



**LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY**

**SELECT COMMITTEE ON ESTIMATES 2011-2012**

(Reference: [Appropriation Bill 2011-2012](#))

**Members:**

**MR B SMYTH (The Chair)**  
**MS M HUNTER (The Deputy Chair)**  
**MR J HARGREAVES**  
**MR J HANSON**  
**MS C LE COUTEUR**

**TRANSCRIPT OF EVIDENCE**

**CANBERRA**

**WEDNESDAY, 25 MAY 2011**

**Secretary to the committee:**  
**Ms G Concannon (Ph 620 50129)**

**By authority of the Legislative Assembly for the Australian Capital Territory**

Submissions, answers to questions on notice and other documents, including requests for clarification of the transcript of evidence, relevant to this inquiry that have been authorised for publication by the committee may be obtained from the Legislative Assembly website.

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## **Privilege statement**

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While the committee prefers to hear all evidence in public, it may take evidence in-camera if requested. Confidential evidence will be recorded and kept securely. It is within the power of the committee at a later date to publish or present all or part of that evidence to the Assembly; but any decision to publish or present in-camera evidence will not be taken without consulting with the person who gave the evidence.

*Amended 21 January 2009*

## **The committee met at 9.01 am.**

Appearances:

Corbell, Mr Simon, Attorney-General, Minister for the Environment and Sustainable Development, Minister for Territory and Municipal Services and Minister for Police and Emergency Services

Environment and Sustainable Development Directorate  
Papps, Mr David, Director-General  
Traves, Mr Alan, Acting Director, Ministerial and Corporate  
Neil, Mr Robert, Executive Director, Environment Protection and Water Regulation  
Zatschler, Mr Gerhard, Manager, Heritage ACT

**THE CHAIR:** Welcome, minister, and to all of your officials. Today in the public hearings for estimates we will be looking at the Environment and Sustainable Development Directorate's output class and the heritage functions. In the afternoon we will then go to the Office of the Commissioner for Sustainability and the Environment. Can I remind you, minister, and your staff and officers of the obligations and protections afforded by parliamentary privilege? There is a card in front of you on the table. I ask: have you read the card and do you understand the privilege implications?

**Mr Corbell:** Yes, thanks, Mr Chairman.

**THE CHAIR:** Thank you, minister. Just for your information, I need to remind you that proceedings are being recorded by Hansard for transcription as well as being webstreamed and broadcast live. They are now being trialled on Committees on Demand which allows people to view the hearings after we have finished. Are you happy to proceed?

**Mr Corbell:** Of course.

**THE CHAIR:** Thank you, minister. There is a lot of ground to get through today so, members, if questions could be concise and if answers could also be concise and directly relevant that would be a good start. Minister, before we proceed to questions, would you like to make an opening statement?

**Mr Corbell:** No, I will not make an opening statement but, as ever, I am happy to try and address the committee's questions.

**THE CHAIR:** Minister, under output 1.1—environmental protection and waste—can you give us an update on the Environment Protection Authority's involvement in the contaminated sites in places like East Lake and the north Weston pond?

**Mr Corbell:** The EPA continues to provide advice as appropriate to other government agencies in relation to the management of waste at those sites, Mr Smyth.

**THE CHAIR:** So what advice have you provided to the government in relation to the

site?

**Mr Corbell:** I might ask Mr Neil to join us. Mr Neil is responsible for the operations of the EPA.

**Mr Neil:** Mr Smyth, could you—

**Mr Corbell:** The specific question—

**THE CHAIR:** What advice have you provided to the government in relation to the dump sites?

**Mr Neil:** There are varying levels of advice. The standard method is for a proponent who wants to develop land, whether it be government or private, to seek the services of expert consultants in land contamination and remediation. If the work that is to be done is fairly large then we would insist on a contaminated land auditor—a contaminated sites audit—to oversee that process. At the end of the process the contaminated land auditor will provide an audit statement that says the land is fit for its intended use.

Where we are aware of problems, such as East Lake, where it is uncontrolled fill, we would ask them to do the assessment, get the experts to tell them how it should be remediated and have it audited. If it is a small site we would sign it off ourselves. With places like East Lake, where it is compounded by uncontrolled fill, there is potential in the uncontrolled fill for unwanted materials.

The assessment sometimes is done as part of the construction process because you are never quite sure what you have got until you dig it up. That is the process we use. So the advice we provide to government—not necessarily the government; to proponents who want to develop land—is that they need to assess it and, if it is complicated, they need to have an auditor oversee that process.

**THE CHAIR:** Have we determined the full extent of the amount of waste at East Lake?

**Mr Neil:** No. If you have uncontrolled fill, you assume that it is contaminated. Until you have actually gone through it and checked to see that it is or is not contaminated, you do not have the full picture.

**THE CHAIR:** That is what is in the waste, but do we actually know how much waste there is at East Lake and what area it covers?

**Mr Neil:** We know how much area it covers roughly, yes. It is the maps that show the thing. I think we would be quite happy to provide them, wouldn't we?

**Mr Corbell:** Obviously the planning agency is the proponent at this point in time. I think more specific questions about the nature of work that has been undertaken perhaps can be addressed by the proponent—the planning agency.

**THE CHAIR:** All right. That is reasonable. We will talk to you about that later then,

won't we? With the north Weston pond, minister, has the total volume now been determined?

**Mr Corbell:** Again, I think the answer to that is yes. Again, I would defer to my newly acquired officials in the planning agency who would be able to give you a more definitive answer.

**THE CHAIR:** The former Chief Minister advised that the government maintains a list of over 1,000 contaminated sites in the ACT.

**Mr Corbell:** Yes.

**THE CHAIR:** Can you shed some light on what is included in that list and what is currently being done? How do you determine whether a site needs to be rectified or not?

**Mr Corbell:** Mr Neil can assist you with that.

**Mr Neil:** From memory, Mr Smyth, we have at least 844 sites. I have the detail in here. But to give you some idea, it can range from putrescible landfill, where you know that the contents are not suitable for building on, to disused service stations where there is the potential for hydrocarbon leakage. We even list things like ex-forestry land bowling clubs because of the chemicals they use on the grass. There is a whole list of things—even simple things like fuel oil tanks under large buildings and old heaters. We list them as potential. It does not mean they are actually contaminated. If the site is redeveloped at that point in time then we insist some assessment is done to make sure it is fit for the intended land use.

**Mr Corbell:** The territory has a record, Mr Smyth, I am advised, of 844 sites. These are primarily fuel storage sites. So there are 441 hydrocarbon sites, 111 landfill sites, 141 other sites and 151 sheep dip sites.

**THE CHAIR:** Thank you for that. Have you got a supplementary on that?

**MR HANSON:** I have a supplementary on that. Obviously with the north Weston pond something went wrong in terms of identifying asbestos waste there—that is, not identifying it before the development occurred. Have we reviewed what went wrong, looked at our procedures and conducted any surveys to make sure that that does not happen again?

**Mr Corbell:** Firstly, Mr Hanson, as you would be aware, there is an Auditor-General's review of the operation of all of the government agencies involved in relation to that site. I understand that report will be made public shortly. That will obviously give us an independent view of that.

As I think has already been placed on the public record, there was an investigation of the site prior to construction commencing. A large number of bores were drilled—test bores to try and determine the extent of contamination. I think, again, it would be desirable, if members wanted specific and more detailed questions answered, to perhaps put them to the planning agency when they appear tomorrow, because they

are, again, the proponent in relation to the site and had overall carriage of the development of the site.

**THE CHAIR:** A new question, Ms Hunter?

**MS HUNTER:** Thank you. I note that one of the priorities you have listed in 2011-12 is around supporting community partners. That also includes the Canberra and South East Region Environment Centre, the Conservation Council and SEE-Change ACT. These three groups have been recipients of funding for the last two years. Have any other community groups that are focused on environment and climate change issues approached the government seeking ongoing funding—not grants funding; I am talking about ongoing funding under a contract—since the last funding announcements were made?

**Mr Corbell:** The three groups that are currently listed as receiving support are SEE-Change, the Conservation Council and the environment centre.

**MS HUNTER:** Yes.

**Mr Corbell:** SEE-Change received an ongoing funding arrangement following an approach to my office—to me, as the minister, in the 2008-09 period. Mr Papps advises me that we may have received an approach from the “love 40 per cent” campaign. We have not provided funding to that organisation at this time.

**MS HUNTER:** Considering we now have legislation and we have got a target ahead of us and so forth, do you think these community groups—the ones that you currently fund—are funded well enough? Do you think that we are funding enough groups so that we can have active participation in debate in the ACT—that it is facilitating good community engagement in being part of the way forward to achieve those targets?

**Mr Corbell:** I think the level of funding the government provides to those groups currently is a very good level of support. Those groups may or may not agree with that. I think we do what we can within the provision available to assist those groups and to work constructively with them. I do not think community engagement and the effectiveness of community dialogue are entirely down to the level of government funding they receive.

The government continues to engage with groups and arrange other ways to provide them with support. For example, our climate change grants program has been very effective in providing support to community not-for-profit organisations to engage with government, as in the climate change space, on specific projects. There has been a very strong grants round to a broad range of not-for-profit and community-based organisations to facilitate their engagement in actions on the ground to deal with climate change matters as well as deal with advocacy and education matters.

We have also provided assistance to other grants processes such as to the community energy grant scheme, which has been a very effective scheme in engaging, again, not-for-profit organisations to help make the switch to renewable energy or energy efficiency projects. That also, of course, has the benefit of enabling those groups to become champions and advocates for the sorts of steps that can be taken to reduce

individual organisations' carbon footprints. I think that overall, when you look at that combination of actions, we are reaching hundreds and hundreds of community organisations in some way to engage them in this discussion, help raise their awareness and, indeed, help facilitate their action to tackle issues around climate change.

**THE CHAIR:** Ms Le Couteur, a new question?

**MS LE COUTEUR:** Yes. If you go to pages 300 to 302 of BP4, which relate to the various output accountability indicators, you will find that nearly every single one of them is "n/a". I appreciate that we have a number of notes which have been saying that these have been transferred from DECCEW to here. But particularly when all of DECCEW has been transferred to the sustainable directorate, in effect, my question is this: why is this almost entirely n/a for the targets in the estimated outcome? It is not just one or two; it is the lot.

**Mr Corbell:** That would just replace the transfer—

**Mr Papps:** Yes.

**MS LE COUTEUR:** Surely we knew what they were and we could write them in. The fact it is called something different—

**Mr Corbell:** It is just a technical treatment, Ms Le Couteur, but Mr Papps can answer your question.

**Mr Papps:** The minister is right. It is a technical treatment that has to do with the creation of the new directorate from the amalgamation of a number of previous agencies and the way that is reported in the budget papers. You will find that the targets are clearly identified for 2011-12. We will engage, as we always do, in refining those targets. I will just see if Mr Traves wanted to add anything to that.

**Mr Traves:** Yes, certainly. It is a protocol used within Treasury for transferring agencies and amalgamating agencies, and that is how it is presented in the budget papers on their advice. Of course, the indicators are still reportable in full in the annual report process, which is coming up, and certainly can be subject to questions at that time.

**MR RATTENBURY:** It is an interesting point that Ms Le Couteur has raised given that if you go back to last year's budget papers, most of the actual indicators are named as actually the same thing. Yet somehow, because there has been a rebadging of the department, we cannot get reporting on the comparison from year to year.

**Mr Corbell:** As Mr Traves says, Mr Rattenbury, these targets are already on the public record. They have already been made available to the Assembly. This is simply a presentational issue surrounding how Treasury requires the budget papers to be put together. It does not eliminate or reduce the accountability the government is subjecting these targets to. They are already on the public record and performance against those targets will be the subject of the normal scrutiny process through annual reports hearings.

**MS LE COUTEUR:** But with the Hawke review basically everyone is in a new directorate because we did not have directorates before, although admittedly some of them are more one-to-one correspondents. We have had other agencies manage to—

**Mr Corbell:** With respect, Ms Le Couteur, that is not the case. For some directorates the changes are largely solely around their titles—

**MS LE COUTEUR:** Yes, I did say that some are one to one.

**Mr Corbell:** For example, justice, education, Health in particular—

**MS LE COUTEUR:** Education and Health.

**Mr Corbell:** Environment and Sustainable Development is one of the most major changes arising out of the Hawke review. DECCEW, the Department of Environment, Climate Change, Energy and Water, as it currently is but which will cease on 1 July in terms of its statutory basis, was a relatively small agency. It has now become quite a large agency—

**MS LE COUTEUR:** Yes.

**Mr Corbell:** The agglomeration of the planning functions of the ACT Planning and Land Authority, as it currently is, as well as functions from heritage and the Chief Minister's Department and some functions also transferring from Territory and Municipal Services—this is one of the most major changes that has occurred in Hawke. That is obviously reflected in the issue you are raising now.

**MR RATTENBURY:** But I think it goes further than that. Take the output class around the Office of the Commissioner for Sustainability and the Environment on page 292 of budget paper 4. That is exactly the same end of year as it was in last year's budget paper. There has been no change, to my understanding, in administrative orders. Yet somehow we are not able to report on the estimated outcome for 2010-11. How can that be a useful protocol?

**Mr Corbell:** Again, this is a technical presentational issue on the advice of the Treasury. It does not diminish—I will just make the point again—the accountability that these measures are subject to. The targets are already on the public record. The performance against those targets will continue to be reported at the end of the financial year and subject to the normal scrutiny of this place.

**THE CHAIR:** Mr Hargreaves, a new question and then Mr Hanson.

**Mr Corbell:** And the same is the case—I draw your attention to the fact that for the Economic Development Directorate, which is the other directorate which is going to be a major change, the same presentational issues occur.

**MR HARGREAVES:** No, I will defer at this moment. I will wait until another output.

**THE CHAIR:** Mr Hanson.

**MR HANSON:** Yes. The companies that are engaging in land development and construction projects, as I understand it, have to enter into an environmental protection agreement. I want to get to the details of what those agreements are. How much do they cost and what process is involved?

**Mr Corbell:** Again, I think Mr Neil will be the best person to assist you with that, Mr Hanson.

**MR HANSON:** And whether that is all companies and in what circumstance does a company have to engage in one of those agreements?

**Mr Neil:** There is a cut-off point. I think it is 0.3 of a hectare. If you want to develop more than 0.3 of a hectare you have to have an environmental authorisation, which is a licence. To get that you would have to apply. There is a fee attached to it and the licence conditions are enforceable, or the authorisation conditions are enforceable.

The agreements are a secondary process where, rather than have people apply for a licence and have restrictions for the licence, it is more of a cooperative approach. People who want to develop more than 0.3 of a hectare will come in. It costs nothing to apply, but if they do not have an agreement they have to have an authorisation. Those agreements have conditions in them. Generally, we ask for sediment erosion control plans related to the works. A single developer could have one agreement for multiple sites and all we insist on is that for each site there is a sediment erosion control plan.

**MR HANSON:** And the basis for the fee—is that a fixed fee?

**Mr Neil:** There is no fee for an agreement.

**MR HANSON:** You mentioned before, though, that there was a fee—

**Mr Neil:** For an environmental authorisation, which is like a licence, there is a fee.

**MR HANSON:** Right.

**Mr Neil:** And, yes, it is a fixed fee.

**MR HANSON:** In terms of getting that work done, obviously there are consultants that I assume support and engage with companies to assist them in that process. Is there a register of consultants that are able to actually support—

**Mr Neil:** No.

**MR HANSON:** How do companies do that process?

**Mr Neil:** Most companies involved in this business know it very well. They know what they need to do to mitigate the effects of the pollution—

**MR HANSON:** I am thinking about smaller developers, I suppose. The big

companies certainly would have the capacity to, but for smaller developers, what is the process there?

**Mr Neil:** There is a fairly comprehensive set of guidelines on sediment erosion control plans. Almost any builder could look at those and develop a sediment erosion control plan or an environment management plan for their site. It really is making them think about the impacts of what they do—how to mitigate it.

Rather than come over the top, it is actually to get them to recognise that they need to do this before they start. If there is a consequence, if they breach the Environment Protection Act, that does not stop us taking action. We can cancel, or I can cancel, agreements. We run an internal policy where, if we have three significant problems, we would cancel the agreement and force them down the track to get a licence.

**Mr Corbell:** As with all these actions, Mr Hanson, there is a mixture of education and enforcement. In first or second instances it would be common for EPA officers, as it would with any other regulatory officer, to give guidance to a person or a company undertaking a particular activity, particularly if there has been a complaint. They would say, “Look, you need to do certain things,” or “You need to prevent certain things from occurring.”

EPA officers are certainly in a position to give some guidance in the first instance and assist companies with understanding what they need to do and point them in the right direction. But ultimately, like any commercial activity, it is incumbent on the company involved to make sure that they are aware of their obligations and get appropriate advice if they are not—

**MR HANSON:** Sure, and if they get the three strikes rule and they get—

**Mr Neil:** And we have never had—we have never—

**MR HANSON:** You have never got there?

**Mr Neil:** We have never cancelled an agreement.

**MR HANSON:** All right, thanks.

**THE CHAIR:** Mr Rattenbury, a new question?

**MR RATTENBURY:** I wanted to ask about the preparation of weathering the change and the energy policy. I understand that you have signed another contract with Pitt and Sherry to develop, amongst other things, a portfolio of costed and detailed measures to reach the ACT’s 2020, 2040 and 2060 greenhouse gas targets. When was this contract signed by the government?

**MR HANSON:** Is this under 1.1, Mr Chair?

**THE CHAIR:** It is general questions at this stage.

**MR HANSON:** Are we doing broader questions—

**THE CHAIR:** Yes, broader questions at this stage to start with.

**MR HANSON:** I just wanted to know where we are at currently.

**Mr Papps:** I would have to seek advice from my officers about exactly when we signed it, but you are correct. We have commissioned a range of consultants, including Pitt and Sherry, to provide background material for preparation of an action plan 2.

**MR RATTENBURY:** Are the deliverables under that contract on time so far?

**Mr Papps:** Yes.

**MR RATTENBURY:** How much is that consultancy for, do you know?

**Mr Papps:** I do not have the figure off the top of my head.

**Mr Corbell:** We will take that on notice, Mr Rattenbury.

**MR RATTENBURY:** Thank you. That work is being prepared for action plan 2. Is that correct?

**Mr Papps:** That is correct.

**MR RATTENBURY:** In a similar vein, there have been a number of consultancy reports commissioned by the government, including by Heuris and action plan 2: primer from Kinesis.

**Mr Papps:** That is correct.

**MR RATTENBURY:** I understand there was also another report produced by the Strategic Economics Consulting Group. What was the brief for that consultancy?

**Mr Papps:** I will have to take that on notice.

**MR RATTENBURY:** Do we know how much that consultancy was for or are we taking that on notice?

**Mr Papps:** Again, we will take that on notice.

**MR RATTENBURY:** And the name of that report?

**Mr Papps:** Yes.

**MR RATTENBURY:** Has that report been completed for government?

**Mr Papps:** I am not aware, Mr Rattenbury. The major reports that are being used to provide background material for the preparation of action plans have been the ones that you referred to already—the report by Kinesis, the report by Heuris and the most

recently commissioned one by Pitt and Sherry.

**MR RATTENBURY:** I think it sounds like I will have to wait until the answers come back on notice for that one.

**THE CHAIR:** Ms Porter, a new question and then Mr Seselja and Mrs Dunne.

**MS PORTER:** Chair, I just seek guidance. Can I ask a question about stormwater reticulation at this point?

**THE CHAIR:** Just broad questions to start; then we will move to the output classes. So go for your life.

**MS PORTER:** On page 304 of BP4, it makes mention of \$7.5 million invested in the inner north stormwater reticulation network. What will this do to improve the lives of people in this area?

**Mr Corbell:** I will ask my officials to provide some more background. This funding is for the completion of the inner north stormwater project, the stormwater ponds project. As you would be aware, the government has been investing funds over the last 18 months or two years for the development of a series of offline ponds and retrofitted urban wetlands along creek lines in the inner north. The purpose of that project is twofold. First of all, it is to improve the local biodiversity in those locations and provide a more naturalised environment for local species that were effectively destroyed when the creek lines were created in the 1940s, 1950s and so on. The second objective is to restore and improve our capacity to use a non-potable water supply for the irrigation of ovals, playing fields and other public spaces—indeed, potentially some private spaces, such as golf courses, racing clubs and so on. This money is to allow completion of that project, in particular the development of a rising main from the ponds located in the inner north of Canberra to the large ponds located on Flemington Road. It will allow for the construction of a major rising main to allow water to be transferred from the ponds downstream to the ponds upstream for storage and then recirculation—reticulation.

**MS PORTER:** Thank you.

**MRS DUNNE:** Could I follow up on that?

**THE CHAIR:** Sorry; Ms Le Couteur asked for a supplementary. Then Mrs Dunne.

**MS LE COUTEUR:** You mentioned the concrete parts and the stormwater drains. How much of those will we lose as part of the project? I must admit I was—

**Mr Corbell:** I am sorry; I missed your question.

**MS LE COUTEUR:** You mentioned the concrete stormwater drains, which used to be creeks, in your discussion.

**Mr Corbell:** Yes.

**MS LE COUTEUR:** How much of the concreting in the ex-creeks will be removed, if any, in this project?

**Mr Corbell:** There has been no substantial modification to the existing concrete creek corridors.

**MS LE COUTEUR:** No, there has not been.

**Mr Corbell:** These are offline ponds, so what this involves is the diversion of water from the creek into a pond located adjacent or parallel to the creek line and the storage and the treatment of water there through natural filtration processes, and then any overflow returns to the creek line. In a major rainfall event and so on, diversion engineering solutions are in place to deal with those matters.

**MS LE COUTEUR:** Okay. I notice from page 306 that there appears to be a rollover on these. Is that due to the rain or have I got confused and it is something else that has been rolled over?

**Mr Corbell:** I will ask Mr Traves to provide some detail on that.

**MS LE COUTEUR:** On 306, under “Sustainability”, you have got “North Weston/Molonglo”. But the “Gungahlin—The Valley Ponds” part—is that Flemington Road in disguise?

**Mr Traves:** It is in part due to the weather. The inner north is the two ponds at Flemington Road, the Dickson and the Lyneham.

**MS LE COUTEUR:** Yes.

**Mr Traves:** The Dickson one has finished its hard construction phase and is now getting ready for plantings. Anyone who visits the Lyneham one, however, will notice that it is still a large pit, largely full of water. It does say that we have built it in the right place, because it gathers water wonderfully. But at the moment, because of a delay in the commissioning of some sewerage works that Actew was doing—that has basically delayed construction there and we have had to roll over works that remain for that work.

Similarly, with the valley ponds we have had a delay with our development application and therefore it was prudent, coming into winter, not to start construction there until the next financial year.

**THE CHAIR:** All right. Mrs Dunne with a supplementary, and then Mr Seselja with a new question.

**MRS DUNNE:** Thank you, Mr Chairman. On the subject of new works, which Ms Porter has asked about, and Ms Le Couteur has touched on the existing works, could you put in context, please, the \$13.8 million that is mainly the northern Dickson and Lyneham ponds with the money which is new capital works this year—the \$7½ million. How do these two projects fit together?

**Mr Corbell:** They are directly related, Mrs Dunne. The operation of the ponds located within the suburban area of the inner north is reliant on the ability to transfer water from those ponds to the larger ponds upstream located close to Flemington Road near the showgrounds. To achieve that outcome, there is a need for a rising main, which is basically a very large pipe, in simple terms, to transfer that. Now, there have been revisions to the scope of the size of the pipe required to transfer it upstream, and that is what that \$7 million relates to.

**MRS DUNNE:** The \$7 million is for unexpected expenses, essentially?

**Mr Corbell:** Yes; an unanticipated—a revision to the engineering requirements for the infrastructure.

**MRS DUNNE:** So what are the substantive—what is the change to the rising main that has required a \$7½ million increase?

**Mr Corbell:** It basically has to be a much larger pipe.

**MRS DUNNE:** Could you quantify the “much larger”? Is it a six-inch pipe to a foot pipe or what?

**Mr Corbell:** I do not have that detail, Mrs Dunne.

**MRS DUNNE:** Could somebody provide us with that?

**Mr Corbell:** Perhaps Mr Traves can assist.

**Mr Traves:** We can put a little bit of context in here. To pump the water to, particularly, the sites registered for playing fields, originally it was estimated by Sport and Recreation Services that they would need a particular volume of water at particular times of day and particular days of the week. The engineering was done on that basis. They subsequently revised their guidelines in light of their commitments under the where will we play strategy and their desire to remediate a number of those playing fields which were being hard hit by the drought now that there was access to more water.

What they have done is that they have compacted the water requirements to a very few days a week but still with high volume. To get that water to the site in that time line, we needed both to have a much larger pipe, to transfer the volumes of water requiring a much larger pumping system, and to install on-site storage, underground storage, at those sites, in tanks, so that they had some flexibility if there were changes to, say, sporting events that they did need to water for and we did not have the capacity to get it there on time.

**MRS DUNNE:** This is a major—

**Mr Traves:** This is a major piece of engineering construction—

**MRS DUNNE:** It is a major rewrite of the specs.

**Mr Traves:** Yes, it is.

**MRS DUNNE:** We have increased the cost of the project by 50 per cent?

**Mr Corbell:** I am not sure whether it is in order of 50 per cent, but it is certainly a significant revision.

**MRS DUNNE:** Originally it was \$13½ million; now there is another \$7½ million on top of that.

**Mr Corbell:** That is correct.

**MRS DUNNE:** It is pretty close.

**THE CHAIR:** That is about 50 per cent.

**MRS DUNNE:** A bit more than 50 per cent.

**THE CHAIR:** Greater than 50 per cent.

**MRS DUNNE:** So these changes have been driven by sport and rec?

**Mr Corbell:** The changes to the specification; that is correct—from the end users.

**MRS DUNNE:** Thank you.

**THE CHAIR:** If I may interrupt—will the government pay for this water? Will sport and rec pay for this water?

**Mr Corbell:** Yes, they will. They will be paying for this water. We are required to charge for non-potable supply. But the project is predicated on—and the analysis that has been done indicates it—the cost being less than the cost of purchasing potable supply.

**THE CHAIR:** So what will the cost be?

**Mr Corbell:** Pricing has been done. I do not have that immediately to hand but I can certainly provide that. But the project is predicated on the analysis which indicates that the per kilolitre cost of non-potable supply is less than what sport and rec would have to pay for it if they were relying on, for example, potable supply. And that is one of the objectives of the project overall and indeed one of the requirements of the initial grant moneys the territory received from the commonwealth when we entered into our agreement, a number of years ago now, to achieve a three per cent displacement of potable supply with non-potable supply sources.

**MRS DUNNE:** I have one more question in that area. Presumably this rising main is going to require pumping, which is going to require power. Is that power cost factored into the end cost of water to the end user?

**Mr Corbell:** The pricing is done by the ICRC. The ICRC is determining the price.

They would take into account the relative costs associated with the operation of the scheme.

**MRS DUNNE:** Of the 13 in train plus the \$7½ million—the 13.8 and now the 7½—how much was covered by commonwealth government grants and how much of this is ACT taxpayers' money?

**Mr Corbell:** The 7½ is appropriation by the territory. The 13 million—there is a division of effort between the two governments. I do not think I have that immediately available—here we are; I do have it. The commonwealth's funding related largely to the hydro—what is it called?

**MRS DUNNE:** Hydrological?

**Mr Corbell:** Hydrological, thank you. It relates to the hydrological analysis undertaken by the CSIRO, which is around a couple of million dollars, to do the identification of the most suitable sites for these projects and the most cost efficient—

**MRS DUNNE:** And they seem to have got it right, according to Mr Traves?

**Mr Corbell:** Well, yes. There has been some criticism of that, I note, from some people opposed to these projects. But it is very clear that we have identified the most efficient and the most productive sites for these projects.

**MRS DUNNE:** And so that \$2 million is encompassed within the \$13.87 million?

**Mr Corbell:** Yes.

**MRS DUNNE:** So that that—

**Mr Corbell:** Actually, I might have to correct—

**MRS DUNNE:** Or is that—

**Mr Corbell:** I am not sure. I will have to take that on notice, Mrs Dunne.

**MRS DUNNE:** Okay.

**Mr Corbell:** I just do not have the detail here.

**MRS DUNNE:** Could I ask on notice the full cost of the project and where the sources of money come from?

**Mr Corbell:** Happy to do so.

**MRS DUNNE:** Thank you.

**THE CHAIR:** Mr Seselja, a new question, and then Mrs Dunne, a new question.

**MR SESELJA:** Thank you, chair. Minister, just going to an answer you gave to the

environment committee not long ago—I think it was 3 May that you answered it—and it is in relation to the regulatory impact statements. The government’s policy is that regulatory impact statements are required for any new or amending legislation proposals that might impact on a stakeholder group. You have said that in the last financial year the Department of Environment, Climate Change, Energy and Water only did one regulatory impact statement. What was that for?

**Mr Corbell:** The plastic bags legislation.

**MR SESELJA:** Okay. And the other pieces of legislation, like the amendments to the feed-in tariff and the climate change targets, was a RIS not done for those pieces of legislation?

**Mr Corbell:** No.

**MR SESELJA:** Given the government’s policy that a RIS is required for any new or amending legislation that might impact on a stakeholder group, you do not think any of those pieces of legislation might impact on a stakeholder group?

**Mr Corbell:** No, the government is not saying that. But we take guidance from Treasury in relation to where a RIS is required. They are effectively the gatekeepers on that issue. Where a RIS is required prior to a cabinet decision, they will indicate that to the line agency.

**MR SESELJA:** Okay. So you have said also in your answer that in JACS there were no RISs. Is that because none of JACS legislation, including the liquor bill and other significant pieces of legislation, impacted on stakeholder groups?

**Mr Corbell:** Obviously I do not have officials from the justice directorate with me today, so I am not able to draw on their advice, Mr Seselja.

**MR SESELJA:** So could you explain to me, then, the rationale with climate change why putting in a target like the 40 per cent target or why a feed-in tariff would not be something that would qualify for a RIS?

**Mr Corbell:** Again, these are matters that are determined by the Treasury Directorate, and line agencies initiate RISs on the basis of the advice of the Treasury Directorate as to the desirability or otherwise of a RIS.

**MR SESELJA:** So you have no say as to whether you do a RIS? You simply get told what to do by Treasury?

**Mr Corbell:** They, as I say, are the gatekeepers in relation to whether or not a RIS is deemed to be required at a whole-of-government level.

**MR SESELJA:** And given you said that you are relying on their advice, could you provide that advice in relation to those pieces of legislation?

**Mr Corbell:** The advice is you need to do a RIS, so—

**MR SESELJA:** So was there any advice on these other pieces of legislation? Was advice sought from Treasury?

**Mr Corbell:** As you would appreciate—or as you should appreciate—Mr Seselja, these processes go through whole-of-government circulation processes. When proposals come up from line agencies for cabinet consideration, it is at that initial stage of whole-of-government circulation that central agencies such as Treasury indicate what further work, if any, needs to be done in relation to these matters. And that would be how that advice is signalled.

**MR SESELJA:** And you are telling the committee that Treasury said that a RIS was not required for any of those other pieces of legislation?

**Mr Corbell:** What I am saying is that these proposals are circulated through a whole-of-government process, and if there was a requirement for a RIS, that would be indicated through that whole-of-government process.

**MR SESELJA:** So Treasury would give you that advice, and you are saying Treasury did not give you that advice?

**Mr Corbell:** Well, no RIS was required in relation to those environment matters you have raised.

**MR SESELJA:** And are any reasons given why no RIS is required?

**Mr Corbell:** Without having the specifics in front of me, I would not be in a position to comment on that.

**MR SESELJA:** Are you able to provide, then, as I asked earlier, what advice was received by the department in relation to a piece of legislation that is put through without a RIS?

**Mr Corbell:** Again, these are dealt with through whole-of-government circulation processes, which are, generally speaking, cabinet-in-confidence. But I will take the question on notice and see what advice I can get for you, Mr Seselja.

**THE CHAIR:** All right. A new question from Mrs Dunne.

**MRS DUNNE:** Thank you, Mr Chairman. I am just referring you to the first dot point on page 292 of BP4. You will not be surprised, minister, that I ask you the question about the nature conservation strategy. It says on your directorate's website that there have been 32 submissions lodged by the closing date in relation to the review of the Nature Conservation Act. Can you or officials tell the committee what the general tenor of those submissions has been and what key suggestions for change have emerged?

**Mr Corbell:** I will ask Mr Papps to answer that question, Mrs Dunne.

**MRS DUNNE:** Thank you.

**Mr Papps:** Thank you. The submissions that we have received have been largely prompted by the focus in the discussion paper on the need to make the nature conservation legislation in the ACT more contemporary. And in simple terms, there has been, for example, a lot of focus around the shift from focus on individual species conservation to a much greater focus on ecosystems, ecosystem services, connectivity and ecosystem reliance. We have received feedback and input on the potential impacts of climate change as it relates to biodiversity conservation. And there has also been discussion around offences and penalties under the act. There has also been conversation around the role of the Conservator of Flora and Fauna under the ACT legislation.

It is probably fair to say that most of the submissions that we have received through this process are obviously supportive of the government's policy intent to make the legislation contemporary and reflecting best available science.

**MRS DUNNE:** And what process will be followed, including any further public consultation, in relation to the development of the new legislation, and when can we expect to see that?

**Mr Papps:** We are processing the input and advice that we have got. That will then lead to the internal government processes where we will essentially develop a proposal for legislative amendments to the Nature Conservation Act. That will be subject to the normal within-government processes of cabinet, interagency consultation, legal advice and the like. The timing on that is going to be covered in the material that the minister will provide to the Assembly in response to the motion that was passed. This is one of those polices identified in that motion, and so we will be providing information around timing and further consultation accordingly.

**MRS DUNNE:** And when is that—

**Mr Corbell:** It is also my expectation, in relation to the nature conservation task, Mrs Dunne, that the government will release an exposure draft of a new bill reflecting the input to date and allowing people to comment on the specifics of the legislative change in that exposure draft prior to a specific bill being introduced into the Assembly for debate.

**MRS DUNNE:** Will a new nature conservation act come into force before the end of this Assembly?

**Mr Corbell:** I would like it to, Mrs Dunne. But obviously it will depend on the nature of feedback we receive from both Assembly members and individual stakeholders when the exposure draft is released.

**MRS DUNNE:** Thank you.

**THE CHAIR:** Minister, obviously, through enforcement activities, the government collects fees and fines. How much did the government collect last year from fines protecting the environment?

**Mr Corbell:** Sorry, I do not have that material at hand, Mr Smyth. I would have to

take that on notice.

**THE CHAIR:** All right. On page 311 of budget paper 4, there is a figure of \$68 million for taxes, fees and fines. You do not have a breakdown? Is the Chief Financial Officer not with us?

**Mr Corbell:** Mr Traves is the Acting Chief Financial Officer.

**Mr Traves:** This is page 311 in budget paper 4?

**THE CHAIR:** Page 311, budget paper 4, sustainable development directorate. You have got a line there, taxes, fees and fines, of \$68 million. Can we have a breakdown of how much are taxes, how much are fees and how much are fines?

**Mr Traves:** DECCEW itself collects a small amount of own-source revenue through the activities of the EPA, which Mr Neil operates. You will find that most of this revenue then relates to own-source revenue by ACTPLA. ACTPLA's CFO will be with you tomorrow, I believe—

**THE CHAIR:** Done. Okay.

**Mr Traves:** It might be best to direct your question to him in detail.

**THE CHAIR:** No, that is all right. We might try a different question then. On the staffing, minister, I notice that you have 457 staff. But, again, the difficulty with changing departments is there is no previous data available. What is the breakdown of the 457 staff? So, how many are environment, which, from the discontinued department on page 573, was 110 for this year? So how many of the staff will be environment staff, how many will be in planning or other activities and where are the 30 new staff going?

**Mr Corbell:** The new directorate, Mr Smyth, has a staff of approximately 457 FTE—about 480 actual living, breathing human beings. Of that, for the functions that make up the new directorate that would have been in the current Department of the Environment, Climate Change, Energy and Water, it is approximately 111. For the functions transferring from ACTPLA, it is 304, and for the functions transferring from both Territory and Municipal Services and the Chief Minister's Department, it is 42.

**THE CHAIR:** So the additional 30 staff will—

**Mr Corbell:** The additional 30 staff, there are five new positions in the current environment, climate change, energy and water function. Of these, two are in the government's enhanced outreach program to deliver energy efficiency measures to low income households, one position is in nature conservation and resource management and there are two funded positions in the Canberra urban waterways program. In relation to those two positions, this is the territory picking up the ongoing employment of staff who had previously been employed under commonwealth grants but performing the same function. So we are now picking up the cost of those staff.

In relation to the 25 new positions in ACTPLA, these largely relate to the

government's renewed investment in improving building quality, improved compliance, and education enforcement around building quality. There are 14 new positions for that function. There are 3.5 FTE for the master planning program, as the Assembly has outlined in its series of resolutions in relation to master planning centres. And then there are 3.5 FTE for building, improving regulation of building energy efficiency—so the regulation of the ACTHER scheme and compliance for building assessors—one position in utilities technical regulation, and three positions in the area of reviewing the use of unleased or leased land in established areas.

**THE CHAIR:** All of your staff would currently be in Macarthur House or Dame Pattie Menzies House?

**Mr Corbell:** They are largely in Macarthur House or Dame Pattie Menzies House, apart from those functions of the [heritage unit](#) which are currently located in Nara House, in the Chief Minister's Directorate.

**THE CHAIR:** So all of those staff—

**Mr Corbell:** Sorry; Mr Traves, for completeness, indicates ACTPLA also have staff at Mitchell and Gungahlin—the building regulation functions.

**THE CHAIR:** Right. Is it reasonable to assume that all of the staff in at least Dame Pattie Menzies and Macarthur House will move to the new government office building?

**Mr Corbell:** A large number of these central policy functions would be transferred to the new government office building on completion.

**THE CHAIR:** A large number; where would they go if they were not transferred?

**Mr Corbell:** For example, there is still the issue of the ACTPLA staff that are outlying, in Mitchell and Gungahlin.

**THE CHAIR:** But all the staff from Dame Pattie Menzies and Macarthur House will end up in the new office building?

**Mr Corbell:** Yes.

**THE CHAIR:** What numbers are they?

**Mr Corbell:** The numbers are as I have outlined to you. That is the current staffing for the directorate.

**THE CHAIR:** No, what numbers will go to the new office building? Obviously all the 329 from ACTPLA are not going, if some are outliers?

**Mr Corbell:** I am advised approximately all bar 50.

**THE CHAIR:** Did the department provide any advice to the government on the environmental sustainability of the building?

**Mr Corbell:** Which building? The new government office building?

**THE CHAIR:** The new office building.

**Mr Corbell:** Yes. That has been the subject of detailed discussion between this directorate and now the Economic Development Directorate, which has responsibility for the project.

**THE CHAIR:** Were any reports written or documents produced by the department?

**Mr Corbell:** The department provided input on these types of objectives which the government should be seeking to achieve in relation to the environment performance of the building. The cost of the various levels of environmental performance that we could achieve from the building were driven by the technical analyses conducted by the Economic Development Directorate.

**MR SESELJA:** One of the assumptions in the building of the office is that the government will be buying 100 per cent green energy by 2016. Did the department provide that information to the relevant directorates or to the consultants undertaking the work?

**Mr Corbell:** The department would have advised the directorate of the government's objectives in relation to minimising its carbon footprint and achieving zero carbon emissions by 2020, which is the government agreed policy—

**MR SESELJA:** But does the government have a policy of 100 per cent green energy purchase by 2016?

**Mr Corbell:** The government has a policy of achieving carbon neutrality in its own operations by 2020, and the purchase of GreenPower is an essential part of that objective.

**MR SESELJA:** It is a very specific question: does the government have a policy, quite aside from carbon neutrality, by 2016 of purchasing 100 per cent green energy?

**Mr Corbell:** That would be the government's objective.

**MR SESELJA:** How much will that cost?

**Mr Corbell:** It will depend on a number of factors, Mr Seselja, including the renegotiation of the existing electricity contract. The property function in the Department of Territory and Municipal Services, at the direction of government, is going to tender on the whole-of-government electricity contract to try and achieve a better price for the government for the purchase of its electricity, including the purchase of GreenPower. So it will depend on the outcomes of that process.

**MR SESELJA:** There must be a projection. Some work must be done, either at the current rates or if better rates are negotiated. We are five years away from that target and I think we are at about 37 per cent now.

**Mr Corbell:** That is correct.

**MR SESELJA:** So that is a significant increase. What work has been done to determine those costs?

**Mr Corbell:** As you would appreciate, Mr Seselja, it would be imprudent to put on the table a particular figure that the government would be anticipating in advance of a commercial negotiation.

**THE CHAIR:** In regard to the final position the government took, were the conclusions put together by Treasury tested by DECCEW?

**Mr Corbell:** Certainly, the analyses put together by the Economic Development Directorate were reviewed by my directorate and appropriate advice given for whole-of-government consideration through the cabinet process.

**THE CHAIR:** Did DECCEW brief the consultants who were doing the development of the government office block on environmental concerns?

**Mr Corbell:** DECCEW provided advice on what the whole-of-government policy settings were in relation to improving energy and water efficiency outcomes, as it did in relation to the government's objectives on carbon neutrality in our own operations, and they were taken account of in the advice commissioned by the now Economic Development Directorate.

**THE CHAIR:** A new question from Ms Hunter.

**MS HUNTER:** I notice also in your 2011-12 priorities, on page 292, you are undertaking a review of the ACT government's air quality strategies and programs, which I assume also includes the don't burn tonight program. Could you give us a bit more detail about what will be involved in that review?

**Mr Corbell:** Yes. I have asked my directorate, Ms Hunter, to look at how we are administering air quality programs. The city is growing. We have now reached the threshold for a third air monitoring site for the city because of our size under national environment protection measure guidelines. Therefore, I think it is timely that we look at how we continue to monitor and promote good air quality outcomes for the territory.

This was initially driven by concerns raised about air quality during winter months in the Tuggeranong valley; members would be familiar with that issue. Whilst air quality in the Tuggeranong valley is not a dangerous problem it is, nevertheless, an issue of some concern. It is one of the few areas under the NEPM measures where we do not abide by the national standards for air quality in relation to particulate matter. Therefore, this review is designed to look at how we can better improve our education effort around people's understanding of air quality issues and atmospheric conditions, particularly in relation to wood smoke, and also what other measures we can be taking to improve the uptake of replacement of poorly functioning wood heater systems with cleaner technologies.

**MS HUNTER:** You were saying that, because of the population growth, you were looking at a third site. From memory, there is a site at Tuggeranong. Is the other one at the airport?

**Mr Corbell:** There are two sites. There is one in the city and one in Tuggeranong at Monash.

**MS HUNTER:** So where would the third site be?

**Mr Corbell:** That will be determined largely by the Health Directorate, in consultation with the EPA. The Health Directorate, the public health section, actually physically owns and undertakes the monitoring and that data is then provided to the EPA for reporting purposes.

**MS HUNTER:** At this stage there is not any talk about where that might be located?

**Mr Corbell:** My understanding is that it will probably be somewhere in the Belconnen district.

**MS HUNTER:** You were talking about education, trying to increase the uptake rate of replacing inefficient, particularly wood-fired heaters.

**Mr Corbell:** Yes.

**MS HUNTER:** What has been the outcome in the last financial year? Are we increasing the number? Has it stayed static? Where are we at with that replacement program?

**Mr Corbell:** The government launched our 2011 wood heater replacement program in March this year. To date, 44 applications have been received for people to take advantage of the rebate and replace their old wood heater with a cleaner system. Since the scheme first commenced, 902 wood heaters have been replaced across the territory. That is the state of play in relation to the program to date. So we are pretty happy with the level of uptake. This is a voluntary scheme and, obviously, people need to make the assessment about whether it works for them in terms of accessing the rebate, but to see that number over a relatively short period of time is good.

I will refer to a few other issues around this, Ms Hunter, which may assist. Under the environment protection legislation, only heaters that are certified to the relevant Australian standard can be sold in the ACT. So these are heaters that are designed—that is, wood heaters—to burn wood efficiently and reduce or minimise smoke emissions.

In relation to air monitoring data, we have seen an improvement in performance in relation to air quality, particularly in relation to the PM 2.5 measure, which is the particulate matter most associated with wood smoke. PM 2.5 levels in the Tuggeranong valley have dropped from 15 days above the standard in 2004 to three days above the standard in 2010. There have been no exceedences of the PM 10 particulate matter level due to emissions from wood heaters.

**MS HUNTER:** Thank you.

**THE CHAIR:** A new question from Ms Le Couteur, and then Mr Hargreaves.

**MS LE COUTEUR:** Thank you. Minister, AGL have recently announced they are planning to build a quite large—up to 1,500 megawatt—peaking gas power station in Dalton, just to the north of Canberra. Does this mean that ActewAGL's oft-discussed plans to build a peaking power station in the south of Canberra are still on the table? Presumably, this will have a significant influence on our energy policy?

**Mr Corbell:** The ACT government is an indirect shareholder in ActewAGL through the shares owned by Actew Corporation.

**MS LE COUTEUR:** Yes.

**Mr Corbell:** But these decisions are taken by a private board, and I am really not in a position to comment on ActewAGL's plans.

**MS LE COUTEUR:** Does the energy policy have any expectations regarding the implications of this? Clearly, it would be a significant issue for the ACT's energy policy if you had a large peaking gas station?

**Mr Corbell:** Generally speaking, the government would be supportive of moves to establish highly efficient gas power generation, to the extent that it would displace reliance on dirtier fossil fuel sources such as coal. Gas is more efficient; it has about half the emissions profile of coal. If there was the ability to switch from our reliance on coal to gas, that would result in an improvement in our overall emissions profile.

**MR RATTENBURY:** What is your understanding of the economic life of a gas-fired power station, minister?

**Mr Corbell:** I am not familiar with—

**MR RATTENBURY:** From conversations I have had with ActewAGL, I understand it is about 40 years. So if that were to be built now, that would still be running in 2050 at a time when the territory is aiming for carbon neutrality. How do you see a 500 megawatt power station fitting into that bid for carbon neutrality?

**Mr Corbell:** I think the important thing to observe, first of all, Mr Rattenbury, is that we need to achieve reductions early in our emissions profile. A transition from coal to gas would contribute towards a drop in our emissions profile. The long-term economic life of these assets is really a matter for those who are making decisions about investment in those assets. They have to assess the risks associated, for example, with whatever carbon pricing mechanism may exist at that point in time towards the end of the economic life of their project.

So they can make those commercial judgments, but, in general terms, the government's position would be that a switch to gas is a good thing for our emissions profile. It reduces our overall emissions profile, and it achieves that reduction early in the trajectory of a pathway towards carbon neutrality by 2060, so it would be a

significant positive contribution to our emissions profile.

**MS LE COUTEUR:** Is that still the case with the recent discussion about getting gas from coal seam tracking processes, which seem to have more environmental negatives?

**Mr Corbell:** Obviously, coal seam gas extraction is an emerging issue for the Australian gas market. That is an issue that would be for the operator of a gas plant in terms of where they source their gas supply from. Obviously we would have concerns about accessing gas from such destructive practices, but, at this point in time, that type of gas supply is a very small component of the Australian gas market.

**THE CHAIR:** A new question, Mr Hargreaves, then Mr Hanson.

**MR HARGREAVES:** Thanks very much, Mr Chairman. We do not seem to be sticking particularly rigidly to—

**THE CHAIR:** No, still at the broad. We will move to output class 1.1 at the end of this round.

**MR HARGREAVES:** Okay. This one in particular is about the Murray-Darling Basin Authority and the draft basin guide. I was looking for an update on the government's interactions with the authority and where we are at with that.

**Mr Corbell:** Thank you, Mr Hargreaves. The government has been actively lobbying the relevant decision makers in relation to the future proposals for water use in the Murray-Darling Basin. The government has made a submission to the relevant House of Representatives inquiry chaired by Mr Windsor in relation to its review of the guide to the proposed basin plan. The government has also made formal submissions to the Murray-Darling Basin Authority in relation to its proposals.

As members would be aware, the government is very clear about the significant detriment that our community will suffer if the proposals outlined in the guide to the proposed plan were to proceed. We know that the economic cost of those proposals would be in the order of up to \$220 million-odd per year on our local economy and would see the territory either having to be placed in permanent stage 3 or stage 4 water restrictions or having to expend a considerable amount of money on the purchase of additional water allocations elsewhere in the basin for our use.

So we have been quite clear that the guide needs to address these issues and that the authority needs to address these issues in its future decision making. I can advise the committee that negotiations with the Murray-Darling Basin Authority have been extremely productive, and the new chair of the authority, Mr Knowles, has been very clear to me in his view that the authority must revisit its assumptions in relation to the territory.

I have met with Mr Knowles on a number of occasions to discuss these issues in detail. I have also met with the federal minister, Mr Burke, to discuss and outline to him and lobby him on the territory's concerns, and I have also participated in a series of meetings with other Murray-Darling Basin ministers through the Murray-Darling

Basin Ministerial Council where these issues are being discussed. There is a further meeting of the Murray-Darling ministerial council in Adelaide this Friday, which I will be attending, to discuss further progress in relation to the authority's revisions to the proposed plan.

Whilst the authority is yet to reveal its formal position, I believe that they are taking a very productive approach to the issues that the territory has raised about water allocations. I believe that we will see revision to the SDLs proposed by the authority for the territory, and I am hopeful and encouraged by the approach that the authority has adopted to date. We have had very good engagement by our officers, and this is in marked contrast to the way the authority conducted itself in the lead-up to the release of the guide.

In the lead-up to the release of the guide, basically everyone was kept in the dark. There was no serious engagement by the authority about the implications of their proposals ahead of the release of the guide. In contrast, the new chair has directed the authority to be much more open in its engagement with relevant jurisdictions and other stakeholders ahead of its preparation of a draft plan. And my officials have been in close discussion with officials in the MDBA about the specific approaches for the territory. Whilst we do not know specifically what the outcome will be yet, we would expect to see a better outcome for the territory that does provide us with water security for future years. That is a very important outcome for us. So we remain hopeful, and Mr Papps advises me that as late as yesterday, he met again with the chair of the MDBA, Mr Knowles, to further our negotiations on that matter.

**MR HARGREAVES:** Without wishing to hasten or quicken the process and undo the good work clearly that has been done in paving the way for some sensibility in this, do you have some sort of a sense of how long this issue is going to take to conclude?

**Mr Corbell:** We will see very significant progress on this issue this year. The commonwealth minister, Mr Burke, and the authority chair have made it clear that they will be releasing a draft plan this year. I think it will be either the second or third quarter this year. It will probably be the third quarter this year that I would expect the draft plan to be released, and then the final plan will be presented to the commonwealth minister for consideration by the commonwealth parliament I would expect late this year, early next year. So the commonwealth have made it clear they want this issue resolved and the time frames that have been set out met. The commonwealth minister has said there will be no variation to the time frames already set out.

**THE CHAIR:** Mrs Dunne had a supplementary on this issue.

**MRS DUNNE:** Minister, you referred to some of the inquiries. I was asked the other day why the ACT did not submit a submission to the legal and constitutional affairs inquiry into the provisions of the Water Act. Of course, I could not answer on the government's behalf. Could you perhaps enlighten us as to why the territory did not make a submission?

**Mr Corbell:** Largely because this inquiry dealt with the allocation of water for

agricultural uses, and we did not see much point in making a submission in relation to that, given its terms of reference were largely about allocation of water for agricultural uses. We took the view that we had already made a submission to the more wide-ranging inquiry being conducted by Mr Windsor in the House of Representatives and that it would be a duplication of effort to make a further submission to the Senate inquiry.

**MRS DUNNE:** The Senate inquiry was about whether there needed to be changes to the provisions of the Water Act. Are we talking about the same inquiry?

**Mr Corbell:** In relation to the issues around the provisions of the Water Act, the government has already taken legal advice on the issue of our entitlements under statute for water, and we believe that the position is clear in relation to that matter.

**MRS DUNNE:** Could you provide that legal advice to this committee?

**Mr Corbell:** No.

**MRS DUNNE:** Why not?

**Mr Corbell:** It is legally privileged. The government does not, as a matter of practice, disclose the legal advice it receives on these matters.

**MR SESELJA:** Unless it suits your argument, normally.

**Mr Corbell:** Well, the government always has the discretion, but, in this case, I am not going to exercise that.

**MR SESELJA:** So we can assume it does not suit your argument then.

**Mr Corbell:** No, you cannot assume that at all, Mr Seselja.

**THE CHAIR:** The committee may ask for that advice. We will discuss that later. Mr Rattenbury has—

**Mr Corbell:** Well, I can indicate to you that the government would, in that circumstance, argue that the material is legally privileged and it will not be waiving that privilege.

**MRS DUNNE:** Before we go to a supplementary question, could I just ask you, minister, to review your answer to the question as to why you did not submit to the Senate legal affairs committee, because I think, from what you said, there was a misunderstanding about what the purpose of the inquiry was.

**Mr Corbell:** Yes, I thought there was actually another inquiry being conducted by Senator Heffernan.

**MRS DUNNE:** No.

**Mr Corbell:** On agricultural uses.

**MRS DUNNE:** No, it was not that inquiry.

**Mr Corbell:** This is the—

**MRS DUNNE:** It was the provisions of the Water Act.

**Mr Corbell:** Right, okay, well, I apologise. There are two Senate inquiries occurring, I am advised. One is chaired by Senator Heffernan on agricultural use and one is chaired by Senator Joyce in relation to the provisions of the Water Act.

**MRS DUNNE:** No, he is not a member of the committee. Senator Barnett was chair.

**Mr Corbell:** Okay, whichever senator initiated this—this is the problem with the Senate, they tend to generate multiple inquiries at the same time on the same issue—

**THE CHAIR:** It is nice to be flippant—

**MR RATTENBURY:** According to Keating, they are unrepresentative swill.

**MR HARGREAVES:** It is, indeed, unrepresentative swill.

**THE CHAIR:** but it is a fairly important issue.

**Mr Corbell:** It is, but in relation to the inquiry into the provisions of the Water Act 2007, the government has already sought legal advice on this matter, and we did not see anything to be gained by making a submission to that inquiry. We believe the legal and constitutional position is quite clear, and there was no need to make a submission on that matter.

**MRS DUNNE:** So that the inquiry into the Water Act was an inquiry as to whether the legal and constitutional matters are quite clear. You believe that you have a definitive opinion on that, but you were not prepared to share that with the inquiry or with this inquiry?

**Mr Corbell:** We just saw it as a duplication of effort. We are interested in getting outcomes, and, as I have outlined to the committee, the most useful way to do that is to negotiate directly with the key decision makers, in particular, the chair of the Murray-Darling Basin Authority. As I have outlined to the committee, our engagement with the chair of the Murray-Darling Basin Authority has been extensive and is ongoing and I believe is yielding positive results.

**THE CHAIR:** All right. Mr Rattenbury has a supplementary.

**MR RATTENBURY:** Just on the process side, minister, can I clarify: does the ACT government have a formal role in agreeing the SDLs, or is that entirely a matter for the authority and ultimately the federal government?

**Mr Corbell:** It is entirely a matter for the authority and ultimately for the commonwealth parliament.

**MR RATTENBURY:** Okay, thank you. Just in the discussions you have had with the chair of the authority, have you had any indications on what the authority's position is on calculating SDLs for the ACT as they have moved their position? Has there been any change?

**Mr Corbell:** This is the subject of detailed technical discussions between relevant officials on the rationale that they use for calculating the SDLs for the territory. I am confident that the authority now recognises that the ACT, as overwhelmingly an urban water user in the basin, has to be dealt with in that context, and it is not the same as agricultural use in other parts of the basin. Therefore, I am confident that the authority is having regard to the differences in our water use profile in determining what the SDLs should be.

**THE CHAIR:** All right. Mr Hargreaves to close; then a new question from Mr Hanson and a new question from Mr Rattenbury.

**MR HARGREAVES:** Thanks very much, Mr Chairman. I will ask this question, because it is just basically about getting some information. It may very well mean that the supplementary questions will pop up later in the song. It is around the new initiative you have got in the budget papers. I am looking at BP4, 304 and 305. I just wanted a little further information; I am struggling to find it in the budget papers. No doubt it is there; I am just having trouble finding it, because it is very late in the estimates committee process and I am starting to get soggy. It is around the ACT government's resource management fund, \$2 million that has popped up in there. It is in the new capital works section and also in the budget policy adjustments on 304. I was wanting to have a little bit of info on that.

**Mr Corbell:** This is an important measure within government to incentivise government agencies to take steps to improve their own water and energy efficiency and other resource management capability. The government initially established a \$1 million loan facility as a result of action plan 1, weathering the change, to facilitate resource efficiency in ACT government agencies. The fund was accessible by government agencies for projects that save energy, water and waste resources. Loans are repaid to the fund by recipient agencies from savings generated through improved resource management. The government has in this budget agreed to expand the fund, the amount of capital in the fund, from \$1 million to \$3 million. This will support agencies to invest in more and higher value projects. Obviously \$1 million across government is really not a lot of money, so expanding it is about opening up to potentially larger scale projects within government agencies so that government agencies can identify measures to reduce energy use, reduce water use, improve waste management and so on.

The projects previously resourced through previous rounds—just to give you some examples, funding of \$116,000 was provided to the then Department of Land and Property Services to conduct a range of improvements to ACT government office buildings, to be repaid by December 2014, with savings of 708 tonnes of CO<sub>2</sub> equivalent and savings to the taxpayer of about \$142,000 per annum; \$93,000 to the CIT for the installation of solar hot-water systems, to be repaid by 2013, with savings of approximately \$23,000 per annum in hot-water costs; \$200,000 to the Department

of Disability, Housing and Community Services to commission energy audits of a range of community facilities; \$99,000 to Exhibition Park to install solar tube lights on one pavilion, a saving of \$6,000 a year in energy costs; \$8,000 to the CIT to connect heat reticulation to a co-generation plant, to be repaid in 2011, with savings of approximately \$13,000 per year.

We are very keen to see government agencies take up more of this program. That highlights the types of efficiencies that are potentially achievable. I think that is really only the shallow end of the pool at this point in time. With the government now pushing agencies to deliver efficiencies in their energy costs and their resource management costs as part of the overall savings effort, I would expect an increase in interest from government agencies in accessing this fund.

**MR HARGREAVES:** I noticed that in the numbers you just quoted quite consistently the amount of money that was loaned out generated a recurrent reduction of similar amounts going forward into the outyears. I think there was a figure of \$160,000 loaned out to one agency which returned—that was one hit, but it has returned \$142,000 in recurrent savings going forward. That seems to be a fairly common theme through that.

**Mr Corbell:** Yes. There has been a change in the government's approach, Mr Hargreaves, on who keeps what savings resulting from the utilisation of the scheme. Initially the policy setting was that all savings would be returned to the fund or central agencies—that is, Treasury. That really acted as a disincentive for agencies. Why go to the effort if you were not going to get any of the benefit directly to your budget? On becoming minister a couple of years ago, I requested a change to the policy setting so that, whilst agencies will still repay the capital that they have borrowed, once they have repaid the capital they get to keep the savings ongoing in terms of their operational costs. That has led to a better uptake by agencies in utilising it, because they get to keep the operational savings moving forward. And that is now the practice.

**MR HARGREAVES:** So that means that those savings will not be counted towards the efficiency dividend?

**Mr Corbell:** Obviously, agencies can use it however they choose. If they want to offer that up as a new saving—it would have to be a new saving—

**MR HARGREAVES:** Yes.

**Mr Corbell:** If they wanted to offer that up, it would certainly contribute towards their savings task.

**THE CHAIR:** Mrs Dunne had a supplementary.

**MRS DUNNE:** I think it might have been answered. My question was about the fact that early in the piece there was a very low uptake.

**Mr Corbell:** Yes.

**MRS DUNNE:** And the uptake has changed. When did the change in policy come about, and when did the change in the uptake occur?

**Mr Corbell:** Last year.

**MR HANSON:** I have a new question.

**THE CHAIR:** We are going to have a very quick supplementary, then the new question.

**Mr Corbell:** I made that policy change last year.

**MRS DUNNE:** Could you, on notice—

**Mr Corbell:** And there has been a first round subsequent to that which has seen—some of the projects I mentioned are a result of applications made in that round subsequent to the policy change.

**MRS DUNNE:** That list you read out—is that the complete list of projects or are there other projects?

**Mr Corbell:** They are just examples.

**MRS DUNNE:** Could you provide for the committee a complete list of the projects, on notice?

**Mr Corbell:** Yes; I am happy to take that on notice.

**MRS DUNNE:** Thank you.

**THE CHAIR:** A quick supplementary; then Mr Hanson with a new question.

**MS LE COUTEUR:** It has been asked.

**THE CHAIR:** It has been answered. Mr Hanson.

**MR HANSON:** Turning back to GreenPower, the ACIL Tasman report on page 49 gives an analysis of the costs. I am not sure if you—

**Mr Corbell:** Which report?

**MR HANSON:** The ACIL Tasman report that was provided for the budget estimates committee.

**Mr Corbell:** In relation to?

**MR HANSON:** In relation to GreenPower policy, on page 49.

**Mr Corbell:** Who provided it?

**MR HANSON:** ACIL Tasman.

**THE CHAIR:** The committee has—

**Mr Corbell:** Sorry; I am not familiar. I am sorry. I have not provided you with that report. I just want to understand the context of the report.

**MR HANSON:** Sure. The budget estimates committee has been provided with a report that was commissioned by ACIL Tasman on the government's budget, and that has been provided—

**Mr Corbell:** Okay: your budget advice. Yes.

**MR HANSON:** On page 49, it talks about the GreenPower policy. It says:

Based on the 2011-12 incremental increase, it is estimated that the total cost of the 37.5 per cent GreenPower policy will be approximately \$4,575,000 in 2011-12 (and around \$21.9 million over the four years to 2014-15).

It goes on with an explanation of those costs. It would appear that getting to a 37 per cent reduction is costing in the order of \$4½ million, and we are going to attempt to get to 100 per cent green energy. If you were to extrapolate those costs, you would be talking of an order of magnitude of \$12 million per annum as a cost to the ACT government to do that. Have you looked at the ACIL Tasman analysis, and can you provide a comment on that?

**Mr Corbell:** No, I have not, so no, I cannot.

**MR HANSON:** Okay. Assuming that that is broadly accurate, it just seems that when it comes to the cost of some of these initiatives—GreenPower, the solar feed-in tariff and other measures, like sustainability in public housing, sustainability in the built environment, sustainable ICT, sustainable schools initiatives and so on—incrementally, when you add the cost of each of those initiatives, the sum of those costs is becoming very high. We then have additional costs that are coming from the policy to reduce emissions by 40 per cent. Has any analysis been done to capture the costs involved in the broad range of sustainable initiatives that have been put forward by the government?

**Mr Corbell:** Across government?

**MR HANSON:** Yes.

**Mr Corbell:** The government looks closely at the cost implications of all the measures that it proposes in relation to sustainability and looks at the relative cost effectiveness and costs and benefits of various policy settings. That is an ongoing process within the whole-of-government process through cabinet.

**MR HANSON:** Sure.

**Mr Corbell:** It is an area of ongoing and dedicated attention by us. Indeed, the

context of rising utility costs across the country through the national electricity market, in particular, is one of the reasons why the government is providing significant additional assistance in this budget to assist low income householders with their utility costs. For example, we have in this budget increased the concessions payment to low income households for their utility costs by over \$100 per annum.

**MR HANSON:** I am aware of that, but the question—

**Mr Corbell:** The reason that—

**MR HANSON:** Minister, if I could ask you to come to it—

**Mr Corbell:** I have answered your question.

**MR HANSON:** No, you have not.

**Mr Corbell:** We do it through whole-of-government coordination processes.

**MR HANSON:** What I am asking, then, is this. If you had done that through whole of government, that would suggest that each of these measures would be costed and would be available to government to look at in the broad view—that its sustainable measures are costing X amount of money. We can look at individual components, be it the green energy or be it the feed-in tariff, but what have we done to capture the full cost of all the sustainability initiatives, and what is that cost to the government and to the ACT taxpayer?

**Mr Corbell:** They are reflected in the budget papers, Mr Hanson.

**MR HANSON:** They are not.

**THE CHAIR:** What is the initial cost per capita to individuals in the ACT?

**Mr Corbell:** That is not the question Mr Hanson was asking.

**THE CHAIR:** That is all right; I am asking a supplementary.

**Mr Corbell:** If that is the question, individual measures are costed depending on whether the cost is directly to the consumer, as in the case of the feed-in tariff, or whether it is a cost borne by the taxpayer as a consequence, say, of uptake of GreenPower purchase. I make the observation, Mr Chairman, that, of course, Mr Hanson's leader, Mr Seselja, is on the record as advocating the purchase of GreenPower as one of the most cost-efficient measures to reduce greenhouse gas emissions, so I am surprised that Mr Hanson is criticising it.

**MR HANSON:** I am not actually criticising it.

**MR SESELJA:** Where in the budget is it reflected? You said that it is all reflected. Where in the budget is the 100 per cent by 2016 green energy purchase policy reflected in the budget? Can you point us to the page?

**Mr Corbell:** The government adopts the issue around the purchase of GreenPower purchase on a year-by-year basis.

**MR SESELJA:** So when you said to Mr Hanson that all these policies are reflected in the budget, that was not true?

**Mr Corbell:** No; that is not accurate, Mr Seselja. The government—

**MR SESELJA:** He is asking you how much these all cost. He started with green energy—

**Mr Corbell:** Let me answer the question.

**MR SESELJA:** You said it is in the budget. Now you are telling us it is not.

**Mr Corbell:** You are not allowing me to answer the question. The question related to what costs the government has agreed to and where those costs are reflected. The costs that the government has agreed to are reflected in the budget papers.

**MR HANSON:** The point I am making—you are trying to say it is a criticism; it is not. What I am trying to do is identify the costs. If you are talking about a whole-of-government approach, if you have got each department bringing in incremental changes to various sustainability measures, I think it is important that we capture the full cost of that. As we are moving towards a 40 per cent emissions reduction, trying to identify what is the cost to the ACT taxpayer and to the ACT government of those collective measures I think is very important. It is very difficult to get the budget paper and, through that, try to determine what each one of those costs is because often they are absorbed within other price rises. Has that work been done?

**Mr Corbell:** With respect, Mr Hanson, I do not think you understand my answer. You would have to look at each individual measure in the budget papers to see what the cost impact is for taxpayers. In relation to the purchase of green power, the additional cost that the government has agreed to, which is a cost to consolidated revenue, is reflected in the budget papers. I am really struggling to understand what your critique is.

**MR HANSON:** The point is that you are saying you have a whole-of-government approach and this is all part of the 40 per cent emissions reduction. But if you are going to achieve 40 per cent, you have to have a good grasp of what all the sustainability measures are that are being imposed by the government, and surely you do. If you have a good grasp of what are the measures being imposed by government across the board, why do you not have a good measure of what those costs are both to the ACT government and to the ACT taxpayer?

**Mr Corbell:** The costs of measures the government has agreed to are reflected in the budget papers on a line-by-line basis.

**MR HANSON:** What I am asking is—

**Mr Corbell:** So you do not understand what the issue is.

**MR HANSON:** do you have a consolidated view of all of those costs as a result of the sustainability measures both in this budget and as a sort of overall thread to the forward estimates? Do you have that or not?

**Mr Corbell:** The recurrent costs—yes, we do. The recurrent costs and capital costs of sustainability measures which are being borne by the taxpayer through consolidated revenue are reflected in the budget papers on a line-by-line basis.

**MR HANSON:** Could you provide the committee with that information in a consolidated form because it is difficult to get a view going through line by line of each of these measures? Would the department be able to provide a summation of all of the government's sustainability measures and the cost both to the ACT government and to the ACT taxpayer?

**MR RATTENBURY:** Just lend him your calculator.

**Mr Corbell:** If you want—

**MR HANSON:** If it so easy, why can't you provide it to us.

**MRS DUNNE:** Yes, if it is there—

**Mr Corbell:** I have got no objection to providing it, Mr Hanson.

**MR HANSON:** Thank you. Thank you very much.

**Mr Corbell:** I just find it a pretty silly question, really, when, if you want to know what the specific measures are, you just look them up and the cost is right there in the budget papers.

**THE CHAIR:** I guess the point of the question is: what are you including in that summary?

**MR HANSON:** If it was so easy, it should be very easy for you to do.

**THE CHAIR:** It is not always clear.

**MR HANSON:** I will expect that by this afternoon.

**MS HUNTER:** But, of course, some of those costs go along with benefits.

**MR HARGREAVES:** Not like a hamburger! Right, that shut them up. Now, one at a time, you said, Mr Chairman.

**Mr Corbell:** I think it is worth making the point that there are different ways that costs are attributed. Costs that are a result of the use of consolidated revenue are costs to the territory's budget. They therefore contribute to the territory's overall financial position. But then there are other measures that are passed on to consumers through market mechanisms. Obviously, in that respect they are not so much costs to the

territory's financial position; they are costs that are passed through a whole-of-economy activity. In relation to budget measures, I am very happy to provide that.

**MR HANSON:** And you are not prepared to give the ones—the costs for ACT taxpayers? They are your measures you are bringing in by regulation—

**Mr Corbell:** Again, Mr Hanson—

**MR HANSON:** Surely you should have a capture of what those costs are.

**Mr Corbell:** Mr Hanson, try and understand—just work at it a bit. There are two different ways that costs are attributed. One is in relation to costs to the territory's budget.

**MR HANSON:** That is right.

**Mr Corbell:** And the other is in relation to costs that are passed through to households—

**MR HANSON:** That is right. And that is what I am asking for—both of them.

**Mr Corbell:** through economic activity. In relation to economic activity, the government has already provided on the public record the costs of individual measures, whether it was the feed-in tariff or others, that are passed through to—

**MR HANSON:** Yes, you have done that individually. I think what I have asked for is quite simple.

**Mr Corbell:** So now you want me to do your—

**MR HANSON:** You are saying that you have got all this information—

**Mr Corbell:** So now you want—

**MR HARGREAVES:** Mr Chairman, I have to object to the interruption.

**MR HANSON:** No, I will just finish, if I could.

**Mr Corbell:** So now Mr Hanson wants me to do his homework for him and—

**MR HANSON:** No, I want the department to do it.

**Mr Corbell:** try and consolidate everything that is already on the public record.

**MR HANSON:** Yes, that is right. That is exactly what I want you to do.

**MR HARGREAVES:** I will join the disruption here in a tick.

**THE CHAIR:** Then you would be out of order, Mr Hargreaves.

**MR HARGREAVES:** I know, and I will join everybody else out of order here if you do not bring him into order.

**THE CHAIR:** Mr Hargreaves!

**MRS DUNNE:** Mr Chairman, I have a supplementary question.

**MR HANSON:** Could I just finish? What I am asking for is exactly—you are saying that you have got all this information but at the moment it is disaggregated. It is very difficult to capture and it is very difficult for the committee to form a view of exactly what all of these measures are costing both the ACT taxpayer and the ACT government. What I am asking you to do, if you have got all this information, is to consolidate that and put that in a form that the committee can then more easily digest. I am asking you to do that for the committee. Thank you very much.

**Mr Corbell:** You have already got all this information, but if you are too lazy to do it, we will do it for you, Mr Hanson.

**THE CHAIR:** That is not the point and it is not accurate. He has simply asked for you to put together the information in a format.

**Mr Corbell:** It is a silly question.

**THE CHAIR:** No, it is not a silly question. But it has been taken on notice.

**Mr Corbell:** I will take it on notice, and I have answered the question.

**THE CHAIR:** Mrs Dunne has a supplementary, and then a new question from Mr Rattenbury.

**MRS DUNNE:** The question that arises goes back to the question that Mr Seselja asked about regulatory impact statements. You have a number of policy measures which are underpinned by legislation which have not in any way had a regulatory impact statement associated with them. Is it possible—are you actually able to accurately quantify the economic impact of the greenhouse gas emissions targets? Are you able—

**Mr Corbell:** Certainly in relation to our energy and water policies, yes, we can, because they are reflected in assessments made by pricing regulators about the pass-through costs to consumers. So we have got very detailed and rigorous analysis around those issues.

**MR SESELJA:** On your 40 per cent target?

**Mr Corbell:** On the specific policy and energy measures that have been passed through to consumers as a result of legislation.

**MR SESELJA:** But many of them are still to come, so—

**Mr Corbell:** Yes. Now you are asking me about regulatory impact assessments on

specific policy measures that have yet to be implemented or, indeed, put to the Assembly.

**MR SESELJA:** No, but they have been legislated.

**Mr Corbell:** I beg your pardon?

**MR SESELJA:** You have legislated the 40 per cent target.

**Mr Corbell:** The target overall has been legislated. But as the government indicated to you at the time, Mr Seselja, when we had this debate, the government will be coming forward with a range of specific measures that will be put in place to achieve those targets. They will be subject to the appropriate level of scrutiny in terms of their costs and benefit.

**THE CHAIR:** A new question from Mr Rattenbury.

**MR RATTENBURY:** Before I go on to that, can I just clarify: does Mr Hanson want just the costs or does he also want the benefits that will arise from some of those policies?

**Mr Corbell:** No, I think he only wants the bad news, Mr Rattenbury.

**MR HANSON:** I am happy to see the benefit as well. I am very happy to, but what I am struggling to find are the costs. I think it is important when you are making these decisions to understand those.

**Mr Corbell:** You are just embarrassing yourself now, Mr Hanson.

**MR RATTENBURY:** My question is on stage 3 of the feed-in tariff. Minister, can we get an update on when the government is going to table the legislation for stage 3 of the feed-in tariff.

**Mr Corbell:** Large generator category?

**MR RATTENBURY:** Yes.

**Mr Corbell:** The government has indicated that we will establish a large generator category, which is a category for generators over 200 kilowatts in generation size. The government have indicated that we will do this through the development of a reverse auction process whereby interested generators bid for access to a feed-in tariff price in a competitive environment, thereby achieving the lowest possible cost for the best amount of renewable energy generated.

Detailed design on the architecture for a reverse auction process is well advanced and is subject to whole-of-government processes currently and ongoing consultation with the industry sector. I would anticipate introducing legislation later this year to formally establish the statutory framework for the reverse auction process.

**MR RATTENBURY:** Is the government still planning for the first tranche of that to

be 40 megawatts installed capacity? Is that the intent?

**Mr Corbell:** That is what the government has agreed to, yes.

**MR RATTENBURY:** I gather the reverse auction process is potentially quite complex. Can you just take us through some of the issues that have come up in trying to design that model?

**Mr Corbell:** There are a range of approaches to the development of a reverse auction process. Mr Rattenbury, as I have indicated to you previously, the territory really is leading the nation in this area of policy development. No other jurisdiction, either at a commonwealth level or at a state level, is looking at the detail of how a reverse auction process would operate at this time, so we really are very much breaking new ground for Australia.

What we have needed to do is devise a scheme that prevents gaming in the market, in particular, so that you do not have bidders trying to—how would I say it?—exploit the scheme architecture to get a price which is less than efficient. It is very important that we have a scheme that keeps bidders competitive and rigorous in their price structure. We also have to have regard to issues such as the operation of the renewable energy certificate scheme and how that is factored into a price for renewable energy generation under a large-scale fit.

We also have to make sure that the scheme is consistent with the operation of the national electricity market and the legislation that underpins the operation of the national electricity market. So to that extent the government has sought detailed legal advice on the compatibility of a reverse auction process with the operation of the national electricity market and the regulations and rules that govern the operation of the market.

To this end, we are confident that the particular architecture that has been chosen is certainly consistent with and able to operate within the national electricity market framework and is devised in a way that sends the right price signals to the market around the competitiveness of their bids but, at the same time, gives them certainty to invest and prevents gaming in the market to the greatest degree possible.

This is a very complex picture, but when the government introduces its legislative framework, I will be very happy to provide a more detailed briefing on the framework, how it will operate in practice and how the first auction will be conducted.

**MR RATTENBURY:** Some members of this place often use the figure of over \$200 per household per year for the feed-in tariff. Am I correct in my understanding that that is the cost for the whole 240 megawatts of installed capacity in the government's policy, including the micro and medium schemes, as well as the large-scale scheme?

**Mr Corbell:** Yes. The total cost of the allocation of 240 megawatts across all categories is estimated by the government to be a maximum price impact of \$225 per household per year, but that is only when the scheme is fully utilised. At this point in time the government has only agreed to the allocation of 40 megawatts and, therefore, the price impact is much lower than the \$225 figure estimated as the total price impact.

It is also worth noting that this is a maximum price impact, which will be subject to the outcome of the auction. We anticipate that the price impact will actually be lower—the maximum possible price impact will be lower—as a result of the competitive nature of the auction.

**MR RATTENBURY:** Has the government done any modelling of how comparable its costs will be compared to the cost of fossil fuel energy in, say, five to 10 years time?

**Mr Corbell:** In relation to the price paid to generators, that will be dependent on the price of generating non-renewable sources in the national electricity market at the time the bidding takes place, as well as what bidders anticipate the market will be into the future. It is a complex equation, but we certainly anticipate that measures such as a carbon price will have an impact on what bidders put forward in terms of the price they are seeking under the large-scale category.

**MR RATTENBURY:** It is my understanding that oil and gas prices are projected to increase substantially in coming years. Does the government have any modelling of when we might expect price parity between renewable energy generation and fossil fuel generation?

**MRS DUNNE:** This comes from somebody who can't build a fire shed.

**Mr Corbell:** In relation to—

**MRS DUNNE:** I am a bit concerned—

**Mr Corbell:** Mrs Dunne, I do not physically go and build fire sheds, nor should I—

**THE CHAIR:** You are in charge, though, minister.

**MRS DUNNE:** You are in charge. You are in charge of an extraordinarily complex piece of policy here.

**MR HARGREAVES:** Order, Mr Chairman—

**THE CHAIR:** Mr Hargreaves, if I need your assistance, I will ask for it.

**MRS DUNNE:** If you can't get a fire shed right I have concerns.

**MR HARGREAVES:** Mr Chairman, if we want to have snide remarks, let us all engage in it.

**MRS DUNNE:** Well, the minister started it.

**MR HARGREAVES:** I will do it myself in a minute.

**THE CHAIR:** Order, members! The minister has been throwing the occasional snide remark as well, Mr Hargreaves.

**MR HANSON:** It was a snide remark that started this; indeed, Mr Chair.

**MR HARGREAVES:** Mr Chairman, I shall start myself henceforth.

**THE CHAIR:** It is very clear that members need a cup of tea. So we will just finish on this.

**MR HARGREAVES:** Okay then.

**Mr Corbell:** This is from a woman who copies the ACT government's initiative and makes it her own in the Senate inquiry—

**MRS DUNNE:** I did not.

**MR HANSON:** A snide remark, Mr Hargreaves—

**MR HARGREAVES:** That is not snide; that is direct.

**Mr Corbell:** Mr Chairman, in relation to electricity prices—

**MR HANSON:** The guy's a joke.

**MR HARGREAVES:** It is not under the breath, like Mrs Dunne's was.

**THE CHAIR:** Members!

**Mr Corbell:** In relation to electricity prices, Mr Chairman, the first observation that needs to be made is that we know that there is already significant upward pressure on electricity prices. The reasons for that are not environment measures, largely. Firstly, over 60 to 70 per cent of the price increases are a result of demand—that is, Australians' demand for electricity continues to increase at an exponential rate—and, secondly, the ability of infrastructure, both at the transmission and the generation level, is increasingly limited and needs to be substantially augmented.

As a result of that, electricity companies and generators and transmission companies, as they are augmenting this infrastructure, are passing those costs through to consumers through the regulatory arrangements. That is what is driving increases in electricity costs; overwhelmingly, that is what is driving electricity costs. Other measures contribute to those costs, such as feed-in tariffs, renewable energy schemes and so on, but the overwhelming component of those price increases is not those measures. It is the measures I referred to previously—augmentation of existing infrastructure to meet demand. For example, price increases that we can expect to occur across Australia are probably in the order of around 10 per cent per annum across the national electricity market. They are overwhelmingly the result of those factors that I mentioned previously.

In relation to the other part of Mr Rattenbury's question, which was about when we could see price parity in relation to renewable energy sources vis-a-vis non-renewable sources, that is a very difficult thing to predict. It will depend on the decisions that are made at a national level, particularly around a carbon price, as well as issues around

the scale and uptake of renewable energy generation and how that impacts on the price of installation and generation moving forward. It is a difficult thing to predict. For example, some people say price parity in relation to the micro sector is quite close, whereas price parity for large-scale commercial generation is actually much further away—that is, for example, solar.

**THE CHAIR:** Mrs Dunne, a very quick supplementary and then we will close.

**Mr Corbell:** Obviously price parity for wind is much closer, so it depends on—

**MRS DUNNE:** I do not have a supplementary. I want to make a statement under standing order 46 because I have been misrepresented.

**THE CHAIR:** Sure, go right ahead.

**MRS DUNNE:** The minister just said that I appended the government's submission to my own and passed it off as my own. That is a misrepresentation. I made it quite clear in my submission to the Standing Committee on Legal and Constitutional Affairs that I was appending it. It was the government's submission and I was appending it because I endorsed the content of it. In no way did I attempt to pass it off as my own. The minister should be asked to withdraw the implication that I plagiarised it.

**THE CHAIR:** Minister, would you withdraw?

**Mr Corbell:** People in glass houses should not throw stones, Mr Chair. If Mrs Dunne has taken any offence—

**THE CHAIR:** Will you withdraw, minister? There is an implication there.

**Mr Corbell:** If Mrs Dunne has taken any offence—

**THE CHAIR:** That is not the format; will you withdraw?

**Mr Corbell:** I withdraw.

**THE CHAIR:** Thank you.

**Meeting adjourned from 10.51 to 11.08 am.**

**THE CHAIR:** We will resume the hearings, minister. We will just take a final question from Mrs Dunne and then we will go to output class 1.1.

**MRS DUNNE:** Thank you, Mr Chair. I notice that the ACIL Tasman report that Mr Hanson spoke about before has noted that the ACT greenhouse gas inventory is based on an accounting methodology which is different from the commonwealth's. The ACT greenhouse gas inventory says of itself that it is not intended as a strict carbon accounting report but rather a source of information for the ACT government. Minister, is there any consideration being given to reviewing the greenhouse gas inventory to make it more in sync with the commonwealth approach and to ensure when we are reporting that all levels of government are reporting in the same terms?

**Mr Corbell:** Thank you, Mrs Dunne. It certainly would be attractive to do so from the government's targets perspective because it would substantially reduce our greenhouse gas emissions to report our emissions profile strictly in accordance with the accepted accounting methodology. The reason for that of course is that if you were to adopt the strict accounting methodology you would not attribute any of the emissions created as a result of electricity generation or electricity use here in the territory to the territory; it would be accounted for wherever it was generated, largely in the New South Wales and Victorian inventories. So, whilst it would be attractive to do so, I think it would be dishonest to do so as well, and that is the reason for the variance.

**MRS DUNNE:** So this was a deliberate policy decision in the ACT by—

**Mr Corbell:** It was actually, I think, a result of an Assembly resolution. Six years ago, I am advised, there was an Assembly resolution on this matter requesting that the government adopt that approach.

**MRS DUNNE:** Would you on notice then give the committee some history as to the genesis of the current format of the greenhouse gas inventory—how it departs from the commonwealth, the reasons for that and—

**Mr Corbell:** It only departs in relation to this issue.

**MRS DUNNE:** Okay. Could we have on notice a bit of the history?

**Mr Corbell:** Certainly.

**MRS DUNNE:** Thank you.

**Mr Corbell:** I just make the observation that I doubt it would be the wish of the Assembly that we were not to attribute greenhouse gases associated with electricity generation in our inventory.

**MRS DUNNE:** I am not saying that that is the case. It is so that the Assembly has a better understanding of how we are in this position.

**Mr Corbell:** Of course.

**THE CHAIR:** We might move to output class 1.1, environment protection and water. Minister, when you look at all of the measures, there does not seem to be a great deal on how we assess whether or not we are achieving the objective of protecting the environment. Is there some measure or statistic that the department keeps that tracks the progress of how we are reducing offences in the environmental area?

**Mr Corbell:** Generally speaking with these issues a more qualitative assessment of progress in relation to protection of the environment and achievement of sustainability outcomes is reflected in the reporting framework that the Commissioner for Sustainability and the Environment undertakes through her reporting arrangements on both the territory and the region. If you are looking for a more qualitative assessment

of progress and impact of measures, that is certainly reflected in the commissioner's report on things such as water and air quality and so on.

**THE CHAIR:** Under strategic objective 4 on page 294 of budget paper 4 it says "continue, through the Environment Protection Authority, to protect the quality of the territory's air and water and environment generally". Is it not useful to have a measure that says we have had this many complaints or this many offences and we have reduced that to this many complaints and this many—or it has gone, or conversely it goes, up? Administer the environment, the authorisations—okay, that is something you do statutorily—but there does not seem to be a direct measure on that progress.

**Mr Corbell:** Again, as with all of these issues, Mr Smyth, if the committee wanted to express a view about how the strategic objectives or accountability measures could be improved, we are always happy to consider that.

**THE CHAIR:** Thank you for that, minister. Ms Hunter, a question on output 1.1.

**MS HUNTER:** I wanted to follow up on the review of think water, act water. When will we see something from the public consultation? Can you give us a bit of an update on the—

**THE CHAIR:** That is output 2, isn't it? Is it output 2? It is probably more output 2.

**MS HUNTER:** I thought we were on water. Sorry.

**MR RATTENBURY:** Mr Smyth, if I might follow up on your questions around measurements?

**THE CHAIR:** I do apologise. Yes, certainly, a supplementary to Mr Rattenbury.

**MR RATTENBURY:** In budget paper 3, page 103, there is a new measure called sustainability data management system. Picking up from Mr Smyth's question about how are things measured, can you tell us a bit more about how that works, please?

**Mr Corbell:** I will ask Mr Traves, Mr Rattenbury, to assist you with that.

**Mr Traves:** This initiative relates to the government's undertaking for carbon neutrality in its own operations. We use the nationally accepted model of OSCAR for tracking emissions associated with energy, water, waste and fuel usage within government operations.

We have noticed that there is a wide disparity in the quality that comes from agencies, therefore making the bulk figure not that useful to us in tracking that undertaking. So what this initiative does is take the responsibility back within the agency itself and will be consistently and accurately tracked. Therefore we will be able to assist the government in determining the effectiveness of the measures that they are taking and feed that individual consistent information back to the agencies to give them a guide as to how effective their own decisions have been. This provides us with a mechanism to do that and to make sure that we have consistent and accurate data.

**MR RATTENBURY:** Okay. As part of the weathering the change action plan each department was to have made a resource management plan.

**Mr Corbell:** That is correct.

**MR RATTENBURY:** Have all departments got that now?

**Mr Traves:** To my knowledge not all of them have completed it. They are subject to review by the commissioner and she may have some more recent information about it. Certainly I could tell you about our current resource management plan.

**MR RATTENBURY:** About which; sorry?

**Mr Traves:** I can tell you about DECCEW's resource management plan.

**MR RATTENBURY:** Sure.

**Mr Traves:** Okay. I will just get that.

**THE CHAIR:** All right. Ms Hunter, a new question.

**MR RATTENBURY:** I think Mr Traves is digging something out.

**THE CHAIR:** He is looking? I will take an answer; I do apologise.

**Mr Traves:** I cannot find the paper at the moment.

**MR RATTENBURY:** That is all right, Mr Traves.

**Mr Traves:** I can talk from memory, if you like. You might recall at estimates the same time last year we talked about the development of a separate resource management plan for DECCEW. As you know, we are a subtenant within the TAMS building and we were not able to effectively measure our own resource use because we were not separately metered. Since that time, we have placed additional electricity submeters within the building and so we are now tracking our electricity use.

So far, you would have to say, on the face of it, our electricity use has actually increased over the period. There are a number of reasons for that. Firstly, we are comparing it to a figure that TAMS facilities management used to have a guess at and just tell us that was our usage. We have also had an increase of staff within the department of net 20 people over that period of time; therefore there are more computers in place et cetera using power. And there has been an ongoing problem with the timing switch within Macarthur House. You may be aware, if you have ever driven past the building at night, of random lights on—entire floors might be on or the entire building may be lit up—and that is a problem that the facilities management at TAMS has been struggling to rectify. That all contributes to an increase in our electricity.

But we do have some good news to report on the water front in terms of our use of water. Notwithstanding those increases—

**THE CHAIR:** There is another note at your other elbow as well, which was surreptitiously delivered to you.

**Mr Traves:** Thank you.

**MR RATTENBURY:** It might be the same note.

**Mr Traves:** Yes, it is, and strangely enough it is the one I wrote.

**THE CHAIR:** Notes to the left and notes to the right.

**Mr Traves:** Our attributed water use increased by 7.4 per cent over the period, but if we take that in conjunction with the staff increases our actual per capita has reduced, so we could say that we have made a saving of about three per cent per capita on staff water use within the DECCEW core building itself.

We have a very active green team within the department, which is a voluntary group of staff who assist each other in the everyday tasks of saving energy—reminding people to turn their computers off, helping people sort their waste, having regular training sessions for that type of thing. We now have 80 per cent of our waste going to recycling, which is very high by government standards, and it is something which we will continue to drive forcefully through in the new directorate.

**MR RATTENBURY:** There have been discussions in the past about setting carbon budgets for each department. Have those been set?

**Mr Corbell:** That is a matter that is being considered at a whole-of-government level at this time.

**MR RATTENBURY:** Last year the commissioner for the environment indicated she was undertaking some kind of energy audit for government departments. Has this work been completed?

**Mr Corbell:** My understanding is the commissioner was undertaking a review of the effectiveness and adoption of resource management plans within government agencies.

**MR RATTENBURY:** So what steps are being taken, minister? Mr Traves indicated that many of the agencies have a resource management plan but some do not. What is being done to deal with what might be described as slower uptake departments?

**Mr Corbell:** The government has indicated to agencies the importance of finalising these plans, and I understand agencies are working to achieve that.

**MR CHAIR:** Ms Hunter—a new question in output 1.1.

**MS HUNTER:** Let us hope it is in output 1.1. I wanted to know the impact on the department's resources to have planning and research sections of PCL move into the sustainable development directorate as a support to the conservator.

**Mr Papps:** I am not quite sure I understand the import of your question. We are acquiring the planning, conservation and research group from TAMS in the directorate. It was as a result of one of the recommendations of the Hawke review, since the conservator already sits in the directorate.

**MS HUNTER:** Yes. What are the implications for the directorate of having that moved across? One of them is, I assume, that resources will move across with the people, so that will be covered.

**Mr Papps:** Yes.

**MS HUNTER:** But can you give us a bit of an idea of how this will work. And the other thing I would be interested in knowing is how that group is going to be connecting with the group over in TAMS and how that process will happen.

**Mr Papps:** First things first. If we look at the impact of the move, there are going to be immediate efficiencies attached to that in terms of the work specifically with the conservator. Having the principal sources of technical advice for the conservator—or one of the principal sources of technical advice for the conservator—in the same department is intrinsically more efficient. We will reap that benefit.

The other thing that you are alluding to, and I can confirm, is that, because they will join us, we will integrate their work with other people already in the directorate working in the area of biodiversity, conservation and natural resource management. We will also get some synergies out of that. So we are going to see, I think, both the efficiency improvements that you will get plus an improvement in content and integration across the areas of natural resource management and biodiversity conservation.

If we go to the second part of your question, about the continuing work with TAMS, Territory and Municipal Services, I just make the observation that there are going to be some advantages attached to working to the same minister. The new structure that has merged from the Hawke review is also going to improve integration across the board. We will be establishing a memorandum of understanding with TAMS that clearly sets out responsibilities, accountabilities and cooperation.

We have experience already in the waste management area, where the old DECCEW had been previously responsible for waste policy and the operational arm of waste was in TAMS. We worked extremely hard over that period to ensure that there was integration between the operation in the policy areas, and we will continue that process where there are those sorts of arrangements.

**MS HUNTER:** When will that MOU be developed and when will it be signed off on?

**Mr Papps:** We are working on it now, so it will be done as quickly as possible. We have the 1 July date in terms of settling the final arrangements—the final structure and reporting arrangements. I would look at having those sorts of documents, those sorts of arrangements, in place by 1 July.

**THE CHAIR:** Ms Le Couteur, any questions? We are going to have to push through

this.

**MS LE COUTEUR:** This is a very quick one. The commissioner for the environment, I understand, gave you a report a couple of years ago about expanding her role, and one of the ones in particular was that she calls herself Commissioner for Sustainability and the Environment. My understanding is that legislatively she is still the commissioner for the environment. If I am right, when are we expecting to change?

**Mr Corbell:** The commissioner has undertaken a—I am not sure whether that is the case. I will have to check that, Ms Le Couteur.

**MS LE COUTEUR:** Mr Papps was nodding.

**Mr Papps:** That is the case.

**Mr Corbell:** Thank you. The broader review that the commissioner undertook was in relation to her functions under the act and options for revision of her functions under the act. That is a matter that is subject to continuing consideration by me at this point in time. No decision has been made in relation to her conclusions in relation to her functions.

**MS LE COUTEUR:** Do you have any idea when you will come to a conclusion about it?

**Mr Corbell:** At this stage I would hope to resolve that issue this year.

**MS LE COUTEUR:** And that would include possible changes of her title?

**Mr Corbell:** Depending on what was decided, yes.

**THE CHAIR:** Mr Hargreaves has a new question and then Mr Rattenbury.

**MR HARGREAVES:** On 1.1—I think it is applicable to this—and also through to 1.4. It is on budget paper 3, page 101. It also gets a mention on page 303 of budget paper 4. But more importantly it is in BP3. I wanted to ask a question about the item “Maintain ACT Building Quality”. It says in the initiatives that—

**Mr Corbell:** Can I interrupt you before you go further. That is an initiative which was previously the responsibility of the Planning and Land Authority.

**MR HARGREAVES:** Yes.

**Mr Corbell:** Given that they are appearing tomorrow afternoon, it might be best directed to them then. Obviously, I will be here then, but relevant officers will then be available to deal with that matter.

**MR HARGREAVES:** Sure, but if I can just go on a bit—and I will; thank you very much for that. It talks about ensuring the—

**MRS DUNNE:** When don't you go on a bit?

**MR HARGREAVES:** Do you want to be snide again?

**MRS DUNNE:** I was just making a joke.

**MR HARGREAVES:** Is that an aside? It was an aside remark.

**THE CHAIR:** Quickly.

**MR HARGREAVES:** It says in the explanations, though:

This is essential to ensure that new dwellings entering the market meet both community expectations of quality, safety and environmental sustainability, and standards set by local and national building codes.

Under the new arrangements, your directorate and the other directorate would be talking, I would guess, on the setting of those environmental sustainability standards. Could you just give us a little bit on how you see that fitting together.

**Mr Corbell:** Sure. Thanks, Mr Hargreaves. One of the real strengths of the new administrative arrangement is that it brings all the relevant policy functions around energy and water policy, whether they are in the environment at a macro level across the economy or in terms of the built environment, into a single policy area. So the new arrangements that are being formulated in relation to the operational policy functions within the directorate ensure that there is connection between those who are responsible for issues around building performance with—to have a very strong interest in building performance, because it is a key way of achieving larger energy, water or resource management objectives.

This is a very exciting opportunity. It is really the first time that we have had all these functions together. It is certainly my intention as minister to use this opportunity to drive improvements in the performance of the built form in Canberra, because we will need significant improvements in the built form of Canberra in terms of its energy consumption, water consumption and so on if we are to meet our bigger sustainability objectives.

**MR HARGREAVES:** Are you finding that people entering the home market are actually using environmental sustainability as one of their key criteria for building and purchasing homes?

**Mr Corbell:** Obviously consumers in the market will have a range of objectives they want to achieve, but I think there is a growing awareness, an ongoing and continuing awareness, about the relative performance of buildings and the need to ensure that buildings are not imposing undue costs on consumers in terms of energy use, water use and so on. I think there is a much higher level of awareness on this issue than there was even 10 or 15 years ago.

The ACT continues to perform well compared to national standards when it comes to this area. There are a range of reasons for that. I think the sale of premises provisions around energy ratings is one thing that has contributed to that. Also, our relatively

early adoption of energy performance measures in new dwellings and, indeed, water performance measures in new dwellings has been beneficial in getting us ahead of the curve compared to other jurisdictions. We will continue to do that, and we will need to continue to do that, because our targets require a significant contribution from the built environment towards reduction of our greenhouse gas profile.

**MR HARGREAVES:** My last question on the water part of this, 1.1, has to do with this. I do not know if you can answer it or not. It is in budget paper 4, page 304: \$7½ million invested in the inner north stormwater reticulation network. Apart from replenishing it, what effect will it have on the lives of people in that area?

**THE CHAIR:** We discussed that this morning.

**MR HARGREAVES:** Yes, but it is a different facet.

**Mr Corbell:** Yes; sure. The real benefit of this scheme is the provision of an alternative water supply for the irrigation of playing fields, sportsgrounds, ovals and other public spaces in the inner north. That reduces our reliance on the potable water supply and is particularly important in the context of assisting the territory to meet its objectives around reducing our reliance on the potable supply for the irrigation of these areas, which will be of assistance at times of greater water scarcity.

**MRS DUNNE:** Just confirming—this \$7½ million is on top of the \$13 million, so it is actually a blow-out cost? Is that right, minister?

**Mr Corbell:** An increase in the cost, yes.

**MRS DUNNE:** Thank you.

**THE CHAIR:** Mr Rattenbury on 1.1? No?

**MR RATTENBURY:** No, thanks.

**THE CHAIR:** Mrs Dunne on 1.1?

**MRS DUNNE:** Who looks after environmental grants?

**Mr Corbell:** I do.

**MRS DUNNE:** Is that 1.1? Where does that come? 1.1?

**Mr Corbell:** It fell under DECCEW—priority 1.3 perhaps.

**MRS DUNNE:** Does the government fund environment advocacy groups outside the environmental grants program?

**Mr Corbell:** Yes. We provide funding to a number of non-government organisations in terms of general environmental agencies. That is the conservation council, the environment centre and SEE-Change.

**MRS DUNNE:** But that is not part of the environment—

**THE CHAIR:** We had this question this morning earlier. You might not have been here.

**MRS DUNNE:** Okay; I apologise.

**THE CHAIR:** Unless the minister has got something new to add.

**Mr Corbell:** No.

**THE CHAIR:** Okay.

**MRS DUNNE:** There is funding for advocacy groups outside environmental grants programs?

**Mr Corbell:** Yes.

**THE CHAIR:** Mr Seselja; then we will go to output 1.2.

**MR SESELJA:** I was ready to move on to 1.2.

**THE CHAIR:** Why don't you do 1.2 and then we will come back to Ms Hunter.

**MR SESELJA:** Great. Minister, moving on to the solar feed-in tariff scheme, are you able to update the committee as to what is the total amount of subsidy that has been paid out under the scheme to date?

**Mr Corbell:** Yes, I can do that. I can get some information on that. Up until the end of the March quarter, the total amount of payments has been \$4,440,857.

**MR SESELJA:** And what is the latest in terms of participants in the scheme, both households and businesses?

**Mr Corbell:** We do not differentiate between households and businesses. It is measured on the basis of installations. There are 5,154 installations.

**MR SESELJA:** That is in microgeneration?

**Mr Corbell:** That is micro and medium, but there is only one in the medium category at this time.

**MRS DUNNE:** What is the wattage?

**Mr Corbell:** As at 31 March, 9.5 megawatts had been installed.

**MRS DUNNE:** Megawatts?

**Mr Corbell:** Yes.

**MR SESELJA:** There were some reports over the weekend about some potentially unsafe solar installations in New South Wales which the Office of Fair Trading had something to say about. Are there any similar reports in the ACT? In response to those concerns in New South Wales, what action will the government be taking to either audit or conduct any checks to ensure that safety is up to scratch.

**Mr Corbell:** Unlike New South Wales, all installations in the ACT are inspected twice prior to them going live in the system. There is a double regime of safety checks before any system is connected to the network. That is different from what happens in New South Wales or, indeed, anywhere else in the country where only random audits take place. We have a mandatory double inspection scheme for every single installation before it goes live.

So that inspection regime is first of all an inspection by the relevant electrical safety inspectors from the ACT Planning and Land Authority through their building regulation function and, secondly, an inspection by the energy network operator, ActewAGL. Both of those inspections must be passed to the satisfaction of the relevant authorities before the systems are connected to the network.

**MR SESELJA:** So you are satisfied that those procedures at the beginning are satisfactory. There have been no concerns raised at all with the department that you are aware of in relation to safety concerns?

**Mr Corbell:** I am satisfied that we have a very rigorous regime. The department, as it then was, commissioned an independent review last year of the feed-in tariff scheme in relation to safety. That review noted, “The transparent and auditable double checking system utilised within the solar PV installation and connection process provides additional mitigation to potential risks of incorrect or poor installation.”

**MR SESELJA:** The federal government announced that it would be cutting the solar panel subsidies somewhat quicker than it had planned to. What impact does this have in the ACT? Are we seeing a significant bringing forward and a rush of applications before July 1?

**Mr Corbell:** Yes, we have seen a surge in applications as a result of the federal government’s decision to wind back the multiplier rate for renewable energy certificates.

**MR SESELJA:** Would you be able to quantify the surge for us since that announcement?

**Mr Corbell:** In general terms, it has basically led to a doubling of the number of applications we generally experience in a quarter. We are getting about 400 per week at the moment.

**MR SESELJA:** Are you anticipating that that surge will lead to significant delays in installation? Will this have implications for those people who are going through that process?

**Mr Corbell:** I am advised that the turnaround time for ACTPLA inspections is in the

order of two weeks from the time inspection is requested until it occurs. So ACTPLA are working very hard at maintaining their turnaround time, and I think that turnaround time is reasonable. I understand that the electricity company, ActewAGL, has longer times. That is obviously a matter for ActewAGL to manage. It is not a government inspection.

**MR SESELJA:** What are those times for ActewAGL?

**Mr Corbell:** I would have to take that on notice. I just do not know specifically but I know that their times are longer than ACTPLA's. In relation to the impact on consumers, there is a minor impact on the consumers but I think it is important to keep it in perspective. Once consumers are connected they are accessing a feed-in tariff rate paid at the same rate for 20 years. So a delay of even three or four months is relatively minor in the overall scheme of a 20-year contract payback. Whilst I understand consumers' frustration and concern with delay, in the overall scheme of a 20-year contract payback, it is a relatively short period of time in the context of those 20 years.

**THE CHAIR:** A new question on output class 1.2, Ms Hunter?

**Mr Corbell:** The other thing I would say is that I think it is more important to make sure the systems are safe before they are switched on than to rush to get systems switched on.

**THE CHAIR:** Before we leave that, I have a supplementary. You might like to take it on notice. You said that you were not aware of complaints. Can you check with the department? Have there been any complaints at all about the—

**Mr Corbell:** Sorry, in relation to that matter, there have been a small number of—well, I would have to check on the fair trading side of things. There certainly have been a number of complaints in relation to fair trading matters—for example, where supply companies and installation companies have taken large deposits, sometimes 100 per cent deposits, and have been very tardy in actioning those contracts.

There have been circumstances like that which the Office of Fair Trading within ORS deals with as they arise. There have been a number of those sorts of fair trading contractual complaints. There have been, through the inspection process, deficiencies identified in the quality of installation but they have been detected through the inspection regime and rectified prior to connection being made to the grid.

**MR SESELJA:** What kind of quality issues are they? Are they around safety? Do they affect the safety of these systems?

**Mr Corbell:** They can range from relatively minor matters, such as labelling requirements not being met, through to more serious matters, such as the use of inappropriate isolating switches. Some of them potentially do have safety implications, but they have been detected through the mandatory 100 per cent safety regime.

**MR SESELJA:** That is through the second inspection that you referred to?

**Mr Corbell:** Generally, I am advised, it is through the first inspection.

**MR SESELJA:** So they identify them through the first inspection. In how many cases have there been these kinds of quality issues?

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

**MRS DUNNE:** Also, are there frequent flyers—installers who appear regularly?

**Mr Corbell:** Again, I would need to seek advice on that matter.

**MS LE COUTEUR:** We can talk more about this in ACTPLA.

**THE CHAIR:** ACTPLA is the other side, but the directorate has a function here. Ms Hunter, a new question output class 2, then Ms Le Couteur and Mr Hargreaves.

**MS HUNTER:** Thank you, chair. I refer to page 291 of budget paper 4, the second dot point from the bottom. It is about continuing to take forward an energy reform agenda at the ACT and national level. What are the key components of the energy reform debate at the national level that the ACT government will be pursuing?

**Mr Corbell:** Yes. The sorts of issues that are important for the ACT in terms of national energy policy are issues around how the NEM—I beg your pardon, not the NEM now—how the national electricity law and the regulations made under that and the rules made under that by the relevant regulatory entities enable the uptake of alternative energy generation and distribution sources.

For example, it has been identified that there are significant regulatory barriers to the development of distributed energy generation within the national electricity market because of the rules and the regulations that are set out under the national electricity law. The territory is very keen to facilitate reform to these areas to enable a more effective uptake of distributed power generation, alternative power generation, within the national electricity market, and my officials work with the relevant officials around that.

The other important priority for the territory is the development of a nationally consistent national consumer law to protect consumers in the national electricity market. Members may be aware that all states and territories have agreed to transition to a nationally consistent consumer protection regime. So we will no longer have our own individual consumer protection regimes with marked differences in consumer protections. There will be common standards for all jurisdictions. There may be in some jurisdictions a higher standard in relation to particular consumer protection measures, because no jurisdiction wants to reduce the amount of consumer protection it provides to utility customers.

There will be a floor, but no ceiling. Jurisdictions will still be able to maintain their existing standards, but where they are below national standards they will have to lift them. I am pleased to say that here in the ACT there is going to be relatively little change to our consumer protection regime. The reason for that is that our consumer protection regime generally already meets the types of provisions that are proposed

for the nationally consistent provisions. There will be amending legislation coming into the Assembly to reference the new national consumer framework in our own utilities legislation.

**MS HUNTER:** With our consumer protection legislation and the standards we have, where do we sit with the other states? You were saying there will be a floor but no ceiling so that others will not have to drop down. Where do we sit in that? Could we improve where we sit at the moment?

**Mr Corbell:** It is quite a complex area. I would need to sort of—I think it would be better addressed, Ms Hunter, through a briefing to you perhaps about how the new national consumer framework is going to operate and the specific issues that arise, because they are varied and complex and it is probably a bit difficult to relay those today.

**THE CHAIR:** Ms Le Couteur, then Mr Hargreaves.

**MS LE COUTEUR:** This is possibly also another varied and complex question. Budget paper 4, page 293 states, “The policy and supporting programs will also facilitate development of distributed energy ...” I would like to know what sort of policies you are preparing along those lines. What is your vision of distributed energy in the ACT?

**Mr Corbell:** Obviously, we have already got—

**MS LE COUTEUR:** We have already got some, I know; it is on my roof.

**Mr Corbell:** nine and a half megawatts of distributed energy across the ACT through the feed-in tariffs. We have got a 9½ megawatt power station operating here in the ACT spread across just over 5,000 rooftops in the ACT. Into the future we will have many more as we scale up the size of installation and go for greater efficiencies in distributed energy generation through larger scale solar facilities in particular.

In relation to the question more broadly, the government and the directorate continue to engage other government agencies who are involved in major capital rebuilds of government assets and operations to identify opportunities for distributed energy generation. In particular, a lot of work is occurring in relation to the rebuild of the Canberra Hospital, which has a significant heat load during the day and at night, and the opportunities for distributed energy generation as part of the redevelopment of that very large complex of buildings. That is one of the main opportunities that are being pursued at the moment.

We are also identifying right now, in a policy sense, some of the regulatory barriers that exist within our own utilities legislation that prevent innovation in this space, either in the public sector or in private development. There are, as we know, a number of commercial office buildings now in Canberra that do have trigeneration plants. They do encounter significant regulatory barriers at the utility regulation level. We are doing quite a bit of work to identify and propose measures to remove those barriers or reduce them.

**MS LE COUTEUR:** Good. Have you done any studies—I suppose you are possibly saying yes—as to what we require to upgrade the ACT’s electricity grid into what would be called a smart grid so that we are actually managing the consumption and production of varying loads over the grid?

**Mr Corbell:** This work will be outlined in more detail in the energy policy, which will be released later this year.

**MS LE COUTEUR:** Are you are working with Actew as far as this is concerned in terms of actually getting costings and real costs?

**Mr Corbell:** To the extent that we need to engage with ActewAGL, yes, we are.

**THE CHAIR:** Mr Hargreaves?

**MR HARGREAVES:** Yes, a supplementary. I am curious to know what is created out of methane gas harvesting at the landfills. I thought it was something like four megawatts a hit. Does anybody know? That is an alternative electricity generation system.

**Mr Corbell:** I would have to take it on notice, Mr Hargreaves. I am just not quite sure what the figure is. It is quite a small amount in terms of the overall renewable energy available being generated in the territory.

**MR HARGREAVES:** Yes, I understood some time ago that the one at Mugga was able to power about 4,000 homes, or something like that. That may have been—

**Mr Corbell:** I do not think it is that much.

**MR HARGREAVES:** It may be less than that.

**Mr Corbell:** I think it is much smaller than that, but I will take the question on notice.

**MR HARGREAVES:** Thanks.

**MS LE COUTEUR:** Have you looked at energy sources other than co-gen, tri-gen and solar PVs? Have you looked at thermal, solar or wind as the other more obvious potentials?

**Mr Corbell:** Yes. Wind comes up as a question from time to time. Generally speaking, the government’s policy position on wind is that wind resources in the territory are generally not at a sufficient level to justify a commercial investment in wind generation. There is one gentleman in this town who always asks me the question about wind and says there is a secret plan to deny wind from occurring in the territory. My advice is that there are a small number of locations which are good for wind, located in Namadgi national park, remote from the existing electricity distribution network. The benefits of installing wind in that location are greatly outweighed by the impacts on the conservation values of the national park. Generally speaking, wind within the territory is not considered to be a good resource.

In relation to solar thermal, solar thermal is a technology that relies on scale, perhaps even more so than PV, to make it economically viable. That solar thermal is certainly a possibility under the feed-in tariff scheme. There is nothing to prevent solar thermal operations from accessing the feed-in tariff, particularly the large-scale generation category that the government will make provision for later this year. But that will be a market decision for the operators as to whether they believe the economics of solar thermal stack up for the territory.

Generally speaking, the scale of solar thermal plants needed to make it viable is certainly no smaller than about a 50-megawatt plant, based on the advice I have seen to date, which is a very large installation. There would be some potential constraints around how the territory could accommodate a plant of that size in a suitable location.

**THE CHAIR:** Mr Hargreaves, a new question, then Mr Rattenbury and Mrs Dunne.

**MR HARGREAVES:** Yes, thank you, Mr Chairman. BP3, page 102, talks about further assistance in improving energy and water efficiency for low income and disadvantaged households. It actually puts an extra \$450,000, indexed, into the outyears for 2012-13 and then makes a massive jump to 2013-14. It looks like it is indexed into 2014-15. I have a couple of questions on that one. Firstly, it talks about further assistance. On what base is the extra \$450,000 made? Where is it targeted? How come it has jumped 400 per cent—an awfully generous piece of provision—in the outyears?

**Mr Corbell:** Thanks, Mr Hargreaves. As members might recall from previous estimates, the government, in last year's budget, funded a community outreach program in the order of \$430,000-odd to assist low income households to reduce their energy and water costs. The result of that was that 895 households were directly assisted from the program. We have undertaken an audit and analysis of the effectiveness of the program. We have identified that households achieved, on average, a saving of \$147 per year in their energy costs—so a very significant level of assistance to those low income households to reduce their energy costs.

This was done through financial assistance to those households to purchase high efficiency essential appliances, such as fridges, washing machines and so on—replacing their old, inefficient appliances with more efficient appliances—as well as funding to those households who were perhaps in Housing ACT properties or community housing properties to accelerate activities to insulate and draught seal their properties and install other measures, such as solar hot-water systems. This program has meant that we estimate these households will reduce the ACT's energy consumption by over 1,000 megawatt hours in the first year of operation and reduce emissions by over 900 tonnes of carbon.

The trial outreach program was very efficient as well as effective. We estimate a cost to government of around \$108 per tonne of carbon dioxide abated, or \$32 per tonne to the ACT as a whole. It is an efficient program as well as an effective program in terms of cost per tonne of carbon abated, as well as the practical saving to households, in terms of their energy costs, of about \$147 per household per year. That is why the government is now expanding the program—

**MR HARGREAVES:** That is almost double the provision. You said it was \$400,000—something last time and now you are increasing it in year one by \$450,000. So you are doubling the program now.

**Mr Corbell:** That is right. It is \$4.4 million over four years. We consider this is one of the most important measures the government can budget fund to assist low income households to reduce their energy and water costs. The funding will provide for a continuation of and a doubling of the energy efficient appliance distribution carried out in 2010 by community welfare organisations. That is reaching double the number of households we reached last time, each year, in getting them to purchase, without financial assistance, energy efficient fridges, washing machines and so on to reduce their energy costs.

Also, there are free energy audits for those low income households. There is the retrofitting of improvements for draughts and ceilings—having better curtains and insulation and so on. As well, for water efficiency there is the retrofitting of those properties for things such as showers and toilets. The program is going to continue until 2014-15. We anticipate that we will reach 4,000 low income households over the life of that program. If we can deliver a saving to those 4,000 low income households of about \$150 per year, ongoing, in their energy costs that will be a very significant benefit to those households.

**MR HARGREAVES:** I notice in the third year of the outyears it goes from \$469,000 to \$1.7 million. That is a four-fold increase in one year. Is that a big ask?

**Mr Corbell:** I will ask Mr Traves to talk about that a bit more.

**Mr Traves:** The scheme is delivered in partnership with community groups. While they participated in the trial and they started to build other resources, they need another year at least to get experience on the ground and get their systems in place. Quadrupling a program, say, next year for those people would mean they would just flounder and go under. We would not be able to reach the people that we are looking to help. So they are building themselves up in capacity gradually so that in the second half of the outyear program they can operate at full efficiency.

**MR HARGREAVES:** So you are expecting them to really gear up big time in the third year of the program?

**Mr Traves:** That is correct.

**MR HARGREAVES:** Last year, plus these two, and in the third year of five years you expect it to explode.

**Mr Traves:** Yes. They will have experience and they will have capacity. You will notice there is also an additional bid for some staff within the department. They provide both administrative and practical assistance in how to go about measuring emissions and how to train people, basically, in how to go out and talk to their clients.

**THE CHAIR:** We are going to have to push on. A supplementary from Ms Hunter and then Mr Rattenbury with a new question.

**MS HUNTER:** In the time that the extended program has been operating, what percentage of households targeted were from the private rental sector?

**Mr Corbell:** We would have to take some advice on that, but we can certainly indicate that.

**MS HUNTER:** If we could just have some figures on owner-occupiers, public housing and private rental.

**Mr Corbell:** Sure.

**Mr Traves:** The emphasis with the community partners was on private rentals. We separately provided some funds to Housing ACT to assist their clients directly. We will be able to get that figure for you.

**MS HUNTER:** So you will be able to give us that information?

**Mr Traves:** Yes.

**MS HUNTER:** Thank you.

**MR HARGREAVES:** It would not apply to rentals, would it, because rentals do not have those infrastructure costs, like the taps and things; they are actually done by the owners?

**Mr Corbell:** Yes. The emphasis in private rental was on their appliances, Mr Hargreaves—those things that are within their control and which have a direct benefit to the tenant.

**THE CHAIR:** A new question, Mr Rattenbury. We have still got 1.3 to get through, and Heritage, before 12.30, members.

**MR RATTENBURY:** Minister, earlier this month you announced a renewable energy target as required under the climate change targets bill. Is it clear from the analysis that you have already done that the targets that you set are actually high enough to meet the 40 per cent emissions reduction target by 2020?

**Mr Corbell:** Mr Rattenbury, no one measure—

**MR RATTENBURY:** Let me reframe the question, minister.

**Mr Corbell:** achieves the—

**MR RATTENBURY:** Are they going to play the part they need to play? I accept that no one measure is going to meet the target.

**Mr Corbell:** Yes, we believe they will play a part. They will be subject to revision as we continue to refine the overall elements of action plan 2, but we believe they provide a strong base for renewable energy targets. They are potentially subject to

revision if that is deemed necessary.

**MR RATTENBURY:** Most state governments that have set renewable energy targets in the past have also generally included a mechanism to deliver the target through renewable energy certificates, trade mechanisms or the like. Are you planning to do anything like that, or are you planning to leave this as an entirely voluntary measure?

**Mr Corbell:** The approach differs across state governments. For example, in South Australia they set their renewable energy target and they rely entirely on the uptake of wind through the national electricity market to meet that target. Their target is based on the amount of renewable energy generated, even though it is all outsourced into the national electricity market. The methodology varies from state to state.

What we have sought to do is to simply highlight that amount of renewable energy which will be consumed in the territory as part of the total amount of energy demand in the territory. For example, what we are attributing is consumption of renewable energy in the territory. Other jurisdictions base their target on generation, even though none of it may actually be used in their jurisdiction.

**MR RATTENBURY:** Okay. In your media release on the target you factored in energy efficiency policy as part of meeting the target. Was that just an error or has the government redefined the generation of renewable energy?

**Mr Corbell:** Which page are you on?

**THE CHAIR:** Your press release.

**MR RATTENBURY:** Your press release. I can read it out if you like. It says:

Some of the ways Canberrans will contribute to reaching these targets include increased take-up of GreenPower, further uptake of solar energy in the ACT both of roofs of homes, and larger commercial installations and energy efficiency programs such as those announced in this week's Budget.

I am wondering how an energy efficiency program becomes part of a renewable energy target, or was it just a drafting error?

**Mr Corbell:** I think it is probably an error, Mr Rattenbury.

**THE CHAIR:** All right. Mrs Dunne, Mr Seselja very quickly and then we will go on to 1.3.

**MRS DUNNE:** Thank you. Minister, on page 48 of the ACIL Tasman advice to the estimates committee in relation to the renewable energy target it says:

With the introduction of a carbon price, it will be efficient to adopt renewable energy up to the point where its marginal cost equates to that of other energy sources, inclusive of a carbon price. Hence, if energy markets are functioning efficiently, there should be no need to mandate renewable energy as a greenhouse gas abatement measure. The objectives of increased use of renewable energy, namely reduced greenhouse gas emissions from government operations,

support for the renewable energy industry, and encouraging renewable energy projects can in theory be achieved most efficiently by the introduction of an appropriate carbon price.

The ACIL Tasman advice goes on to ask the question:

It would be useful to understand whether current ACT Government policies in relation to sustainable energy satisfy the COAG complementary measures principles.

So, Minister, do ACT government policies complement the COAG complementary measures principles?

**Mr Corbell:** Our view would be that in general terms they do. That analysis from ACIL Tasman, from what you have read out to me—I have not read that report, but from what you have read out to me—sounds as though it is very much a purist view of the operation of markets, which is fine, but it assumes that the energy market operates efficiently now or could. If the energy market was to operate efficiently, there would be no subsidy for non-renewable polluting sources like coal, and there is—and there is because externalities such as the polluting effects of coal are not currently factored into the price. From what you have read out to me, that is a general theoretical view about the operation of energy markets which is not currently reflected in reality.

**MRS DUNNE:** But has the ACT government assessed its policies in relation to the COAG principles of complementarity? Yes? No? I do not know? I will take it on notice?

**Mr Corbell:** I am advised that COAG rules around complementary measures related to the operation of a national emissions trading scheme. There is at this stage not a national emissions trading scheme and therefore there is no framework within which to deal with complementary measures around carbon.

**MRS DUNNE:** But there are COAG complementary measures that are put there in the anticipation of an emissions trading scheme.

**Mr Corbell:** That is right.

**MRS DUNNE:** So the question is—

**Mr Corbell:** But there is no emissions trading scheme.

**MRS DUNNE:** There is no emissions trading scheme, but, that notwithstanding, has the ACT done an assessment of whether it meets the complementarity measures, given that it seems that the public policy is to move towards an emissions trading scheme?

**Mr Corbell:** It would not be sensible to do that until we knew the exact nature of the emissions trading framework and how other schemes could work in complement to that framework, because we just do not know the details of the commonwealth scheme.

**THE CHAIR:** All right. Last question on 1.2, Mr Seselja.

**MR SESELJA:** Yes, just a quick one on the government office building. What discussions have there been and what information has been provided to staff within the department of the environment in relation to the possible move to the new government office?

**Mr Corbell:** Staff are certainly aware that the government is contemplating and has decided to move and co-locate its central policy functions. More detailed negotiations would occur and consultation would occur as details of the project were formalised.

**MR SESELJA:** Have the staff been advised that they will be losing a couple of metres of space per staff member in the new government office buildings? Has that been part of the information that has been provided to them?

**Mr Corbell:** The general policy setting has been a matter of consideration by government as a whole and by the Economic Development Directorate in particular. In relation to the use of office per square metre for employee, I am advised that DECCEW's current standards are already below that proposed for the government office building.

**MR SESELJA:** Sorry; DECCEW had less than 15 square metres per staff member?

**Mr Corbell:** Yes.

**MR SESELJA:** So it will be other departments which are taking the hit on that?

**Mr Corbell:** I am not in a position to comment in relation to other portfolios, but in relation to this one we already perform underneath that standard.

**THE CHAIR:** All done? We will move on to output class 1.3. Given the time, I will just throw to the shadow. Mr Seselja, you may have one question.

**MR HARGREAVES:** I have got a question on 1.3.

**THE CHAIR:** Yes, but just have in mind—

**MR HARGREAVES:** I am not a shadow but I am a member of the committee.

**THE CHAIR:** That is fine.

**MRS DUNNE:** Sorry; I have got one in this area as well.

**THE CHAIR:** Yes. We will get to you when we have gone through everybody else. We will start with Mr Seselja and then Ms Hunter.

**MR SESELJA:** Yes, just quickly on BP4—

**MRS DUNNE:** I asked that one.

**MR SESELJA:** Okay. The question I was going to ask has already been asked by Mrs Dunne, I am told. That is the greenhouse gas inventory carbon accounting stuff. So I will defer to others.

**THE CHAIR:** All right. Ms Hunter.

**MS HUNTER:** I have water questions and you have just moved on to the next output.

**THE CHAIR:** Okay. One more water question, then we will go to Ms Le Couteur on 1.3, quickly, as we are running out of time.

**MS HUNTER:** Can we get an update on the think water, act water review, and when will we see something from the public consultation?

**Mr Corbell:** In relation to this policy process and a number of other policy processes that I know you and your colleagues are interested in, Ms Hunter, as you would be aware, the Assembly has passed a resolution asking me to report back to the Assembly on time frames in relation to all these policy measures. So I am going to defer it to that report back, which I will make to the Assembly in the time frame specified.

**MS HUNTER:** Lovely. We look forward to that.

**THE CHAIR:** Do you have the data with you now?

**Mr Corbell:** No, I do not.

**THE CHAIR:** You do not? All right. Ms Le Couteur on 1.3.

**MS LE COUTEUR:** Regulation and environmental flow guidelines: when were they last reviewed?

**Mr Corbell:** Environmental flow guidelines?

**MS LE COUTEUR:** Review of the environmental flow guidelines in BP4—

**Mr Corbell:** Yes. Environmental flow guidelines have been reviewed. They have been subject to an independent scientific review and I have seen the results updated in the last week or so. The review generally has concluded that there is no significant change needed to our environmental flow guidelines but that a number of relatively minor adjustments should be made, and my department is now working on those. What I have agreed to is consistent with the Water Resources Act. I have authorised in the last week the placing of a statutory consultation requirement on the changes to the environmental flow guidelines that will be initiated as a result of the review and they will be notified for public comment shortly.

**MS LE COUTEUR:** That is good. So all my other questions will essentially be answered in that, I guess—why you would change them—and, given the time, I will—

**THE CHAIR:** Move on; okay. Mr Hargreaves, a question on 1.3?

**MR HARGREAVES:** Yes, thanks very much, Mr Chairman. Can the minister outline the ACT government's caring for country project and how it can contribute to continuing the work with the community and the local Indigenous community to improve our natural environment?

**Mr Corbell:** Mr Hargreaves, caring for country is of course a commonwealth funded program which the ACT government contributes towards. It provides funding to regional natural resource management organisations, governments and businesses, as well as community organisations, to improve the environment through projects that address priorities identified by the Australian government.

The ACT Natural Resource Management Council is the ACT's regional natural resource management organisation for the purposes of this program and, subject to agreement by the Australian government about program milestones, funding in 2011-12 and 2012-13 will support a range of continuing and new activities. Some of the projects that have been funded in the past include the ACT land keepers program, which is a partnership between this directorate, Greening Australia and Territory and Municipal Services to engage urban communities in landscape restoration, providing incentives to rural landholders to conserve biodiversity, and continued development of a native seed bank to aid native vegetation restoration.

There have also been other programs such as natural challenges to support the breeding and release program for the endangered corroboree frog, which members may be familiar with from the activities at Tidbinbilla nature reserve, and also measures to restore sub-alpine sphagnum peat bogs in Namadgi national park which were severely damaged during the 2003 bushfires. Those are the types of programs that are supported under this initiative.

**THE CHAIR:** Mr Rattenbury, then Mrs Dunne to close and we will move on to heritage.

**MR RATTENBURY:** Under output 1.3 on page 301, it talks about overseeing the actions of the weathering the change action plan and providing an inventory. The ICRC indicated it engaged in conversations with DECCEW about the monitoring and reporting of the territory's carbon emissions. This is obviously not usually their area of expertise particularly, and different agencies have done it in the past. Can you just explain how you see this working?

**Mr Corbell:** The directorate is currently in negotiations with the ICRC on the methodology that will be used by the ICRC to prepare the greenhouse gas inventory and performance in terms of abatement and so on. And we have entered into a contract with the ICRC.

**MR RATTENBURY:** Under the act you are required to make a determination of how emissions are to be measured. Is that the work that the ICRC is helping to deliver?

**Mr Corbell:** Yes, that is correct.

**MR RATTENBURY:** And do you expect the method of measurement will vary greatly from the past two reports?

**Mr Corbell:** I am not really in a position to comment on that yet. I have not seen the results of the ICRC's work.

**MR RATTENBURY:** There is quite a delay built in to reporting annual emissions in the legislation. Is it going to be possible to get it done more quickly, or is it really going to take up to two years?

**Mr Corbell:** We rely on a range of data sources, Mr Rattenbury, a number of which are prepared at a national level either through the commonwealth Department of Climate Change and Energy Efficiency or through datasets that are held by the relevant regulatory authorities as part of the national electricity market. So it depends very much on their time frames in terms of the preparation of those datasets and their availability.

**THE CHAIR:** All right. Mrs Dunne to close.

**MRS DUNNE:** Thank you. I just wanted to go back to the initiative which is \$598,000 over three years for nature conversation and resource management. What are the critical gaps that have been identified as a result of the review of nature conservation?

**Mr Corbell:** Sorry, as a result of the review of?

**MRS DUNNE:** It says on page 102 of BP3 that the review of the Nature Conservation Act has identified critical gaps in the knowledge required for conservation management and biodiversity in the territory. So I would like a fuller exposition on what that means.

**Mr Corbell:** Perhaps Mr Papps can start it and I can—

**Mr Papps:** Thank you. One of the critical issues for us and for any agency dealing with biodiversity and threatened species is the impact of climate change. We have talked already about the need for connectivity and for a shift in focus from individual species to ecosystems and ecosystem resilience. The particular information gaps that we are going to focus on are: determining first of all which species in the ecosystems in the ACT are most vulnerable—it is not a uniform thing; what are the combined impacts of climate change on invasive species and other threats on ecosystems—so we are operating already in an environment where there are threats to species and to ecosystems where climate change will sit on top of that and we need to understand what those combined impacts are; whether climate change would create favourable conditions in the ACT for new weeds, feral animals and new pathogens—in other words, will it facilitate an increase in the threatening processes; and then what are the likely impacts of increased carbon dioxide in the atmosphere particularly as it might relate to, for example, woodland density in woodland ecosystems. So there are a range of issues to be addressed.

**MRS DUNNE:** And so the \$198,000 in the first year and the \$280,000: what is that

money and how is that money going to be spent? Is that just staff or what?

**Mr Papps:** It is a combination of things. We are going to employ some consultants to provide us with information and modelling. There is also money associated with the staff to supervise that work and assist in the translation of that work.

**MRS DUNNE:** So this would be new modelling? We reinvent the wheel, Mr Papps, or is it modelling that has to be adapted for the ACT?

**Mr Papps:** It is the latter. We are not reinventing the wheel in terms of climate change modelling per se, but we have to undertake modelling that is specific to the ACT and specific to the ACT's ecosystems.

**MRS DUNNE:** Thank you.

**THE CHAIR:** Done? Thank you, minister. We will move on to heritage. I have a question. Given the article on the front page of the *Canberra Times* this morning, what was the need for the government to take the action that they have against the Flynn community group?

**Mr Corbell:** It is a not uncommon practice, Mr Smyth, in relation to actions in the [Supreme Court](#) for some surety to be sought in relation to costs should a costs order be incurred against an applicant or made against an applicant. So it is not uncommon for the territory to seek surety for costs in those circumstances, and the current action is certainly not unique in that respect.

In relation to the issue of the subpoena, the Government Solicitor, who is representing the ACT Heritage Council, in this matter has been seeking to obtain particulars of the applicant's ability to meet any costs order. Because the applicant has been unwilling or not fulsome in their declaration of their ability to meet costs, that is, in terms of their finances, the number of members who are able to meet costs and so on, the Government Solicitor has felt it necessary on behalf of the defendant to get better particulars as to the organisation's ability to pay any costs order that may be made against them, should they be unsuccessful.

**THE CHAIR:** All right. So how is it that we have got to the case that we are now in the court over this?

**Mr Corbell:** Because the applicants have sought a review in the Supreme Court.

**THE CHAIR:** So when the original heritage assessment was done, were members of either the Flynn community group or the P&C there for the assessment?

**Mr Corbell:** My understanding is that the community organisations involved nominated the site for registration on the ACT heritage register. The ACT Heritage Council went through its normal process in assessing the suitability of the site for inclusion on the register. The Heritage Council concluded that the site was not of significance as to warrant its inclusion on the register. Subsequently, the nominating parties sought a review of that decision in the ACT Civil and Administrative Tribunal to review the Heritage Council's decision. The Civil and Administrative Tribunal did

not accept the applicant's arguments and did not accept that the matter needed to be reviewed and upheld the Heritage Council's decision. The nominating parties have now sought review of the ACAT's decision in the Supreme Court.

**THE CHAIR:** You said earlier it was common to seek the surety. How often does the ACT government seek such a surety?

**Mr Corbell:** I could not tell you the exact number, but I am advised by the Chief Solicitor that it is a common occurrence.

**THE CHAIR:** Could you take that on notice and find out how many times you have gone to the court and before doing so have sought surety?

**Mr Corbell:** Certainly.

**THE CHAIR:** Thank you.

**MR RATTENBURY:** What is the position with the model litigant guidelines in the ACT in relation to the seeking of sureties against community organisations or from community organisations?

**Mr Corbell:** It is entirely consistent with the model litigant guidelines. It is appropriate for the territory to protect the interests of the taxpayers by ensuring that, should a costs order be made against an applicant, the applicant has the ability to pay that costs order.

**MR COE:** The process regarding the assessment, the original assessment done by the council, how does that differ from the assessment done at other school sites, in particular, at Giralang?

**Mr Corbell:** I might ask Mr Zatschler to answer your question.

**Mr Zatschler:** In relation to the Flynn primary school assessment, there were two schools that had been nominated at the time, both designed by the same architect—Enrico Taglietti—the other being at Giralang primary school. In order to inform the council in its decision-making process, the Institute of Architects was approached to conduct a comparative assessment, not just of those two schools but two other schools that had been designed by Enrico Taglietti—the Latham and Gowrie primary schools. So that informed the council in its decision-making process. It also included on-site inspections of both the Flynn and the Giralang schools before the task force and council made decisions.

**MR COE:** In particular, were advocates for the Giralang school present at the time of the visit by the council, and were advocates for the Flynn school present at the time of the visit to the Flynn primary school site?

**Mr Zatschler:** No, they were not. It was purely a Heritage Council inspection. They went on site to inform themselves and conduct a tour of both of the schools.

**MR COE:** So there were no advocates for either site present at the time of that?

**Mr Zatschler:** There were no advocates for either.

**Mr Corbell:** The applicants obviously had the opportunity to make their arguments and their submission to the Heritage Council seeking nominations.

**MR COE:** Sure. And do you, minister, have a time frame of when you think this might be resolved?

**Mr Corbell:** Which matter is that?

**MR COE:** The matter before the Supreme Court.

**Mr Corbell:** That is a matter for the court.

**THE CHAIR:** Ms Hunter, a question on heritage?

**MS HUNTER:** Yes. I wanted to go to budget paper 4 and—

**MS LE COUTEUR:** There is not much to go to, really.

**MS HUNTER:** Yes. Really, what I wanted to know about is an overarching question—that is, that heritage is being transferred from Chief Minister's to the sustainable development directorate?

**Mr Corbell:** Yes.

**MS HUNTER:** And so it is no longer a distinct output. Can you tell me how much is going to be spent on heritage in the sustainable development directorate and does this indicate that the protection of heritage is no longer sufficiently important to be listed as a distinct output?

**Mr Corbell:** Which page are you referring to?

**MS HUNTER:** We could not find it, unless you can show us where that is?

**MS LE COUTEUR:** Yes. We could find it on page 36 in Chief Minister's, but that points out that it is going to be transferred. But then when you get down to sustainable development, it kind of just appears to be in with general protection activities. But maybe we have lost it.

**MS HUNTER:** That is really the question.

**MR HARGREAVES:** Well, that was pretty careless of you, was it not?

**Mr Traves:** I can answer this.

**MS HUNTER:** Thank you.

**Mr Corbell:** I will ask Mr Traves to assist.

**MS HUNTER:** Go for it. Lovely.

**Mr Traves:** At the time the budget papers were compiled, the structure of the new directorate was not in place and there had been no decisions made as to how each unit would appear in the new structure and, therefore, how it should be appropriated. So within the finance unit we just took some generic categories and put all of the figures in so that we could satisfy the requirements under the Financial Management Act for the transfer of the resources. During the negotiations for the transfer of the function from the Chief Minister's Department, I am happy to report that they have transferred to us every cent of the budget that they had for that operation and—

**MR HARGREAVES:** That is a first.

**Mr Traves:** we will be applying that to the heritage unit in its new form.

**THE CHAIR:** Where does that money appear in the statements, though? And where are the accountability indicators against heritage in the document, minister?

**MS LE COUTEUR:** For sustainable development, it is clear where it is in Chief Minister's. That is at page 36. But where—

**Mr Corbell:** I refer you to the previous answer Mr Traves gave. As I am sure members do appreciate, but perhaps just to elaborate, obviously the change in the administrative arrangements, the change in the structure of administrative units and the preparation of the budget have occurred very close together. So there is of necessity reflected in these budget papers the transition between the old arrangements and the new arrangements. I appreciate that members find that somewhat undesirable in that there is not a complete picture, but it is an outcome driven by the particular circumstances that we find ourselves in with the changes around the administrative arrangements and the finalisation of the budget papers.

I can certainly place on the record my intention as minister to ensure that in future budget papers the outcomes and the accountabilities of the Heritage Unit will be fully reflected in the budget papers for the directorate as a whole and as, Mr Traves has already indicated, the funding currently provided to the Heritage Unit will be the funding that is provided to the Heritage Unit in the new directorate structure.

**THE CHAIR:** Where does it appear? What output is it in?

**Mr Corbell:** Currently it is reflected—

**Mr Traves:** In a financial sense—

**Mr Corbell:** —overall in output 1.1.

**MS LE COUTEUR:** It reflects 1.1, because it refers to objects of heritage significance.

**Mr Corbell:** Environment protection and water.

**MR HARGREAVES:** You found it?

**MS LE COUTEUR:** We found it.

**MR HARGREAVES:** You had only misplaced it; you had not actually lost it.

**THE CHAIR:** How much is the budget for the coming year for heritage?

**Mr Zatschler:** The running cost is approximately \$1.4 million.

**MRS DUNNE:** It is \$1.438 million, at page 36, BP4.

**MR HARGREAVES:** Found it again.

**THE CHAIR:** No. It is \$1.438 million in 2010-11, on page 36.

**MRS DUNNE:** Sorry.

**THE CHAIR:** Has it gone up? Has it gone down? Or is it exactly the same?

**Mr Corbell:** There are new appropriations for a range of new activities or new programs that the government is paying for in relation to the heritage output; so the allocation reflects the base budget plus those allocations for new activities.

**THE CHAIR:** So what does that total?

**Mr Corbell:** It is that amount that Mr Zatschler has actually referred to, I assume.

**MR HARGREAVES:** You will have to come back on that one.

**Mr Corbell:** I am happy to provide a reconciliation for members.

**MS LE COUTEUR:** That would be useful.

**Mr Zatschler:** It is \$440,000 in the budget appropriation for heritage, in addition, for three projects.

**THE CHAIR:** So it will go from approximately \$1.4 million to \$1.8 million?

**Mr Zatschler:** The running cost component will stay the same. It is \$1.4 million, plus any efficiency savings that are taken from that. Then there is additional money for signage and the partial reconstruction of the Gudgenby homestead down at Namadgi. Then there is a contribution to the National Trust as well.

**MS LE COUTEUR:** If you could do a reconciliation that would be helpful.

**Mr Corbell:** I am happy to provide that.

**MS LE COUTEUR:** Can I assume from what you have said that next year it will be

an output class of its own?

**Mr Corbell:** I would envisage we would have an output class reflecting the functions of heritage, yes.

**MS LE COUTEUR:** Good.

**THE CHAIR:** A supplementary from Mrs Dunne and then Mr Hargreaves.

**MRS DUNNE:** On the contribution to the National Trust, that is a one-off \$60,000. What, Mr Zatschler, is that for? Page 103 of BP3 says that it is in preparation for the centenary of Canberra but the money is coming in this financial year. So what is it for and is it envisaged that there will be a need for any more supplementation later?

**Mr Corbell:** Recent federal funding changes, including a switch by the commonwealth to project-based funding, have meant that the ACT National Trust is in quite a difficult financial situation because the nature of their funding arrangements from the commonwealth has changed. Therefore, the ACT government has decided to provide assistance to the National Trust ACT to allow it to continue its functions and, indeed, to continue its existence here in the territory, because it was at serious threat without ACT government assistance.

National trusts in other jurisdictions receive core funding, funding for operations, from their respective jurisdictional governments. So the ACT is now stepping in and providing that assistance as well. That is primarily what the funding is for, to allow the trust to continue its operations.

**MRS DUNNE:** There is no money in the outyears for core funding?

**Mr Corbell:** At this point in time, the government has decided to provide the funding on a year-by-year basis. So it will be reviewed in each budget.

**MRS DUNNE:** That makes it very difficult for anyone to plan ahead.

**THE CHAIR:** All right, a new—

**MS LE COUTEUR:** This is actually a supplementary to Mrs Dunne's. Why is it only on a year-by-year basis? It does make life somewhat difficult for the National Trust to plan.

**Mr Corbell:** We view this as a year to provide a guarantee about the trust's ongoing operations for the coming year and then to discuss with the trust what arrangements can be put in place on an ongoing basis.

**MR COE:** Would you not be able to at least do it one year ahead? That way they would at least be able to—

**Mr Corbell:** This is the decision budget cabinet has taken and, as I say, this is a transition year that allows us to enter into, and buys us time to enter into, more detailed discussions with the National Trust about an ongoing, formalised

arrangement between the trust and the government.

**MR COE:** So each budget process, the National Trust has to spend considerable energy lobbying to receive funding, which they will not know for sure until May whether that is going to kick in in July?

**Mr Corbell:** No. That is not what I said. Listen to my answer. We previously had not had an ongoing funding arrangement with the National Trust. I am advised that the trust only sought funding for the next 12 months. We will enter into further discussions with them to get a clear basis for what ongoing relationship in terms of funding we will have with them.

**MR COE:** Sure, but your rationale for why the \$60,000 was given was that it was required for core services and, in other jurisdictions, that is what happens, which does imply that there is merit in providing ongoing core funding for it.

**Mr Corbell:** You can make that implication but—

**MR COE:** You made that implication.

**Mr Corbell:** Mr Coe, as I indicated to you, the National Trust ACT only sought funding for the forthcoming financial year.

**MRS DUNNE:** Minister, the description in BP3 seems to be somewhat misleading or it seems to be at odds with the description that you have given there, because here it implies that this is about preparation for the Canberra centenary but what you are saying there is that this is a lifeline to the National Trust to keep it functioning for another year. And should not the description of the initiatives be more accurate?

**Mr Corbell:** It is both of those things. We want to explore opportunities for the trust to take an even stronger role in supporting access by the public to some of the ACT's heritage assets. We want to support them in planning events that will contribute to Canberra's centenary, and obviously a lot of that planning is going to occur in the next year, which is the year that the funding applies to.

**MR COE:** So that \$60,000—

**Mr Corbell:** To answer the question: for example, the trust is planning a car rally from Jervis Bay to Canberra for 2013 for the centenary. A lot of that planning will have to occur next year and this funding gives them the surety to undertake and invest in that planning.

**MR COE:** Will the \$60,000 be included in the centenary allocation?

**Mr Corbell:** You mean attributed towards funding for the centenary?

**MR COE:** Yes.

**Mr Corbell:** I do not believe so.

**THE CHAIR:** A heritage question, Mr Hargreaves? No?

**MS LE COUTEUR:** I do actually have a very quick new question. I do not have a supplementary. I did not get my—

**THE CHAIR:** That is right. It was not a supplementary. Sorry. A new question.

**MS LE COUTEUR:** I did not get my question.

**THE CHAIR:** All right, a new question from Ms Le Couteur, then Mr Coe and then Mr Rattenbury, quickly.

**MS LE COUTEUR:** I must ask the annual question which we ask at estimates about the backlog. Will the move to the sustainable development directorate have a positive impact on the backlog of heritage applications? Will anything have a positive impact on it?

**Mr Zatschler:** There has been some really positive work that has been undertaken in terms of addressing the backlog. As I have indicated previously, the Heritage Council met last year specifically to look at ways and means of dealing with the backlog, and since then there has been some good progress made.

At the last meeting, in March, over 17 decisions were made to list provisionally or to go to full registration, which is actually a record for the council at one meeting. On the agenda for the next council meeting there are over 20 decisions that are going to be made. So there is quite a bit of traction in relation to that, but you need to realise that it is an intensive process in terms of assessment to make sure that the decision that is made by the council is informed and accurate, because the decisions are appellable to ACAT, as we have seen in the case of a number of decisions. I think two out of three decisions made by council last year were appealed and those were decisions to list or not to list.

Equally, there is an ongoing number of incoming nominations that need to be progressed. So it is not a static list of nominations. It goes up, it goes down, and the council is very serious in its attempt to deal with those.

**MS LE COUTEUR:** Would you be able to give us figures as to the number of—

**THE CHAIR:** Can the officers stay?

**Mr Corbell:** Sorry, no.

**THE CHAIR:** We are about 10 minutes over time and the minister is indicating he has to go.

**Mr Corbell:** I regret I have another obligation.

**THE CHAIR:** Unfortunately, members, questions—

**MS HUNTER:** Can she finish that one last one? She was going to ask for something

on notice.

**THE CHAIR:** Be very quick.

**MS LE COUTEUR:** I just wanted to get the actual numbers. Could you give us the numbers on your list at present and the numbers that were finalised last year? You could take that on notice, I guess, given the impending departure of the minister.

**Mr Corbell:** We will take that on notice.

**MR COE:** Can I ask a very quick question on notice?

**MS LE COUTEUR:** We will have some others. I do have—

**Mr Corbell:** I am sorry, Mr Coe, I do have to go. We are running late and I do have another engagement I have to get to. I am happy to take your questions on notice.

**MR COE:** Sure.

**THE CHAIR:** We will put them on notice. Minister, I thank you and your officers for appearing this morning. Any questions taken on notice, you have five days in which to answer them. Members, there are four days for any further questions on the output class on environment and sustainable development and heritage functions to be placed on notice.

Appearances:

Office of the Commissioner for Sustainability and the Environment  
Cooper, Dr Maxine, Commissioner  
Sargent, Mrs Narelle, Senior Manager

**THE CHAIR:** Welcome to the 2011-12 estimates hearings. In front of you is a yellow privilege card. I ask whether you have read the card. Do you understand the privilege implications?

**Dr Cooper:** Yes, thank you, Mr Smyth.

**THE CHAIR:** Thank you. We are recording for Hansard as well as webstreaming and broadcasting live. Proceedings will be available on Committees on Demand. Are you happy to proceed?

**Dr Cooper:** Yes.

**THE CHAIR:** Thank you. I ask that answers to questions be concise. Would you like to make a brief opening statement?

**Dr Cooper:** Thank you very much. As we are here to talk about the budget, I guess what I could do is give you a very quick summary of where last year's budget went, because proportionally that is where next year's budget will go.

**THE CHAIR:** All right, very quickly.

**Dr Cooper:** Very quickly, quite simply about 65 per cent of our budget goes on salaries. About 15 per cent goes into what we call "Investigations, professional services". Sometimes we take out of that particular budget a little bit of savings each year to go to the state of the environment report, to roll over, so that in the year when we need the most money for SOER we have it. Then, fixed office costs cost around 15 per cent, with five per cent of costs variable. In that variable cost are also our printing costs and things like that.

So our budget is pretty simple. We understand that we have got \$1.24 million for the next financial year. In those rough proportions, that will be broken up again. We also understand that for next year we are likely to be given—or we hope—a rollover of around \$400,000 to go into the SOER. So that is additional funding from our, if you like, accumulation of what we need to do for SOER going forward.

**THE CHAIR:** This year's budget was \$1.189 million, but I notice on page 574 of budget paper 4 that the outcome for 2010-11 is in fact \$1.936 million.

**Dr Cooper:** Yes.

**THE CHAIR:** Can you explain the almost \$800,000 difference?

**Dr Cooper:** Mr Smyth, we were hoping for the financial person from the department to be here. I can tell you that our base budget was 1.189 and that we did have a

rollover for SOER and for the tree investigation in the Canberra nature park—funds that were committed but we had not spent—of \$429,000. But I cannot explain to you the administrative adjustment of \$318,000. That is an accounting issue between agencies, between TAMS and DECCEW. That is not in my budget, I can tell you that very clearly.

**THE CHAIR:** Unfortunately for you, it is in the document as being in your budget. Could you take that on notice and please explain that discrepancy?

**Dr Cooper:** We will get the department to, yes. Their words are: “The administrative adjustment relates to funding initially transferred from TAMS as part of the original administrative arrangement in error. The funding was required so the money could be returned to TAMS. This has occurred. This funding does not specifically relate to the OCSE and should not be viewed as being included in the operational budget.”

**THE CHAIR:** Sorry, what are you quoting from there?

**Dr Cooper:** The words from the budget people in DECCEW as to why this is an error rather than being part of our budget.

**THE CHAIR:** So it is an error?

**Dr Cooper:** It is an error.

**THE CHAIR:** Okay.

**Dr Cooper:** And we never had that funding at all in our budget.

**THE CHAIR:** All right. Could you take that on notice and give us a written reconciliation of what has occurred there and where the money has actually gone to?

**Dr Cooper:** We certainly will.

**THE CHAIR:** Ms Hunter?

**MS HUNTER:** Yes. I refer to the Canberra nature park report. I wanted to know about the timing of that release. Do you have any idea—any indications?

**Dr Cooper:** Yes, I certainly do. The Canberra nature park has been delayed a bit because of the tree investigation and also because of preparing for state of the environment. We anticipate—my colleague Mrs Sargent here on my left is my project manager—that we will finish, if you like, our major part this month. But under the legislation, the agencies, if I critique them, need to have an opportunity to look at what I have said about them. So they will be given a few weeks to do that and then we will look at their responses to see if there are any factual errors, if we have missed information that they may then supply.

We will then finalise that and I hope in June-July to be able to present it to the minister. Then it is up to the minister as to when he releases it. However, from past experience with the grasslands investigation and with the tree investigation, the

release is pretty soon after we have submitted it to the minister.

**MS HUNTER:** Thank you.

**THE CHAIR:** Ms Le Couteur and then Mr Rattenbury.

**MS LE COUTEUR:** I understand that you are doing audits of government energy use. Has that report gone to the government?

**Dr Cooper:** The answer is that we are not doing them. We have done them.

**MS LE COUTEUR:** Okay, I apologise.

**Dr Cooper:** On 22 October we actually submitted quite a detailed report to the government. We called that report *An audit assessment of ACT government agencies' environmental performance reporting*. We did that report in response to the government's policy where they asked us under weathering the change, action plan 1, to actually scrutinise the resource management plans. So we looked at those plans in terms of what was in them.

We also took it, if you like, to the outcome focus and looked at what are their resources—what energy is being used across government and does that match with the reporting that is going on? It is quite a detailed report. To assist us in that report we actually had a student from ANU come in and work in the office for a short time, really interrogating data.

**MS LE COUTEUR:** Great.

**Dr Cooper:** I understand we made five recommendations. I will just check. There are five. Since it is with the government, I will not go into details as to what they are, but there was definitely one about a resource management strategy, a whole-of-government type perspective. There was one around the actual resource management plans in terms of when they should be finalised and a process associated with that. There was definitely one around data collection and coordination in terms of it being very fragmented and centralising.

We also looked at the characteristics of what is called OSCAR, the system that is used, and suggested some changes there. We also looked at reporting arrangements and had a bit of a look around what happens in annual reports and linkages there.

**MS LE COUTEUR:** Great.

**Dr Cooper:** We understand that the department has certainly looked at that. Also, what was particularly constructive is that as we were doing this, there was a lot of dialogue with the people in government working on these issues, because it is not just one department. It is across many agencies. Everybody was highly cooperative. We hope that the recommendations have assisted the agencies. I think that since October, the resource plans have been progressed. But we have not gone back because of our other investigations.

**MS LE COUTEUR:** Have you any expectation that this will become a public document?

**Dr Cooper:** I would have thought that the potential to become a public document was strong, because it was done under weathering the change, which was a public commitment. So my understanding is that because it was in that vein, it was very much like the current investigations that I do. It was there obviously to assist government.

**MRS DUNNE:** Just to clarify, where in government did you submit that report?

**Dr Cooper:** All our reports that we consider are for government and are done through the minister, Minister Corbell.

**MRS DUNNE:** Thank you.

**THE CHAIR:** A new question, Mr Rattenbury?

**MR RATTENBURY:** Thank you. I wanted to ask about the role of the commissioner. It has obviously been a point of discussion for some time. Have you had any feedback as to when the changes that have been suggested might take place?

**Dr Cooper:** No.

**MR RATTENBURY:** Okay. And your report was submitted to the minister when?

**Dr Cooper:** Sorry, I have not got that in my head.

**MR RATTENBURY:** No, that is all right.

**Dr Cooper:** Wait there, Mrs Sargent will be able to. It is in our annual report, if you could just give Mrs Sargent—

**MR RATTENBURY:** I think I knew as well, but I figured it was better to ask you directly than guess myself.

**Dr Cooper:** No, Mr Rattenbury, we will just check.

**MR RATTENBURY:** I am happy to look it up later.

**THE CHAIR:** About 20 months ago, I suspect.

**Mrs Sargent:** The report *Refinement of the expanded role of the Office of the Commissioner for Sustainability and the Environment* was submitted to the Minister for the Environment, Climate Change and Water on 24 September 2009.

**MRS DUNNE:** Since then there has been discussion in the Hawke review about the role of and the interaction between the commissioner and the conservator of trees—that is about it. Have you had any further thoughts on those?

**Dr Cooper:** I have had strong thoughts in terms of the tree conservator. That was part of the recommendations in the tree investigation. Currently, the conservator that is held accountable for the tree legislation, the Tree Protection Act, is actually in one department and the staff who perform the support for that role are in another department. I understand that those two areas will still stay separated in the new arrangements.

In the tree investigation, we recommended that the conservator role still be retained for conservation purposes, but where it has tree issues under the Tree Protection Act you actually have an ACT tree curator. You would have another statutory role that would have responsibilities more broadly, if you like, than the conservator's. Is that clear, Mrs Dunne?

**MRS DUNNE:** Yes.

**MR RATTENBURY:** Just coming back to those suggested changes, obviously they do suggest a change in scope. Is this having an impact on how you are currently operating or is it simply meaning that there are no new initiatives being taken?

**Dr Cooper:** No, I think the current legislation is broad enough that we have taken new initiatives. One of those is around advocacy and awareness. I just think that the capacity of the office is such that we are functioning at full capacity and we are able, I think, to perform what is required under the legislation plus also any future changes we could accommodate, Mr Rattenbury.

**MR RATTENBURY:** I did want to ask about resourcing. A number of your reports seem to have come a little bit later than might have been expected. Could you just take us through why that seems to be the case.

**Dr Cooper:** That is not a resourcing issue. That is a community engagement issue.

**MR RATTENBURY:** Okay.

**Dr Cooper:** We have found that the community like to be engaged at the beginning, and then they like to have the opportunity a bit later after you have done some work. So we have routinely engaged them early in the process in terms of what you would call traditional consultation, and then later we have put out some discussion papers for those who then wanted to respond on more technical issues. To give you an example, we could take a current nature park one. Reports on that—we have done about 14 or 15 papers that have then been put out. We find we get really valuable comments back in from those who do wish to make further submissions before we then finalise things. Those papers that are put out do not necessarily reflect our views, but they really look at some of the issues that either were raised by the community or we have exposed during the investigation for greater understanding.

**MR RATTENBURY:** Thank you.

**MRS DUNNE:** The office of the commissioner has put out a paper covering an environmental levy. I was wondering, commissioner, if you could tell the committee what is envisaged by this environmental levy. Is this your idea? Is it endorsed by your

office? Or is it just a floating of the notion and how a levy might apply in the ACT?

**Dr Cooper:** We put out the paper. That paper was done by Lisa Miller, who works at Wollongong university. What we wanted to do was to put out a paper that looked at the environmental levies across the country, how they worked and how effective they were. The paper is actually an information paper; it is not a paper in any particular direction.

The reason for putting that paper out is that in doing both the tree investigation and the Canberra nature park investigation, it has become very clear that Canberra has a large amount of what you can consider green infrastructure. We actually do have more parks and more trees than you have in other places. The problem we have got is a resourcing issue. That raises the question of what other places are doing when they have also got the impost or the benefit of having so much green infrastructure.

It is really about looking at what is being done elsewhere to fund some of the important green infrastructure. We will be looking further at that paper and, in the final report, making some recommendations as to what may or may not happen. However, having said that, we have also looked at models of donation and how they work. Mrs Sargent, would you be able to talk through some of the areas you have been looking at in that—

**Mrs Sargent:** In terms of donations, just philanthropy—people just donating money, leaving bequests. The other one is through some of the trust-type situations whereby you have a trust with a board and they go out and seek, if you like, corporate sponsorship. There are some whereby you have the community—a bit like they have at the zoo here; you can have, I suppose, levels of support. You can be a gold donor, so you basically pay your money or your donation, and for that you get access to some of the things that happen. We have been looking at those types. Also a round-up fund, whereby you buy something and you allow your change to be rounded up and that amount of money goes to—

**MRS DUNNE:** Glyphosate perhaps. Sorry.

**Mrs Sargent:** the organisation or the fund as opposed to back into your pocket.

**Dr Cooper:** The problem you have with any donation system is that it is not reliable, so that is a challenge.

**MR RATTENBURY:** I take it that you have identified that there are significant resourcing gaps for the protection of that green infrastructure or the maintenance of that green infrastructure.

**Dr Cooper:** I would not say there are significant gaps, but what I would say, given the assets that we have got, is that we would have to ask whether ecologically they are functioning the way they could or should. And the other issue coming up is whether we are actually putting enough infrastructure in the nature parks for recreation so that the recreationists do not have the adverse impact on the park area. It would be really a view, with progress in some funding mechanism, around definitely looking at traditional protection and enhancements, but it is also very much about access for the

broader Canberra community to get into those reserves and use them without having an adverse impact.

**THE CHAIR:** Any final questions, members? Commissioner, thank you very much for your attendance today. If you have taken anything on notice, you have five days in which to respond. Members, if any other questions come to mind, you have four days in which to put them on notice for the commissioner to respond. We will end the session here and return this afternoon for Minister Burch and some of her portfolio interests, including the arts.

**Dr Cooper:** Thank you.

**Mrs Sargent:** Thank you.

**Meeting adjourned from 12.57 to 1.59 pm.**

Appearances:

Burch, Ms Joy, Minister for Community Services, Minister for the Arts, Minister for Multicultural Affairs, Minister for Ageing, Minister for Women and Minister for Aboriginal and Torres Strait Islander Affairs

Community Services Directorate

Hehir, Mr Martin, Director-General

Howson, Ms Natalie, Deputy Director-General

Pappas, Ms Helen, Senior Manager, Office for Children, Youth and Family Support

Collett, Mr David, Senior Director, Asset Management Branch

Hubbard, Mr Ian, Director, Finance and Budget

Nolan, Ms Christine, Executive Director, Office for Children, Youth and Family Support

Wyles, Mr Paul, Director, Care and Protection, Office for Children, Youth and Family Support

Matthews, Mr David, Director, Youth Directorate, Office for Children, Youth and Family Support

Duggan, Mr Frank, Senior Director, Strategy and Purchasing, Office for Children, Youth and Family Support

Sheehan, Ms Maureen, Executive Director, Housing and Community Services ACT

Whitney, Mr David, Director, artsACT

Lasek, Mr Jeremy, Director, Culture and Communications

Elvin, Ms Harriet, Chief Executive Officer, Cultural Facilities Corporation

**THE CHAIR:** The time being 2 o'clock we will commence this afternoon's session with the normal introduction. Minister, thank you to you and your officials for turning up and on time. This is the next session looking at the Community Services Directorate in the public hearings for the 2011-12 estimates. We are here to look at output 2, early intervention, output 4, children, youth and family services, and then we will go to arts policy and advice and programs in the Cultural Facilities Corporation.

Can I remind you about protections provided by the yellow privilege document on the table in front of you, and I ask: have you read it and do you understand it?

**Ms Burch:** Yes.

**THE CHAIR:** You do. That is fantastic. I need to remind witnesses that proceedings are being recorded by Hansard for transcription as well as being webstreamed, broadcast live and made available for Committees on Demand. Are you happy to proceed?

**Ms Burch:** Yes.

**THE CHAIR:** We have a lot of ground to get through today so, members, if questions could be concise and, minister, if answers could be concise and directly relevant to the subject matter, that will help. Minister, would you like to make a short opening statement?

**Ms Burch:** Thank you, Mr Chair, I will make a short opening statement. I thank the committee for an opportunity to talk about the responsibilities for children and young people. This budget sees the government delivering a number of services to support and improve the outcomes for vulnerable children, young people and families here in the ACT. I am pleased to advise the committee of initiatives that will support the government's implementation of a number of key policies and projects that will benefit children and young people and their families.

Earlier, some time ago—a couple of weeks ago now—I announced the quality early childhood education and care initiative that will provide \$60 million into early childhood education and care and can facilitate up to 80 new long day care places here in the ACT. But it also goes on to provide capital works upgrades, selling of land to services, should they be of an interest and building of two long day care places here in the ACT. It also goes on to provide capital works, upgrades, selling of land to services, should they be of an interest, and the building of two long day care centres, one in Holder and one in Franklin.

It is also worth noting that this week is National Reconciliation Week, and it is important to note that we continue to provide strong support services to Aboriginal and Torres Strait Islander people in our youth, justice and protection systems, and we are committed to doing this with the work that we do, particularly with the newly opened west Belconnen child and family centre.

On the national quality framework, which is coming into place from January next year, we have continued to work very closely with the sector in ongoing conversations and discussions. Part of that was a roundtable I convened in April, and I am looking to convene another roundtable so I do have the voice of the sector coming to me. And following those discussions, they have provided advice on the reform agenda for ACT services. Part of that was this budget having \$785,000 to support the early childhood scholarships program, which will assist early childhood care workers, particularly those, I think, that have a wealth of experience that may not have qualifications. So some of those scholarships will no doubt support that activity.

There has been considerable work within youth justice, particularly at Bimberi. There have been two independent inquiries—they are just coming to conclusion—in youth justice in Bimberi undertaken by the Human Rights Commission. These inquiries are scheduled to report to the Assembly on 30 June, and the government has full confidence in those reviews. Mr Chair, I do not intend to further discuss these proceedings and issues that have been previously debated I think at length in the Assembly, and the government will await the Human Rights Commission's recommendations and provide a comprehensive response in due course.

But pending finalisation of those reviews, in this budget we see additional funds, particularly \$910,000 over two years to address accommodation, rehabilitation and support needs of young offenders. The government has also ensured enhanced security updates with \$1.5 million there. In February this year I launched the discussion paper *Towards a diversionary framework in the ACT*, and the community has worked with officials and the consultant in that work. I expect that that will provide some significant information and guidance, as we as a government respond to

that. Certainly, there is \$2 million over four years to enable a bail support service for young people to be implemented and this service will provide after-hours support for young people and assist them to maintain their bail conditions and remain in the community.

I am very conscious of the time, Mr Chair, and I could go on for another few pages, but I might just conclude by recognising additional support to kinship carers, transitioning from out-of-home care, which remains not only a target and a priority for the government but it is certainly something I committed to when I came into the ministry.

We continue to work to ensure adequate staff in care and protection services, and the recruitment that has recently been concluded by some of our best and brightest officials over in the UK will no doubt see a successful recruitment strategy. Just for your interest, the retention rate from the 2004 recruitment sits at 44 per cent and the retention rate at 2008 sits at 66 per cent. So I think there are some good outcomes from that.

But I will leave it there, and my officials and I are happy to answer any questions you have.

**THE CHAIR:** Thank you for that, minister. I will just remind you that it is the committee that determines what questions are asked and what areas are delved into. If there is funding for an object in the budget then we are quite free to ask questions. I am sorry that perhaps you misunderstand the way that committees work, but it is not for you to dictate what the committee will do. But we will get to that area later this afternoon, I am quite sure.

**Ms Burch:** We will, Mr Chair.

**THE CHAIR:** On page 347 of budget paper 4, under the priority list, the third dot point, it talks about progressing the development of the outcomes-based service funding agreement purchasing framework across all community providers. How will that agreement help those services that are provided under output class 2?

**Ms Burch:** Development of outcomes-based funding agreements and purchasing framework, the purchasing framework agreement—I will go to Mr Hehir shortly—is something that we are bringing in. It will change how we contract and purchase services through the community sector in a very positive way. Whilst we all need to keep our minds on throughput and activity process, really we are purchasing outcome and improvements for whatever that service will be, whether it be for children, young people or adults.

The benefits in the purchasing framework are working with the services about clearly identifying what those outcomes will be. But linked to that is a change in contract arrangements, and the purchasing framework allows for an agreement of up to 10 years, which is, if you talk to any community provider, better than the annual or second or third-yearly contract. Part of that, though, is that there are clearly contract expectations and milestones that need to be reached. But, all things being equal, outcomes being delivered and milestones being reached, organisations have a surety

of a longer term funding agreement. But for the detail, I am happy to hand over to Mr Hehir.

**Mr Hehir:** The outcomes-based purchasing framework seeks to achieve a number of different things. There was an agreement reached quite a number of years ago around how we purchase services from the community sector, and that moved the sector from one-year SFA grants—service funding agreements—to up to three years. It still has a capacity for one year, and that is a significant step forward.

However, with the work we are doing, particularly under output classes 2, 3 and 4, we are actually looking for real changes in the circumstances and outcomes both for individuals and for the broader community. And those outcomes often will not be seen or achieved in that three-year time frame. What we are seeking to do with this framework is to actually engage, for up to 10 years, which will much more closely reflect a time where you would see changes occurring or changes in the outcome for a particular individual family or even a group occurring.

We would not necessarily have a 10-year contract. We still think we need to have the ability to measure performance as you go through the contract. So we would be looking at two points very similar to the total facility management contract arrangement where you test where they are against a series of hurdles, if you like. If they meet the hurdles, the contract can be extended. If they do not meet the hurdles, the contract needs to be retendered. They are not precluded from going forward, but it provides a very strong incentive for the organisation to focus on the outcomes and the services that we are providing, because they want that next contract and they would much rather not go through another process to get it.

We have found it very effective with Spotless in terms of how they have improved their performance consistently over each time. And, in fact, we have raised the hurdle on them on both occasions we have gone through. It is also about recognising that the community sector will often have very long-term relationships and quite personal relationships with their client base. So a 10-year framework is much more realistic, in terms of watching a young person or their family grow up with an established partner. So we think that will add cohesiveness to the service delivery. We think it will be good for the sector.

The other thing that I am trying to achieve with this process is to be more transparent in the outcomes. At the moment we tend to specify outputs, and they are proxies largely for what we are trying to achieve. So what we are trying to do is say, “Well, what is it we are actually trying to achieve?” and then have people work to that. We think that allows for a greater level of innovation within the sector. It allows them to think well about what will deliver those outcomes rather than us determining that with them through our processes. That is one of the key things we think will be delivered—a level of innovation in how they do it.

The other thing that we are trying to achieve through this is trying to remove some of the competitive processes—I do not normally say that—but where they compete against each other rather than work with each other. Given the breadth of issues that some of the individuals that we work with as a department and the community sector work with together, we actually think a cohesive cross-agency approach is probably

more effective than one where organisations think, “Hang on, my contract’s coming up next year; I need to be really good here and focus on what I’m doing and the particular outputs,” rather than thinking more broadly around the client base and who they are working with. So that is the intent of it, and there is a steering committee—I think we call it—with community sector representation on it planning the way forward.

The other key aspect of it is, of course, trying to find a process for a prequalification framework. So those of you who have been dealing in civil contracts will know that there is a very strong prequalification process required around civil contracts. We think the same process can apply. We clearly need to work with the sector about how we are doing that, and that is part of the discussions and negotiations today.

**THE CHAIR:** Mrs Dunne had a supplementary, and then a new question from Ms Hunter.

**MRS DUNNE:** I just want to go back to the comment you made, Mr Hehir, about performance measures being a proxy for what it is that you want to achieve. I am sure over the years you have been coming to estimates that you have heard me ask questions about performance measures. So, what is wrong with the current performance measures, and how would you want to improve them in this process?

**Mr Hehir:** I talked about outputs, because our contracts tend to specify the outputs. Often they will say that you need to have met with X number of families or provide X services to families. That will not necessarily tell us whether there is a real difference being made in the lives of those families. So that is what I am actually looking for—to see whether we can identify some measures that will tell us what difference is being made in the life of that family.

**MS HUNTER:** So who will identify the measures? Are you all going to come up with the measures? Jointly you will come up with the measures? Or the organisations will come up with the measures? Because outcomes has always been a really difficult area—

**Mr Hehir:** Yes, it is.

**MS HUNTER:** And so it is great to say: “Well, yes, we’ve got a new framework. We’re moving in this direction. It will all be good.” But, really, at the end of the day, no-one has really cracked this nut, so who is going to try and crack it?

**Ms Burch:** It is a partnership, and when you are looking at those longer term arrangements, that is when you can start to have the serious conversation about outcomes.

**Mr Hehir:** There are some aspects which we need to be cognisant of, of course. So there is an Australian government outcomes-based framework upon which a lot of our funding will depend. So some of those outcomes will need to be looked at and thought about. So we have had quite a number of conversations with the homelessness sector, for example. We have got some quite clear targets in the national affordable agreement on housing, so that would set part of it. But part of it also needs to be

negotiated with the service around what their service outcomes need to be. So, in a sense, there is intended to be some high level, across-community ones and there will also be some quite specific negotiated outcomes on the basis—

**MS HUNTER:** I guess why I also raise it is that it is a difficult area. We look at the budget papers and we have accountability indicators and we have things in output classes. They are measuring outputs. Government measures outputs for its programs but it is saying to the community sector, “We want you to measure outcomes, the difference you are making in someone’s life.” When you come to outputs and say, “How many times has a child come into a child and family centre?”, that is telling you how many occasions of service but it is not telling you necessarily the outcome.

I would probably bet that the outcomes are good, but it is about how you actually get that. Is it anecdotal evidence? Is it some sort of qualitative data that you are going to do? Is it some sort of 10-year longitudinal study? I am interested in what your expectations are around this process.

**Mr Hehir:** As Mrs Dunne—I am not sure whether it was meanly said—said, I have been coming to estimates processes for quite a number of years but—

**MRS DUNNE:** We both have.

**MR HARGREAVES:** Not as long as Martin has, I can tell you.

**Mr Hehir:** But the process many years ago did actually have outcome statements. They were actually part of our original process when the budget reforms, when I was in Treasury many years ago, originally came in. I also think that the Australian government have, in a sense, started to push us down this path by saying actually, “We are going to stop buying against specific outputs and we are going to move to outcomes.” There is a bit of a question about whether they are doing that effectively or not, but that in a sense is the right process.

The question that was asked is a really relevant one. How do we identify? How do we measure? And that is what we are working with the committee on and that is also what is happening nationally. The COAG Reform Council, the CRC, is actually doing that work right now, saying, “Some of those measures are great but you cannot measure them.” Or, “That is okay; you are going to need to make sure you are collecting this piece of data to make it work.” So there are those things on the way.

Again for homelessness, which is off topic, sorry, there is a national dataset being rolled out as of 1 July, which will be able to deliver against some of the measures recommended there. So it is going to be a combination. It is going to be a case of working with the sector and saying, “What can we actually identify and measure in terms of the outcomes?”

**MS HUNTER:** So what is your time frame on that?

**Mr Hehir:** We are starting the rollout of the prequalification framework now, but we hope to have it mostly in place by June 2012. The rest of it we still need to confirm with the government around, once we get the case more fully developed, how it would

then be implemented. That is more across government.

**MS HUNTER:** And when would contracts change to reflect outcomes that you are purchasing rather than outputs?

**Mr Hehir:** The contracts will need to be changed and that is—

**MS HUNTER:** When do you think that might happen?

**Mr Hehir:** That will depend on when we actually move to the outcomes part of it.

**MS HUNTER:** I look forward to watching this process.

**THE CHAIR:** So what is the time frame?

**Mr Hehir:** Our intent would be to start moving to it—and recognising we currently purchase on three-year agreements mainly, so it will be phased in over a three-year period—hopefully for June 2013 through to June 2015.

**THE CHAIR:** And in what way would I be offered a 10-year contract? Is it three by three by four?

**Mr Hehir:** Four by three by three.

**THE CHAIR:** Four by three by three?

**Mr Hehir:** Yes. The start-up year, we think, needs the additional time.

**THE CHAIR:** And how will you report on the outcomes? How will this be monitored for effectiveness and what safeguards have you put in to make sure that it is actually cheaper?

**Mr Hehir:** Again, that is part of the conversation that we are having. Making sure we have got appropriate measures and data collection tools is a key part of what we are actually discussing with the sector right now. And as I said, the CRC has been very helpful in some part of that conversation, but we are also doing the work around what datasets people do have. There will still quite possibly be some proxy measures in there. That is going to be a fact of life for some, but there will be others that we feel confident we will be able to get.

**THE CHAIR:** Ms Hunter.

**MS HUNTER:** We are on children's services, child and family centres.

**MRS DUNNE:** Sorry, Mr Chairman, could I seek your guidance, because I was not here the other day. Are we asking general questions on output class 2 and output class 4?

**THE CHAIR:** Given that we have moved into the output classes, we will start with output class 2.

**MRS DUNNE:** Yes.

**MS HUNTER:** Yes, 2.1.

**THE CHAIR:** And then later this afternoon we will move to output class 4.

**MRS DUNNE:** Thank you.

**MS HUNTER:** We will start with child and family centres.

**MRS DUNNE:** Yes.

**MS HUNTER:** I was wondering whether you could advise how many staff are employed by community services to provide services at the west Belconnen child and family centre. My first question is: how many Indigenous employees are out there? We know it has a focus on Indigenous children and families. Are there Indigenous identified positions? How many are on staff? How does that go?

**Mr Hehir:** At the moment I am not sure the technical processes have been done to formally identify the capacity for Indigenous positions. There has been a policy announcement that there will be. I am just looking for Meredith who will be able to tell me whether the actual formal process is in place yet. No, I did not think so. But it is being developed. So we will not formally have been able to identify the positions as an identified position right now.

**MS HUNTER:** So you intend to have identified positions? And what percentage of the staff out there would be identified positions? Or is that still not done?

**Ms Pappas:** We have not done any work around what proportion of them would be identified. At the moment the centres are working towards consolidating partnerships, settling staff down, getting the profile of the centre being opened out into the community and, as the management team out there are doing that, they are engaging more and more with Aboriginal and Torres Strait Islander services, programs and families. We are starting to see, at the centre, interest right across Canberra from Aboriginal families wanting to seek services from the west Belconnen child and family centre.

Ms Chapman, who is the centre manager out there, is an Aboriginal woman who has been working with us for five years primarily around increasing competence of the workforce in dealing with Aboriginal and Torres Strait Islander families and facilitating connections to families, to services and to programs to allow for joint work. So the role now of Shona and her team is to try to engage with those families and to help them access services in their local areas.

The Tuggeranong and the Gungahlin child and family centres also have Aboriginal and Torres Strait Islander staff who are working with their local communities. So rather than people travelling from across town, which they are very welcome to do, it might make accessing services easier if they were connected to their local centres, not just the child and family centres but also other programs delivered from within the

community.

**MS HUNTER:** So at west Belconnen, have you developed specific programs that are tailored to the needs of families in the area? Or is there a standard set of programs that are just rolled out at each of the centres?

**Ms Pappas:** It is a combination of both. I have brought the latest publication, if that is helpful and I am happy to leave copies here for the committee. There are those standard services, like the paint and play program. We do not run a paint and play program ourselves in west Belconnen, but we have partnered with Belconnen Community Services who do, to try to bolster up and support that program, because we do not want to duplicate. What we are really interested in is identifying gaps and filling those gaps.

There are some programs. Again, the team out there are looking to undertake a consultation process, which is how we really engage with the community, particularly the Aboriginal and Torres Strait Islander community, and that will be a consultation process with women, with men and with children. And we go down this track quite regularly. We try to do one about every 12 months or 15 months, just to make sure that we are actually delivering services that the community still feel are valuable and meeting a need.

We access kids and families at schools, at the Koori preschools, at Belconnen Community Services and the families that access those programs, but also across the road at UnitingCare, Kippax, where they have also got a lot of families accessing. So we are trying to just get a sense of what are the unique needs of that community and how we, as a collective service system, are going to meet those needs.

**MS HUNTER:** So it is very early days.

**Ms Pappas:** It is.

**MS HUNTER:** It was only recently opened and you have just talked about the sorts of activities you are doing to let people in the community know you are there and so forth. Have you had people already visiting and are programs underway? How has it been received, do you think, at this early time?

**Ms Pappas:** So far the focus really is about going out and making sure the families know that we exist. We do a program that we call “Over the trolley”. That sees staff going into the shopping centres where families are and usually it is on a pay week, at 3 o’clock when the kids have been picked up from school, and we do that in partnership. We try to theme them. In Child Protection Week we will have the Child Protection Service there. We will have KidSafe there.

In Families Week we try to do something that is relevant to families. The purpose of that is to say to families: “We are here, but here are the partners as well. These are the services that we can offer you.” We started that program at the Kippax shopping centre and we are looking to move that into Jamison as well. We are attempting to break into Belconnen mall. It has been interesting.

**MS HUNTER:** Good luck.

**Ms Pappas:** The other things we are doing include forming a partnership with the West Belconnen Health Co-op and recently participating in the Charny carny, which was a fantastic event. They are—

**MS HUNTER:** It was a very big day.

**Ms Pappas:** Yes, it was. They are the sorts of activities that the staff are doing at the moment, just to make sure that families out there and service providers out there know that the centre exists. But not just the centre; it is really about a service system for these families.

**MS HUNTER:** Thank you.

**THE CHAIR:** Mrs Dunne has a supplementary on this.

**MRS DUNNE:** I have got a couple of questions on the Belconnen child and family centre, if I could, Mr Chairman. One of the issues—

**MR HARGREAVES:** These are new questions?

**MRS DUNNE:** Yes.

**MR HARGREAVES:** Because I have my own set of new questions, obviously.

**THE CHAIR:** No, these are supplementaries.

**MRS DUNNE:** It is a supplementary to it, yes.

**MR HARGREAVES:** If it is a supplementary, fine, but for a series of questions there is a queue.

**MRS DUNNE:** The principal thing which is concerning in the community is the propensity that the child and family centre may have to cut other people's grass in the sense that there are already a range of services in the community, especially those run by Kippax UnitingCare, which is only across the road. What are you doing to ensure that you do not infringe on their territory—that you complement rather than duplicate?

**Ms Pappas:** What we have undertaken to do, and what we have been doing, is speaking with them about what it is that they are doing so that we understand what they are doing, talking to them about what we are doing and then making sure we are not delivering the same services. The arrangement with UnitingCare, for example—they have participated in "Over the trolley". That is a new program for them. It is a program that we have run, but it benefits them because they do not have those same sorts of resources in terms of getting out into the community in that format.

**MRS DUNNE:** How have they participated?

**Ms Pappas:** They come; they attend; they engage with families. It is supposed to be a seamless look for families. It does not matter who is delivering the services; you will get a service. It is a no wrong door concept, particularly because UnitingCare are across the road. UnitingCare deliver a lot of playgroups, so we will not be delivering playgroups. We will be delivering targeted groups to meet an identified need—for example, the POPPY playgroup, which is a targeted group for parents with mental illness. UnitingCare might have some families that might like to access that program, but it is not something that they deliver. That is the conversation that we have been having not only with UnitingCare, but also with Belconnen Community Service.

**MRS DUNNE:** Thank you.

**THE CHAIR:** A new question, Mr Hargreaves?

**MR HARGREAVES:** Thank you very much, Mr Chairman. I wanted to talk about some stuff on BP4, page 365. You have also got it listed in BP3, at page 181 and onwards. By my adding up, not counting what is going on at Flynn, the capital adjustments for early childhood centres add up to \$17 million. That is an enormous amount of money over two years. It talks about an upgrade of early childhood facilities; there is \$9 million worth there. Holder early childhood centre, for example, has got 7½ over two years, starting in the 2011-12 budget. Can you give us an idea of that \$9 million in the upgraded early childhood facilities? Which ones are going to be the beneficiary of the \$9 million?

**Ms Burch:** We have commenced work on that. It is a \$9 million investment that is going to childcare services that are sitting in government facilities. This is on top of an existing program of capital investment in children's services anyway. This is not the first time we have done it—or it will all end in two years time. This builds on—

**MR HARGREAVES:** Before you finish, minister, now that you have got the cavalry arrived, at some point could you or your officers tell me what that figure is that the \$9 million is being built on?

**Ms Burch:** Yes. Mr Collett—

**MR HARGREAVES:** At the end of your explanation.

**Ms Burch:** You cut me off, Mr Hargreaves. I will let Mr Collett talk now. It does demonstrate the investment into children's services. You were right to note that there is a capital investment of \$9 million, but we also are bringing on Flynn, which is being invested in at the moment. But there are also the two additional centres—one attached to the Franklin early ed school and the one in Holder. But we can get to that in a moment, Mr Hargreaves.

**Mr Collett:** If I understand your question correctly, Mr Hargreaves, the \$9 million that has been identified in the budget as additional funding to support childcare centres as they deal with the national quality framework comes on top of an annual expenditure of \$1.2 million, which is a combination of capital moneys and maintenance moneys.

**MR HARGREAVES:** Is the 1.2 recurrent, Mr Collett?

**Mr Collett:** It is not recurrent; it is typically what we have spent. That is an annual expenditure. It is established in the budget, but for the past years it has averaged around that figure.

**MR HARGREAVES:** So you have got your \$1.2 million there. Throw in another \$9 million over two years. Which centres are going to get the benefit of that?

**Mr Collett:** We are currently engaged in that work. A group of architects who have worked with us on community facilities and on childcare facilities particularly, Munns Sly Moore, are currently working to evaluate all of the childcare centres that are within our remit and to look at what challenges they will face as they equip themselves to deal with the national quality framework. They are looking at the physical configuration, the maintenance requirements of those centres, their size, and their viability in terms of some of the staffing requirements that will impact on them with the national framework. That work is being done concurrently. It is being worked up with the childcare providers themselves and with the regulatory and planning group within the office of children, youth and family services.

**MR HARGREAVES:** I have got a series of supps on this. Is this only government-owned facilities?

**Ms Burch:** This investment is in government-owned facilities.

**MR HARGREAVES:** Thank you for that. You say that the architects are having a look. Are there a series of centres which have been targeted for this review or is it across the board?

**Mr Collett:** To amplify the minister's answer, we have 38 childcare centres and we sublease five childcare centres from the education directorate. We will be looking at all of those childcare centres in order to get an understanding of what all their needs are before we focus on those that require the most assistance.

**Ms Burch:** Can I just add, in reference to the physical capacity of meeting the new ratios, that all of our centres—that is, every centre—already meet the over two ratio requirements, which will be one to five. And for the under two, the new requirement will be one to four, and that is a move from one to five to one to four. I think it is around 40, give or take a few per cent that already meet that requirement. So we are well positioned, but we know that there are some challenges ahead, which is why the \$9 million is on the table.

**MR HARGREAVES:** The Holder early childhood centre, which is in the same group of queries that I started with, has got 7½ million. That sounds like a new centre. Am I right there?

**Mr Collett:** That is correct. That is building on analysis work, both siting and demand, and scoping the design. It was carried out by Collins Caddaye Architects.

**MR HARGREAVES:** I notice that the funding is over two years, 2011-12 and 2012-

13. Do you have a projected completion date? Is it in 2013 or 2012?

**Mr Collett:** It will be 2013. We have, as I indicated previously, a scoping study that looks at the configuration and was used to confirm the budget. We will be working that up through the planning process, and documenting it so that we can call tenders during 2011-12. The construction will flow over the two financial years and will be complete in the middle of the 2012-13 financial year.

**MR HARGREAVES:** Where is it intended to go? Have you got that detail yet?

**Ms Burch:** We do.

**Mr Collett:** The site has been identified. I am just wondering what is the best way to describe it.

**MR HARGREAVES:** Mrs Dunne indicates that there was a church that got burnt down. Is that roughly the spot—not far from the parks and gardens—

**Ms Burch:** Mr Collett is going to refer to a block and section—

**MR HARGREAVES:** A block and section for an old bloke like me is a fat lot of use.

**MRS DUNNE:** Down there near Streeton Drive and—

**Mr Hehir:** Yes, and Dixon Drive.

**MR HARGREAVES:** It is near the burnt-out vets, is it?

**Mr Collett:** Yes; right near the vets.

**MR HARGREAVES:** My last question on that one, Mr Chairman, with your indulgence: I notice that the amount of money of \$275,000 in BP3 on page 181 kicks in in 2013-14. That \$275,000 expenses—is that just building expenses or is that salaries and wages as well?

**Ms Burch:** I think it is a bit of both.

**Mr Collett:** Under the upgrade of the early—

**MR HARGREAVES:** Holder early childhood centre?

**Mr Collett:** That will be depreciation.

**MR HARGREAVES:** That is depreciation. No; the depreciation is 188. Underneath the 181—

**Mr Collett:** I am sorry; I was looking at the upgrade of early childhood facilities.

**MR HARGREAVES:** No. Go to the bottom of the page; now move your eyes up just a little bit there, and you will see 275,000 in expenses in 2013-14.

**Mr Collett:** Yes. Mr Hargreaves, that is our operating expenses. That would include repairs and maintenance, on top of the depreciation of the asset itself.

**MR HARGREAVES:** The depreciation has got 188,000 over each of two years. The 275,000 is for operating the centre. Does that include salaries and wages in it?

**THE CHAIR:** Are they particularly tough little preschoolers in Holder that you need that much maintenance?

**MR HARGREAVES:** They burn vets down, mate.

**MR HANSON:** They breed them tough in Holder.

**THE CHAIR:** I was thinking of some of the neighbours.

**MR HARGREAVES:** Who burnt the vet down?

**THE CHAIR:** How can you have that much expense on a brand-new facility?

**MR HARGREAVES:** You pyromaniac, you.

**Mr Hehir:** I will need to check, but it will include outgoings such as electricity et cetera—water, all that type of stuff. We will get a breakdown for you.

**MRS DUNNE:** Can I just ask some supplementary questions on this. The Holder early childhood centre—do you have an operator in mind or what is the process of getting an operator?

**Ms Burch:** It is my understanding that we are going out. We will build and then we will tender out. We will seek providers to move into it.

**MRS DUNNE:** So the proposal at this stage is to build a child centre and then tender it out—rather than, say, look for a prospective provider and work with a prospective provider about the shape of the building?

**Mr Collett:** I think we would do it concurrently. There would be a process. We have already done the design. That was funded in last year's budget. Most of that design is there, but we would certainly be wanting to have someone ready to go and starting to do the work before we have finished, if that makes sense.

**MRS DUNNE:** How will you find a provider?

**Mr Collett:** Seeking expressions of interest would be the normal process that we would go through. I have not taken advice on that yet.

**MRS DUNNE:** How is seeking expressions of interest different from going out to tender?

**Mr Collett:** The expressions of interest would just be people identifying that they

would be interested. Then, whether we had a lot of people or not, we would decide whether we needed to tender or not. Sometimes it is worth doing an expression of interest to see what the field is like first.

**MRS DUNNE:** Could I just ask a couple of questions. Mr Hargreaves opened up on this area. The upgrade of early childhood facilities—is the \$9 million going only to Community Services owned facilities or to any government-owned facility? Some of them belong to your directorate and some of them belong to education.

**Mr Collett:** Yes.

**MRS DUNNE:** Yes to a or yes to b?

**Mr Collett:** It was yes to my minister and my director-general that I would answer the question, Mrs Dunne. It was just clarification on this side of the table. As I said in the response to Mr Hargreaves, the Community Services Directorate has 38 centres, which we own and operate, if you want to use that expression, and we sublease five from education. We would be focusing on those 43 schemes. There are a range of others, as you say, but those numbers are much smaller, and it will be up to those directorates to bring forward work that they want to do in terms of those centres.

**MRS DUNNE:** If you would indulge me, there are a couple of issues that have arisen here. A childcare operator has approached my office to say that architects turned up and said, “We’re from the government and we’re here to extend your childcare centre.” I think that the communication was not as eloquent as yours, Mr Collett. The operator said, “I don’t need an extension to my childcare centre and I think this is a waste of the government’s money.” You said you own and operate them. You do not actually operate them.

**Mr Collett:** We lease them out.

**MRS DUNNE:** You lease them out to other people?

**Mr Collett:** Sorry; operate them as properties.

**MRS DUNNE:** To what extent do the people who actually have the contract to operate the childcare centre have a say in whether they get an extension or what their extension or their refurb or whatever will look like?

**Mr Collett:** We are well versed in working closely with the operators. I answered Mr Hargreaves’s question about what this was on top of as a base and said that we were spending \$1.2 million over the past years in terms of capital upgrades and maintenance of those facilities. That work of course is done in very close consultation with the operators of all of the centres.

I cannot comment because I do not know how the architects presented themselves to the centre that you referred to. My advice was that we wrote out to all of the centres advising them of the work that we were going to do and I am disappointed if the architects did not present themselves professionally. It is certainly not a question of imposing an outcome on the operators. As well as looking at the physical issues, the

size of the centre, the level of maintenance, the age of construction and the capacity for increasing the size if that is required, we also are questioning the operators themselves about what challenges they see in responding to the national quality framework. So it is done closely in consultation with the operators.

**MRS DUNNE:** I have some other questions but tangential to this—

**THE CHAIR:** Ms Hunter has a supplementary so why don't we go to Ms Hunter next and then if you have supplementaries we can go there.

**MS HUNTER:** Mine might be tangential as well. You said that there had been design work done last year on Holder. So this has been in the works for a while. Have you had any approach, minister, from a current operator who is having to vacate their premises about this particular site and what has the response been?

**Ms Burch:** There has been a strong interest since this budget bid has come on line and it is clear that we are building a facility at Holder. We have been approached by a number of people who have asked how to get information about expressing an interest or applying for a tender for that building. I think you are making reference to a particular operator who perceives to have challenges in their accommodation leasing arrangements? It is my understanding that the lease arrangement has been extended for some years—I am not quite sure—Mr Collett?

**Mr Collett:** Arrangements have been made.

**MS HUNTER:** Apparently they have expressed an interest in purchasing the block in Holder; I think that was part of the issue. But Mr Collett might have information about the current leasing arrangement.

**Mr Collett:** Blocks have been taken to the market in the past for childcare centres. Going back some time, some of the leasing requirements for a particular operator first arose and they were not successful in the purchase of that block. More recently, additional blocks have been made through the Land Development Agency for a range of community facility uses, specifically including childcare use. As we have outlined in the paper that was prepared in response to the budget and issues around childcare, in addition to the Holder construction work there are another five sites that have been identified that will be brought forward to the market, some of which are included in those ones that I have just described. So we will continue to look at what the demand is, how effective the private sector is in taking up the demand and what the need is for additional sites, working closely with the Economic Development Directorate.

**MS HUNTER:** So in this particular case the lease has been extended for some time?

**Ms Burch:** That is certainly my understanding. We can come back to you on that but it is certainly my understanding.

**Mr Hehir:** We can check that but I think it is right.

**MS HUNTER:** And you are quite a way down the track as far as the Holder centre is concerned?

**Ms Burch:** Yes. Mr Hehir may have some detail—

**Mr Hehir:** I was just going to say that we actually did the design work around two centres last year, one at Holder and one at Kippax. So we have decided to, in a sense, test the market. The site at Kippax will actually be sold with the plans in place. They do not have to take those plans but the plans are there.

**MRS DUNNE:** Sold with approved plans?

**Mr Hehir:** Are they going to be approved?

**Mr Collett:** That is our intention.

**Mr Hehir:** That is our intention.

**MS HUNTER:** You would hope so if you are using them to build another one.

**Mr Hehir:** Yes, we have done the design work. So we are testing the market a bit. As you would be aware, in the ACT we are one of the very few jurisdictions with a preponderance of community-based childcare and typically the community-based ones tend to, but not exclusively, operate out of government-owned facilities. We do have one or two commercials in our facilities as well. We thought it was a nice balance in a sense to take some out to the market and continue a program of building, noting that we build not frequently nowadays. The last one was Flynn, of course. The one before that was Gungahlin, I think from memory, and that has been a few years apart. But we just thought we would take out a few sites to the market to make sure they had the opportunity, including ones that we had done the design work for.

**MR HANSON:** I note the Weston Creek Community Association already runs the centre in Weston there. I would just like to make a point that they do an outstanding job.

**MR HARGREAVES:** He is a graduate.

**MR HANSON:** My children are graduates.

**THE CHAIR:** That is such a good statement but is there a new question from you?

**MR HANSON:** We have moved on from childcare now, have we?

**THE CHAIR:** No. We are still on 2.1.

**Mr Hehir:** Sorry; David has just corrected me; we have rebuilt the Weston Creek one.

**MRS DUNNE:** You rebuilt the one after the fire?

**MR HANSON:** Yes, it was in part. It moved. It is a very good facility and very well run. My question is—

**MR HARGREAVES:** We are still on childcare.

**MR HANSON:** Are we specifically on childcare?

**MR HARGREAVES:** Yes. I have—

**THE CHAIR:** I am happy to move to 2.2.

**MR HARGREAVES:** I am not. I am still on 2.1.

**THE CHAIR:** We will have to move to 2.2 shortly anyway.

**MRS DUNNE:** You have just asked a whole lot of questions on 2.2, Johnno, so that threw us.

**MR HARGREAVES:** No, I didn't. I was on 2.1.

**MR HANSON:** Anyway, the question, I suppose, covers a number of areas including childcare but it is—

**Ms Burch:** Mr Hanson, we are paying attention.

**MR HANSON:** Thank you, minister. Sometimes it gets a bit distracting with some of the members of the committee.

**Ms Burch:** I sympathise. What page are you going to?

**MR HANSON:** On page 347 there is mention about improving outcome for clients and engaging and involving clients. Obviously the intent is to have a client-focused approach. How do you monitor that, assess it and report on it, whether it be childcare or other services you are providing, to make sure that it is actually client focused? How do you report on that? Where do I find the reporting for that and the measurements of that?

**Ms Burch:** It is part and parcel of our model of care and delivery and it is client focused. Martin Hehir can talk in detail about whether we have an accountability indicator. I am not quite sure, Mr Hanson, if that was your question.

**MR HANSON:** Yes. I want to know how you measure it because I know you say that that is your approach.

**Mr Hehir:** I think we have to admit it is a proxy measure, and that would be the client satisfaction surveys that we do. Particularly if you do not work well with your clients or you do not take into consideration their needs, they are not very satisfied with what you do; they feel you are doing something to them rather than not. So the proxy measure, and I would say it is a reasonable proxy measure, is the client satisfaction surveys. We have got them in most areas within the departments, so most of the outputs will have a client satisfaction survey in place.

**MR HANSON:** Are they published?

**Mr Hehir:** Yes.

**THE CHAIR:** Can you explain what a proxy measure is? You have used the words “proxy measure”—

**MR HARGREAVES:** Just be careful how you say that, Mr Chairman, please.

**MRS DUNNE:** But sometimes they are.

**Mr Hehir:** When you cannot measure the outcome you want explicitly, you might look for something that would indicate that it is trending along that pathway. So for—

**THE CHAIR:** I would stop there and just go back to Mr Hanson.

**MR HANSON:** Okay; so you have got client satisfaction surveys. Are they public?

**Ms Burch:** They are there if you want to go to page 358 down at 2.1f. Also, Mr Hanson, when Ms Pappas was talking it was about that no wrong door, so that is clearly driven by making sure you are responding to the client need as well.

**Mr Hehir:** I suppose some of it is also demonstrated through the west Belconnen child and family centre—in fact our other child and family centres—where we actually ask the kids in the community: what would you like?

**MR HARGREAVES:** You ask the kids what they want?

**Mr Hehir:** Yes.

**MR HARGREAVES:** What—a 250 motorcycle, a couple of trampolines, some go-carts?

**Mr Hehir:** We have had answers like racetracks and so on but, yes, they like light and they like colour and they might want windows in different places from where we might put them in when we are doing it. So it is a useful process. I know that Helen finds it really useful. I am not sure that the architects have always started—

**MR HANSON:** Have you considered how you could do that more directly rather than through a sort of proxy measure? Have you considered that? I am just wondering whether you have explored that. I have not got any ideas about how you could do it.

**Mr Hehir:** No. I would say a good measure would be asking the client, but we might just ask the explicit question, if that makes sense. So we could say, “Did we include you” and make you the centre of the service rather than that. We could actually ask a specific question as part of our client survey. That is a possibility. I do not know whether we do that because I do not have my data team here.

**MR HANSON:** On page 358, the measure just says that client satisfaction with service is 90 per cent. Is that broken down somewhere and provided with more detail on a website somewhere or—

**Ms Burch:** Ms Pappas can talk.

**MR HANSON:** It might be that childcare gets a very high review and something else does not.

**Mr Hehir:** Yes, that is fine. I think we talked the last time we were here around disability and the number of different aspects to it which we could break down. But I will just check with Helen what aspects she has got.

**Ms Pappas:** Specifically on 358, the client satisfaction survey asks a range of questions of families: what did you come to see us about? Were you satisfied with the outcome? If not, what would you have liked the outcome to be? What could we have done differently? So I am asking those sorts of questions. We are trying to get a sense of their experience of the service and whether their presenting issue was resolved through intervention and if it was not what could we do differently. Then there is a question: were you satisfied with the service? So we try to get a range of information from customers.

**MR HANSON:** But where is that published?

**Ms Pappas:** I understand it is in the annual report.

**MR HANSON:** Is it?

**THE CHAIR:** A new question from Mrs Dunne, then Ms Porter.

**MRS DUNNE:** I have got a question about the child and family centres, Mr Chairman, but I also have substantial questioning on childcare.

**THE CHAIR:** We will go around the circle and then come back to it.

**MRS DUNNE:** We will get to that later on, shall we? Could I just ask—

**THE CHAIR:** Let us finish this area up and we will move to 2.2.

**MRS DUNNE:** The child and family centres program is essentially going up by a million dollars this year. Is that all for the new child and family centre? It is from \$2.798 million in 2010-11 to \$3.777 million this year. Does that all take account of one new child and family centre coming on line or is there more to it than that?

**Mr Hehir:** I might ask Ian but my recollection is that it is largely around the west Belconnen child and family centre, knowing that that is not the full resourcing for the west Belconnen child and family centre. There are other aspects that are being done through other centres in terms of outreach et cetera.

**MRS DUNNE:** Perhaps if Mr Hubbard can answer my first question, I can foreshadow: what are the other sources of income for the child and family centres, particularly the one in west Belconnen?

**Mr Hubbard:** It is \$988,000 going into west Belconnen. The difference is the indexation in the base each year. That is the standard indexation that we get for each year. So that pretty much makes up your \$1 million. That is it, in a nutshell.

**MRS DUNNE:** You were saying, Mr Hehir, that that \$900,000 is not the only source of funding for the Belconnen child and family centre. What are the other sources?

**Mr Hehir:** I think there was some base funding from the Australian government. They actually provided a large amount of capital in some base funding. I do not have the detail in front of me, but we can certainly find that out for you. There were other things. My recollection is that Gungahlin had some of the workers. The schools and community workers are actually working in some Belconnen-based schools located out in Gungahlin. It makes more sense for those particular staff members to be located at the west Belconnen centre. It is just making sure the resources are in the right place.

**MRS DUNNE:** On the basis that last year's budget was \$2.7 million for two centres, why are we only going up by \$900,000 when we are adding a third centre on? Are west Belconnen being short-changed or are they extraordinarily efficient?

**Mr Hehir:** The funding from the Australian government has been in place for a couple of years. There was some funding there already in terms of the base, so you will not have seen the increase. It also involves, as I said, looking at where staff are actually best located, based on that. I do not know whether Gungahlin will deal with taking away one of their key workers, but the work she was doing was in schools like Florey and Evatt et cetera. It makes more sense for her—

**MRS DUNNE:** To be more proximately located?

**Mr Hehir:** Yes.

**MRS DUNNE:** Could you, on notice, minister, provide the committee with a breakdown of the sources of funding by each of the child and family centres?

**Ms Burch:** Yes.

**MRS DUNNE:** And what the operational funding is for each of those centres?

**Ms Burch:** Yes.

**Mr Hehir:** West Belconnen is the only one where we have Australian government funding.

**MRS DUNNE:** Why is that?

**Mr Hehir:** It is an Indigenous-focused child and family centre. In fact, I am going to boast a little bit here. There were a number of centres funded across Australia. Notwithstanding that I thought we were a bit tardy getting our advice in, we were the first one to be completed. In fact, I think we are still the only one to be completed and operational. It is good we are able to utilise some of their funding for an important project and also deliver a child and family centre for the community as well.

**THE CHAIR:** Ms Porter, I understand you have got a question and you think it is in 2.2?

**MR HARGREAVES:** Yes, it is in 2.2; I know it is.

**THE CHAIR:** Ms Hunter has a final question on 2.1. We will start at that end and work our way back.

**Mr Hehir:** I do have the figures. Ian has very conveniently got them, if you would like them.

**THE CHAIR:** He's good like that!

**MRS DUNNE:** Yes.

**Mr Hubbard:** As Martin was saying, we put in an application and the project commenced back in 2009-10. We received \$2.54 million in capital to commence the project and then in the following year we got another 1.66 in capital, giving the total capital value of the west Belconnen centre.

**MRS DUNNE:** Did the ACT put in any—

**Mr Hubbard:** The land component. The operational funding started quite small in that year. It was 22,000 to kick it off and then in each year, come 2011-12, we have got 1.52 in operational funding as the centre is built from the commonwealth government, with \$200,000 coming from the ACT government—and, as Martin was saying—also some resources from some of the other centres and within the department, staffing, in addition to that 1.5 million. In 2012-13 it is around \$1 million in operational from the commonwealth government and, again, the \$200,000 base direct funding for Belconnen, plus other resources, are shared from the department. That is the total funding—

**MRS DUNNE:** I am now confused because you were saying that we got \$900,000.

**Mr Hehir:** These figures would have already been in the forward estimates, so you will not see a growth in any of them.

**Mr Hubbard:** Yes. This is already in our base and forwards because it came in in 2009-10. It is already in the—

**MRS DUNNE:** Could the committee get that in tabular form?

**Ms Burch:** We will go back to your original request and provide that, yes.

**THE CHAIR:** Just before Mr Hubbard goes, on page 377—the operating statement for early intervention—the amount for depreciation and amortisation is \$1.116 million across five years. How can you so accurately predict that it will be \$1.116 million over five years?

**Ms Burch:** Because he is skilled.

**Mr Hubbard:** I suspect the answer is applying the formula the accounting standards require. You depreciate it over a number of years and divide it by the 40 years—

**THE CHAIR:** But that would assume there is nothing new coming on line in the outyears.

**Mr Hubbard:** Not that I have been told. We just project it into the outyears. At the moment we do not know that something would—

**THE CHAIR:** You are building facilities currently that you have not got on the books yet.

**Mr Hubbard:** Yes. We do not know the final value of those, though.

**THE CHAIR:** But you have got indicative values. I accept the standard. The line below that—borrowing costs of \$15,000 every year for the next five years—what have you borrowed? What are borrowing costs? How much have you borrowed and what was it for?

**Mr Hubbard:** I will have to check that. It is a big number and—

**THE CHAIR:** It is a huge number.

**Mr Hubbard:** I will find exactly what the borrowings were for.

**THE CHAIR:** Ms Hunter to close on 2.1, then 2.2 and we will go back to Ms Porter.

**MS HUNTER:** I do not know if Mr Hubbard might want to stay.

**THE CHAIR:** He might not want to stay either.

**Mr Hubbard:** It is a change in the accounting standard for how we cast it financially. It is shown as a borrowing—

**THE CHAIR:** Right.

**MS HUNTER:** On page 365 under “budget policy adjustments” we have the Flynn regional community hub with \$1 million. Under the technical adjustments, which is a rollover for Flynn, we have got \$2 million rolling over from last year. I want to focus on that \$2 million rollover. What is happening? Where are we up to? What is going on with Flynn in the childcare centre part? Mr Collett?

**Mr Hubbard:** I guess that is a financial question and not a planning and building question. David?

**Ms Burch:** We committed \$4 million in last year’s budget, \$3 million and \$1 million—\$3 million in the first year and \$1 million in the second year. I will ask one of the gentlemen to talk, but I imagine it is just the timing of bringing that project

online and expenditure to date.

**Mr Collett:** That is correct, minister. We have started work on the conversion part of the Flynn primary school for childcare services for a combination or amalgamation of Gumnut and Alkira. That work started with the lodgment of a DA. The undertaking of internal works does not require development approval. There are some external works. It is well underway at the moment but, as the minister says, it is the split between the expenditure of that \$4 million commitment to the childcare centre over the two years.

**MS HUNTER:** Has there been any delay in the work? Obviously we know—it has been out there publicly—that there have been attempted court actions or there has been a case lodged in the Supreme Court. Has that caused any delays? Are you on time, on target, on budget?

**Ms Burch:** We are certainly committed. I was out onsite a couple of weeks ago with Alkira and Gumnut. They are looking to formally amalgamate come 1 July this year. Their new name is yet to be determined, so I will still refer to them as Alkira and Gumnut. They are anxious around the completion date, but the instructions are very clear for the builders and architects that they will be there for a January 2012 start. But for a January 2012 start they need to start upping their digs and relocating the end of it.

**MS HUNTER:** The work has started, Mr Collett, I understand?

**Mr Collett:** That is right. It would be fair to say that we have taken some time to address some of the issues that have been raised around the redevelopment of the school. You will be aware that the previous Chief Minister made a commitment that the design values and the community's value for the building would be respected, notwithstanding the outcome of the application that has been made by the community group for heritage listing.

The Heritage Council, after a technical assessment of the issues and arguments that were raised, decided not to list the building. That decision was upheld by the appeals tribunal. Notwithstanding that, and consistent with the previous Chief Minister's undertaking, we have been very careful in the way in which we have treated the building in terms of the architectural qualities that it has. This morning at 8.30 I was in discussion with Dr Enrico Taglietti and having a look at some of the details that are proposed by Conrad Moore, the architect of the changes, to make sure that, in Enrico's view, they are consistent with his original design intention. The architects have also—

**MS HUNTER:** So he has been working alongside, or he has provided advice? Is he happy with what has been going on?

**Mr Collett:** I cannot speak for him. We have listened carefully to what he has said and we have taken on board the comments that he has made. In addition to that, the architects have spent some considerable time and effort in documenting the areas that are valued by the community. The community, as in most schools, has been involved in preparing mosaics for some of the walls, decorating the stormwater basins that are part of the school, putting in resource centres and contributing to the school. The

architects have mapped all of those and they have ensured that they are protected through the construction and, where possible, they have been incorporated in a meaningful way in the final design of the building.

These things have taken time. That explains why we have had to roll over some of the funds. As the minister notes, we are now well into calling trade package tenders, getting the prices together, checking some of the technical details, stripping out some of the internal linings to look at where the services and structures are and making sure they are consistent with the original drawings. I remain confident at this stage that we will meet the undertaking that the minister has given, and we have given to the minister, of having the facility completed in time for the childcare operators to move into the facility for the start of the 2012 academic year.

**MS HUNTER:** Mr Collett, you will remember last year that the John Flynn Community Group gave some evidence at last year's estimates on the community day. One of their issues at that point was around ensuring that any engineering systems in the building were going to be designed for the whole building—that they did not just start with the childcare bit and then, at the end of the day, have to add. Has that been built into the design?

**Mr Collett:** The government's commitment to provide an additional \$4 million in 2011-12 for the redevelopment of the rest of the former primary school gives us a good reason now to move ahead with the master planning, which will look more broadly at the landscape and the setting for the school, the range of other uses that will go in, and also the way in which the whole of the building will be brought up to an adequate standard.

**MRS DUNNE:** Does that include, for instance, that presumably the childcare centre is going to be air conditioned in some way? Are you going to air condition the rest of the building? Are you going to put in one air-conditioning plant for the whole building—those sorts of things? When I say air conditioning, I mean heating as well.

**Mr Collett:** Mrs Dunne, now that we have got that funding we can look at those technical systems and go through the same sort of analysis we went through with the other regional community centres to work out what is the most cost-effective way, both in construction costs and in operating costs, of achieving adequate thermal performance and fitness for purpose.

We will, of course, concurrently with that planning work and architectural work, go through a selection process for tenants for the building and by cross-matching those tenants' requirements with the physical configuration of the school and services, we will be able to work out the scope of works that are necessary to bring this up to the same sort of successful delivery of services that the other community facilities, the regional community services hubs, have been able to achieve.

**MRS DUNNE:** Minister, when you are going through the process of determining who the other tenants for the rest of the building will be, are you committed to working with the Flynn community as part of that decision making?

**Ms Burch:** We have always been committed to working with the Flynn Community

Group and they have been part and parcel of ongoing discussions and meetings over the past for a very long while, Mrs Dunne.

**Mr Collett:** Minister, if I could add to that? At the—

**MRS DUNNE:** Please.

**THE CHAIR:** Very briefly, Mr Collett. We need to move on.

**Mr Collett:** I am always brief.

**THE CHAIR:** No, Mr Collett, that is not true.

**Mr Collett:** At the neighbourhood meeting that we held last Thursday night with the Flynn community just to keep them advised about the progress of work I reiterated that commitment that as well as the criteria that we had used for the other regional communities' hubs, we would add criteria that gives a level of preference to organisations and services that are targeted at or drawn from the local Flynn neighbourhood.

**MR HARGREAVES:** If they are registered as political parties?

**THE CHAIR:** Moving to Ms Porter.

**MS PORTER:** Thank you, chair.

**Ms Burch:** I will let that one sit, Mr Hargreaves.

**MS PORTER:** I just seek your guidance. I believe that it is okay to ask this now but you will let me know if it is not.

**THE CHAIR:** Go for your life. You may ask the question.

**MS PORTER:** I note in budget paper 3 on page 107 that the government has announced a \$2.076 million program to assist the young people cared for by kin and foster carers through a new case management service for young people transitioning from out-of-home care to independent living. I also note that this will be extended to support young people beyond the statutory age of 18 to 25. I was wanting to know what type of support this youth transition team will be coordinating for the young people. Also, I was wanting to know whether the government will consider reflecting this policy change in legislation.

**Ms Burch:** Thank you. I am happy to talk broadly and then go to Christine Nolan who has joined us today for her first budget estimates. In respect of supporting youth transitioning from out-of-home care, as you know we put out a discussion paper to look at this important matter last year. We received a number of submissions and have provided a summary of those submissions and feedback. I believe it is online and we are going through finalising our position in regard to that.

But what this is broadly looking at is four positions, two which will be within

government and two will be in a non-government arrangement. That just provides choice and opportunity for those young people. They can choose what is the best place. Also, in that is a small amount of money—I think it is \$110,000—for brokerage because we know that as kids turn 18 and move out there are often one-off expenses. Anyone with children leaving home would be well aware of those one-off expenses as those children leave home.

**MR HARGREAVES:** One-off?

**Ms Burch:** Only a one-off expense.

**MR HARGREAVES:** One-off a few times, minister.

**Ms Burch:** That is the thrust of that transitioning from out-of-home care. We are committed, and I think I have said that we are committed. We recognise that 18—my youngest turned 18 two weekends ago and he is not completely wise yet.

**MR HARGREAVES:** You are not allowed to hit them anymore, are you?

**Ms Burch:** Yes, they do not turn wise and capable at 18. They do need that additional support and that is what this reflects. Certainly, on the question of reflecting it in legislation, it is something that I am seriously considering. I have got Christine Nolan with me. Do you want to talk about that?

**Ms Nolan:** Probably the only thing to add, minister, is to say that the other part of the initiative is actually to work across government to effectively engage other relevant agencies like the health department to prioritise those young people leaving care in terms of perhaps some of their health needs or other needs that other ACT government departments may be able to assist with.

**MRS DUNNE:** Could I follow up on that with a supplementary?

**THE CHAIR:** No, it is probably better asked in 4.2, I suspect.

**MRS DUNNE:** Yes.

**THE CHAIR:** Ms Porter had been waiting for some time. You said you had a further question?

**MS PORTER:** Just a supplementary. Am I allowed to ask it now?

**THE CHAIR:** Yes.

**MS PORTER:** The Create Foundation's transitioning from care in Australia report was released this week. Are you aware, minister?

**Ms Burch:** Yes.

**MS PORTER:** It is showing that around 63 per cent of young people surveyed in the ACT 17 years and over report having—only 63 per cent report having a leaving care

plan.

**Ms Burch:** Yes.

**MR PORTER:** So do all young people have the leaving care plan currently?

**Ms Burch:** It is certainly a requirement that all young children should have a leaving care plan. Whilst the Create report showed ACT as top of the ladder, so to speak, at 63 per cent, that is still short of 100 per cent. Whilst it may be a good result in some ways, it is not good enough. That is certainly the conversation that we have had within the directorate—how do we improve that? It is absolutely vital that the department works with the young children and their families with those transitions.

As happens, as parents we talk with our children about what are their career opportunities and aspirations—do they want to go to school, do they want to go to work, what are the barriers to that? But we have been joined by Paul Wyles as well. He may have some comment on that.

**Mr Wyles:** It is important to note that this work is part of a national priority, the framework on protecting Australia's children. It is one of 12 national priorities around transitions from care. We have been working with the Australian government, Create and our stakeholders locally to make sure that this planning process occurs.

What we have put in place—I spoke at a previous estimates committee about the case conferencing model. For all young people leaving care from January this year, that case conference involves doing that detailed planning around leaving care so that we really move towards that. It is important to note the Create report is really a sample of self-reporting from young people. Carers and workers were not interviewed. But our reporting is really that all young people from January this year will have a leaving care plan.

**MS PORTER:** So that was the young person's impression of where they are at?

**Mr Wyles:** Yes, and these were surveys that occurred last year.

**MRS DUNNE:** Sorry, Mr Wyles, can I just—

**THE CHAIR:** No.

**MRS DUNNE:** I will come back on that.

**Ms Burch:** Hold that thought.

**THE CHAIR:** Ms Porter, are you done?

**MS PORTER:** Yes, I am.

**THE CHAIR:** As I said, we will work back. Mrs Dunne, over to you on output class 2.2.

**MRS DUNNE:** Minister, there was a big splash in the budget leaks this year of a \$64 million initiative in childcare. How much of that was education money?

**Ms Burch:** I do not think it was a leak. I think I announced it quite loudly and proudly, Mrs Dunne.

**MRS DUNNE:** Once upon a time they were treated as leaks; now they are media events.

**THE CHAIR:** Now they are passe.

**MR HARGREAVES:** They are pronouncements, as a matter of fact, from on high.

**Ms Burch:** There was \$60 million in early education and childcare services. The national reforms cover early education and childcare services. There is \$42 million in Franklin, which includes 120 places or thereabouts for childcare services. It also included the \$9 million for capital upgrades that Mr Collett has spoken about. It included building at Holder at \$7 million. It also went to some \$780,000 in a scholarship program to support the workforce, because you can have all the bricks and mortar—

**MRS DUNNE:** No, my question was, minister: how much of that \$60-odd million announcement was money out of education?

**Ms Burch:** As I said to you, it is \$42 million in the early education school at Franklin—

**MRS DUNNE:** Early education school?

**Ms Burch:** which will include 120—

**MRS DUNNE:** Okay, so it is—

**Ms Burch:** as they do, childcare places, because they do go from zero—

**MRS DUNNE:** Yes, so what I am asking is—

**Ms Burch:** to the end of year 2.

**MRS DUNNE:** So \$42 million for the whole early childhood centre in Franklin. That is not your money. That is Mr Barr's money?

**Ms Burch:** That is right.

**MRS DUNNE:** You are not putting in any capital money for the childcare?

**Ms Burch:** The Franklin childcare service there, no.

**MRS DUNNE:** Right, thank you. On a different line while Mr Collett is here, now that we have finished the planning for Flynn, how many childcare places are there,

Mr Collett?

**Ms Burch:** There are 110.

**Mr Collett:** 110.

**MRS DUNNE:** 110?

**Mr Collett:** Yes.

**MRS DUNNE:** Thank you.

**Ms Burch:** I think that is a growth—what are they currently sitting on—80?

**Mr Collett:** Yes, about that.

**Ms Burch:** It is 90-something. Do you know what Gumnut current numbers are?

**MRS DUNNE:** They were 98 or something.

**Ms Burch:** No, I do not think—

**Mr Collett:** Mrs Dunne, I do not think it is as high as that, but I will get that answer for you.

**MRS DUNNE:** Thank you.

**THE CHAIR:** A new question, Mr Hanson? I said we will work backwards.

**MR HANSON:** Yes. Budget paper 4, page 348, the children's services scholarship program—it is \$785,000 over two years. How many scholarships does that provide each year?

**Ms Burch:** I do not think it is determined in numbers. It is really around providing support to the workforce to focus on a cert III training level. Here in the ACT it is a diploma and advanced diploma; there are already fee waivers to attain that, so there is no cost to those in the workforce that are getting their diploma and advanced diploma. At a degree level, there is a 50 per cent HECS remission.

The focus in this package was to look at the certificate III, which is the minimum. Some people will require CIT or an RTO fee cover; others may need other levels of support. And certainly RPL-ing, because we are looking at supporting those that do a fabulous job—that are well skilled and do a great job but do not have a formal cert III as we know it.

There is also a level of money in there to support the services. A number of the small services say, "I would love to release my workforce for training but the cost of backfill and those other things are barriers." So there is a level of support in that. We are working with the sector—the union and the sector itself, the service providers—and going "What does this mean and what is the final detail of that?" That work is

being constructed very quickly now; that is my understanding.

**MR HANSON:** Broadly have you got an idea of how many scholarships? I appreciate that it might be difficult to define exact numbers.

**Ms Burch:** If you just look at the cost of a CIT fee—but I will ask Natalie Howson, who is also joining budget estimates for the first time today.

**Ms Howson:** That amount we think will equate to approximately 76 scholarships.

**MR HANSON:** That is quite a precise number, isn't it? There is no number? You cannot tell? It is 76.

**MRS DUNNE:** Ms Howson, is this money aimed at people who are already working in the area who need to up their skills or is it open to people who want to work in the area?

**Ms Burch:** It is both, Mrs Dunne.

**MRS DUNNE:** Is there any mutual responsibility, any requirements put on people who are going to receive their scholarships—that, for instance, they work in the area for a particular time? Are they bonded?

**Ms Burch:** It certainly has been raised as part of the discussion, but we have not finalised that. It has been raised. The providers themselves have said, “If we put this effort into our workforce, it would be good to have them return.”

**MR HANSON:** When is that decision being made? I assume the scholarships are going to start very soon.

**Ms Burch:** The scholarships will come online towards the latter part of this year.

**MR HANSON:** Assuming that people are going to have to start the application process, they probably need to know whether there is a bonded element pretty soon.

**Ms Burch:** All that will become clear in due time before the applications are open, Mr Hanson.

**MRS DUNNE:** Could you provide on notice to the committee a timetable for when all this is going to be finalised?

**Ms Burch:** Yes.

**MRS DUNNE:** Could I also touch on this, Mr Chairman, because Mr Hanson has raised this issue. You did mention, in passing, RPL. My understanding is that for RPL to kick in someone has to be in a formal course.

**Ms Burch:** Sorry?

**MRS DUNNE:** One of the things that was said by the federal minister was: “We

don't want to lose all these people that have been in the industry for years who do not feel comfortable about studying." The question is this: how is this going to be dealt with? Are you going to give them a proxy qualification based on RPL or are you going to give them an exemption from qualifications?

**Ms Pappas:** The RPL process or the scholarships are seeking to, as you say, engage with those already in the service, in the system, that we do not want to lose. For family day care it is particularly—who are not able to access programs during the day because they are at home looking after children. The idea is that we would work with the peak bodies of those areas—for long day care, for family day care, independent preschools—and get a sense from them how it is that we need to set up this scholarship program that is going to meet the needs of those who need to study and those who need to deliver a service. The legislation or the national quality framework talks about educators who are actively working towards or who hold; those who are actively working towards will be able to access the RPL process.

**MRS DUNNE:** So the category of people that the federal minister spoke about who are mature people who have worked in the industry for a long time but who do not have formal qualifications—and the minister said we do not want to lose these people—will not have RPL available to them unless they engage in a training course?

**Mr Hehir:** That is right, so—

**MRS DUNNE:** That is not what the minister told us in answer to a question in the Assembly.

**Ms Burch:** What I was referring to was that RPL opportunities are open to those in the workforce now, and to be RPL'ed through, say, for example, CIT, you enrol in CIT—

**MRS DUNNE:** You need to be enrolled in CIT?

**Ms Burch:** And you are RPL'ed through that.

**Mr Hehir:** This is why this package is being put together with a number of different components to it. There are those people who actually want to keep their time in the formal course as short as possible because they believe, generally rightly, that eight years experience on the floor is a really good training program, often working with qualified professionals. The package about backfilling, RPL and also enrolments at the CIT and other places, the RTOs, is actually designed to make sure that that particular workforce are not disadvantaged and in fact that they are facilitated to have their qualification and their skills recognised. Part of the component to access the RPL will be that they will need to be enrolled, but the process will be around the RPL. A lot of people in the recent forum the minister held identified as a key issue for them how we support the staff to actually document their learning as part of the process. That is the most time-consuming part of RPL. The package has been designed with a very clear intent of trying to support those particular workers.

**Ms Burch:** I am quite happy to ask the officials if there is any detail, because in the recent federal budget, there were some allowances for some of this work as well. That

is my understanding. We can provide that information to you.

**THE CHAIR:** Maybe we will take that on notice?

**Ms Burch:** That is what I am saying; we will bring that back to you.

**THE CHAIR:** Mr Hargreaves, a new question.

**MR HARGREAVES:** Thanks very much. I hope this is in the right spot.

**THE CHAIR:** Well, that has not stopped you before.

**MR HARGREAVES:** We will soon find out. No, it hasn't, has it?

**THE CHAIR:** No, and giving advice.

**MR HARGREAVES:** Indeed; life is full of these little miseries from time to time. Mr Chairman, I am interested in the dot point on page 348 of budget paper 4—the fourth dot point. I hope it is in the right spot. It says:

... implementing the National Quality Framework for Early Childhood Education and Care Services in line with other jurisdictions ...

I would like to know a little bit more about that—and what is the difference between us and other jurisdictions?

**Ms Burch:** Thank you, Mr Hargreaves. I will go to Natalie and Helen Pappas, but let me say that all jurisdictions are signing up to this. There has been an ongoing conversation and consultation particularly around the regulations recently. I asked for an extension to that consultative process, and I think we got to the end of April. That allowed our local providers to have a stronger and detailed look and come back to the regulation unit.

But as far as where we are positioned in it is concerned, I think we have engaged quite strongly and well with the children's services sector. And as far as implementing it is concerned—again I will say, at every opportunity, that for the over-tuos we already meet the new requirements and for the under-tuos we are certainly on the way. And as far as qualifications which come into effect from 2014 are concerned, the package we have put together, but also the recent work we have done on looking at what our workforce is—we are probably the best positioned in any jurisdiction to make the change.

That said, we know there are still some challenges, which is why we put packages like this together and have such a fabulous unit, managed through Helen, that works with the sector. I am happy to put it through Helen Pappas or Natalie Howson.

**Ms Pappas:** The national quality framework aims to unify the regulatory licensing component across Australia, so there will be one single regulatory authority that does accreditation, assessment and licensing. It is really drawing on evidence that has been outlined in the early years learning framework, which is a curriculum-based

framework. And I do come with gifts today, because I have got a copy if you are interested.

**MR HARGREAVES:** You beauty! Show bags. I love show bags.

**Ms Pappas:** That is the framework—

**THE CHAIR:** Steady, Mr Hargreaves.

**Ms Pappas:** That is the framework. What comes with it is an educator's guide and some examples of best practice in children's services. That really sets the scene in terms of what across Australia we are trying to achieve in raising quality in childcare—not just childcare, but early childhood education and care, I should say. So there will be a single regulatory authority. There will be a new board that is established as a result of the national quality framework called ACECQA, the Australian children's education and care quality authority. We have learnt to love the acronym. And—

**MR HARGREAVES:** I don't think so.

**Ms Pappas:** And a ministerial council. The board will answer to the ministerial council. So there are three levels of governance in the system. There will be a review in 2014 which will be led by the board, to determine whether we are heading down the right path, that we have consistency across Australia and to make some tweaks to legislation if we need to, just to ensure that that consistency is maintained.

**MR HARGREAVES:** Do you see any possibility of a need for legislative change at this point?

**Ms Pappas:** It is hard to know. We need a couple of years under our belt. We are trying to get consensus across Australia and trying to move eight different pieces of legislation and ways of doing business into one unified system, so it has taken some negotiation and some heated debates. But we seem to have landed in a place where most states and territories are happy and everyone is saying, "Let's give it a go and keep a check on it and come back if we need to."

**MR HARGREAVES:** Has there been any involvement in the private sector in these considerations?

**Ms Burch:** The private children's services sector?

**MR HARGREAVES:** Yes.

**Ms Burch:** Absolutely. In fact, our representative on the ACECQA board is from the private sector.

**MR HARGREAVES:** Who is that?

**Ms Burch:** Until the board is formally confirmed, we probably need to just hold it.

**MR HARGREAVES:** Okay; I withdraw.

**Ms Burch:** Yes.

**MRS DUNNE:** Supplementary if I could, Mr Chairman?

**THE CHAIR:** Yes.

**MRS DUNNE:** The Education and Care Services National Law (ACT) Bill was introduced earlier this year, in March. Was there a regulatory impact statement done in conjunction with that?

**Ms Burch:** In Victoria?

**Ms Pappas:** Sorry, I understand it was done in Victoria. It is model legislation, so Victoria were the host jurisdiction.

**MR HARGREAVES:** The lead jurisdiction, were they?

**Ms Pappas:** That is right. And then that will be implemented across Australia.

**MRS DUNNE:** Yes, but when it was introduced in the ACT, was there a regulatory impact statement?

**Ms Pappas:** No, there was not.

**MRS DUNNE:** There was not. Why not?

**Ms Burch:** I think because it is the same legislation and impact statement that is coming through.

**MRS DUNNE:** But was there a regulatory impact statement done by the Victorians?

**Ms Pappas:** I have to say I am not sure. I think there was, but I will have to go back and have a look.

**Ms Burch:** We can check that.

**Ms Pappas:** There was a regulatory impact statement done on the national quality framework as a system.

**MR HARGREAVES:** Would you—

**MRS DUNNE:** When was that done?

**Ms Pappas:** That was done in developing the framework and signing the national partnership.

**MRS DUNNE:** That is not the Access Economics report?

**Ms Pappas:** No.

**MRS DUNNE:** There is—

**Ms Pappas:** It was prior to the Access Economics report.

**MRS DUNNE:** Right. So there was one done nationally.

**Ms Pappas:** That is right.

**MRS DUNNE:** Could you direct us to where we might find a copy of that?

**Ms Pappas:** Yes, it is on the DEEWR website, but I am happy to—

**Mr Hehir:** But we can find the specifics.

**MRS DUNNE:** Thank you.

**MR HARGREAVES:** Also, with the RISs—because I can remember actually bringing in the legislation itself at the very beginning—I cannot remember in the list of exemptions to regulatory impact statements whether model legislation is part of that group. I do know that it sets out the criteria for the compilation of RISs, but it also puts in exemptions, and I am not sure if we pick up template legislation from another jurisdiction whether or not we just are happy that that process has occurred. And would you perhaps just get some advice from the Attorney-General—

**Ms Burch:** We will get some advice on that, Mr Hargreaves.

**MR HARGREAVES:** and pop back on it?

**Ms Burch:** Yes.

**MR HARGREAVES:** Because we have heard on another couple of occasions about legislation and what appears to be missing regulatory impact statements, and I would like to know whether they are required or not.

**Ms Burch:** Okay. Look, we can get some advice. Ms Lilburn, sorry, I tried to get you before you sat down, but as Ms Pappas mentioned earlier, these are the child and family centres in the ACT, the recent publication. Thank you.

**THE CHAIR:** Thank you for the documents. There are five members of the committee, and we need a couple of copies for the secretariat. So to all the DLOs who listen avidly to estimates, if we can have seven copies of anything that you offer, that would be much kinder and much easier.

**MR HARGREAVES:** Mr Chairman, could I put in a request on behalf of Mrs Dunne, please, because she would like a colour copy.

**MRS DUNNE:** I would like a colour copy, because my staff had to download it from the internet and it is in black and white. And we were looking enviously at some of

the—

**Ms Burch:** That request can be accommodated.

**THE CHAIR:** It is only 20 minutes to afternoon tea.

**MR HARGREAVES:** So there you have it in black and white.

**THE CHAIR:** We now go to Ms Hunter for a couple of questions.

**MS HUNTER:** And I wanted to go to the issue of introducing the national quality framework for standards and the changes that are going to happen in the ACT. Minister, I believe that you have received feedback from childcare providers, and some of that feedback has been about their concern about the ability to recruit and retain staff. Some of these were at roundtable discussions. Some of these issues are quite worrying. We are building new childcare centres. We know that there is a greater demand coming up for childcare centres. So what have you done or what are you going to do to respond to some of those concerns that have been raised about retention and recruitment? We have heard about the scholarships. We have heard about the training. So you have covered that, but what other issues are you going to be pursuing in this area?

**Ms Burch:** It is something that most providers will say—finding staff is difficult and certainly anyone in the sector will know that it is a workforce shortage. But it is not just here; it is across the country. Yes, we are putting training packages in. I think we are demonstrating that there is an investment within the sector, and I think that tells the sector that the government regards it, and regards it highly. Last year we also put in the portable long service leave, which is an attraction and a retention facet to ensure that these people keep their due entitlements.

A number of years ago, through the children's services forum, we developed what they refer to as a postcard, but it was careers promotion information. It was, "Are you interested in this as a career?" So we have spoken about how we revisit that. And the last conversation with the forum was about putting this package in, but the next thing is about how we partner with them about a broader recruitment. And it is about a partnership. It is not for me to recruit for the sector, but it is about me doing what I can to support the sector and its recruitment, and that may be career opportunities and doing what the government can to support the sector. That is across a number of things. But Ms Pappas may talk to that.

**Ms Pappas:** Following the roundtable where the sector talked about what their key issues were, the ACT children's services forum was held two weeks later, which the minister chaired. There we progressed three key themes that came out of the roundtable and in response to what the sector was saying. They were talking about that, as a profession, they need to increase their profile and they need to talk about why it is good to be working in the childcare and early childhood education and care sector.

They talked about the opportunity to think about a network, the development of a network, that cuts across all the sectors within early childhood education and care,

including ACT government preschools, independent preschools, playschools—so all of the players—and to use that opportunity to build innovation, to share information, to have a look at those services that are retaining staff and are recruiting and what their techniques are and to share that information so other services could learn and build on their own model. The third one was about flexible approaches, so—I have gone blank.

**Ms Howson:** I will fill in.

**Ms Pappas:** Thank you.

**Ms Howson:** So that third area is really just about being flexible in the way in which we offer opportunities for upskilling and ensuring that staff that currently exist in the system can still meet the obligations of their employers and that they are positively encouraged to upskill. But, overall, the national quality framework is really aimed at improving the overall quality of the sector and making working in the sector much more attractive to young people.

**MS HUNTER:** So I understand that one of the suggestions was around asking those training institutions to look at how they structure their timetable so that there is more certainty about when you are actually going to be out to be able to be at work. Have you taken up that particular issue?

**Ms Pappas:** Certainly. We have met with all the RTOs in the ACT and with the sector. What we are saying is we need to bring those two sectors together and to talk about what perception the sector have of the RTOs. Because they have talked about the quality of the workforce coming out of those RTOs and what they would like and what they do not feel like they are getting. So it is bringing in those steps, getting the RTOs to listen to the sector and then seeing if they can adjust their model in response to what the sector perceived that they need.

**MS HUNTER:** So you are becoming actively involved in getting those together and trying to push that along?

**Ms Pappas:** Yes, we are facilitating that.

**Ms Burch:** Around the children's services forum, the vocational sector sits there, but so does the tertiary sector sit there, and there is now a program of quite good articulation from vocation into the tertiary sector. It is having both ends of the training spectrum around the table, those issues about how we can be as flexible and facilitate as much throughput and achievement as we can. Those discussions are certainly being had.

**MS HUNTER:** Minister, how many childcare centres have approached you or contacted your office to say that they are very concerned about their ability to be able to meet the new standards?

**Ms Burch:** Most of the concerns are about workforce. It is around finding the skilled workforce, which is the target of these scholarships, knowing that we have fee waiver across the diploma and advanced diploma and the HECS remission for the degree. But

given that we have got, I think, 125 long day care centres, it is a very small amount. Again I refer back to the roundtable and the conversations I have when I visit it: no-one steps back from accepting the benefit of these reforms and—

**MS HUNTER:** And I certainly do not step back from that either, but I am just wondering how many organisations and what sort of issues do they have, because I can imagine that there are different issues out there.

**Ms Burch:** Yes.

**MS HUNTER:** Some might be around attracting staff; some might be around their business model and whether they actually are going to be viable. So I just want to get a sense of how many have approached you and what are the issues that have been raised and what are you doing about that.

**Ms Burch:** Very few. And it is the generic conversation around broader staff. Then, with the ratios, that could be, “Our floor space accommodates 10 children at the moment on a ratio of 1 to 5, for example, in the under twos.” So with the move to 1 to 4, do they drop down to eight or do they have the space for 12? A lot of that is what they need to determine, it is their business model, but that goes to our capital works. Some of that conversation with the capital works is, “We can stretch you a little bit to accommodate the extra two, or would it be an opportunity to stretch you a little bit more so you can bring more online with those 1 to 4 ratios?”. But they would be the predominant ones. But out of 125 long day care centres, I am not having 125 or 120 or anywhere near that approaching me. I have got a very small amount of people raising different concerns, and that is not a consistent lump of concerns that you can respond to.

**MS HUNTER:** So you are confident that, because it is a small number—in fact, you are saying it is very few—there is capacity and there is resourcing to be able to assist or facilitate or support those organisations to continue to be able to provide childcare into the future in the new framework?

**Ms Burch:** Just say a centre wanted to do some capital expansion, if the building is unable to be expanded—some of the footprints and arrangements will be difficult—I do not know how you progress that. But, certainly, where we can respond and put a remedy in place, that is what we are responding to with this package of workforce support and capital investment.

**MS HUNTER:** Have you identified any at this stage out of those few where there are constraints that would mean that they would not be able to continue, or certainly not as a stand-alone organisation, and they might have to look at an amalgamation or going with another organisation?

**Ms Burch:** Alkira and Gumnut have certainly chosen to amalgamate to improve their business model. There is a service that has come to me recently, and they are in a position where the room accommodates 10 and they need to expand or they need to reduce numbers. They have raised that as a point—what does that mean for their business model. The other part of the conversation is showing that critical mass. We have a lot of community-based services. In many ways they are our smaller services.

It is a feeling that there is almost a number you need to attain to ensure that business viability across your model of care.

**MS HUNTER:** Just on that example you used there, what was the outcome?

**Ms Burch:** That outcome was not a government building. That was a building that was owned by that service, by that organisation. They were able to access the \$10,000 grants. That is open to all services. They will certainly, from all indications, apply to be a recipient of that, to help them with their design and structure work. But you can appreciate that a government is not in a position to invest in another asset when we have got the demands on our asset as well.

**THE CHAIR:** Mrs Dunne, a supplementary.

**MRS DUNNE:** This is exactly where I wanted to pick up—thank you, minister—because there are a small number of community-run childcare centres which are not in government facilities. These organisations essentially fall through the cracks because they are not eligible for any of the \$9 million, they are only eligible for the \$10,000 minor works grants. I am aware of a couple of childcare centres who do have to make that crucial decision, “Do I expand or do I contract?” If they expand they are not going to be able to meet that cost within the \$10,000. In a sense, the decision is probably made for them. They have to contract. That will drive up the costs for everybody in the childcare centre. It will also reduce the number of places available in the area where there are shortages already, which is babies rooms.

So the \$9 million that was announced is essentially \$9 million that you are moving from one part of the budget onto your bottom line somewhere else and it is, in a sense, budget neutral because it goes into government facilities.

**MR HARGREAVES:** It goes to the asset.

**MRS DUNNE:** It becomes part of the asset. What is going to be done? Are you just going to wipe off the small number of organisations that fall through the cracks?

**MR HARGREAVES:** Business decisions.

**MRS DUNNE:** But they are not businesses, though, they are community-run organisations that meet the needs of individuals. They are not-for-profits.

**Ms Burch:** They still have their individual business decisions that they need to make and—

**MRS DUNNE:** So is that your message to them?

**Ms Burch:** That is the reality in which they operate. They have made decisions for a number of years on their model of care, and they now are in a time where the quality frameworks are coming on board and decisions do need to be made. We have invested where we can. Baringa, as you well know, has brought on 24 additional under-twos, predominantly quite under-twos. I think they were all about 14 months when I was out there having a look at them. But it is a tough decision.

I am not saying that there are no challenges as we move forward in these reforms. I am not saying that, but I am saying that this government is doing what it can with an investment—yes, in our facilities—that will maintain an increase in the current arrangements. But we are seeking to increase, we are seeking to support where we can.

**MRS DUNNE:** So you are saying to the committee that you have no intention of helping that small number of organisations that fall through the cracks to upgrade?

**Ms Burch:** No. What I am saying to the committee is that I will do what I can as I can. At the moment there is this package on the table. I have had conversations with a provider that fits into that category and I am happy to be as creative as I can be, but there is a limit to what I can do. We accept that there are some challenges as we move forward.

**MRS DUNNE:** How many providers fall into the category of being not-for-profits who are not in government-owned buildings?

**Ms Burch:** We have got that information, but we will need to come back. And I think we have all noted today that you can meet all the standards and be competitive. Those are decisions that services make and have made for a number of years. And we have services here that are delivering under cost. We will have a service that is not meeting the new standards and it will cost you more, cost families more, than services that meet the new standards. These are decisions, and what it shows is that there is no single factor, no single attribution, that equals a fee cost or a fee increase.

**MRS DUNNE:** The story we put out this morning is that it does not compare apples with apples. It does not zero in on or allow for the fact that some services provide all the food, some provide only morning tea, some provide only afternoon tea. Some do provide nappies, some do not. Some pay rent, some do not. Some have a huge capital cost because they are privately owned and they have to maintain their building, some do not. So the thing you put out this morning is not a fair assessment of how the situation is in the ACT because it is not a matter of comparing apples with apples.

**Ms Burch:** Can I just add to that—and I know you have FOI-ed some material, Mrs Dunne, so I am sure you—

**MRS DUNNE:** I have FOI-ed all the material.

**Ms Burch:** will read over that. But an average cost of a community-based long day care centre in an ACT government-owned centre that does not meet new staff ratios is \$76.79. That compares to an average cost of a community-based long-day care centre in ACT government that meets the new ratios of \$78.10. Looking at private accommodation, average cost of community-based long day care child centres in private that meet the new ratios is \$70.21.

**MRS DUNNE:** When you put those figures together, did you take into account that some services provide nappies and some do not? Some services provide food and some do not? Did you take that into account in the calculation?

**Mr Hehir:** No, we did not. We acknowledge that that was the case, that people have different models of their service provision, and the minister was clear with that right from the start of this conversation. People do choose how they provide a service differently. We are well aware that there are some services that do provide nappies. There are some services that provide food, as in a cooked lunch. There are some services that only provide morning and afternoon tea. So we are aware of that.

The point that we were conscious of looking for was: was there a driving factor? Indeed, there are some services in government-owned centres that do not pay rent or only pay a peppercorn rent. The analysis was done across a number of different factors that we could identify. Going down to whether they provided nappies or lunch was getting to a degree of complexity that actually made it quite difficult to do any reasonable comparisons.

**MRS DUNNE:** My point exactly, Mr Hehir.

**Ms Burch:** There are also services that will pay above the award, and some services will pay below the award. And certainly the service that was in the paper this morning meets all the new requirements and pays above the award and provides nappies and all meals.

**THE CHAIR:** To close on this output class.

**MRS DUNNE:** On the capital expenditure of \$500,000 for the Holt preschool refurbishment, it is unclear from what is in the budget paper as to whether that is going to be an early childhood centre, an occasional care centre, a playgroup or a playschool. What are we doing in Holt?

**Mr Collett:** We are proposing, in the short term, to use that as churn space. We anticipate that, out of the assessment that we are doing of childcare facilities and the expenditure of the \$9 million, there will be some upgrading of facilities and we will use that space to accommodate those childcare services whilst their facilities are being upgraded.

**Ms Burch:** So they will be decanted out of others that are being upgraded over. Then they will be churned through, obviously.

**Mr Collett:** That is churn space for that program, yes.

**MRS DUNNE:** That is actually good forward planning, but what happens to the people who live on the south side? If you are going to empty a childcare centre in Gowrie, it is a long way to Holt, the churn space.

**Mr Collett:** It will not satisfy all of our requirements and we will need to be flexible with the arrangements we make, obviously.

**MRS DUNNE:** But after you have done all this and it has finished being a churn space, what is it going to be?

**Mr Collett:** I want to check the facts. It is going to be used as an early childhood

centre with the opportunity for playgroups to operate from the space.

**MRS DUNNE:** So when you say “an early childhood centre”, what do you mean? There are early childhood centres—

**Ms Burch:** It is my understanding that it is occasional use. So it is small community groups that can come in and use it as playgroups, playschools. It is that type of thing.

**Mr Collett:** It is not a large facility.

**THE CHAIR:** I have a final question. What is the total of fees paid for childcare in the ACT?

**Ms Burch:** We can get an average per week. There are, I think it is, 16,000 families that are using early education and children’s services. There was a recent report I put out—so I can get the numbers—for the numbers going through.

I think it is also worth noting that the other bit of work we need to do with the sector is: how do we ensure that the 2,000 families that are eligible and are not accessing the childcare rebate or benefit do so? There are 2,000 families in Canberra that are short of \$7½ thousand, which is the childcare rebate. So that is another facet of the work that we need to partner with the children’s services sector.

**THE CHAIR:** You will take that on notice and all of the fees spent.

**Ms Pappas:** The ACT spends an average of \$345 per week on long-day care, \$315 per week on family day care. So for long-day care, it averages about \$69 a day.

**THE CHAIR:** You have now just opened the door. Can you tell me what the all-up total is that the Canberra community is spending on childcare and then break it down by sectors?

**Ms Burch:** On?

**THE CHAIR:** Long day care, short day care, whether it is family day care? I would like the all-up number.

**Mr Hehir:** We can certainly have a look and see that.

**Ms Burch:** We can see what we can do. But just on the cost, at \$345 per week, if we look at a household income of \$60,000 a year, with the benefits and the rebate, that equates to \$80 per week. What we will not be able to give you is the actual out-of-pocket cost because we will not know that because these 2,000 families are now accessing a rebate or a benefit anyway.

**THE CHAIR:** Whatever you can provide.

**Ms Burch:** And if our average—if I can, Mr Chair, finish—family income, which you have seen, is \$107,000 per annum, that equates to \$148 per week. So depending if you are on a \$60,000 a year household income or \$107,000, you can go from \$80 per

week to \$148. So those benefits do make a significant difference but if I give you that figure it will not actually tell you what the out-of-pocket expenses are.

**THE CHAIR:** If you can provide and tell me what it includes, that would be nice to know.

**MR HARGREAVES:** And what it does not include.

**MRS DUNNE:** Chairman, because I know we are coming to afternoon tea, in relation to the survey that was in the paper today, could I ask: what was the scope of the survey, who conducted it and what were the terms of reference?

**Ms Howson:** The survey was conducted by the Children's Services Regulatory Unit and the scope was to consider whether or not centres were currently meeting the standards that were set out in the national quality framework in relation to children-to-staff ratios and the status of qualified staff within the centre. We were accessing publicly available information in relation to the fees that were charged by those centres and where the centres were located obviously. That was essentially the scope. So it was really about looking at whether or not there were any trends in relation to centres that were achieving standards and the fees they were charging.

**MRS DUNNE:** Did you actually survey the centres or did you go to publicly available information?

**Ms Howson:** It was a combination. Where the publicly available information was not available on particular centres, we would ask the centres to provide the information.

**MRS DUNNE:** And what period was this conducted—

**Ms Howson:** It was a point-in-time survey and it was in March of this year, March 2011.

**MRS DUNNE:** And what work was done to adjust for the different models of care provided in the different business models?

**Ms Howson:** It was a macro survey that was done. So it was really not looking at that level of detail. As I said, the scope was really to see whether there was any trend in relation to centres that were achieving a standard and the fees that they were charging.

**THE CHAIR:** We will finish there, members. Thank you, minister. We will resume at 20 past four and go to output class 4, youth services.

**Meeting adjourned from 3.58 to 4.19 pm.**

**THE CHAIR:** There being two committee members here, we can proceed with Community Services.

**Ms Burch:** With an absolute pleasure.

**THE CHAIR:** Minister, on page 182 of budget paper 3, there is \$1.5 million for

Bimberi security upgrades.

**Ms Burch:** Yes.

**THE CHAIR:** Looking back at last year's estimates, there were a whole string of questions from people like myself about when were we going to secure the roof. I do recall your telling the estimates that the access to the roof problem had been fixed. What will this \$1.5 million purchase? Will it finally secure the roof access problem?

**Ms Burch:** Certainly there is \$1.55 million in Bimberi security upgrades. I will defer to Mr Collett on this.

**Mr Collett:** The \$1.55 million is for a range of improvements. Some of it is to do with cabin security and that is both internal and external to the buildings. There is also some work that we are doing to improve the effectiveness of the external fence by vermin proofing it and providing some improvements to the security in the other buildings as well.

**THE CHAIR:** Did you say vermin proofing?

**Mr Collett:** The security fence includes a motion detection system. That can be impacted and false alarms can be generated by rabbits and other animals getting into that area.

**THE CHAIR:** Why is it that in a facility that is two years old we have now got to spend another \$1.5 million on its basic security—keeping young offenders off roofs and securing fence lines?

**Mr Collett:** The answer to that question goes to the original philosophy around the design and construction of the Bimberi facility. From the outset, it was an attempt to balance the need to ensure the security of the young people, the staff and the broader community against the need to make a meaningful difference in the lives of those young people by avoiding having too institutional a building. So we relied primarily on the external security to create an environment in which the young people could have as normal a life as possible and to prepare them for their release back into—their movement back into the community.

That meant that in a number of areas we moved to try and create a domestic feel, both for the cabins and for the education and health facilities, and for the other building on the site. In doing that, we made a number of choices about materials and detailing, and with the effluxion of time it has been necessary to go back and revisit some of those details and strengthen them against what has been perceived to be a weakness in the construction.

**THE CHAIR:** In the financial year to date, how many instances have there been of the young detainees up on the roof?

**Ms Burch:** This financial year?

**THE CHAIR:** Yes, this financial year to date—unless you have got an estimate for

next year?

**Ms Burch:** I did not know whether you were talking calendar year or financial year, Mr Chair.

**THE CHAIR:** I said financial year.

**Ms Nolan:** To my awareness, there have been two incidents this year where young people have been on the roof in this financial year. That is two too many, of course, because it is a very high risk situation, especially if it is a rainy period of time. One slip and we could be faced with a paraplegic child in custody. So we are really moving to try and absolutely minimise that unnecessary risk for us by energising the full roofline.

What happened previously was that the main access points were energised. But, of course, we have ingenious, gymnastic young children there who are really testing the facility to its full limits. They have been able to find other routes onto the roof. We are really moving to try and rule out that possibility in the future.

**THE CHAIR:** Thanks for that. Mr Collett, you spoke about working in cabins to improve security. What measures are being taken inside the cabins?

**Mr Collett:** We have prepared a proposal for the redesign of the television enclosures to strengthen that. We had used polycarbonate with a series of perforations in order to allow the sound to come through from the television sets. Those perforations have introduced a weak point to the polycarbonate. With very vigorous attack, they can be broken down. So we will be reconfiguring the television enclosures.

There is also in operations an issue around making sure that the young people are in their beds when they are supposed to be and not elsewhere in the cabins. We will be undertaking some work to the beds to change around the bedheads so that the kids are sleeping in a way which can improve the observation of them during the evening.

**THE CHAIR:** Are you saying that we designed cabins that did not allow for the observation of the sleeping detainees?

**Mr Collett:** They did allow for the observation of the sleeping detainees but, as the executive director has just recounted, these young people have a significant amount of time on their hands and they can think up ingenious solutions to what they see as being the challenges of life in the facility. We want to continue to improve the security for those young people.

**MR COE:** Is that unanticipated, though?

**MRS DUNNE:** That they have a lot of time on their hands?

**MR COE:** Yes. Where were these procured from? Was the design not tested for this very problem?

**Mr Collett:** The cabin design was tested. We used a very experienced architectural

firm who have worked throughout New South Wales, South Australia and Victoria and have also had repeated commissions from New Zealand for the quality and the basis of their work.

We also had an external security consultant who was retained external to the project manager by ourselves to provide us with a report on the facility. However, as I said in the introductory comments, the intention from the outset was to achieve a balance between a high security environment and an environment in which young people could lead as close to normal a life as possible and could be brought to a situation where they could return to the community and continue to have an active engagement with the community.

That led us to make judgements. With the effluxion of time, a small number of those judgements need to be reviewed and revisited, but it is not a fundamental flaw. In fact, it supports the underlying philosophy of trying to balance security against the other needs for these young people.

**MR COE:** Is the work being done under a breach of contract or under warranty? If it is not actually delivering on what it set out to do, then surely you could actually chase the contractors for that funding.

**Mr Collett:** We had a construction-based contract, not a performance-based contract. This is not a PPP. We prepared the design and we engaged a project manager to build the design we prepared. During the course of the defects period and the building, the project manager took responsibility for errors that they had made, took responsibility for the documentation that they were responsible for. But the elements that are included in this upgrade work are things for which the original design needs to be refined and improved.

**THE CHAIR:** How much since the centre opened have improvements and refinements cost the taxpayers of the ACT?

**Mr Collett:** I believe, and I would need to check this, that this is the first capital expenditure of this scale that has been made at Bimberi.

**THE CHAIR:** Can we have a summary for this scale and any other scale of the total costs of improvements?

**Mr Collett:** I say that because there might have been minor maintenance—

**MRS DUNNE:** There was \$70,000 on energising the fence before.

**MR COE:** So all capital expenditure since commissioning.

**Mr Collett:** Yes. we can get some figures on that.

**THE CHAIR:** Thank you. Just on the whole issue, obviously when one of the young people gets out and they get on the roof there is an incident and there is an incident report. Minister, in this financial year, how many incidents to date have been reported?

**Ms Burch:** For incidents, I will go to Mr Matthews or Christine Nolan. Broad incidents—we have category 1, category 2 incidents, and they cover a range of matters.

**THE CHAIR:** Could we have a summary of both category 1 and category 2? Could we also have this year's figures, year to date, and last year's figures for comparison, please?

**Ms Burch:** Okay.

**Mr Matthews:** We can do that for you, Mr Smyth. Can we take some guidance from you about how much detail you want me to go into in terms of the answer as opposed to giving you the full information for the benefit of the committee?

**MR HARGREAVES:** Give him heaps, Dave. Give him heaps.

**THE CHAIR:** Let's get the raw numbers first. How many category 1 and category 2 incidents have occurred year to date for this financial year?

**Mr Matthews:** In terms of category 1 incidents—I am just doing my maths; I do not have those numbers calculated—there is a total of 11 category 1 incidents in the year to date. Category 1 incidents are defined under the Children and Young People Act. The number for category 2 incidents is slightly larger. I will have to tabulate that. There were 17 in July, 21 in August, 28 in September, 6 in October, 20 in November, 18 in December, 20 in January, 8 in February, 8 in March and 13 in April.

**Ms Burch:** What we can do, Mr Smyth, is certainly, as you say, give you last year's figures for 1 and 2 and this year's figures to date for 1 and 2 as well.

**THE CHAIR:** Do you not have last year's?

**Mr Matthews:** In terms of last year's figures for the 2009-10 financial year, there were zero category 1 incidents and 170 category 2 incidents.

**THE CHAIR:** How is it that in its second year of operation we have got 11 category 1 incidents? What has caused that explosion in incidents?

**Ms Burch:** What is the definition for category 1, Mr Matthews?

**Mr Matthews:** Category 1 incidents include a number of very serious items such as the death or attempted suicide of a young detainee, serious assaults, a serious injury or health complaint, an escape or attempted escape of a young detainee, a major breach of security of the place of detention, or a direction for a body search.

The majority of the category 1 incidents this year have been about serious health complaints. Young people obviously have health issues from time to time. I can talk directly about a number of recent hospitalisations where we have supported young people going into hospitals in Canberra to have medical issues treated. Those are classed as category 1 incidents.

Those incidents have to be very carefully managed in that those young people are still in detention. They have to be supported and supervised by detention staff. So those are subject to category 1 reporting. The other issues that qualify in that regard are issues of serious injury—for example, either to a young person or to a staff member—and if there are any issues around self-harm. They all fall into that definition.

**Ms Nolan:** Mr Chairman, can I clarify that these medical incidents are not necessarily induced by the centre—

**Mr Matthews:** No.

**Ms Nolan:** or anything that has happened there. They might be a quite unrelated health problem.

**Mr Matthews:** Indeed, and they are the ones that I was referring to. They are unrelated to the care of the young people at Bimberi, but to do with their own health.

**THE CHAIR:** If my maths is right, that means year to date you have had 141 category 2 incidents, which would mean you are on target, or on trend, to be at about 170.

**Mr Matthews:** Which was the figure last year, Mr Smyth.

**THE CHAIR:** Which is the figure from last year. Is this something that can be improved upon, or is this just par for the course for this sort of institution?

**Mr Matthews:** We work very hard to try to prevent these incidents from taking place, but they are largely to do with the individual behaviours of young people at the centre. Of course, we can be vigilant and manage the situations and work with the young people by creating a positive environment, by giving them constructive activities to do, by engaging positively with them, but to some degree there obviously will be incidents that do occur. The history of the youth detention centre in the ACT will show that we do have a number of incidents that will happen every year.

**THE CHAIR:** All right. So the incident earlier in the year where the guard was assaulted—that is a category 1?

**Mr Matthews:** That is indeed right, Mr Smyth.

**THE CHAIR:** Of the 11 in the year to date, how many of the category 1s were through attacks on staff and how many were attacks by detainees on other detainees?

**Mr Matthews:** According to the records I have got in front of me, one was related to injury to a staff member or another young person in terms of those that were classified as category 1, and you have made reference to what that is.

**THE CHAIR:** So it is just that one incident?

**Mr Matthews:** Just that one.

**THE CHAIR:** A new question, Ms Hunter?

**MS HUNTER:** First I want to have a supp. Can we have a bit of a breakdown on those 11? You mentioned serious health; you mentioned serious injury, including self-harm and so forth. If we could have a bit of a breakdown, that would be helpful. I want to find out, over the previous financial year, what has been the average percentage of those at Bimberi who are Aboriginal or Torres Strait Islander young people.

**Ms Burch:** Far too high, but we can give you the numbers.

**Mr Hehir:** I used to say that we vary from about 30 per cent up to 50 per cent but we are more commonly around the 30 per cent. Off the top of my head, I would be saying we are close to 40 per cent routinely, but still up to 50 per cent and occasionally over 50 per cent. The figures are still significantly too high.

**MS HUNTER:** That would accord with your records?

**Mr Matthews:** Yes. The percentage for the year to date would be approximately 40 per cent. Of course, it fluctuates depending on the profile of young people in the centre.

**MS HUNTER:** Minister, you may be aware of a report that has been looking at the issue of people in centres, whether they be prisons or detention centres, and a statement that was made publicly yesterday that it is around the 50 per cent mark across the nation, and that really this is an Aboriginal and Torres Strait Islander issue and there need to be different approaches taken.

This issue has been here at Bimberi for some time now; we have spoken about it before. What are you doing around maybe changing your approach and looking at more intensive preventative work—working with families and so forth? It does not seem to be reflected in the numbers so far. I am wondering what the plans are.

**Ms Burch:** There are probably a number of comments across the floor, but you are right: they are overrepresented. It is telling of society that this is so. What we have in the budget paper is a diversion framework which will go to some of that. Certainly if we can divert these young kids at risk out of Bimberi, that is what we need to do. That is across our department and those areas we are responsible for, but it is also across other agencies, whether it be JACS or whether it be the Department of Education and Training. We know that it is diversion, but it is also through what we do when we connect with these young people and move them back into the community. In very recent times, we were talking with some Aboriginal people and organisations in town to strengthen up that community engagement, community mentorship, post Bimberi. But Martin Hehir, if I can toss a coin—they are all keen to talk to you about diversion.

**MS HUNTER:** Yes, and the minister mentioned strengthening those relationships. Is that with individual families? Is it with the community organisations?

**Mr Hehir:** You would be aware of the diversion discussion paper that the minister

referred to earlier. Within that paper, and I think last year with the select committee, I talked about the significant—not just for Aboriginal children but overrepresentation within the ACT system within detention. On the 2007-08 figures, we were twice the national average and the third highest overall.

What I perhaps did not talk about at that point was that we are also 1½ times the national average for community youth justice, which makes sense if you think about it. The over-representation in community youth justice, while we do all the work we can, is still one of the high risk factors for entry. So if we are over-represented there, we are going to be over-represented in the detention system.

There are a number of key things that we are looking at within the diversion paper. One of the options that was identified or referred to takes place in Victoria—a Koori court which looks at working specifically with Aboriginal and Torres Strait Islander young people. I think it is also important to recognise that we have just had our first two or three, maybe more now, young Aboriginal people go through the circle sentencing process, which is a nice step forward from our perspective.

One of the key issues that have been raised in the paper and in the consultation process—I will be careful here—is the higher proportion of young people from the same family or family groups. We certainly see working with families, both with the individual young people and more broadly with the family, as a very important step. That is again another factor that we have picked up on in the diversion discussion paper.

It is a very difficult issue. There are also some of the classic indicators for young people being involved in the justice system in terms of their health. Last year I referred specifically to mental health and the early onset or the early signs of emerging mental health issues. Economic participation is absolutely a very strong indicator; again that goes to the family as well as the young person. And of course, there is engagement with education. We are working across a number of areas on what we can do with that.

It is certainly a very difficult issue. You did recognise that nationally it is high, and it remains problematic both here and nationally. But we do have to continue to look at options. I think that if we can do more work with the younger siblings of people who come into our care, and this is both Aboriginal and non-Aboriginal, that would be a really good piece of work to do, and that is one of the things we have specifically identified within the diversion paper. I also think that how we work to engage those families in economic life is critical to—

**MS HUNTER:** You did speak about looking at the number of families. How many families are we talking about? Or family groupings?

**Mr Hehir:** It is a difficult figure to get in a sense. I would probably have to take that on notice. There would be a relatively small number of families—and again this is not restricted to Aboriginal and Torres Strait Islander people—in the ACT who are responsible for a reasonable amount of the crime. There was an article where Roman Quaedvlieg was quoted around the number of families that they have been working with quite intensively. I think it was 12.

**MS HUNTER:** Some case management they are doing?

**Mr Hehir:** Yes.

**MS HUNTER:** One of the things that were mentioned around the media about this report yesterday was the need to change things. It may well be that going in and doing intensive family support—that is, 24/7, really being in there to change lifestyle, behaviours and all sorts of things—is costly but, in the long run, a good investment. Is that something that would be considered when you are talking about a small number?

**Mr Hehir:** I think how we work with the families will be important. I am aware of projects overseas which are quite similar. I think Dundee did a project with a group of families who were very difficult within their community. I will not quite describe it as a compound, but it was very intensive work where the social workers went in, woke people up, made people get children ready for school and made people look for jobs. It was a very intensive, some might say invasive, process. Certainly I do think we need to think about how we are engaging with the families. We need to do it as respectfully as we can, but we also need to be doing it as effectively as we can.

**MRS DUNNE:** I just wanted to follow up.

**THE CHAIR:** Mrs Dunne has a supplementary, as does Mr Hargreaves.

**MRS DUNNE:** Ms Hunter asked how many families were involved. How many clients does youth justice have either in the community or in Bimberi?

**Mr Hehir:** Typically youth justice—community youth justice—

**Mr Matthews:** It is 147.

**Mr Hehir:** Typically it ranges—a couple of figures either side of 150. And the young people in Bimberi—again it fluctuates. It is probably worth noting that over the last 12 months or so we have had high figures, so when I quote those figures from 2007-08, all other states being equal, we are likely to see a rise. It is hard to make that call, because we do not know where the other states are, but we are significantly higher on an average basis than we were in 2007-08. We were rarely below 20, on average, in the last 12 months.

**MS HUNTER:** And at the beginning it started—

**MRS DUNNE:** When you say 20 at Bimberi, that is remandees and sentenced?

**Mr Hehir:** Yes.

**MRS DUNNE:** What is the break-up?

**Mr Hehir:** That changes dramatically, Mrs Dunne. At the moment I think we are about even, with perhaps slightly more committals than remandees, but that is unusual for the ACT. Typically the ACT has the highest level of remand as a percentage of

young people in detention of any jurisdiction in Australia. Normally I think we are at about 70-odd per cent.

**MR HARGREAVES:** Can I ask you a question about a snapshot in time for the most recent figures? You said that roughly you have got half sentenced and half remand. I am aware that remand is two categories: those people that have been remanded in custody to appear and those people remanded awaiting sentence. Those people who are remanded awaiting sentence can be asked to start programs, because you know roughly how long they are going to get. They know that. But those people remanded to appear—you can do nothing with them. I would be interested to know the remandee breakdown for those two, and whether or not that is an unusual thing.

**Mr Hehir:** We certainly try to do as much work as we can. Certainly it is an issue in terms of the work you can do around specific criminogenic issues with the young person on remand. But we can still start to do some work around behavioural and cognitive issues. We would certainly try and do that work as early as we can. It tends to be more about a stabilisation time frame. One of the things in terms of the remand population is that we do not have too many people awaiting sentence; our population is more a different—

**MR HARGREAVES:** It happens rather quickly, does it?

**Mr Hehir:** Quite short term remandees versus a smaller group of long-term remandees with a complexity of issues associated with them.

**Ms Burch:** And as we have strengthened that diversion work, that dynamic within Bimberi will change again. If a good bulk of the kids are on remand or on breach of orders or some such arrangement, we are building in strategies that will change that dynamic. It makes no sense for children to breach a community order and end up in Bimberi as the only alternative—

**MR HARGREAVES:** I am aware—certainly this is so in the Northern Territory and Queensland—that the transition from youth to manhood is no longer “out to the bush and have a scar imposed”; now the badge of honour is a custodial sentence. Once you have a custodial sentence under the belt, you have then transitioned to manhood. People are looking at it as part of that transition and as a badge of honour within their own family. A final one: do you find a bit of that happening in the ACT?

**Mr Hehir:** It is very difficult for us to say. The indicators around health, particularly mental health, economic participation of the family and the individual, and education non-engagement, along with the family factors where perhaps the criminogenic behaviour is seen as the norm rather than the divergence, would be the main factors. It is hard for me to recall whether that is—

**MR HARGREAVES:** Okay, then I will go to a question around that criminogenic behaviour. Do you find that the courts are actually remanding people into the custody of Bimberi after an offence more as a reason to get them out of a particular environment than would otherwise be warranted?

**Mr Hehir:** The magistrate has got a complex set of decisions or factors to balance in

her decision making, recognising that the Children's Court magistrate is Ms Fryar at the moment. She has to balance the best interests of the child. That is the basis of her decision. There are a number of factors that she will balance with that, including whether that young person will be safe within the community and whether the community will be safe from that young person. Certainly the work that we are doing is in trying to increase the range of options for keeping them in the community.

**Mr Matthews:** The bail support service obviously is one of the initiatives announced in this budget. You are right, Mr Hargreaves, that a large number of young people are in there for very short periods of time. Up to half of the remand population is there for one to two days, and also the most common reason for young people going into Bimberi for breach of bail is for not complying with those conditions. So bail support is a very important part of the system to keep young people in the community, to keep them supported.

The bail support service that is being funded in this budget will allow service delivery after hours from approximately 4 pm to 2 am, and there will be a very close relationship between that service and the Australian Federal Police, who often come into contact with young people on the streets or as a result, for example, of domestic disputes or family conflict after hours. There will be a point of liaison back into youth justice to find community-based options to keep those young people out of custody. That could be around finding accommodation options or indeed kinship-type placements to allow the person to remain in the community and not be taken into custody. It could be about changing conditions on people's orders, for example where community youth justice has people reside as directed, so that we can do what we can to support people in the community without having them having to be taken even for that one night into Bimberi, because the evidence is very strong that those repeated contacts with the youth justice system are negative to people's long-term outcomes.

**Mr Hehir:** Just very quickly, one of the key things we talk about, and it is why I specifically referred to community youth justice as a pathway, is that we have got to try and reduce that as well. We just cannot focus purely on the remand bail issue. That is certainly the focus we have got. We have also got to think our way through about how we keep young people diverted from the system altogether, rather than just the tertiary end of it, if that makes sense.

**MR HARGREAVES:** My last question, Mr Chairman, will probably be one on notice because it is about numbers. You indicate that quite often a lot of remandees are in there for one or two days. To take a raw figure of 30, for us as a community to think that we have got 30 sentenced prisoners in there is a very bad mistake. What I would like you to do, if you could, and I think you will need to take it away, is to come back and tell us over, say, the last six to 12 months—you can pick whichever one your statistics allow, for me anyway—how long was the average length of stay for those people and give us a snapshot of a typical population averaged over that period. Could you do that?

**Ms Burch:** We can.

**MR HARGREAVES:** Beautiful, thank you.

**THE CHAIR:** Mr Hanson, a new question?

**MR HANSON:** I will defer to Mrs Dunne.

**THE CHAIR:** All right, Mrs Dunne and then Mr Coe.

**MRS DUNNE:** Thank you, Mr Chairman. One of the things I would like just briefly to be taken on notice would be a breakdown of the budget allocation for output class 4.1. What programs are encompassed in the \$24 million for this financial year and how much money is allocated to each of those programs? So how much does Bimberi cost, how much does youth justice cost and what are the subprograms in youth justice?

**Ms Burch:** Yes.

**MRS DUNNE:** Thank you. I want to go back to the issue of critical incidents. There were incidents reported, very early in the piece, of occasions when young detainees got out on the roof. On one occasion they actually got to the awning above the front door outside the perimeter fence, where they were met by youth detention officers. My understanding is that that happened not in the last financial year but the financial year before, but it does not seem to appear, Mr Matthews, in the list of critical incidents. If that incident occurred in the previous financial year why is that not a class 1 critical incident?

**Mr Matthews:** I would have to check the class of that particular incident but I would just clarify the situation to say that critical category 1 incidents include a major breach to the detention place of security. A minor breach of security is classified as a category 2 incident.

**MRS DUNNE:** Would somebody getting on to the roof and getting on to the awning out the front be considered a major breach or a minor breach on your understanding of the rules?

**Mr Matthews:** I will have to check that particular incident of how it was recorded and how it was classified.

**MRS DUNNE:** Okay. On the incident that Mr Smyth referred to which ended up in the assault on 4 or 5 February, were all of the events that happened that night one incident? There were breaches of security through the TV outlets, there was an assault, there was access to the roof: were all of those considered one incident?

**Mr Matthews:** The way that incident reporting takes places, Mrs Dunne, is that the story is told of the circumstances of the particular event. Obviously that particular event had a number of steps to it that you have outlined and they were captured in the one incident report.

**THE CHAIR:** Mr Coe?

**MR COE:** Further to that, would you please provide a copy of the reporting guidelines or the actual policy for making reports?

**Ms Burch:** The framework, the guidelines, for reporting incidents? Yes.

**MR COE:** Yes, also the forms or the actual reporting documents, the pro forma or whatever it is that staff have. And also are there subclassifications underneath the category 1 and category 2? So is there category 2, medical; category 2, escape; category 2, whatever?

**Ms Burch:** No. There is category 1 and then a set of descriptors under that and the same for category 2. But they are only descriptors; they are not subcategorised.

**MR COE:** Sure. I would like to have that document included in with the other stuff, please.

**MR HARGREAVES:** It is in the guidelines.

**MR COE:** I presume it is, but if it is not please make sure that is included in the documents.

**Mr Hehir:** I think that is in the legislation, Mr Coe, but we will get it for you.

**Ms Burch:** We will get a copy for the committee.

**MR COE:** Sure.

**THE CHAIR:** We will just spend, say, another five or 10 minutes on category 4.1 and then go to 4.2.

**MR COE:** Okay. So on youth services?

**THE CHAIR:** Yes.

**MR COE:** Just going away from Bimberi but still on youth, and with regard to affordable housing in particular, we heard from the Youth Coalition about two weeks ago or a week and a half ago. They cited the AIHW report which says that about 1,300 people in Canberra are homeless, of which about 60 per cent are under the age of 25. One of the reasons that they cite for that is the extremely expensive rental market here in the ACT. I am just wondering what interaction the youth services area have had with other areas of government to combat this and also whether there is any evidence or any research that you are aware of which discusses the social problems which can arise as a result of overcrowding, couch surfing and all those other issues?

**Ms Burch:** Broadly, we are happy to talk of some here, but it will probably be revisited on Friday with housing and homelessness. In response to how we work with the youth in housing, Housing has got a youth housing program. We have got designated workers that work with youth. For youth at risk, we recently launched the youth foyer model. It is an integrated housing and accommodation name. So—

**MR COE:** Yes, I am aware of the housing initiatives. I am particularly interested in knowing how the youth area of the department communicates its policy needs to other

areas of the department and indeed to other areas of government.

**Mr Matthews:** Mr Coe, there is a strong relationship across the directorate. I know that you are aware that my background was in housing, both in public housing and homelessness, and here I am today from youth services. Youth services have got a lot of case management responsibility for individual young people, both in the statutory system and also young people engaging in the school system, for example.

The way that we do that case management is to look at the holistic needs of young people. A number of those young people will be residing at home or with their extended family. But a number of them do have very particular accommodation requirements and needs, and those needs are really addressed through that case management approach, working across the department, where we look at what the overall needs of an individual or young people are, whether they have got things like statutory obligations that they need to meet, for example, where they might need to reside in a particular location, and what support requirements are going to be needed to maintain them in that accommodation. It really is the interface between accommodation and support that is critical, and that is where the two parts of the directorate do work together to provide that interface between accommodation provision and support.

**MR COE:** With regard to the young people's plan and the implementation of that plan, other than being a document, which is a starting point, do you have a whole-of-government approach to implementing this plan on an issue by issue basis?

**Mr Hehir:** There have been a number of steps where the department has participated across government and, as Mr Matthews said, we obviously had a look across our services. So the department has been engaged, through my representation at the time, in the affordable housing task forces that the Chief Minister set up, both 1 and 2. You would be aware that those task forces have made a number of recommendations, including recommendations around homelessness.

That was a particular aspect of the task force 2 and certainly some of the measures that Mr Matthews just talked about were advocated for through that process. A youth foyer, which we saw as a very significant step forward, was advocated and recommended through that process. We also had the street to home program advocated through that process and within that we identified a very strong need to focus on youth. We are aware of the figures that you are talking about.

Without wanting to knock the very serious nature of this issue, it is probably worth while being aware that the method of calculation for homelessness, in particular youth homelessness, is being reviewed at the moment. I think it is fair to say it is a rather arbitrary way of doing it. That is not to knock the seriousness of the issues—I do not really want to get into a debate—but we are trying to refine that because having good information is particularly important to us.

**MR COE:** Is it just data collection or is the actual definition changing as well?

**Mr Hehir:** No. The definitions we are happy with in terms of primary, secondary, tertiary. We think they are solid. My understanding is that the census basically said

that half of the kids who were not at their own home address were homeless. We thought that was a bit arbitrary in terms of the way it is done. It is a measure and it will have an element of validity to it.

**MR COE:** I think the risk is of under-reporting rather than over-reporting.

**Mr Hehir:** Probably not, but I think we will see a revision down. It is still a very serious issue, so I am not trying to detract from that. There were specific measures identified through those task forces around how we work with children and young people. I also think we have been working around how we try and stabilise and support young people when they have left home.

One of the issues that we do recognise is that family conflict can occur. Stabilising that young person into a safe place, wherever that young person is, is really important. So there are also a number of programs we have around that. While couch surfing is not ideal, it is better than being on the street. If we can find a supportive arrangement that provides a stable outcome and allows that young person to maintain their connection with education and so on, that is a really important factor. So again we have a program specifically around that.

We do work across government on the broader issues of affordable housing. We have been part of the discussion as well and we are certainly very strong advocates of it.

**MR COE:** I want to follow up on that. You touched on education. I am just wondering what involvement you had with regard to the development of the youth commitment policy.

**Ms Burch:** A strong involvement.

**Mr Hehir:** Yes. We believe we were a key partner in the development of that and I think that Education would acknowledge us as so. That was partly with respect to our role as one of the four people to launch the partnership, or the commitment. I think Mr Paul Wyles was our representative on that group. It is an area that Paul is passionate about—trying to make sure that young people stay connected to education. We know it is their best opportunity.

**MRS DUNNE:** Can I just ask very quickly, Mr Chairman: why has the output measure—the average cost per custody day at the youth justice centre—been discontinued?

**Mr Hehir:** This goes to the conversation we had earlier, in a sense, in that this is almost a reverse measure of success. The more young people we have in Bimberi, the lower the cost per day. Therefore, what looks like success I would personally regard as an indication that we have too many young people going into Bimberi—looking at where we are at nationally. We have tried to look at a broader range of engagement with those young people. We have included Community Youth Justice, Youth Connections and the Adolescent Day Unit.

The engagement that we have with our more vulnerable youth has been incorporated into that to try and give us a better measure of the actual value of the work we do. I

would go to my previous point: I do not think that is a particularly good outcome in that it does not tell you what we have achieved with that. In terms of a measure, perhaps that is less reflective of too many young people being placed in Bimberi. We are looking for something that gives an alternative and a broader view as well.

**MR COE:** This committee heard this week that sometimes you do get these perverse incentives where the denominator changes, thus changing the ratio. That happens across the entire budget. So if we are going to make a policy change, it should happen across all portfolios. This seems to be the only directorate that is actually taking this kind of step. We heard that in Roads ACT, for instance, they are not going to be changing that. What we asked for was the information which fed into that—that is, what enumerated the denominator and where those numbers actually came from.

**Mr Hehir:** Mr Coe, I am happy to raise that at the strategic board in terms of how we do this. One of the issues that I think we do need to talk about is whether these are showing effective outcomes. I think that is a piece of work that we need to think about as a government. I am really happy to raise that there. I can appreciate your frustration around getting different responses from different directors-general. The other factor that I would mention around the average cost per custody is that it does not actually reflect our work. In a sense, it is a decision being made by other people and we are the recipients. I think there is also—

**MS HUNTER:** It certainly does not reflect out-costs, unless it is—

**Ms Burch:** It just reflects that people have been referred to our system and the investment we put in.

**Mr Hehir:** I am happy to raise that as an issue. I actually think it is a really important issue. The importance of getting good measures cannot be—

**MR COE:** Perhaps that is something that the estimates committee can look at.

**THE CHAIR:** Members, we are going to run out of time. Why don't we broaden it out to 4.1 and 4.2? I suspect the main players will stay at the table irrespective. Is there a new question from Ms Hunter?

**MS HUNTER:** Yes. I wanted to ask why the child and young people death review committee has only been funded for two years.

**Ms Burch:** We put two years in. It is a new committee. We wanted to give it two years to let it go through its system—resources and processes—and see what it needed to be done properly. It is an indicative. It is not stopping after two years, Ms Hunter. We have just put two years in there to see what it was.

**MS HUNTER:** Okay. Can you tell me who sits on the government and community advisory group for young people at the moment? You do not need to give me the whole list now, but if you could take it on notice that would be great.

**Ms Burch:** Yes.

**MS HUNTER:** Thank you. If we go to output 4, are the key performance indicators linked to a set of targets or actual numbers? This is around the ACT young people's plan. Have we got a set of targets and actual numbers for the young people's plan?

**Ms Burch:** The young people's plan is reported on—the activity and the numbers. It is a reporting process. I think we will publish those reports. I think we did an annual one last year. I think it is online—

**MS HUNTER:** Yes, it is.

**Ms Burch:** As it is reviewed, they will certainly be public.

**MS HUNTER:** So what is your date on that report being available?

**Ms Burch:** I think the next one will be in the latter part of this year. We only put last year's one in early this year. We are looking at—

**Mr Mathews:** Minister, just to give some dates around that, the annual progress report on the young people's plan was tabled in the Legislative Assembly in December 2010, reflecting those actions. We would be expecting to do a similar report at the end of 2011.

**Mr Hehir:** I think that is because the report commenced in October—the actions started in October.

**Ms Burch:** Yes. The first one had 140-plus activities. We have certainly realised that busyness is not necessarily a product of good delivery and outcomes. I think we have narrowed that down and refocused on those primary areas of concern.

**MS HUNTER:** I had a question around the equal pay case that obviously is going through at the moment. I have asked the Treasurer this question. Minister, it is mainly going to impact on your area and I will put the same question to you. It is around whether you can guarantee that programs and services will not be cut and that there will be an appropriation of funds to cover wage increases. What work has been done on that?

**Ms Burch:** We have said from the outset that we recognise and value the work from the sector. I think that is reflected in our submission. At the Youth Coalition and ACTCOSS post-budget lunch both the Treasurer and I reaffirmed our commitment to that. There are no dollars in this because we do not know what the content is. Whilst Fair Work Australia has put a decision on, it is a decision recognising there is a case to answer. It is calling for more submissions and will finetune its thinking. Once we know the quantum, we can respond to that impact.

We know that there will be an impact and we know that there will be a cost. We have done considerable work within the community services sector. I am not quite sure if Ms Bronwen Overton-Clarke would like to talk further on this, but we have worked—through the industrial relations minister and I—to be very clear about a census. I think we are best positioned in any jurisdiction to move this forward.

I have also been agitating at a minco level to ensure that the community sector is represented on those DEWR industrial ministers arms as well. That has been agreed recently at a federal level. There has been a call for nominations to that. There will be a tripartite committee which will have an industrial arm and a community sector arm, and certainly there will be community ministers' representatives on that.

**Mr Hehir:** Just in terms of the survey that we undertook, there was a 95 per cent response rate.

**Ms Burch:** We have got very good data. We have had discussions with the sector around their being generous in providing that data, saying, "What can we give back?" We are working through that process about what we can provide back to the sector.

**MS HUNTER:** Are you also advocating at that federal level that the feds also come on board as far as ensuring that they will flow through wage increases for—

**Ms Burch:** It comes up in—

**MS HUNTER:** It would be a ridiculous nonsense if we had a situation where half the employees of a community organisation here in Canberra were funded by the ACT government and the other half by the federal government.

**Ms Burch:** I agree. How New South Wales would choose to roll out a decision, how we would choose to roll out a decision and how the feds would choose to roll out a decision all have an impact on our services. You can rest assured that these are certainly the impacts that I raise regularly. Whilst I may wish to direct the federal government in these matters, I certainly raise it.

**THE CHAIR:** Mr Hargreaves?

**MR HARGREAVES:** Thanks very much, Mr Chairman. I have two questions, so I will roll them both into one. I refer you to budget paper 3, page 107. I am interested in knowing a little bit about the supporting youth transitioning from out-of-home care item. It talks about supporting people beyond the statutory age of 18, taking it up to 25. I would like to know why you feel that that is necessary. T

he last one on that page—the care and protection community kinship care program—I would like to know a little bit more about. It seems like quite a lot of money in both of those two programs, which is very welcome. Is there a link between those two programs?

**Ms Burch:** In the sense that it is around providing better support into the out-of-home care sector there is a link. In the youth transitioning from out-of-home care sector, I spoke earlier about the need to support, as any family unit does, our young people as they reach 18. In our young people's plan our programs go to 25 years of age. It will equate to two positions within government and two positions within the non-government sector, plus a component for brokerage for those one-off expenses. I will look to where that sits, and not only in practice; we are certainly considering where it sits within legislation as well.

As to the care and protection community kinship program, the first year is a half-year effect. That is why there is a difference in the amount of dollars there. Again, we are looking at putting two workers within the government environment and two workers within the non-government environment. Similarly, as with youth transitioning from out-of-home care, it is to give variety, choice and opportunities, because some will have connections with either of those sectors and that can continue. I am happy for Paul Wyles to talk more about the mechanics of those.

**MR HARGREAVES:** When you do, Mr Wyles, would you confirm for me that we are talking about four positions in the government sector and four positions in the community sector?

**Ms Burch:** Yes.

**MR HARGREAVES:** Also, could you address how it is that you are going to choose who it is in the community that are going to get those two each?

**Mr Wyles:** I suppose the first thing I would say in terms of the transition from care is that this is a very exciting initiative. In a sense, it provides some funding for some informal work that is already happening in government and the community. For example, through our contingency budget we are currently paying about \$90,000 for children who have been in care but are now 18, outside our system. So the brokerage fund will allow us to continue to do that work, which is really important.

For the record, there are 37 young people who will transition out of care this year. That is 37 young people where, I suppose, we can continue to support them, but also work with commonwealth government agencies, ACT government agencies and the community sector to support them. I suppose the way young people leave care is quite diverse, so for some young people it will mean seeking independent accommodation. Other young people will continue an arrangement with a foster carer, for example. Some young people, at the time they turn 18, will still be in year 12 and will require additional support to finish year 12 and perhaps apply for further education.

The other thing to state, which has been alluded to here, is that we are also mindful that many young people will have ambivalent relationships with the state government, given that they have been in care. The advantage, clearly, of having a combination of workers within government and in the community sector is that there is some choice and some ability for them to build relationships outside the care system.

**MS HUNTER:** I just wanted to pick up on the brokerage fund and—

**MR HARGREAVES:** Can I get another number on that and you can come back to it, please?

**MS HUNTER:** Yes.

**THE CHAIR:** Before you do, we are rapidly running out of time. If members would keep their questions short and witnesses keep their answers short.

**MR HARGREAVES:** This one is very quick. You said 37 people are leaving the

service this year.

**Mr Wyles:** This year.

**MR HARGREAVES:** How many left last year and is this a number that we could normally expect to happen in any given year?

**Mr Wyles:** I will check for accuracy and give you a number. It ranges. Some years there are fewer than 20, some years there is—

**MR HARGREAVES:** I guess what I am trying to get a handle on is whether or not this is a growth area or whether this is a sample area.

**Mr Hehir:** I can probably answer that. The answer is that it will be a growth area. We are actually seeing the transition from the 2008 legislation where we are now seeking longer term orders. We can expect those longer term orders to flow through the system. So you will continue to see children in care for longer, one of the key principles around that being the stability in placements, one of the most important factors for a young person.

**MR HARGREAVES:** Thanks for that.

**MS HUNTER:** Looking at this brokerage fund, if we go to page 364, we have got the supporting youth transitioning from out of home care. It gives us those numbers. It is \$2 million over four years. Is the \$100,000 on top of the \$90,000?

**Ms Burch:** That is within.

**MS HUNTER:** It is within?

**Ms Burch:** Yes.

**MS HUNTER:** Mr Wyles, you spoke about \$90,000 that is currently being expended. Is this \$100,000 adding to that \$90,000 or have we—

**Mr Wyles:** The \$90,000 is within. We have not been funded for that.

**Ms Burch:** So this is on top.

**MS HUNTER:** It is on top.

**Mr Wyles:** Sorry, it gives us—

**MR HARGREAVES:** This is a contingency fund, is it not?

**MS HUNTER:** I just want to check that this is on top.

**Mr Wyles:** Yes. It gives us the capacity. This still needs to be looked at on a needs basis. So it gives us the capacity to go to the \$200,000, but we will need to look at it on a needs basis.

**MS HUNTER:** What I want to get some handle on is exactly how much will be available for brokerage each year over the next four years.

**Ms Burch:** We will maintain our current investment—

**Mr Hehir:** About that \$200,000?

**MS HUNTER:** What will be the envelope?

**Mr Hehir:** \$200,000.

**Ms Burch:** Yes.

**MS HUNTER:** \$200,000?

**Mr Hehir:** Whether it is fully utilised or not will depend on the individual circumstances.

**MS HUNTER:** Sure.

**Mr Wyles:** I think it is important to know that, wherever possible, we are working to ensure that these young people access universal services. We are working with education and with the independent Catholic schools to see whether there is the capacity for them to cost-share around fees, for example. The whole basis is really that these young people are the responsibility of the whole society, not just the state government when they have come into care. We continue to negotiate those things on an as-need basis.

**Ms Burch:** Christine Nolan may have some comment about the kinship carer positions, because that is around supporting and training the kinship carers.

**MS HUNTER:** Could I just keep on this for one second, because I think Mrs Dunne will want to pick up more on the kinship carers.

**MRS DUNNE:** Do not presume.

**MS HUNTER:** Sorry, I should not presume.

**THE CHAIR:** You are right, but—

**MR HARGREAVES:** Taking the kinship carers to an art form, Mrs Dunne?

**MS HUNTER:** I just want to have some idea whether there will be some sort of criteria. I am assuming there are already criteria for accessing the current brokerage funds. Are you going to update them, review them, change them or pretty much stick with the same criteria?

**Mr Wyles:** We are keen to look at models in other jurisdictions and internationally, but essentially we would see that there would be a central point of contact for young

people as they age out of the system. That would be broadly advertised so that they would know whom to come to and then we would negotiate and develop a plan and negotiate with the relevant services.

**MS HUNTER:** And the one last one I had on this: minister, are you intending to amend legislation so that there is clearly in that legislation that this support will be provided between the ages of 18 and 25 years?

**Ms Burch:** It is something I am considering at the moment.

**MS HUNTER:** How long will you be considering that for?

**Ms Burch:** It is something that I am considering and I am working up a position so that I can take it to my colleagues.

**MS HUNTER:** And have we got a time frame on that?

**THE CHAIR:** I suspect it is beyond the estimates hearing.

**Ms Burch:** It is a particular interest of mine, Ms Hunter, so it is not too far away.

**MS HUNTER:** I am assuming that is sooner rather than later.

**THE CHAIR:** Mrs Dunne, you have a question.

**MRS DUNNE:** I want to briefly touch on the exiting from out-of-home care. I notice that Mr Wyles said that we were looking at cost sharing with other organisations and presumably tapping into federal funding. But for those young people who were, say, remaining in the home of their former foster carer, is there funding for the foster carer in this?

**Ms Burch:** No.

**MRS DUNNE:** So they will not get any subsidy after the child turns 18?

**Ms Burch:** This is not proposed to be an extension of subsidies or contingency payments to carers, on a view that the young person will access youth allowances and a whole range of other supports through the commonwealth.

**MRS DUNNE:** On the care and protection community care kinship program, this is over and above and separate from the budget promise of \$800,000 over four years. And this, on the surface of it, seems laudable, although I am concerned that, with both these programs, there are a lot of bureaucrats and not much money for programs. What has happened to the \$800,000? How much of that has been expended, on what and what is the plan for the rest of it? I hate to sound like a cracked record, but it is my job.

**Ms Nolan:** I might respond to that, if I might, Mr Chairman. The bulk of the \$800,000 has been expended. We have had the establishment of the carer liaison officer, and \$60,000 a year has gone to that. We have had the kinship carers advocacy and support

service that has been provided by Marymead, and \$40,000 a year of the current funding is going to that. We have the \$60,000 a year going to Relationships Australia for the kinship care mediation and counselling service.

We have got \$20,000 going to Marymead grandparents support program. That is only funded until 30 June this year, and there are some discussions occurring with Marymead about whether there is a continuing need for that money. So we will have to finalise those discussions. There has been \$10,000 a year committed towards kinship carers attendance at conferences and workshops through Grandparents and Kinship Carers ACT Inc. And there was the \$40,000 a year that was allocated towards Aboriginal and Torres Strait Islander kinship and grandparent carers.

That has been a difficult process, in terms of attempting to spend that money. The current solution is that we are actually going to spend more than \$40,000 a year on this. We have created a 12-month role, full time. So we are tipping in money out of my office's budget to employ a full-time officer. The position has been advertised. It will be based at the west Belconnen child and family centre, but we are working across the city to support Aboriginal and Torres Strait Island kin carers.

We would like to think that in the long run that role could go out to a suitable Aboriginal and Torres Strait Islander non-government organisation. But as someone new to the ACT, I have been surprised that we do not have the full suite of Aboriginal and Islander organisations that many cities have. We do not have an AICCA, for example, which would be the logical place to direct this funding to.

**MR HANSON:** What is AICCA?

**Ms Nolan:** Aboriginal and Islander Child Care Agency, which in other states mainly provides the Indigenous foster care services and family support services. We have had trouble spending the \$40,000 within this year. We will spend considerably more than that on the program in subsequent years. Going to the new initiative—

**MRS DUNNE:** Before we go to the new initiative, thank you for that, Ms Nolan and minister. What Ms Nolan has outlined does reflect something like the quantum of money that was promised in the 2008 election campaign. What was promised was money to a non-government agency. You failed to deliver that. You bought more bureaucrats. You bought training. They were not things that were promised. Is it the case that the commitment that you made you could not keep, and when will you admit that you cannot keep the commitment that you made?

**Ms Burch:** We are committed to providing support to kinship and grandparent carers, and that suite that Ms Nolan has just outlined, that suite of programs, delivers that—Relationships Australia, Marymead, organisations that are certainly not ours. We have got a carer liaison position. Kinship carers, I understand—kinship carers or foster carers—were actively involved in the recruitment of that position.

As Ms Nolan has outlined, we have tried to go to the community sector to get an appropriate provider for the lump of money for Aboriginal and Torres Strait Islander support. We have spoken to a number of providers in town. They have chosen not to take that up. We could clearly have done nothing but we have gone to the alternative

arrangement, which is a 12-month position designated to support Aboriginal and Torres Strait Islander carers, which will sit in the west Belconnen childhood and family centre. I think that is a better outcome than just sitting on the Aboriginal support dollar and not progressing it in any way.

**MRS DUNNE:** Is that your admission that you have not been able to meet the commitment that the government made in the 2008 election and you have decided to spend the money in other ways?

**Ms Burch:** What it means is that we have committed \$800,000 over four years and we are investing \$800,000 over four years. Mrs Dunne, you and I will continue to have different views about this implementation, but the money has been spent. It is going to kinship carers and grandparent carers.

**MRS DUNNE:** The kinship carers, when they came to the community day, were not very impressed with the process of giving money to Relationships Australia, on the basis that most of the people in Relationships Australia do not have any concept of the sorts of issues that the kinship carers are dealing with. What consultation was conducted with the community about that quantum of funding, which has essentially come out of nowhere?

**Ms Burch:** I will let Frank Duggan, who is very involved in those processes and conversations, respond to that.

**THE CHAIR:** Where would estimates be without an appearance by Mr Duggan!

**Mr Duggan:** The reasoning behind going to Relationships Australia to provide a mediation and counselling service was out of information we took from the grandparents and kinship carers after the significant attendance at the national conference, where effectively, on a national basis, experts were telling us that kinship carers really need to have mediation and counselling services that actually looked at their issues. Based on the information that we received from the national conference and the support of the kinship carers group, we went out and purchased this service. It has been used.

We have had carers from the committee level of that group reporting also that this is a fantastic service. It really did meet their needs and has been very supportive on the issues they had around mediation on particular issues. It also involves counselling on a broader basis with family members, and we think this is far more effective than that purchase.

**MRS DUNNE:** Mr Duggan, how do you marry what you have just told us with what the grandparent and kinship carers and the foster carers collectively told this committee on the community day?

**Mr Duggan:** I have received advice from committee members, from the kinship carers group, that this is a successful program that met their individual needs.

**THE CHAIR:** A final question from Ms Hunter as she has to leave. Then we will go to you for a final one, Mrs Dunne, and then we will go to the arts.

**MS HUNTER:** I want to go to the issue of therapeutic protection orders. In the Children and Young People's Act there is provision for the use of therapeutic protection orders. I have had feedback from a range of providers and carers that they are not being used to their full potential. Can you provide us with an update on how therapeutic protection orders are currently operating in the ACT? You should be aware of this; I did put in a question on notice about a tendering process that was halted. I do want to have some idea about what is happening. You did say in that response that you would have something up and operational by the end of 2011, I believe. So I am wondering—

**Ms Burch:** That is the therapeutic protection place?

**Mr Hehir:** Orders, yes.

**MS HUNTER:** That is right, and how are the orders going generally?

**Mr Hehir:** Well, there are none.

**MS HUNTER:** I know there are none. There have not been any for years.

**Mr Hehir:** The therapeutic protection order is encompassed in the legislation and the terms of it are very strict. They require that every other alternative option has been explored and effectively exhausted. To date, the therapeutic protection order can only be requested by the territory parent. The courts cannot give that order without the specific request. To date, I have never received advice identifying that we have exhausted all our options. In fact, the team continues to look at options for dealing with quite complex young people in a way where they are not required to be locked up, as much as we possibly can.

To date, we have not had that. We are certainly looking at how we tender that work again. This is a very complex and emerging area of practice. I might pass to Paul. It is certainly one of the most complex issues that you will deal with. There have been a number of young people who have asked quite specifically, "Are we at the end of our options here?" The advice tends to come back, "No, we've still got some things we want to try here." So I do test that to see whether it does require it. But to date the advice I have had from the professionals involved is that we still have options for the young people that we are working with.

**Mr Wyles:** It is important to note that therapeutic protection orders need to be part of the broad suite of responses to young people with high and complex needs. The out-of-home care frameworks deliver some of those responses through therapeutic foster care. We also have access to individual support packages, which are really high and complex, one-on-one supervision of young people.

As Mr Hehir said, the application needs to be made by the chief executive; it needs to be placed before the court; all other alternatives need to have been exhausted. An assessment plan, treatment plan and transition plan need to be put in place before the court. That allows the magistrate to detain a young person for eight weeks minimum, up to six months. From memory, we have not made that application.

**MS HUNTER:** But isn't part of that because we have not had a place?

**Mr Wyles:** I think there are two views about that. There are some people who would say we have not had a place. There is another view that says you do not necessarily need a place; you can designate a place once the order is made or you can move to that.

**MS HUNTER:** But we have got a building. So we have got a building sitting there empty at the moment—

**Mr Hehir:** Ms Hunter, if I can answer the question. I have asked the question about whether we have exhausted our options and the advice I have got is, "No, we haven't." So, to answer your question, I do not think it is about the fact that we do not have a place. The answer that I have received in advice to me is that we have not exhausted our options.

**MS HUNTER:** But there must have been a reason why you took a decision to put in place a building, a facility, and went out to a tender process. That tender was stopped. I believe that basically there were some issues around there. You did not have an outcome; you did not have a tender applicant who was able to do it for the price that was part of the tender specs. But you made that decision; you have got a place; you went through a tender process. You would not do that unless you thought there was a need or going to be a need.

**Mr Hehir:** We clearly believe that we need the ability to have a therapeutic protection order. That is why it is in the legislation. And the strictness of the test before we ask for the order is important. So we certainly believe we need to have the capacity to do so. We certainly would agree that it is a possibility that we need to be prepared for and we need to be moving forward on it. But, as I said before, I have asked for and received the advice that we have not exhausted options yet. So we agree that we need the capacity.

**THE CHAIR:** We might end that one there. A quick question from Mrs Dunne, then we will go to the arts.

**MRS DUNNE:** One quick question, Mr Chairman. I have to declare a conflict of interest in this. As the patron of Karinya House, I have been asked to follow up this. Karinya House is in discussion with the department over two items. One is a site for some land and building, which came out of the stimulus package, and there are also discussions about recurrent money for some of their more difficult clients. Could I get a timetable for when decisions are going to be made about those two items, please? I know that there are meetings that have been promised and scheduled but it has been a long time coming.

**Ms Burch:** It was raised with me at the most recent fundraiser dinner as well. So it has got a renewed life now, Mrs Dunne. I am quite supportive of the accommodation aspects of that and we are certainly working through what we can do to give them some easier financial support.

**Ms Sheehan:** Mrs Dunne, I have a meeting with members of the board of Karinya House within the next two weeks to discuss the design options for moving forward. We have identified some land in Melba, which is quite close to where their current services are. We have been very influenced by the model of construction of Doris women's services, which looks like any other small townhouse development. But obviously it will be up to the board of Karinya about what built form they are looking for. So we are very excited about the prospect of moving forward on it.

**MRS DUNNE:** When are we going to see a decision and, if the decision is yes, when are we going to see a building?

**Ms Sheehan:** I have to answer that in a couple of steps. The first step is that we have identified some land in conjunction with Land and Property Services. We will need to confirm that and organise for the land. We will then need to design the facility and then we will need to put it into the capital program. So it should move quite quickly because it is quite a small development.

**MRS DUNNE:** There was stimulus money that was set aside—

**Ms Sheehan:** No, there was never stimulus money—

**Mr Hehir:** This is—

**Ms Sheehan:** and we were very—

**Mr Hehir:** out of our Housing ACT resources.

**Ms Sheehan:** Yes. I think Karinya House was never under the impression that we were going to be using stimulus money, but we have always talked about—

**MRS DUNNE:** Yes, they were.

**Ms Sheehan:** Housing ACT has a large construction program every year, whether it is funded through specific commonwealth grants or ACT grants. We have always anticipated that we would be able to program it into our capital program—

**Mr Hehir:** We can certainly—

**Ms Sheehan:** and that would certainly be our—

**Mr Hehir:** Sorry to interrupt Maureen; we are getting the wind-up. Can we take that on notice and give you a time frame?

**MRS DUNNE:** Yes thanks. The other question is about the way that they are paid for the services that they are provided.

**Ms Nolan:** Mrs Dunne, I have a meeting; I cannot remember the exact date but it is sometime in the next week or two, I believe, with Mrs Cooney to discuss whether we can put in place some new arrangements that might result in what would be a more timely payment from her point of view.

**MRS DUNNE:** Good. Thank you.

**Mr Hehir:** Just for the record, chair, we took a question on notice around the RIS. I am advised that section 36 of the Legislation Act 2001 provides that a RIS is unnecessary when—and there is a whole series of them, but paragraph (g) says “a matter arising under a territory law that is part of a uniform scheme of legislation or complementary with legislation of the Commonwealth, a State or New Zealand”.

**THE CHAIR:** A reasonable answer. And that finishes this session for output classes 2 and 4 in Community Services. Minister, I remind you that we would like all questions taken on notice to be answered within five days. Members, if you have additional questions that you would like to put on notice, could we have those within four days. It has been my task to provide an award each day, and the award for outstanding service to the estimates committee this afternoon goes to Ms Bronwen Overton-Clarke, who, when asked by the minister if she would like to add to an answer, no doubt with the welfare of the committee in mind, chose not to. So, thank you and well done by deigning to stay on the benches!

We now move to the arts portfolio.

**Ms Burch:** As the officials from the Community Services Directorate move, I just want to thank them for their support over estimates today. A job well done, thank you.

**THE CHAIR:** Given the limited time we might welcome both groups. Minister, given that some of the officers were not here earlier, in front of you is the privilege statement. It affords protection. I am hoping that everyone has read and understood the privilege statement?

**Ms Burch:** Absolutely.

**THE CHAIR:** It is being recorded for Hansard purposes as well as being webstreamed and broadcast live.

Mr Hanson has expressed to me that he has an overwhelming interest in the arts and would like the first question, so we are going to defer to Mr Hanson.

**MR HANSON:** Thank you very much, Mr Chair, and I think we all share a desire to see a flourishing arts community here in the ACT. Part of that is the Kingston Foreshore arts precinct. But as has been reported recently in the media, there is some concern around the Fitters Workshop and the fact that the entire Kingston Foreshore arts precinct, I understand it, will now exclude music performing arts.

Can you give me an update on where we are at with the Kingston Foreshore, particularly the Fitters Workshop, and go to issues like what kind of consultation was conducted, what expert advice the government has taken, in particular around the acoustic quality of the building, which if it is not used for musical performance seems to be somewhat wasted?

**Ms Burch:** There are a couple of points on Fitters and then Kingston Foreshore and

arts broadly, if I may?

**MR HANSON:** Sure.

**Ms Burch:** I did not realise you had such passion for arts.

**MRS DUNNE:** Hidden depths.

**MR HANSON:** That is right.

**Ms Burch:** On the Fitters Workshop, the Fitters Workshop has been in media of late. There was a decision, I think the budget before last or last budget, two budgets ago, to invest in some work to do some design to relocate Megalo screen and printers to the Fitters Workshop. That clearly indicated the government commitment to relocate Megalo to the Fitters Workshop. That commitment was revisited and confirmed in this year's budget, with \$3.9 million in the budget to actually implement or action that relocation of Megalo to the Fitters Workshop.

The musical festival that has been running for 17 years here in Canberra came across the Fitters Workshop, I think, in 2009. They had concerts there in 2009-10 and this year. And I understand that certainly particular types of music—it is not all music; what I have been told is chorals and choirs are predominant—have had the best benefit out of the Fitters Workshop. And there has been some public commentary about that.

The government made a decision on Megalo because it has been in Canberra for 30 years. This is the rationale that justifies those decisions. It is of longstanding. It is of national repute. It operates I think 48 if not 52 weeks of the year, five to seven days of the week. It has permanent staff. It has community engagement. It is an active, robust, engaged, organisation with the community. And the decision had been made some years ago to relocate it to the Fitters.

Broadly on the Kingston precinct, there was a study—

**MR HANSON:** Can I ask, before we move away from this workshop: have you received any representations? I know we have seen the comments in the media, but have you received representations?

**Ms Burch:** I invited Don Atkin and Dorothy Danta in to meet with me this week; so I have spoken with them just this week, if that is what you refer to as representation. I have been invited to a concert there.

But if I can go to the broad Kingston Foreshore—

**THE CHAIR:** Sorry, before you go to the foreshore, what you are saying is that you are not going to reverse the decision or look at some alternative?

**Ms Burch:** What I am saying is that at this point the government has made the decision, and I think I have been clear on that. It was made by the former minister for arts—I have been Minister for the Arts for, I think, one week and one day—and the

commitment is shown in the budget to support the relocation of Megalo to the Fitters Workshop.

On the broader Kingston Foreshore, there has been a piece of work commissioned, which I now have and I am now considering, and that looks at how we develop that into a vibrant, divers, arts precinct. Kingston has been nominated to focus on visual arts. The synergy between the glass works—please jump in any time you like—and the printers is that nice component of the visual arts.

We also have the old bus depot markets, which are part and parcel of Canberra and an institution on the weekends really. That is only used one day of a week and I know that there are other industries—there is green industry and the like—that are very keen to have a presence on this visual arts precinct. So that is one piece of work. I imagine I will consider and bring that back, given that it was a consultancy completed.

More broadly across arts, we have the Loxton review that was really undertaken last year, in the main. I think it might have been commissioned the year before. We, as the government, have recently considered its recommendations and have agreed to a significant part of them. The task now for Mr Whitney is to look at the government's response to that Loxton review into arts and to progress there—

**MR HANSON:** And has that government response been published?

**Ms Burch:** No, but we will, certainly. I am happy to put out what I can for that.

**MRS DUNNE:** Could I follow up on the Fitters Workshop?

**THE CHAIR:** Ms Le Couteur has a supplementary on this.

**MS LE COUTEUR:** I understand that the government is anticipating spending \$3.6 million on the refit of the Fitters—

**Ms Burch:** Sorry, Ms Le Couteur.

**MS LE COUTEUR:** The cost is \$3.6 million to refit the Fitters Workshop which, apart from the acoustic issues, many people have said seems a very large sum of money for what appears to be created. Have you looked at other alternatives, particularly given that in the area where the Fitters Workshop is there is quite a lot of space which is not extensively used? It is surface car parks and they are not full all the time. And that is one of the other comments. I am not in a position really to judge the acoustics, but that—

**Mr Whitney:** Two budgets ago artsACT was given the task to work with Megalo to scope their current workshop area which is at Watson, at the reused Watson high school. And the scoping of that undertook to look at the nature of the print activity that they have—and they occupy about 770 square metres of their current space—and to look at relocating that and actually providing a proper work environment for them. Some of their conditions are less than desirable in terms of the space they have to work in. Whilst they have moved from not just chemicals to a water-based printing process, there still are obviously industrial processes that we have to accommodate for

them. We did that study.

The next body of work was transferred across to what was then Land and Property Services and they have undertaken some scoping work with Alistair Swain, an architect firm, to look at designing work in an around the Fitters Workshop. The size of the Fitters Workshop needs to be extended a little to provide some of the industrial areas that require new sewage and new power to come in. There will be an extension to the existing building which will provide a framework for Megalo to have a home at the Fitters Workshop but also to be in an adjoining building as part of the Kingston cultural precinct which will, we think, we hope, form the beginning of further development around that site to move the other visual arts organisations that the minister referred to onto that site.

In 2003, when the arts policy looked at a series of arts hubs, Kingston was identified as a visual arts precinct. The study that has also been referred to, undertaken last year by Susan Conroy Cultural Planning, looked at it becoming a little more of a creative industries precinct. There are a lot of architects and design firms currently on Wentworth Avenue, if we can link them into the precinct as well. CIT students who are design and fashion students have to leave town to pursue their chosen career and, if we can create in that same precinct a fashion workshop so that work can be created there and ideally marketed and sold as part of the bus depot markets, then those synergies start to really make a bit of sense.

ScreenACT is a very strong industry in the territory at the moment. If we can expand that and put that possibly in the front part of the old bus depot building at the moment, or the former transport building, then they will occupy those offices. So you can start to see how the connections are beginning to fit into place.

Also the stakeholder consultation talked to Contemporary Art Space, to Craft ACT and to PhotoAccess, all of whom are very keen to actually be co-located. Part of the study that came through Loxton was talking about arts hubs and putting arts organisations together to create a critical mass to make that whole process stronger. So I hope that helps you with your question about the Fitters and Megalo and then expanding the framework of the buildings around that.

**MS LE COUTEUR:** I do not have Loxton in front me but—

**THE CHAIR:** Before we go to Loxton, I think there was another supplementary.

**MS LE COUTEUR:** This still relates to—

**MRS DUNNE:** I want to follow up on the question about the Fitters and the time frame if I could, Mr Chair. It was in 2009 that it was decided that we would look at Kingston as a visual arts hub and it was also in 2009 that—

**Mr Whitney:** 2003 was the first arts policy that looked at Kingston as a cultural precinct or a visual arts precinct.

**MRS DUNNE:** The decision was made manifest in the 2009 budget.

**Mr Whitney:** For Megalo, yes.

**MRS DUNNE:** For Megalo to go there because this was going to be an arts hub. It was about the same time, correct me if I am wrong, Mr Whitney, that the community became aware that for some weird reason the Fitters Workshop has a somewhat spectacular acoustic for a particular class of music performance.

**Mr Whitney:** Interesting acoustic, yes.

**MRS DUNNE:** An interesting acoustic. Which came first? Was the decision made about Megalo and then we discovered the acoustic or vice versa and therefore—

**Mr Whitney:** My understanding is the decision to move the Megalo print workshop to the Kingston arts precinct and to locate Megalo there was made before the Canberra International Music Festival used Kingston as an arts precinct.

**MRS DUNNE:** Thank you. On the basis, minister, that since that decision was made another piece of information has come to the community's attention, is it not reasonable to have a rethink about the future of the Fitters Workshop?

**Ms Burch:** In short, I think those conversations have been going on for the last number of years and the former minister and this government are committed to its course.

**Mr Lasek:** I think there is also the heritage aspect of that building and it is important that heritage buildings like the Albert Hall and the Fitters Workshop are used as much as possible. I think one of the concerns is that, perhaps with music as an element, we had, I think, a handful of bookings for music events outside of the International Music Festival. And if the building was in a way quarantined for musical events, there is every chance the building is going to have, as we have seen over recent years, very little use and there is a risk it will fall into disrepair. It may have that interesting acoustic but it is not in great demand, it would seem, from the bookings for that space for the musical sector.

**MS LE COEUR:** My question goes somewhat along those lines. It seems to me that the issue to quite an extent is the shortage of suitable venues for some musical events. That is certainly the impression that I am getting from the music fraternity. You mentioned there were not many bookings, but how would people know that bookings were possible? I certainly thought that it was only available to the International Music Festival for the two weeks and that it was not available more widely. One of the things that Loxton said was that there was a shortage of reasonably priced venues. Certainly, that is one of things that the planning committee's report on live community events, to which we still await a response—

**Ms Burch:** Caroline, I commit to bringing one back to you on that. We are progressing our response to that. I appreciate live music venues, be they chorals, funky jazz or whatever. Canberra likes celebrating the arts, theatre, music and different things. There are a number of musical venues. David Whitney can talk to that.

**Mr Whitney:** One of the prompts for the music festival to look for alternative venues was because the Albert Hall was closed because of the restoration work that was being undertaken. They had a by-line which was, I think, “interesting music in interesting places”. The music festival now plays in a variety of locations—old and new Parliament House, the High Court and a variety of embassies. It also plays in churches, on top of Mount Ainslie and Red Hill. They have found different varieties for the music that is being played.

The ANU have recently completed some work in their rehearsal room at the back of Llewellyn Hall. To turn it from a flat-floored rehearsal space they have now built some acoustic treatment within that venue. That becomes another niche, small venue that is available for the community to use. Of course, the territory has the support for community groups to use Llewellyn Hall, including that rehearsal room. So there should be an accessible and affordable venue for people to use. There is also the Wesley Music Centre, which is quite an extraordinary acoustic venue and is used quite a lot. It is reasonably small in capacity but, in terms of the quality of the sound, it is quite spectacular as well.

There are a variety of venues that can be used. I mentioned just the ones that the music festival is currently using, but a lot of the colleges close to the city—Canberra girls and boys grammar schools—have got rehearsal venues and performance venues. There are lots of venues. People need to look a bit more broadly at access to those places rather than making the assumption that there will be what they want right in the middle of the city, that they are available in Canberra.

**THE CHAIR:** We might cut the fitters workshop off at that stage. A new question, Ms Le Couteur, and then Mrs Dunne and Ms Porter. If you can make them quick and we will call it a day.

**MS LE COUTEUR:** I have got a question for the Cultural Facilities Corporation. One of the justifications for the proposed new one-office building is to provide parking underneath the Canberra Theatre. Can you comment on the necessity or otherwise—the virtues or otherwise—of this?

**Ms Elvin:** Car parking is critical to the ongoing viability of the Canberra Theatre Centre. We have done a number of surveys that show that the demographic of our patrons, which tends to be an older and female demographic, particularly needs accessible, affordable, convenient car parking that is well lit and so forth. We have had extensive involvement with the government agencies that are developing the proposals for the new office building to ensure that that need for accessible car parking is built into the development. We feel that our views have been very well taken into account.

**MS LE COUTEUR:** But is the current level of parking in this area sufficient? Are you concerned that it does not decrease, or do you actively need an increase?

**Ms Elvin:** I think if we can replicate the existing car parking that is what we would like to see. Of course, it has to be accessible, but we do feel in fact that we have the opportunity to make a car parking space work very efficiently in that it can be occupied by an office worker during office hours and we can then re-use it and, I

guess, pay for it again through theatre patronage.

**THE CHAIR:** We might move on quickly to Mrs Dunne and then Ms Porter.

**MRS DUNNE:** Thank you. Minister, when are we likely to see stage 2 of the Belconnen Arts Centre in the budget, because it was promised to begin about now?

**Ms Burch:** Mr Whitney?

**Mr Whitney:** I am not sure that it was promised. Certainly, there was always talk of stage 2, and stage 2 is still in the forecast for capital works. The Belconnen Arts Centre has only been running for two years, so we are still bedding in the activities that are happening. What is interesting is that what was initially projected as stage 2—the community use of the centre and certainly the arts activity that has been identified in the Belconnen region—is perhaps changing what might be the best use of a development for stage 2.

We certainly have stage 2 in our mind, but we have also been working on developing capital projects for the Street Theatre, also forward work at Tuggeranong and work unfolding at the Watson Arts Centre. We would love to start commencing stage 2, but there is a process and a hierarchy about having to move through to that next stage.

**MRS DUNNE:** At that time in 2008 it was estimated, Mr Whitney, that we would be spending \$15 million on stage 2. What does that \$15 million look like becoming at this stage?

**Mr Whitney:** We have done no further work on it. That \$15 million was projecting building a performance base, a theatre, building more workshops and also building a restaurant on the lakefront. What is interesting is that the arts centre are now realising that maybe they do not need to build a performing arts theatre. There is certainly an opportunity for dancers. There is a very strong interest in dance in the Belconnen area and the current dance studio is completely oversubscribed.

Maybe there is a chance to have more of a space that is not a dedicated theatre that could be used as an extension to the current dance program and also the workshop activity that is only just beginning to pick up in the current workshops. Maybe there is an opportunity to change the focus to move to those workshops as well. These are just informal discussions that we have been having with the Belconnen Arts Centre. We have not done any further work other than, in 2008, projecting: let us build to stage 1, see how it unfolds and then move to stage 2.

**THE CHAIR:** Ms Porter can close.

**MS PORTER:** I will ask you to take this on notice because it is 6 o'clock. On page 149, budget paper 3, we see there is more than \$3 million allocated in the budget. You just mentioned the Street Theatre. I wanted to know who was involved in the planning and consultation of these much-needed improvements. I did not want you to tell me what it is going to cover because it tells me in the budget paper. I wanted to know who was involved in the consultation and planning for those improvements. I am happy for you to take that on notice.

**Mr Whitney:** I am happy to give a quick answer, if you prefer.

**MS PORTER:** All right.

**Mr Whitney:** The consultation began in 2003 with the city west culture precinct strategy. That identified developing the Street Theatre site and potentially the land adjacent to that. The priority of the Canberra Glassworks took over because the capital works were required there and then the building of the Belconnen Arts Centre. The consultation began in 2003 and was then re-picked up with the Loxton inquiry into the arts. We also undertook a theatre direction statement in 2008 which we released in 2010. Coming through that theatre direction statement, which was working with professional theatre workers, independent theatre workers and, importantly, the amateur theatre scene in Canberra, one of the things that was strongly identified there was the need for a rehearsal venue. So part of the development for the new Street Theatre will be a rehearsal venue.

The idea of creating arts hubs and putting together like-minded activity, as I described with the Kingston cultural precinct, would also see performing arts activity—maybe independent producers; that sort of activity—occurring out of the new Street Theatre development. That consultation has been there for some time, involving the professional, independent and amateur theatre scene.

**MS PORTER:** Thank you very much.

**Ms Elvin:** Could I add a further clarification to the answer I just gave to Ms Le Couteur. I will not detain you for very long. I would like to see the current car parking replicated with the current Canberra Theatre Centre needs. Of course, if Canberra Theatre Centre were to expand in the future, I would like to see even more parking.

**THE CHAIR:** Very wise; thank you for that. Thank you, minister, and your officers for attending this afternoon. I do not need to remind you that for any questions taken on notice there is a five working day time frame for the return of the answers. Members, if you have additional answers for the arts portfolio, you have four days in which to get them on the record.

**Ms Burch:** Mr Chair, can I just thank the officials for their work over the year—and Jeremy Lasek, who was involved in the arts for 11 months and three weeks? Thank you.

**The committee adjourned at 6.02 pm.**