I get confused with dates because I thought it was opened in September.

Mr Hargreaves: I am not surprised. We can tell. We know that you are confused with dates.

MR HANSON: It gets confusing for me because it is September and then it is May. It bounces all around, does it not?

Mr Hargreaves: Yes. You get confused by a lot of things.

MR HANSON: Never means not “never” but “a bit later on, when we realised we could not deliver it”.

Mr Hargreaves: You are good at that, being confused. You are one of the best I have ever struck.

MR HANSON: It is because when listening to you it is easy to get confused.

Mr Hargreaves: Mr Hanson also referred to fire alarms. That is part of the warranty system and that has been fixed. As far as I know, that is fixed.

THE CHAIR: How many breakdowns in that system were fire alarms?

Mr Hargreaves: Beg your pardon?

THE CHAIR: How many incidents were there when they went off?

Mr Hargreaves: Fifty-six alarms altogether; in the last week, there was one.

MR HANSON: Defect 2.6 was the other one. Is there still a fault in the system?

Mr Hargreaves: It is still being resolved.

MR HANSON: When do we expect that that will be resolved?

Mr Hargreaves: All in the fullness of time, all in the fullness of time.

THE CHAIR: Mr Smyth was next.

MR SMYTH: Back to page 306 and some of the rollovers: underneath the “Chapel”, in the 2009-10 budget’s technical adjustments at Alexander Maconochie, there is “Transitional costs”. What are these transitional costs?

Mr Ryan: That amount is for the rollover from the original amount of \$900,000 for the refurbishment of the Symonston temporary remand centre. Only \$100,000 will be spent out of that this year, for the simple reason that the Symonston temporary remand centre has only very recently been evacuated. The \$100,000 that will be spent this year is on architects, and the remainder of the project will be completed next year.

MR SMYTH: Four lines down, the rollover of \$73,000, that is just the remainder that was rolled over?

Mr Ryan: That is the remainder of the capital project for the AMC, as projected at that stage, when these figures were made up. Whether it will be exactly \$73,000—that is the figure available, but we do not know.

MR SMYTH: Minister, you made a point that it is a prison without external walls and without barbed wire. My understanding of the justification for not needing an external wall and barbed wire was that we were to have the RFID system. Is that correct?

Mr Ryan: No.

Mr Hargreaves: No.

MR SMYTH: So without the RFID, it is still perfectly secure?

Mr Ryan: Yes.

Mr Hargreaves: No, “is secure”; not “would be”, “is”.

MR SMYTH: I did not say “is”. I said—

Mr Hargreaves: I am just making sure that Hansard gets it right.

MR SMYTH: The question of the gym, to come back to the question Ms Bresnan raised, when is the expectation that the gym will be built?

Mr Hargreaves: I have not put a budget submission forward and anticipate putting a budget submission forward for the 2010-11 budget, provided that I am satisfied that I have sufficient information that can sustain an argument in budget cabinet. If I am

not satisfied, I will not put it forward then either.

MR SMYTH: Is there any work being done on what the additional costs will be for not having constructed it during the initial construction phase?

Mr Hargreaves: No. We do not have much removed from it but, apart from that, no, not really.

MR SMYTH: You said you know how much was removed from it. What value was the gym?

Mr Hargreaves: I would have to look it up and get an exact figure. I have a memory of \$1.3 mill, but we will get that figure for you, for sure.

MS BRESNAN: The space is there, though, for it, isn't it?

Mr Hargreaves: Yes.

MS BRESNAN: Has the slab been laid or anything like that?

Mr Hargreaves: No.

MS BRESNAN: So nothing has been done?

Mr Hargreaves: No, but the space is there in the configuration of the premises. Please remember that the footprint of the facility can cope with greater than 300 people.

MS BRESNAN: What exercise facilities will they have there until the gym is constructed?

Mr Ryan: In the meantime, the intention is to establish a number of temporary exercise areas where the sort of equipment as described by the minister can be installed. In addition to that, we have an oval, and that will be used on a program basis. We have a couple of activities officers, and we have areas where they can play tennis and basketball.

MS BRESNAN: Did you say it will have equipment in the temporary facilities?

Mr Ryan: Yes. The intention is to lay down a slab with some sort of roof over it.

Mr Hargreaves: As I mentioned before, when we have had a conversation with Health.

MR HANSON: Where are you with the multipurpose sports hall?

MR SMYTH: Sorry, just to go back to where I was. Is there an additional cost of building inside an established prison with the prison population?

Mr Hargreaves: Will there be an additional cost to build a gymnasium for them? Yes,

there will.

MR SMYTH: How much is that additional cost?

Mr Hargreaves: I do not know, because it depends on the nature of the facility. Please remember, too, when the amount was taken out of it originally. Time marches on; so there is going to be a greater cost to it. We accept that.

MS BURCH: There is a question on the therapeutic community that is established at the AMC. Can you tell us bit about that and who is involved?

Mr Hargreaves: Yes. Thanks very much. As I indicated earlier, ADFACT are going to be managing that process for us—the Alcohol and Drug Foundation of the ACT. It has been a successful program interstate where people who have the same moderate to high drug and alcohol addiction can actually support each other through the process, under guidance from people like professionals, like ADFACT. What that means, in fact, is living together while they go through the process. We are creating a therapeutic community within the context of the AMC.

That means, of course, that we need to evaluate or classify all of the people in the AMC who have come in with a drug and alcohol addiction, as opposed to those just dealing drugs, and see whether or not they are at a level which would mean that they have got a greater chance of success. As I said, this program is particularly successful elsewhere in Australia and overseas. If we want to be progressive about this, we need to introduce it down there.

MS BURCH: Do you have any idea of the numbers of prisoners that would come in with a drug and alcohol problem?

Mr Hargreaves: At least half of them, but not an exact number. But we know—

MR HANSON: We were told 80 per cent by the health department, by the way.

Mr Hargreaves: No. Eighty per cent of the people will have a drug experience which causes them to be there. They are addicted, pure and simple, and have been done for crimes related to that addiction—burglaries and that kind of thing. Other people who were addicted will also be in jail because they have been dealing in it and other people will be in jail because they are dealing in it but they are not addicted. Eighty per cent of the population of corrections facilities, generally speaking, come into one of those three categories.

Within the context of those people who are addicted, which are the first two that I have described, we need to look at whether they have a low, moderate or high addiction. If they have got a high addiction, they are not suitable to go into a therapeutic community—it is for low and moderate—and they have to be a group of about five people living together who have roughly the same level of addiction so that they come out of it together. We would hope that when they leave the AMC, in fact, they will provide support for each other as they go along in their lives.

MS BURCH: That community is managed and supported through ADFACT; they are

linked to the on-site services?

Mr Hargreaves: In fact, what ADFACT will do is that they will also provide brokerage for us so that when they leave the AMC they reconnect with each other and with other supporting organisations like the Families and Friends for Drug Law Reform, for example. That is another support group that people gravitate to. Yes, quite a few. It is part of the through-care program.

THE CHAIR: Ms Bresnan?

Mr Hargreaves: See, I did that without reading. Did you notice? I am good, aren't I?

MR HANSON: It is a shame that you did not know some of the answers to the questions.

Mr Hargreaves: I will read Mr Seselja's quotes.

MR HANSON: You are good at the rhetoric.

MS BRESNAN: I am going to ask my question now. I want to ask a question on ongoing training which is delivered to corrections staff, in particular, dealing with detainees with mental illness. I want to ask what sort of training corrections staff currently receive on responding to mental illness, obviously with a view to the recent coronial inquest and what came out of that, how that has impacted on the processes which are now used.

Mr Ryan: Our training at present, I think, is limited and potentially not adequate. We do give training, however, to our officers during their 10, soon to be, 12-week introductory course. Even that may not be long enough. Certainly the next one is going to be 12 weeks. During that period of time we touch on a number of things, including some introduction as to how to deal with people like that, but certainly it is an area that we know we would like to do more work on, particularly as we now have an interregnum between the present situation and the future opening of the forensic mental health facility. That, in turn, may tend to find us, as we have found in the past, dealing with a number of people who would otherwise be in other places in the system.

To answer your question, yes, they do get some measure of training as to how to deal with people. Most of it, unfortunately, is limited to recognising the symptoms and the signs of people who are behaving in such a way and then require that our officers resort to calling on mental health to sort out these situations.

We are also in the process of hammering out the detail of a new memorandum of understanding with mental health. That is mainly to do with—

MS BRESNAN: Is that with the mental health team? Who is that actually with?

Mr Ryan: With corrections health, and mental health, particularly with respect to our interface with them at the courts. We are hoping that we can further build on that to strengthen our response to what really is becoming an increasing number of prisoners who exhibit these symptoms. We would always, though, feel that our role is not to

deal with them but, rather, to acknowledge their situation and report it and as soon as possible get the mental health experts in to deal with the problem. We do not see that we would ever be going beyond that.

MS BRESNAN: Given you have said that the training is limited—and I know you said you might not want to be dealing with them—that is probably going to be the reality of the situation where it might happen. I guess, looking at what came out of the inquest as well into that, it is really important that corrections officers understand—

Mr Ryan: It is, indeed, and certainly out of the inquest we were able to search the countryside and look for the sorts of indicators that we can give in a simple form to officers to use to check whether or not that person is in such a condition that they really should be calling mental health in to deal with the situation. We seized on a combination of one that is being used in Victoria and another one that was suggested to us by mental health initially. So they are now better equipped to be able to identify much earlier what is a potential problem, but always with the view to, if there is a problem, calling in mental health to do it.

MS BRESNAN: I note that there have been increased resources in the budget for the Magistrates Court for the forensic mental health team. There are going to be increased resources, so presumably that will be something which you would work with and make use of.

Mr Ryan: I do not know about the increase in mental health support. The support that is already there in the courts will be more closely locked in to our officers through MOU.

MS BRESNAN: Yes.

Mr Ryan: Our own staff has been augmented by a post that does nothing but take observations of people.

Mr Hargreaves: Can I just make a couple of observations here, too, if I may? One of the innovations that we are doing is actually having a health centre in the AMC itself. It is actually a fully fledged health centre. Once upon a time corrections officers would have to be half diagnostician, you know, and have a nurse, and that is about all. We are not. We are having a fully fledged health centre in there. There is access to a doctor on site if an officer feels as though something is a little bit untoward.

MS BRESNAN: Yes. I guess this is, though, when prisoners are being transported as well, so it might not just be in the AMC. It is going to be in the courts. That is often where it is going to happen.

Mr Hargreaves: Yes. Yes, your observations are correct with that. But, of course, it is a bit of a jurisdictional issue, too, you know. When does a person become the charge of Corrective Services and when is he the charge of the court? The court transport unit, unfortunately, has to straddle both of those. We do not quite know, so we are doing the best to look at that. That is why the court has got those extra resources. But you need to talk to the Attorney-General about that. We are trying to do something about it, both of those. I contract that with the Liberal Party's

budget last time where they wanted to cut the nursing staff by 50 per cent at the AMC.

MS BRESNAN: I will not get into that.

Mr Hargreaves: I will.

MS BRESNAN: I am sure you will.

Mr Hargreaves: \$1.2 million coming out of the budget if they got elected. I am glad that did not happen. Heavens!

MS BRESNAN: Thanks.

THE DEPUTY CHAIR (Ms Le Couteur): Is that a supplementary on this one?

MR SMYTH: No, it is a new one.

THE DEPUTY CHAIR: Okay.

MR SMYTH: In regard to misbehaviour or incidents that happen in places like prisons, what are the various grades of offence and how are they dealt with?

Mr Ryan: Within the prison?

MR SMYTH: Yes. If a prisoner misbehaves, what happens?

Mr Ryan: At the extreme end of the scale the prisoner will be segregated until such time as it is investigated. That investigation, in turn, could require that the police are called in to do the investigation, or it could be something that is handled at the AMC itself. There is also the facility now for prisoners to request a review against any loss of privileges that they may receive or any segregation that they may receive. Segregation now has to be reviewed every number of days. I forget off the top of my head how many days that is, but it is a regular review of segregation.

In the extreme case, too, a prisoner can ask that the matter is passed on to a magistrate to have the magistrate review it. That arrangement has only been in place for a relatively short time, certainly only in the last year. We have had some experience of that so far. In all cases—I think there were at least three—the original decisions of the officers were not overturned, although in the more recent ones the magistrate did come out to the Belconnen Remand Centre and offer some advice as to how we could perhaps better handle it. It is very much a new regime for us, handling these things. It is far more complicated than it was before, but there are lots and lots of checks and balances in it and you would have to say it is a much fairer one for any prisoner involved in it.

MR SMYTH: All right. So, so far at the Alexander Maconochie Centre there have been no incidents that have led to segregation or loss of privileges?

Mr Ryan: No. There certainly would have been. I could not even give you those off the top of my head. It is a normal prison in that regard. In any given week someone

will do something that may result in them losing privileges. They might be found with some contraband or disobey orders such that they are required to be segregated while it is being investigated. But we have not had one yet in the AMC that has resulted in it being deflected or deferred or passed up to a magistrate to be resolved.

The current rate of these offences within the facility—we have not looked at the stats closely, but subjectively they appear to be considerably less than they were, certainly in the last stages of the BRC and the STRC where we suffered with overcrowding and other pressures that lead to misbehaviour.

MR SMYTH: All right.

Mr Hargreaves: It is also important to know that, as I indicated before, we have got these two types of prisoners—the guys coming from New South Wales and from BRC. They are going to test the system because they have been brutalised and they are of a mind that they do not want to be incarcerated full stop, no matter how good it is, and they are going to test the system. So we are going to get that over a period of time until that settles down.

MR SMYTH: All right. You might have to take it on notice, but can I call for a breakdown of statistics of misbehaviour at this stage and what punishments have been meted out?

Mr Ryan: For the AMC?

MR SMYTH: Yes, please.

Mr Ryan: Yes, sure.

THE CHAIR: Thank you, Mr Smyth. Mr Le Couteur?

MS LE COUTEUR: Thank you. I am interested in the AMC's Official Visitor. I believe he is Craig Sams.

Mr Hargreaves: That is correct.

MS LE COUTEUR: Is he full or part time?

Mr Hargreaves: He is full time.

Mr Ryan: He is full time.

Mr Hargreaves: He is full time, all right.

MS LE COUTEUR: Okay. Does he have staff assisting him in that case?

Mr Hargreaves: No, he is single.

MS LE COUTEUR: Where he is located?

Mr Hargreaves: At the AMC.

MS LE COUTEUR: At the AMC. Does he report—?

Mr Hargreaves: And, of course, he can go wherever he likes.

MS LE COUTEUR: Yes, appreciably. Does he report just to you or does he report to the Assembly? Who does he report to?

Mr Hargreaves: He actually has an administrative reporting line to Mr Ryan, but that is an administrative line. He has an independence in his position where he is required to report directly to me. I have met with him already and said to him he has free and unfettered access. In fact, I told you the story about the prisoners watching kangaroos. It was the Official Visitor who told me that story.

There is another benefit, too. Mr Sams is also Indigenous. He can actually go and talk to these guys and women, although we have also a couple of people doing a similar role with the women, Vicky Bradley performs that role. She is a Corrective Services officer. She is Indigenous and she actually has a great relationship with the female prisoners.

MS BRESNAN: Other official visitors report to the Assembly and through the reports process. Will Craig do the same thing?

Mr Hargreaves: He reports to me.

MS BRESNAN: Sorry?

Mr Hargreaves: He reports to me.

MS BRESNAN: So he will not actually be reporting to members?

Mr Hargreaves: He is not like the human rights commissioner. That is an independent statutory position.

MS BRESNAN: No, I understand, but the other official visitors do.

Mr Hargreaves: They have a reporting line. They report to the Assembly, if you like, and I just get it at the same time. No, the Official Visitor reports to the Minister for Corrections.

MR SMYTH: Why is the Official Visitor an independent?

Mr Hargreaves: I have no idea of the history of it. It has always been thus.

Mr Ryan: It is the same—

Mr Hargreaves: It is the same right across the country and right across the world.

THE CHAIR: Mr Hanson?

Mr Hargreaves: Just before we go off the point, we will have a look at it. We already have a number of statutory positions which have the right to go and see. We intend to have specific organisations accredited to have access for specific reasons to prisoners anyway where they do not have to report to me, like, for example, the human rights commissioner. He is unfettered; we encourage it, and all that sort of stuff.

The role of the Official Visitor is actually more like a prisoner's friend. It is actually a badly titled position. It is about getting the smaller things organised and sorted out. If, for example, there has been an issue about buy-ups because the amount has not been credited to the remandee or prisoner's account properly or something like that, that can be sorted out in-house. That is where the prisoner's friend actually goes and sorts it out. If it is a case of someone not being happy about something on a low level, the idea is that the Official Visitor and prison management will sort out things long before they get to crisis stage so it is not necessarily a crisis issue. Sorry, Mr Hanson.

MR HANSON: No worries. Minister, I have had a number of conversations with prisoner rights groups, the Community Coalition on Corrections and a number of other groups, including national bodies. They have actually raised a number of concerns with me about the AMC, in both its design and also a number of the programs that are being implemented and not being implemented.

Mr Hargreaves: That would be Justice Action, would it?

MR HANSON: Well, my question is: have you received correspondence from Justice Action and the Community Coalition on Corrections or any group like that expressing concerns with elements of the AMC?

Mr Hargreaves: Not to my knowledge. I know there has been some grumbling. I know that there was some grumbling by Justice Action, whose credibility, in my view, in this particular instance, I have to say is at an all-time low. I have had—

MR HANSON: Why do you say that?

Mr Hargreaves: Because I believe that their *raison d'être*, which I respect, is that we should not have prisons at all. So the mere fact that we have one is anathema to that particular group. I respect that, except that, in my view, to talk to me about a construct in the prison just does not work. I am happy to talk to plenty of other people, but not that group.

MR HANSON: So you refuse to talk to Justice Action?

Mr Hargreaves: No, I do not refuse to talk to anybody, you know, except you, perhaps.

MR HANSON: You just said that. You said, "I'm happy to talk to anybody but"—

Mr Hargreaves: Look, will you give us a go? How about you do that?

MR HANSON: Sorry, let's just repeat what you said.

Mr Hargreaves: You really do get so excited, you know.

MR HANSON: You said, “I’m happy to talk to anyone but them.” I then said, “You said you don’t talk to them,” and you said, “No, I talk to everybody.”

Mr Hargreaves: I bet you had a lot of fun when you got your first bike for Christmas, didn’t you? Did you say thank you to Santa Clause so frequently? How about you just let me answer your question, and then come back and have a go.

MR HANSON: It is very confusing.

Mr Hargreaves: You can come back and have a go.

MR HANSON: I am trying to clarify—

Mr Hargreaves: I am not going anywhere.

MR HANSON: I am trying to clarify the point, minister.

Mr Hargreaves: No, you are not. You’re trying to interrupt and wrong foot me, and it ain’t working.

MR HANSON: I hardly think so. What you said—

MR HARGREAVES: It ain’t working.

MR HANSON: What you said is, “I’m not going to talk to them.” I said—

Mr Hargreaves: I do not have to. I have got—

MR HANSON: Are you going to be talking to them or not?

Mr Hargreaves: Believe this or not, Mr Hanson—

MR HANSON: Have they raised issues with you?

Mr Hargreaves: No.

MR HANSON: So they have not raised any issues with you?

Mr Hargreaves: No.

MR HANSON: Not at all?

Mr Hargreaves: Right. I have had, however, cause to have communication with the ACT Women and Prisons Group, who went and spoke to a few people at the AMC. They were unhappy about one or two things. Those one or two things were, in fact, addressed very rapidly. I got this letter back from them which says that the ACT Women in Prisons Group would like to commend the ACT government and ACT

Corrective Services, in particular, on their work to ensure the transition for women moving into the Alexander Maconochie Centre is as positive an experience as possible.

I have had conversations with a whole range of people whose membership sits in the Community Corrections Coalition, quite a few, and I mentioned a few today: Prisoners Aid, Families and Friends for Drug Law Reform and a range of others. I would need the whole list so I could tick them off. So far I have had nothing but positive feedback. If people want to troll around the country and find something—

MR HANSON: Well, that is different from some of the experiences I have had.

Mr Hargreaves: you can troll around the place and try and find something wrong to sustain your own position, which, in Mr Seselja's words, "Our fundamental argument is we should not have gone ahead with it in the first place." We want our prisons to be somewhat of a deterrent. If you want to troll around and do that, you can go for your life.

MR HANSON: Well, some of the issues that have been expressed to me—for example, the secure unit—

Mr Hargreaves: The ACT is being congratulated on the AMC, and there is nothing you can do about it.

MR HANSON: There is a lot of self-congratulation going on, minister, I'll give you that.

Mr Hargreaves: There is nothing you can do about it, you know.

MS BURCH: The human rights commissioner—

MR HANSON: A lot of self-congratulation.

Mr Hargreaves: The human rights commissioner—mate, there is nothing you can do about it. It's a good facility.

MR HANSON: Well, we can make sure it's working.

Mr Hargreaves: It's recognised as a good facility. If you and your cronies had had something to do with it, it never would have been there.

MR HANSON: Oh, really?

Mr Hargreaves: But it is there.

MR HANSON: Yes.

Mr Hargreaves: It is there, and there is nothing you can do about it.

MR HANSON: Finally, yes, well, it opened in September, didn't it?

Mr Hargreaves: It must really upset you that it's there.

THE CHAIR: Hang on. Hang on, Ms Burch.

Mr Hargreaves: And it is successful.

THE CHAIR: Firstly, Mr Hargreaves is still answering. Mr Hanson, did you have any more questions on this?

MR HANSON: I am just following up, because a number of concerns have been raised to me—

Mr Hargreaves: Well, put them on the table.

MR HANSON: A number of concerns have been raised to me in terms of the safety of prisoners in the secure unit. Have you got any comment on that?

Mr Hargreaves: Yes. You have not given me any details at all, and you have not written to me and said to me, "Oh, minister, we've got these problems. Could you look into it, please?" I have absolutely—

THE CHAIR: He was asking a question—

Mr Hargreaves: I have no idea what you are talking about.

MR HANSON: So you have not had any concerns raised to you at all?

Mr Hargreaves: No, none. Now, whether the—

MR HANSON: So if I had FOIed that—

Mr Hargreaves: Whether the department has or whether I have—I have not.

MR HANSON: Mr Ryan, maybe you could answer that question. Are you aware of any problems or concerns raised about the secure unit?

Mr Ryan: I believe that a question was raised by Justice Action, and I think it came through ACTCOSS, querying the layout and the arrangements for the management unit. We regard ourselves as more competent than Justice Action in designing such things. The design of the management unit is appropriate and equivalent to similar places around the country. I believe it does not breach any human right, and I do not think that there should be any concern about the design of such a place. I even went to the trouble when I was recently in Western Australia to go and view one of their more recent facilities to see what their management unit was like, and it pretty much mirrored what we have in the ACT.

What should not be overlooked, though, is if anyone is in a management unit, which is considerably confined compared to the rest of the facility, our management of them must allow for some arrangement for them to get out of that unit from time to time, of

course depending on behaviour and the risk that they present to themselves and other people. I have already had discussions with the superintendent about that and he is well aware of that. We have not had such occasions arise yet, so far, but we may well in the future.

Mr Hargreaves: The Justice Action person who is making these complaints also suggested that they had had an inspection of the AMC. That was not so. They were part of a tour. The person who did this did not do an inspection and did not raise the issues with the people, and went away later on and complained about it. Also, this person who did this has a set against the Goulburn jail system, as we all should, and I do not accept the translation of the views of Justice Action relative to Goulburn as being relative to the ACT.

MR HANSON: You said you were not aware of any complaints, and now you are all across it. What's going on there?

Mr Hargreaves: I have told you, and I will say it again—I do not accept their views relative to Goulburn being applicable to the AMC.

THE CHAIR: If we can just clarify that, Mr Hargreaves: you did say earlier that you had not heard any concerns and you are now saying—

Mr Hargreaves: No, I did not say that at all, Mr Seselja.

THE CHAIR: I believe you did.

Mr Hargreaves: Yet again you put words in my mouth.

THE CHAIR: I do not believe I am.

Mr Hargreaves: Definitely you indeed do. I suggest you go back and have a look at your *Hansard*. I said I had received no communication from Justice Action. I have had things passed to me about it on one occasion about Justice Action. You're a lawyer, you would know the difference. —or are you?—a senior lawyer, like yourself.

MR SMYTH: Just following up on complaints, did I read in the *Canberra Times* that there was an AFP investigation into something at AMC?

MR HANSON: That is the—

Mr Hargreaves: An AFP investigation into something at the jail?

MR HANSON: The AFP investigation, probably, that you launched into the leak.

Mr Ryan: The incident last week. Yes, there is at least one incident that occurred in the last week where the AFP have an ongoing investigation. It involved the assault of a prisoner on remand who was on protection. He was assaulted by other prisoners who were also on protection. The matter is in the hands of the AFP.

MR HANSON: Do you think the RFID system, had it been in place, would have

prevented that, by enabling at-risk prisoners to be segregated or to be aware of that?

Mr Ryan: Probably not, because they were all at the same level of risk, supposedly, and in an area where they are supposedly safe from others in the prison, but they turned on each other—or some of them turned on this one particular individual, it seems, allegedly.

Mr Hargreaves: The only way in which you could protect someone like that, to that degree, would be to solitarily confine them and—

MR HANSON: While we are talking about AFP investigations, the AFP investigated—

Mr Hargreaves: If it is an assault at all then we are obliged—

MR HANSON: Sure, and I assume that will come to light, so I don't want to explore it too much further. But on the AFP investigation into the leak, if you recall, there were a lot of allegations raised in the media—

MS BURCH: Mr Hanson, can I go to question 9?

THE CHAIR: I will come to you in a moment. This is just a follow-on, then we will move to that.

MR HANSON: There were a lot of allegations raised in the media. You will recall that we had a discussion about this and you raised an AFP investigation into that. Has that finalised, or is that still ongoing?

Mr Hargreaves: I am not going to discuss that issue. It has got nothing to do with the estimates.

THE CHAIR: Well, is it finalised or not?

Mr Hargreaves: I am not going to discuss it. It has got nothing to do with the estimates.

THE CHAIR: Presumably you used some departmental resources—

Mr Hargreaves: What part of, “I am not going to discuss it. It is not part of the estimates” don't you understand?

MR HANSON: Can you explain why?

THE CHAIR: Can you justify why you will not answer that question? It is a fairly simple question.

Mr Hargreaves: Yep, because I do not, have never and do not intend to discuss issues referred to the AFP.

THE CHAIR: It is not about the issues; it is about whether it is completed or not.

Mr Hargreaves: No, I am not going to discuss it with you.

THE CHAIR: So have you received advice or not?

MR HANSON: Can I just ask if it is finalised or not?

Mr Hargreaves: No, it is not.

MR HANSON: Thank you.

THE CHAIR: It is not finalised. Thank you.

Mr Hargreaves: I would not discuss any part of it. I would like to note for the record that the Justice Action person that Mr Hanson believes to be the font of all wisdom also bagged the AMC on ABC radio, saying that it was not human rights compliant, and yet the human rights commissioner has said that it is. You tell me who to believe.

THE CHAIR: I suppose there are opinions all over the place. Ms Burch.

Mr Hargreaves: That's right, isn't there—and I would believe the human rights commissioner before Mr Hanson.

MS BURCH: Indeed there are opinions. Earlier there was some comment around people taking advantage of the freedoms, being able to stand near fences and watch kangaroos. The sideline here was "by the fence with shovels". It is really disappointing to hear that comment when people have freedoms; that that is what is attributed to their activities.

MR SMYTH: You cannot be critical of people making commentary on—

MS BURCH: My other—

MR HANSON: I had a side comment that people were misty eyed looking at the kangaroos down by the fence. I hope that they were not planning their escape.

MS BURCH: Can I get to my question, Chair?

Mr Hargreaves: You had better protect these guys; they are getting savaged!

MR HANSON: It was a side comment.

THE CHAIR: Can we come back to order. Ms Burch, you did invite that.

MS BURCH: I didn't invite it and—

MR HANSON: It was a side comment that I think—

Mr Hargreaves: What a nerve! Are you a prickly little devil, or what?

THE CHAIR: So we are all happy then, I suppose. We are all happy.

MR HANSON: No, I think that is quite amusing, Mr Hargreaves, about these prisoners. Let us hope that they are not planning their escape.

Mr Hargreaves: I bet you do—when you have been stitched up.

THE CHAIR: Ms Burch, I put it to you not to make such comments.

Mr Hargreaves: You don't like it because she's a girl.

THE CHAIR: Ms Burch, I would ask you not to make such comments. Mr Hanson—

Mr Hargreaves: You cannot handle it.

MR HANSON: Bring it on. I love it.

THE CHAIR: Mr Hargreaves, come to order. Ms Burch has a question, which she will eventually get to, I am sure.

MS BURCH: Yes, thank you. And thank you, Mr Hanson. Mr Hanson also mentioned—

MR HANSON: What else?

MS BURCH: that he would have refurbished the BRC as part of his approach to corrections. I am just interested: was that an option? Was that a feasible possibility?

Mr Hargreaves: Yes. We considered continuing with the BRC—

MR HANSON: I said refurbish or replace. Check the *Hansard*.

Mr Hargreaves: We threw it away because it was the most ridiculous notion that ever God blew breath into.

MS BURCH: Put a jail in, replace?

Mr Hargreaves: No, they were going to refurbish the BRC.

MR HANSON: No, there is a difference, Ms Burch, between a jail which has sentenced prisoners and a remand centre. There is quite a big difference.

Mr Hargreaves: The last I heard. I am the guy who—

MR HANSON: One cost \$132 million.

THE CHAIR: Mr Hanson.

MR HANSON: One might be significantly less.

THE CHAIR: Mr Hanson. Ms Burch, the questions are to the minister, not about Mr Hanson.

MS BURCH: No, but he raised it—

THE CHAIR: But please go on.

MS BURCH: The question was: was it a possibility? Was it feasible?

THE CHAIR: Okay, you have put that question.

MR HANSON: I agree; I should be running corrections. I would be quite happy to take that, chair.

Mr Hargreaves: Are you going to pull him into order or are you going to let him go?

MS BURCH: Chair?

MR HANSON: I am glad you agree I would be doing a better job.

Mr Hargreaves: Are you going to be a strong chair or not?

THE CHAIR: Mr Hanson—

MR HANSON: You invited the questions.

THE CHAIR: Mr Hanson, bring it to order.

MR SMYTH: You keep grilling him.

THE CHAIR: Mr Hargreaves.

MR HANSON: She asked me the question, chair.

MS BURCH: I did not. I said—

Mr Hargreaves: I would love to answer that, but I cannot get a word in.

MR HANSON: She obviously thinks I should be doing the job, not you, John.

MS BURCH: Chair—

THE CHAIR: Mr Hargreaves is free to answer the question, if he has an answer.

MR HANSON: Why are you asking me the questions?

Mr Hargreaves: Oh, dear, my mouth runneth over.

MR SMYTH: It normally does, John.

Mr Hargreaves: Yes, it does, look at this over here. Isn't he fantastic, this bloke, the would-be leader?

MR HANSON: Thank you, John.

Mr Hargreaves: The would-be leader.

MR HANSON: Thank you, John.

Mr Hargreaves: Chair—

MS BURCH: Chair, can I ask the minister—

Mr Hargreaves: in the interests of further entertainment—

MR HANSON: It is your job I'd be having, John. It is your job you should be worried about, mate.

Mr Hargreaves: I'm scared to death.

MS BURCH: Chair, I ask for the minister to be allowed to answer the question, and for Mr Hanson not to keep on interjecting.

THE CHAIR: Ms Burch, you are interjecting constantly—

MS BURCH: No, no, no.

THE CHAIR: and Mr Hanson is interjecting.

Mr Hargreaves: Let us see the *Hansard*.

MS BURCH: We will go to *Hansard* to see the interjections.

MR SMYTH: Let him finish. Let the chair finish, for God's sake.

THE CHAIR: We have just been informed by Hansard that they are struggling—

Mr Hargreaves: This is the most biased committee that I have ever been before in all of my time.

MR HANSON: Listen to your opening remarks, Mr Hargreaves.

Mr Hargreaves: And you are the most ridiculous one, bar Pratty.

THE CHAIR: Hansard are struggling. You can withdraw the imputation on the chair.

Mr Hargreaves: What? Yours?

THE CHAIR: Yes.

Mr Hargreaves: What did I impute?

THE CHAIR: You imputed that it is a biased committee.

Mr Hargreaves: Yes.

THE CHAIR: Is that an imputation on me?

Mr Hargreaves: No, it is an imputation on them.

THE CHAIR: So the committee as a whole, okay.

Mr Hargreaves: Wrong way, sorry.

MR HANSON: You do not like my questioning.

MS BURCH: I am asking—

THE CHAIR: Ms Burch, Mr Hanson, Mr Hargreaves has the floor. If he has an answer, we would like to hear it.

Mr Hargreaves: We did consider the refurbishment of the BRC way back, way back. Then we thought, no, we cannot possibly do that. This is the most draconian, brutal facility—

MR HANSON: It would not be if you had refurbished it or replaced it, would it?

Mr Hargreaves: The BRC—

MR HANSON: Think about it.

Mr Hargreaves: It was not good for refurbishment.

MS BURCH: Chair, interjection—please, let it stop.

Mr Hargreaves: Or what these characters are going to do. It was built in 1976, under a Liberal minister, thank you very much, McCallum. It was built on the Katingal wing model at Long Bay jail. As a result of the Nagle royal commission—

MR HANSON: That is why we probably replaced it.

Mr Hargreaves: It was closed in 1978—

MS BURCH: Chair?

MR HANSON: He is speculating.

Mr Hargreaves: Speculation? What part about the Nagle royal commission was speculation?

MR HANSON: You were speculating about what the Liberal Party would have done if we had been elected in 2004.

Mr Hargreaves: You have not read it. You do not know what it says. Do you know where Katingal is?

MR HANSON: If that is all you can hang your hat on, what we might have done if we had been elected—

MS BURCH: Chair, I am asking—

THE CHAIR: Ms Burch, you seem to be interjecting as much as anyone.

MS BURCH: I am following him.

THE CHAIR: I am quite happy—

MR HANSON: As you should, Ms Burch.

THE CHAIR: Thank you, Ms Burch, for your following of Mr Hanson.

Mr Hargreaves: I have to say this is amazing.

THE CHAIR: Mr Hargreaves—

Mr Hargreaves: You have had a member of your committee appeal to you because of the misbehaviour of another one, and you just sit there—

THE CHAIR: There is misbehaviour from you, Mr Hargreaves.

Mr Hargreaves: And you have the temerity to lecture someone pleading for your protection.

THE CHAIR: Would you like to answer the question—or we will move to another line of questioning. Would you like to answer the question?

Mr Hargreaves: This guy will not shut his mouth.

THE CHAIR: Would you like to answer the question?

Mr Hargreaves: I would love to.

THE CHAIR: I will ask you to bring it to a conclusion, then.

Mr Hargreaves: We closed the Belconnen Remand Centre. Guess what? It is dead.

MR HANSON: Yes, late.

Mr Hargreaves: You were going to refurbish it. Your mob was going to refurbish it.

MR HANSON: Or rebuild it.

Mr Hargreaves: You said you did not want it.

MR HANSON: It certainly would have been human rights compliant.

Mr Hargreaves: In your election promises, you said you did not want it.

MR HANSON: We would have fixed it long before you did.

Mr Hargreaves: We said, “It is going to go” and it has gone. It has gone. Get over it, mate; it is dead. The AMC is alive and well. Get over that, too. You have missed the boat, mate.

MR HANSON: You have got a dreadful record on human rights issues.

Mr Hargreaves: Why don’t you come on board and just say—

MR HANSON: A dreadful record.

Mr Hargreaves: Just say, “This is a good facility. I want to get behind a good facility.” Why don’t you do that? Why don’t you stop opposing for opposition’s sake and just say—

MR HANSON: Bingo!

Mr Hargreaves: Just say, “I want to get behind something that is going to work.” Why don’t you do that?

MR HANSON: I do want it to work. That is the problem.

Mr Hargreaves: Why don’t you do that? Because you do not know how. You just do not know how.

THE CHAIR: Okay, Mr Hargreaves—

MS BURCH: Mr Hargreaves—

THE CHAIR: I think you have answered that question.

MS BURCH: Thank you, Mr Hargreaves. Back to AMC, that wonderful facility that we have there—can you tell us about the environmental footprint and how that has been planned?

Mr Hargreaves: Yes, I will.

MR HANSON: Are the lights off on earth now?

MR COE: Here is one I prepared earlier.

Mr Hargreaves: The thing about the AMC is that, when it was built, of course it was built with those sustainability principles. These guys bag it out. Do we hear them saying, “It has got a lake under it”? Did you know that? It has got its own lake. It has got grey water stuff in it. It has got 2.1 million litres of rainwater storage in the tanks underground.

MR HANSON: Pity we cannot water Green Square, mate.

Mr Hargreaves: You cannot, because you are just too busy—squawk, squawk, squawk.

MR HANSON: Pity we cannot water Green Square, mate.

MS BURCH: Interjection, Chair—can you keep it, down, please?

THE CHAIR: I can hear the interjections, thank you, Ms Burch.

MS BURCH: Why don’t you stop them?

Mr Hargreaves: Why don’t you do something about it?

THE CHAIR: Mr Hargreaves, you are asking him questions; you are encouraging him.

Mr Hargreaves: Excuse me?

THE CHAIR: Okay.

Mr Hargreaves: I am trying to answer the questions.

THE CHAIR: I believe—

MR HANSON: You said, “Do you understand there’s a lake?” You asked me the question.

THE CHAIR: If you do not put questions to members—

Mr Hargreaves: All right, I am going to put—

MS BURCH: What was the question that prompted it, the water in the ground—

Mr Hargreaves: I will put questions, all right; open slather now, sunshine. Hello. Listen here, young Jeremy—yak, yak, conversations.

MR HANSON: He said, “Do you know there’s a lake under it?” He said, “Do you know there’s a lake under it?”

MS BURCH: How does that come to you directly about water—

MR HANSON: Well, he did. He asked me the question.

Mr Hargreaves: This is the most disgraceful example of a committee performance that I have seen—

THE CHAIR: Yes.

MR HANSON: Yes, I agree, Mr Hargreaves.

Mr Hargreaves: In 11 years in this place.

THE CHAIR: We all agree, John.

MR HANSON: We all agree with that. You are an outrage.

Mr Hargreaves: You are not controlling your own committee.

THE CHAIR: Mr Hargreaves, would you like to answer the question?

Mr Hargreaves: I would love to.

THE CHAIR: Go ahead.

Mr Hargreaves: What part of low-flow tap ware—I wish someone would turn him off—

MR HANSON: Mr Chair—

Mr Hargreaves: There are high grade—that does not apply to you—

MR HANSON: I am being a bit provoked.

Mr Hargreaves: Insulation in all buildings. Solar hot water.

MR SMYTH: Why don't you object to this?

MS BURCH: The chair does not pay any attention to me, Mr Smyth.

MR SMYTH: Yes, he has.

MS BURCH: He has not.

MR HANSON: Mr Hargreaves has asked me more questions than I have asked him.

Mr Hargreaves: If Mr Hanson had actually gone out—

MR SMYTH: You have given better answers, as well.

Mr Hargreaves: he would have been told all of this. The use of grey water flushing—talk about flushing him out—and irrigation. Have you got grey water flushing in your house? No.

MR HANSON: Have you got it in your house? Have you got it in your house?

Mr Hargreaves: Rhetorical question.

THE CHAIR: Please stop asking questions, Mr Hargreaves.

Mr Hargreaves: Rhetorical question.

THE CHAIR: Answer the questions, and that would be—

Mr Hargreaves: All right, I will ask you one then, can I? No? Okay.

MR HANSON: Turning water into wine, I think, is what we are doing here.

Mr Hargreaves: It might have been—

MS BURCH: Interjection, chair.

Mr Hargreaves: Mr Hanson, you could never, ever turn it back again.

MS BURCH: Mr Hargreaves—

Mr Hargreaves: I have to say, Mr Chairman, I find that remark across the table offensive.

THE CHAIR: Which remark is that?

Mr Hargreaves: Mr Hanson's remarks to me that I can turn water into wine. Either he is being rather rude about my religion or—

MR HANSON: Come on.

Mr Hargreaves: which is more likely, and this is the bit I find offensive about it—

MR HANSON: Really?

Mr Hargreaves: I find it offensive so much so that I'm thinking about a formal complaint to the chair so that it goes in the *Hansard*.

MR COE: You responded. You said he could not turn it back.

MS BURCH: Interjection, chair.

THE CHAIR: Mr Hargreaves—

Mr Hargreaves: Where did you come from?

THE CHAIR: Mr Hargreaves has the floor.

Mr Hargreaves: Where did you come from?

MR COE: Yes, John.

Mr Hargreaves: Somebody opened the garbage can.

MR COE: Six o'clock—

Mr Hargreaves: I object. I object to this constant referral to an episode in my career, because of a cheap political point, on Mr Hanson's part. I ask you to get him to withdraw the comment or else we will return the favour sevenfold. I do not want to do that.

THE CHAIR: I am not sure what he meant by it. Mr Hanson might want to say—

Mr Hargreaves: You know what it is about, and you know what a scurrilous piece of work that was. Now you either withdraw it or the complaint is on its way.

MR HANSON: Bring it on, John.

Mr Hargreaves: Okay.

MR HANSON: Send a complaint.

THE CHAIR: You want to clarify any part of that?

Mr Hargreaves: Yes, I will.

MR HANSON: Not really.

Mr Hargreaves: He said—

MR HANSON: I do not think I need to, Mr Chair.

THE CHAIR: All right.

Mr Hargreaves: He said, "He turned water into wine."

MR HANSON: Well, you were talking about turning water into grey water.

Mr Hargreaves: He is talking about a drink-driving occasion that I had—

MR HANSON: Well, you are speculating there. What makes you think that?

Mr Hargreaves: You know what you are?

MR HANSON: What makes you think that?

Mr Hargreaves: You are a disgrace to your office.

MR HANSON: You were talking about—

THE CHAIR: It might be better if you just got on with it—

MR HANSON: water in your house. You asked me about water in my house.

Mr Hargreaves: I would like to, but I cannot put up with a personal imputation that would be required to be withdrawn in the chamber.

THE CHAIR: I am not sure that it was a personal imputation.

Mr Hargreaves: Well, he has to withdraw it.

MR HANSON: No, no. It was a simple comment. You were talking about water being turned into grey water.

THE CHAIR: If you could get on with it. I do not accept that there was a personal imputation.

MR HANSON: I said, “Wouldn’t it be better to turn water into wine?”

Mr Hargreaves: Then you are a very great disappointment.

MR HANSON: Do you take some offence by that?

THE CHAIR: Will you answer the question, please, Mr Hargreaves.

Mr Hargreaves: You are a very big disappointment. I thought better of you.

MR HANSON: If you take offence by that, that is your problem.

THE CHAIR: Would you answer the question, Mr Hargreaves?

Mr Hargreaves: I thought you were bigger than that.

THE CHAIR: Would you answer the question, Mr Hargreaves?

Mr Hargreaves: I have finished.

THE CHAIR: Okay.

Mr Hargreaves: And I have finished with him.

THE CHAIR: All right. We will move on to other questions. I will ask you some questions, Mr Hargreaves. In terms of the construction, there have been a number of changes, and we have discussed the issue of the quiet area of chapel and the gymnasium. I apologise if this has been handled in the other committee, because I was not intimately involved with that one, but there was some talk about the modification of certain artwork, jagged rocks and the like. Are you able to tell us whether there is any truth in that? It has been talked about in the community that there were some

safety issues that needed to be amended at some point during the construction phase?

Mr Hargreaves: Can I refer you to the *Hansard* of the other committee.

THE CHAIR: Okay. I am asking you the question, so if you could just—

Mr Hargreaves: I have already answered that in the other committee.

THE CHAIR: Okay, so is that the case? Has that been fixed?

Mr Hargreaves: This is not a court of law, mate. I have answered the question.

THE CHAIR: You have not.

Mr Hargreaves: I have; I have referred you to the other *Hansard*.

THE CHAIR: Is that the case? Well, this is a new committee, and we are able to ask questions. Are you going to refuse to answer or—

Mr Hargreaves: Do you want to give me some more detail?

THE CHAIR: Was there an issue—

Mr Hargreaves: I am not going to answer a global question.

THE CHAIR: Was there an issue with jagged edges of rocks and the like in the construction phase at any point, and did they need to be amended?

Mr Hargreaves: There were rocks installed in part of the prison in the town square area that before takeover stage—remember, it was not our facility at this point—it was decided that it would be better if they were not part of that particular facility, and they were removed.

THE CHAIR: Okay. So how was that decision made in the first place to have those—

Mr Hargreaves: It was part of the architectural design of the institution.

THE CHAIR: That was not thought at the time—

Mr Hargreaves: Once it was actually sitting down on the ground, it was decided the idea was not as acceptable as—

THE CHAIR: They thought jagged edges may be not such a good idea?

Mr Hargreaves: No, it was not jagged edges. They were not jagged edges.

THE CHAIR: What were they, exactly?

Mr Hargreaves: They were rocks; they were embedded rocks—rocks embedded in

cement but they were not jagged edges.

THE CHAIR: Mr Smyth and then Ms Burch.

MS BRESNAN: I have got a question too.

THE CHAIR: Then Ms Bresnan.

MR SMYTH: The recent report on government services 2009 shows that the ACT has the highest cost per day per prisoner. Is there a reason that we are so far in front of all other jurisdictions?

Mr Hargreaves: It is economies of scale. One of the things that you will notice in New South Wales, see, is that they have got 11,000 or 14,000—

Mr Ryan: It would be up around 10,000.

Mr Hargreaves: About 10,000 prisoners in New South Wales. So you have got to divide the cost per prisoner, and we have only got fewer than 200 prisoners all up.

MR SMYTH: On economies of scale, Tasmania is relatively the closest to us. They have certainly got a lower cost per day.

Mr Hargreaves: They have got more prisoners. This is a safer place to live.

MR SMYTH: The recurrent cost of prisoners nationally in 2007-08 is \$207. According to BP4, page 300, accountability indicator c, we are looking at a target this year of \$430, which is more than double the national average.

Mr Hargreaves: One of the things—

MR SMYTH: Is that acceptable?

Mr Hargreaves: One of the things that I think Mr Ryan can actually give you some detail on is—you need to understand about these particular figures for per day cost—we are comparing New South Wales to the Northern Territory, to ourselves, to Tasmania. There are a different range of services. There are different demographics of the actual prisons themselves. There are a higher number of high-classification prisoners which require considerably greater facilities but they are ameliorated by the numbers of lower and medium-classification prisoners.

The other thing that you should note is that there are more prisons per se in New South Wales and in other jurisdictions. We have one and, for the moment, we are still paying, for the purposes of the ROGS issue, the New South Wales cost as well. My understanding is that we were paying for a capital component in there as well, which we do not necessarily take into account. So there is a formulaic difference in there.

MR SMYTH: Is there a capital component in the 2009-10 target, as outlined on page 300 of BP4?

Mr Hargreaves: No.

MR SMYTH: BP4, page 300, has it at \$430. They are saying the national average in the ROGS is \$207. It is more than double. Surely that is not all accounted for just in scale?

Mr Hargreaves: There is a lot of it in the scale. There are also the types of programs that we actually provide for them. There is also the nature of the incarceration itself. It is easier and cheaper to put people in a cement box and leave them there, and that is what you see at Goulburn. You do not see the sorts of programs that we are talking about. You do not see the transitional release sorts of things that we are talking about. Remember, too, that we have all classifications and both sexes. If you have a look at the cost, for example, per female prisoner, we have only got—eight, isn't it?

Mr Ryan: Fifteen.

Mr Hargreaves: Fifteen. We have got 15 female prisoners now. You are comparing that with a whole prison.

MR HANSON: But it cost you that much when you had your prisoners in New South Wales and it is going to cost you similar here. I thought that by putting our prisoners in New South Wales that was not the case. You are saying all these programs are not running in New South Wales and we have been running these costs anyway.

Mr Hargreaves: Part of them are running in New South Wales but not as much as we are providing here—by no means of the stick.

MR HANSON: But those programs have been run by New South Wales—

Mr Hargreaves: If you have a look at New South Wales—

MR HANSON: So why would it cost more than New South Wales?

Mr Hargreaves: If you have a look at New South Wales, we have got somebody in almost a dozen different institutions in New South Wales—or did have—each with a different costing. The cost per prisoner day for our female prisoners here, given that there are only 15 of them, is grossly higher than it is in the New South Wales women's prison system because, again, of economies of scale.

MR SMYTH: Is it not the Chief Minister's lament that we expend about 21 per cent above national average and we have got to wind that back? Will you be endeavouring to bring it back towards the national average?

Mr Hargreaves: I am more interested in a successful outcome, quite frankly. I do not believe that the report on government services is consistent enough in its definition for me to just take that as a number and say, "I have got to achieve that reduction in the number." Quite frankly, we are at the beginning end of the AMC in these restorative justice principles and we need to see that the programs we have provide a successful outcome. Just considering those numbers in isolation I do not believe to be the correct thing.

MR SMYTH: So corrections is exempt from the drive to reduce costs?

Mr Hargreaves: No, nobody is exempt. Nobody is exempt.

MR SMYTH: Are you or are you not trying to bring it down to the national average?

Mr Hargreaves: Not because it has got anything to do with the national average, no.

MR HANSON: On the transport arrangements we were talking about before, are you looking at taking—

Mr Hargreaves: I thought it was Ms Burch's turn?

MR HANSON: Sorry, it is a bit of a supplementary, if I may?

THE CHAIR: Yes.

MR HANSON: I think you will appreciate this question, actually. In regard to the regional prisoners that we have from, say, Queanbeyan or the surrounds, have you considered, if we have spare capacity in the AMC, taking some of those prisoners on? Have you had negotiations on that?

Mr Hargreaves: Yes, I have thought about it. There are a couple of things that are getting in its way at the minute. One is that I have not had the portfolio long enough to have had a conversation with my New South Wales counterpart. That is the first thing. My predecessor did not have a conversation with New South Wales, one on one, about that, to the best of my knowledge anyway. Secondly, there are different legislative regimes applying across the border than do here and we need to see whether that harmonisation can actually be achieved.

The New South Wales approach is actually to build more prisons. Their corrective services philosophy is quite different from ours. So we need to do a little bit more thinking. It is not a silly thought. It is not a silly suggestion at all. It is something that I have thought of but we have not got to the stage of doing it yet.

MR HANSON: Because a lot of the programs you talked about are to do with families in terms of recidivism and so on—Queanbeyan and other surrounding areas are actually very close to Canberra—if we only look at the ACT in isolation and not the region, then I would have thought that a lot of those issues will not be resolved unless we actually treat Canberra as a bit more of a region, a bit like we do with health, I suppose.

Mr Hargreaves: That is true. Part of the difficulty—it is not an insurmountable one, I think, and it is just a question of how long it will take the conversation to get there—is that we need to understand that Cooma has been recommissioned and it is open again. So, if you like, the southern part of the state, Eden Monaro, that area, has actually got a facility. We have got Goulburn. So we are actually somewhere in the middle between the two of them. So the regionality, if you want, has been taken care of in the New South Wales government system.

If, on the other hand, there are other factors at play—for example, there is a resident in Queanbeyan who commits an offence in New South Wales and is sentenced to Goulburn and most of their family is in the ACT—they can actually make application to the New South Wales corrective services system, who would then come across to us. Then we would have a look at the situation on a case-by-case basis and say yes or no. Also, if an ACT resident commits a crime in, let us say, Talbingo and goes to Goulburn, they can actually seek to have their sentence served in an ACT jail.

MR HANSON: When do you anticipate having that conversation with the New South Wales minister? Have you considered that?

Mr Hargreaves: I do not know.

MR HANSON: Maybe we could discuss that off line, anyway.

Mr Hargreaves: I do not know.

THE CHAIR: Ms Burch.

MS BURCH: You made mention earlier this afternoon of job placement opportunities, job programs for prisoners. Can you tell me a bit about that?

Mr Hargreaves: Yes. One of the things that we are doing at the AMC, which is not present in the other states, is: we will give our people leaving the system a minimum of a job offer. We are talking about trying to restore people. It is not a case of rehabilitating them. Rehabilitation stops at the prison gate. Restoration leads beyond that. We want to actually give people the skills and the education to make it in the wide world. That might mean giving them something up to cert IV, cert III or IV. To do that, you need to address their numeracy, literacy and all that sort of stuff, and then we let them go out.

One of the issues that we have struck is that, in the past, when people got released from New South Wales jails, they were released at the door, given a train ticket or a bus ticket and sent on their way. What they have done is gone straight back into the environment where they have come from before. Many of them have come out with a significant drug debt, tens of thousands of dollars, and they are straight onto Centrelink benefits.

What we are trying to do is address that drug issue, trying to address that education issue, and prepare them for a job. We want them to have at least a job offer, if not an actual job, to lever them for when they go through the transitional release centre. That is where we actually get them out, partly. We would start the conversation between the prisoners and prospective employers long before they are due for release. So they actually start a relationship. When people go for a job interview in the private sector, part of the reason why you get a job is whether you click with the person interviewing you. So we want to address that along the way as well. It is a big aim.

We figure that one of the biggest ways we can build somebody's self-esteem so that they do not have to reoffend is getting them out and getting them a job. I found this in

the disability sector. One of the best ways to build someone's self-esteem is to pay them for doing something. The payment is an expression of your recognition of the worth of what they are doing. In fact, almost 100 per cent of people going into jail have nil self-esteem.

When they come out, we want to have built that up as best we can. You cannot carry it forward and onwards unless they have got some way of tangibly proving to themselves that they are worth something. Having a job to go to where someone will say, "That was a good job, here is your pay packet," is a way to keep that self-esteem up and how we can keep them restored.

MS BURCH: Just very quickly, because I know Ms Bresnan wants to ask a question, are industries coming on board quickly with that?

Mr Hargreaves: Yes. We have had conversations with a number of them, most notably the Chamber of Commerce and Industry, through Chris Peters. They are very keen to go down this track with us. We are engaging with a number of other small business enterprises and blue-collar industries to see how the match is. It is a real challenge because a lot of our ACT prisoners are not necessarily blue-collar oriented. A lot of them are white-collar oriented. So finding a job for them to go to after that is sometimes a bit more difficult. But that is the intention.

THE CHAIR: Ms Bresnan.

MS BRESNAN: Thank you, chair. My question is in relation to strategic indicator 2, which is on page 287 of BP4. Looking at the part that relates to corrections, no figures are provided. I appreciate that this is a new measure to budget.

Mr Hargreaves: Yes.

MS BRESNAN: But I imagine they are not actually new to the ACT government. I think the figures would already be available for the quarterly reports and annual reports. I am just wondering why they have not been included in this budget and the reasons behind that.

Mr Hargreaves: There are a couple of things. Just to go through the indicators, if I may. The reduction in level of crime is really not one for Corrective Services. That is one for the judicial arm or the police. It is not up to Corrective Services to reduce the level of crime. We are going to prevent people going back into it once we have got them, but it is only something that you can use as an indicator for the people that have the stats. The people that have those stats are the judicial arm. Perceptions of safety—that is already tested. You will find that in the AFP annual report reductions in the level of crime and the perceptions of safety are already there.

MS BRESNAN: I was just wondering why they are not included in the BP.

Mr Hargreaves: This is just telling us what these indicators are that we are going to do. These are not numerical and never were going to be. As to escapes and offenders held to account, the offenders held to account are court ones. They are already in the annual reports, as far as I know.

MS BRESNAN: Okay. I am just wondering why they are not here.

Mr Hargreaves: The reporting of criminal cases is in the AFP or the court's stats.

MS BRESNAN: Yes.

Mr Hargreaves: When it comes to no escapes and abscondments from custody—

MS BRESNAN: So you do not have any idea—

Mr Hargreaves: The place has only been open for—

MS BRESNAN: I appreciate that.

Mr Hargreaves: I guess the point is we do not believe that using the BRC stats is relevant to the AMC. So we are starting with zero, if you like, and then when we come back to do this again we will have a “what was it like?” and then we will be able to have a percentage change going forward.

MS BRESNAN: So in the next budget they will be included?

Mr Hargreaves: Yes.

MS BRESNAN: For all those areas?

Mr Hargreaves: I cannot answer for the rest of them, because they are not within my portfolio.

MS BRESNAN: So you do not have any idea about—

Mr Hargreaves: They are the Attorney-General's ones and, as far as I know, they are already there and already measured and already listed.

MS BRESNAN: Okay. I was just wondering why they were not here.

Mr Hargreaves: If you look at the annual reports of those other ones, I think you will find them in there.

MS BRESNAN: Okay.

Mr Hargreaves: Except for the custody one, because we have not had it.

THE CHAIR: Thank you. Mr Coe.

MR COE: Minister, just to follow up the comment you made earlier about the economies of scale—that that was the reason, or one of the contributing factors, why the cost per prisoner was higher compared to the other jurisdictions. Surely the economies of scale come with the administration and the department. You have a department of corrections in New South Wales that manages umpteen prisons as

opposed to here where the department only manages one.

Mr Hargreaves: Yes.

MR COE: However, according to these notes, it does not seem like the departmental costs come into the average cost per day for each prisoner, in which case—if it is just that prison's operations which are contributing to the average cost per day—there is really no economies of scale issue worth mentioning.

Mr Hargreaves: Well, there is.

MR COE: What is it?

Mr Hargreaves: We have to take into account two things: firstly, the number of prisoners themselves, the gross number, and, secondly, the number of prisoners by gender. Then there is the number of prisoners by classification and the number of prisoners who will go on a particular program. It costs a certain amount of money for a program, regardless of whether you have two people in it or 20 people in it. But if you have 20 people in it, the cost per prisoner per day is considerably reduced. Okay?

MR COE: Yes, but—

Mr Hargreaves: Now, that is the case. That is what you see here.

MR COE: Right.

Mr Hargreaves: Also, please remember that when we talk about this, the whole of corrections does not apply to the AMC because we have community corrections, the court transport unit, parole and probation et cetera. It is only part of it. You can actually isolate the AMC. They then get an administrative oncost tacked on top which provides a percentage of Mr Ryan's costs.

MR COE: But surely New South Wales has prisons which have fewer people than AMC. Surely prisons at Cooma and Berrima have fewer than 200 prisoners—those small ones.

Mr Hargreaves: No—

MR COE: They would have the same problems, wouldn't they?

Mr Hargreaves: Yes, agreed, except to say that the ROGS thing talks about it jurisdiction by jurisdiction. For example, we know that when we finish, the last person coming in, we might have—I will pick a number—190 prisoners. That is just off the top of my head. We know that Mount Gambier prison in South Australia has 150 male medium classification and a couple of lows in it. Now, you would say, "Oh, you can compare those two because one has 150 and the other has 190; they are roughly the same." Both of them are relatively open prisons, both of them have got cottage-style accommodation and both are multistorey. But it is cheaper, in fact, to run the Mount Gambier one, even though they have slightly fewer prisoners in it, because all the prisoners are the same gender, most of the prisoners are the same

classification and most of the prisoners are in there for a similar type of offence. So the cost of your programs is quite cheap compared with what it is for the ACT.

MR COE: But there must be prisons like Cooma and other small ones—

Mr Hargreaves: There may be.

MR COE: in places like New South Wales—

Mr Hargreaves: Yes, there may be.

MR COE: that totally distort their cost per prison.

Mr Hargreaves: It is an average. That is the thing—

MR COE: So why is ours considerably higher?

Mr Hargreaves: You are quite right, but then you have to add Long Bay, Cessnock, Bathurst, Cooma, Junee and all the rest of them. You have got to add the whole lot together and then you get a New South Wales per prisoner per day cost. All of those are added in. Some of the smaller ones certainly would drag the cost down; I agree. Some of their bigger ones will put the cost up. For example, if you compare us with the forensic unit at Long Bay, that costs an absolute fortune because it has got psychiatric staff in it. If you said, “Let’s compare the ACT prison with one of like size in New South Wales,” I reckon that is probably a better way of going about it, but that is not the way the ROGS thing works. What you are saying is not untrue. It is just that what they are doing is done jurisdiction by jurisdiction. That is where the figures actually distort.

THE CHAIR: Okay, I think that question is answered. My Smyth, very quickly, before we close.

MR SMYTH: Just a final that I am happy to take on notice. Can you provide the committee with a list of what is considered contraband at the AMC?

Mr Hargreaves: Yes.

THE CHAIR: Were there any—

Mr Hargreaves: In fact, I think that is actually on the public record, isn’t it?

Mr Ryan: Yes. Anyway, we can provide that.

Mr Hargreaves: We will do so, but I believe it is on the public record.

THE CHAIR: Thank you, Mr Hargreaves. Are there any other questions before we finish up? All right. Thank you, minister, and thank you, officials, for your time.

Mr Hargreaves: Mr Chairman, before you close the hearing, could I, for the *Hansard*, express my appreciation to the officers of JACS and Corrective Services for the

support they have given to both the committee and me.

THE CHAIR: Sure. Thank you.

The committee adjourned at 5.33 pm.