



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

THURSDAY, 26 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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Amended 21 January 2009

The committee met at 9 am.

Appearances:

Gallagher, Ms Katy, Chief Minister, Minister for Health, Minister for Industrial Relations and Treasurer

Treasury Directorate

Smithies, Ms Megan, Under Treasurer

Whale, Mr Andrew, Acting Executive Director, Shared Services

Moore, Mr Ken, Acting General Manager, Shared Services ICT

Tully, Mr Chris, Acting Director, Customer Support, Shared Services ICT

Hardy, Ms Robyn, Executive Director, Shared Services, Procurement

THE CHAIR: We have enough committee members here to start taking evidence. So welcome, Chief Minister, and all of your officials for yet another day at estimates—day 10. We are almost there; five-sixths of the way through. Today in your portfolios we will be looking at Shared Services and then later on in the day we will go to TAMS with ACTION and public cemeteries and other bits and pieces.

Chief Minister, in front of you is the privilege card. Have you read the card and understood the implications of the statement?

Ms Gallagher: Thank you.

THE CHAIR: Thank you very much. I also need to remind you that we are recording the proceedings for *Hansard* as well as webstreaming and broadcasting them live and you will also be appearing in Committees on Demand. Are you happy to proceed?

Ms Gallagher: Thank you, chair.

THE CHAIR: Chief Minister, would you like to make an opening statement on Shared Services?

Ms Gallagher: Thank you, chair. I have not had the portfolio very long and I am not keeping it for very long either—or this part of the portfolio—so we have many officers here and able to assist the committee with your questions today. I am very happy to proceed to those questions.

THE CHAIR: Thank you for that. Chief Minister, in evidence on 16 May this year Treasury officials told the committee that the Shared Services Centre was the first agency or organisational unit to be reviewed by EREC, the expenditure review committee, and that savings from that review are incorporated in the budget. What was the quantum of the savings and how were they found given this is a relatively new unit?

Ms Smithies: The work that was done by EREC, the first stages of EREC around Shared Services: there were a number of reviews that were done into Shared Services, some of which have not been completed. But this particular piece of work has pointed to \$4½ million worth of savings and it was a piece of work done by a consulting firm

called LSI. It focused on HR and finance in particular. Those sorts of savings are around business review, business organisation, process re-engineering and looking at efficiencies that will come out of re-engineering those processes and taking a lot more of a structured approach to work allocation and time allocation in tasks done by those particular areas.

THE CHAIR: All right. Does that indicate we got it wrong when we set it up—that just two or three years after it was set up you can take another \$4½ million of savings out of it?

Ms Smithies: Not at all. What it indicates is that when it was first put up—around \$20 million was returned to the budget on the creation of Shared Services—indeed we got it right, I think. The creation of Shared Services returned \$20 million worth to the budget. Shared Services needed some time obviously to bring all of those functions together and provide a standard level of service to agencies in relation to the services they provide. That was done, and done quite well, and obviously those savings are achieved.

What we are looking at here is a further tranche of savings that I think is around the next phases of the organisation. There was a transition phase and a bedding-in phase that occurred over the last few years. Now we are moving into a review phase and a further refinement and looking at further efficiencies. I think this is a normal part of a business developing.

THE CHAIR: All right. On page 169 of BP 4, under strategies, the second dot point, what is meant by “continuing to identify opportunities to rationalise and better manage the Government’s software application portfolio in consultation with agencies, industry and other jurisdictions”? What are we doing there? Is that harmonisation?

Mr Whale: As with all the areas of Shared Services, we are not standing still. We are looking at ways of improving productivity and efficiencies that go beyond the bedding down of the services that we provide. Some of that has been done by our looking at internal processes and how we can improve that across the areas of Shared Services, both within the separate business units and across the business units in the shared services model. The other is working with agencies on the way they are delivering and developing strategies and policies and the way they are going to implement them, whether it is resources or whether it is processes around any of the functions that Shared Services provides.

In regard to ICT we continually work from the ground up with agencies, from development stage through to the full implementation and the ongoing monitoring and where we can, through better application of resources, improve the efficiency of those processes for agencies or between Shared Services and agencies, we continue to do so, and that is what is highlighted in that dot point around the efficiencies in ICT.

THE CHAIR: Right. What are we doing in conjunction with other jurisdictions—anything in particular?

Mr Whale: I will bring Ken Moore up to the table. In many instances we do not have to reinvent the wheel. There is a lot we can learn from what other jurisdictions are

doing. We are in continual contact with shared services organisations both government and non-government across Australia and occasionally beyond that. We also look at what is being done nationally, particularly in the IT area, and how we can link into those strategies. But I might hand it over to Ken Moore to give a bit more detail.

Mr Moore: This priority is around software applications. The territory has a number of enterprise-wide software applications, such as Oracle and chris21 HR financial systems. Many other jurisdictions in Australia run similar software applications. We are in regular contact with those other jurisdictions on developments with those particular applications. For example, I am also the ACT government representative on the cross-jurisdictional CIO committee, or at least until such time as the appointment of the ACT government CIO. So it is not just on software application that we talk to the other agencies; it is on ICT generally.

THE CHAIR: All right. Minister, on page 170 are the employment levels. I see that the budget for this year is 936. The estimated outcome is 893. At the end of the coming year it will be 980 staff. What is the reason for the increase?

Mr Whale: I can talk to that. There is quite a detailed mix of what is occurring across the portfolios. We have incorporated following the decision of government to move territory records off us into Shared Services, so there is an increase from there. I have all the detail here and I can go into the precise amendments but primarily it is around the fact that we were understaffed against our FTE budget in many areas this financial year. But also there is an increase in workload in project management, in procurement and in ICT and some of the technical areas in there. Largely these are fee for service type projects that are funding the increase in staff. There are also quite a number of positions that are filled by contractors due to the availability of permanent staff. We are working next year—we have already started working—to replace a lot of those contracted positions with permanent staff and that will impact on the FTE but not on the overall wages.

THE CHAIR: Rather than go through numbers, can we have a list of those numbers taken on notice—a reconciliation of transfers in, new positions and the total. Could you also break it down into the four areas, ICT, procurement, the HR and the finance, as to what they end up with?

MS LE COUTEUR: While we are talking about records management, there is an extra cost of \$800,000 for the transfer. I am just interested to know why it is costing us this much to transfer.

Mr Whale: It is not an extra cost; it is just moving it from the TAMS directorate into Shared Services. So it is just a straight transfer of the existing funding.

MS LE COUTEUR: Okay. So no additional cost. Good.

Mr Whale: No.

MS LE COUTEUR: Then I guess my supplementary on records management is: how will moving to the new government office building give efficiencies, because that is

one of the things claimed for the new government office building?

Mr Whale: Sorry; I did not hear the beginning of the question.

MS LE COUTEUR: There is a range of claimed benefits for the new government office building. One of them is improved record management. Could you elaborate on that?

Mr Whale: Co-location obviously brings a lot of potential for improvement of processes and the transfer of documents and records and that would certainly be a direct advantage. There is also the fact that you can streamline processes where people are using the same systems and the same processes but in the one environment. There is expectation there. However, it is still early days in the development of how and who will occupy the new office block. We will be working over the next year or two to finetune those processes. I think some of the savings are quite clear now but I am sure we can achieve a higher expectation on some of those savings once we get into the detail as to how things will physically operate in that new environment.

MS LE COUTEUR: So you have a clear figure at this stage of savings? You say some of it is quite clear.

Mr Whale: From Shared Services point of view and from the Territory Records Office point of view I do not think we have actually identified any clear figure yet as it is not even clear as to who will be occupying that building. But there are some clear efficiencies we can identify that would be achieved in that environment. As to putting dollar figures or details as to the level and how, it is probably a bit early.

MS LE COUTEUR: Okay. There is something else where the Treasury workshop has a clear figure of five per cent reduction in IT costs for moving everyone to the one office building. Can you just explain to us how this will occur?

Ms Smithies: Yes. These questions may well be better placed on the technical briefing. But those numbers really are around saying that, if we place everyone in a new building and have an opportunity to build a building from scratch, to be able to have a really good look at how we deploy our ICT, how we do wireless networks, how we do all of the cabling and the infrastructure that goes around ICT but also how we deploy printers, manage the fleet, keep track of assets et cetera, how we manage to sort of put the back end in relation to the storage, manage licences—all of those sorts of issues.

THE CHAIR: If I just understood Mr Whale, where that saving is coming from has not been determined. So is that just an assumed saving or can you actually detail where the five per cent reduction in IT costs will come from?

Ms Smithies: No. Mr Whale talked about the staff, the components. But obviously moving 3,500 public servants into a building comes with a certain amount of IT and, regardless of whether it is employee A or employee B, it is still a relatively generic proportion of IT. That is the way the problem has been looked at.

THE CHAIR: So what was Shared Services' involvement in coming up with this five

per cent saving? Has the project said, “There is five per cent saving and you will deliver it”? Or have Shared Services said, “We can deliver a five per cent saving on ICT costs” and therefore you can detail what they are?

Ms Smithies: Perhaps this is a better question for Monday because I believe you have got the consultant who has done the work coming. But the work was done around workforce management et cetera and looking at the inputs of what goes into office accommodation et cetera. That was done by a consultant who I understand spent a lot of time talking across all of the agencies, including Shared Services, around what sort of work they do, how they do their work, how they manage their space, how they manage their resources, how they manage the input to their business et cetera. These are consultants who have a lot of experience around workforce reform and resource reform, I guess, and who have been able to draw from those discussions and those consultations a relative, I guess, benchmark saving that is deemed achievable.

MS LE COUTEUR: I understand that the office building will not be inhabited until 2017. I would expect, given what usually happens in IT, that there probably would have been an equipment refresh between now and then. Correct me if I am wrong, but, given that is the case, wouldn't a lot of the sort of savings that you are talking about with the wireless networks et cetera be realised in your next equipment refresh, or are you going to deliberately hold off doing things for the new building?

Mr Whale: The equipment refreshes are rolled over every four years in different directorates, in different elements in directorates. Certainly we will, as we always do in the forward planning around those refreshes, look at any changes in government process, and in this case we certainly will be looking at the impact and how we can adjust to the requirements of any rollover to the new building. As to the direct impact, we will work with the areas of government that are developing the building and any consultancies to work through how best to do that in an efficient way over the next couple of years.

MS LE COUTEUR: Talking about refreshes, particularly because we have just been through one in this building, can I ask: why are you replacing the screens and the keyboards at the same time? Certainly in the case of the Legislative Assembly, they were both perfectly serviceable.

Mr Whale: Mr Moore may give some detail to that. But in general it is a bundled package. Agencies can ask to have different components rather than the bundle. As a general rule, though, it is cheaper to bundle and there are OH&S reasons around keyboards and things where upgrades are important.

MS LE COUTEUR: Actually from an OH&S point of view I would have thought they went backwards with keyboards. We used to have US keyboards which are the most common in Australia. We now have European keyboards and they are certainly—

MR HARGREAVES: And they are crap.

MS LE COUTEUR: I will not repeat that.

THE CHAIR: It is causing some members some grief apparently.

MS LE COUTEUR: It is causing some members some grief. Given that we do not want—

MR HARGREAVES: I keep getting that bloody idiot line down—

Ms Gallagher: The hash key.

MS LE COUTEUR: Unparliamentary language!

Ms Gallagher: I feel your pain.

MS LE COUTEUR: Had I done this where I used to work before, people would not have spoken to me for a month.

MR HARGREAVES: If you put make-up on a pig, it is still a pig at the end of the day.

MS LE COUTEUR: Why did you decide to put in European keyboards?

Mr Moore: It was not the ACT government that decided to put in European keyboards. Industry had adopted that new standard and that was available through our vendor. I have not noticed the difference but maybe I am not as proficient on the keyboard as you might be.

THE CHAIR: Some of us were lucky to keep our old keyboards. It has been most beneficial.

MS LE COUTEUR: Some of us were more assertive, and I got mine.

MR HARGREAVES: Do you want to sell your keyboard?

MS LE COUTEUR: Yes.

Mr Moore: To get back to why we replaced the keyboards and monitors, we have got a fleet of about 13½ thousand PCs and laptops across ACT government and about 4,000 with teachers. Under our business model we are required to refresh that fleet once every four years. For example, this year we are focused on ACT Health and TAMS. As Mr Whale said, it is more cost efficient for us and agencies when we go in once every four years to replace the bundle. But if agencies wanted to retain their monitors and keyboards, we would not replace them. But then they would not be refreshed until the eight-year point unless there was a failure.

MS LE COUTEUR: So you are saying we can either replace it at four or eight years and nothing in between? In my previous lifetime I used to be an IT manager and we would leave the keyboards and screen. You buy them separately these days and you would replace those that needed replacing. It was cheaper and more environmentally sound—

Mr Moore: We replace bundles in two ways. If a directorate had an increase in staff and required additional PCs, for example, we would go in to that agency and provide those additional resources. But generally we do it agency by agency or directorate by directorate once every four years. It is not just a new PC or laptop, we also put a new operating system in at the same time, which currently is Windows 7. So we pre-plan this with the directorate or the Legislative Assembly so that when we roll in to that directorate all the new operating system is pre-loaded and it is just a matter of walking in to a particular workstation and pulling the old one out and making sure the new one works.

MS LE COUTEUR: You probably will have to take on notice a breakdown of the cost differential. You said it was a lot cheaper to replace the whole thing than to replace just the CPU. Can you give us a breakdown of those costs?

Mr Moore: Yes, I can. But to put it simply, we have got, within our budget, money to maintain a refresh team provided by the government. They are the ones who go into agency by agency. When we go back to provide a new keyboard or a new monitor, we will have to charge the agency an additional charge to do that. That is why it is cost effective while we are completely refreshing all PCs and laptops at an agency. It is a pre-service, in a sense, to the agency. We charge them a monthly rental of course for that equivalent. But there is no labour involved—or it is built into the refresh cost. If we have to go back, that is an additional charge to the agency.

THE CHAIR: Mr Moore, while you are at the table, I assume you are the head of what we are now calling Shared Services ICT. We are not calling it InTACT anymore?

Mr Moore: That is right.

THE CHAIR: That will be SSICT. “I have been SSICT-ed”. What information or what advice did Shared Services ICT offer on the government office building work? Were you consulted with this figure of five per cent savings on ICT?

Mr Moore: I personally was not consulted but I have not been there that long.

THE CHAIR: Was SSICT or InTACT consulted?

Mr Moore: We have been part of a consulting process over a period of time. But as I said, most of that consultation occurred before I arrived in SSICT. So I was not party to that consultation.

THE CHAIR: Is there somebody here that was part of that consultation? Obviously. I hear the voice from the deep.

Mr Moore: Mr Tully.

THE CHAIR: Mr Tully, what consultation was there between the project managers and SSICT?

Mr Tully: Broadly speaking, there was a minor consultation with our system architecture area. That was about it.

THE CHAIR: Have you seen the case for this figure of five per cent savings in ICT or do you understand how they have come to that?

Mr Tully: No. It just contributed to that figure.

THE CHAIR: Is it possible to make those sorts of savings by moving into the whole-of-government building?

Mr Tully: Personally, I consider it is, yes. I can see a lot of potential savings in co-locating that many ACT government staff and reaping those synergies.

THE CHAIR: How will that be achieved?

Mr Tully: I think that was explained before by Mr Whale when he was talking about basically looking at the total infrastructure of the new building. There is also an element of savings in the support component. Where we have everybody co-located, we do not have service delivery officers moving from site to site or across Canberra. That is an obvious saving. By then, there are also new technologies which could be employed. Terminal services could be a possibility as well. The co-location of that infrastructure is certainly a potential and I would see five per cent as realistic.

MS LE COUTEUR: You mentioned terminal services. Terminal services is something that I have been talking about at annual reports and estimates for some time and there has been quite a degree of resistance to it. Why would we not be able to introduce those before the new building?

Mr Tully: We can and we are certainly looking at that as part of the green ICT initiatives.

MS LE COUTEUR: Great.

Mr Tully: It is a possibility.

MR HARGREAVES: I have not seen you as enthusiastic for ages.

Mr Tully: Obviously these improvements in infrastructure or changes in infrastructure need to be looked at on a case-by-case basis to meet the needs of the particular business units that have those requirements. And we have to specify those requirements and fit the solution to that. But certainly that is one of the solutions that we are looking at.

MS LE COUTEUR: I am pleased to hear you are not necessarily going to wait for any solutions until 2017—

Mr Tully: No.

MS LE COUTEUR: which is the message we were somewhat getting.

Mr Tully: I think, when we are talking about the desktop refresh program, we are always looking at different ways that we can implement solutions in that regard. And some of those solutions have been implemented already when we are talking about the Citrix environment, for instance, to overcome problems that we have been having with our application deployments.

MS LE COUTEUR: When you do a desktop refresh, do you talk to each agency about the potentials in consulting with clients?

Mr Tully: Yes, because when we do a desktop refresh we have to go in and analyse their complete environment, which includes all of their desktop applications, and make sure that they are compatible with the new environment that we are actually rolling out. It always results in consultation. It often results in us implementing different ways to implement those systems in that environment under the new operating environment.

MS LE COUTEUR: How many introduce thin clients for their desktop and what sort of financial model do you offer to organisations with thin clients versus big?

Mr Tully: Not that comes to mind. We certainly looked into the thin client solution for some agencies but full implementations have not occurred at this stage.

MS LE COUTEUR: And have you a financial model for the agencies and the costs? If so, could we have a copy, please?

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

MS LE COUTEUR: Yes, take it on notice, sure. I do not expect you to have it in your pocket.

THE CHAIR: Going back to the consultation, you said there was minor consultation between the former InTACT and the project managers. Have you seen the document that I assume exists with the details of the five per cent savings?

Mr Tully: No, I have not seen it.

THE CHAIR: Thanks for that. Mr Hargreaves, a question.

MR HARGREAVES: Yes, I do. I notice that the government has introduced, as part of its procurement process, an OH&S auditor, but it is not in these priorities in the budget papers. Do you know what I am talking about?

Mr Whale: Yes. I might call—

MR HARGREAVES: Ms Hardy.

Mr Whale: Yes, Robyn Hardy up to the table.

MR HARGREAVES: Yes.

Mr Whale: The issue of potential for what has been tagged, particularly in the matter of shared contracting purposes or inappropriate practices with contractors, has been a major concern for the government. And we have been trying to be active and in some ways nationally lead the way as to how we can put processes in place to protect all those working in the contract environment. Ms Hardy has been negotiating for many months now with the industry, the sector and the unions on a way forward and has developed an auditable process to try to address some of these risks. I will hand it over to Ms Hardy.

MR HARGREAVES: Thank you.

Ms Hardy: There has been a lot of concern regarding industrial relations compliance on a number of sites in the ACT. And due to that and due to that concern, the government has instituted an audit and certification regime. It involves a two-step process essentially. We will be advertising for a registration process in the next month or so for auditors, qualified auditors in industrial relations compliance, and then a process will be rolled out whereby every contractor—that includes all trades within the construction industry—will be required to become certified in terms of their industrial relations compliance. That will be, essentially, like an ASIC search, a search of their records in terms of industrial relations compliance. And we expect that to be a fairly quick process.

In order to do business or before they are able to contract with the ACT government, they will actually have to hold a certificate of their compliance with industrial relations obligations. Through a tender process, a contractor actually gets a contract with the ACT government. Following that, we will then conduct ad hoc audits on a risk basis. And those ad hoc audits will be very comprehensive. We will use the auditor panel and we will then advise the head contractor—for instance if it is a commercial building, we will advise the managing contractor or the head contractor—that we are coming in to audit the industrial relations compliance on that particular project.

We will then ask that head contractor to advise all of their trades and all of their subcontractors that we will be auditing them as well and that they will have to provide certain documentation regarding their compliance. That audit will then take place and through that process, if there are some concerns raised, the auditor will then, without providing any confidential information about people's records, their pay et cetera, provide a report to us. It will raise issues or say, "No, we have found complete compliance."

If they raise issues with us we will then immediately advise the regulatory authorities. Some of those regulatory authorities are ACT government agencies such as the Revenue Office and the ACT Long Service Leave Board. Others will be commonwealth authorities such as the Australian Taxation Office, the Australian Building and Construction Commissioner and the Fair Work Ombudsman et cetera. After we have liaised with them, they will then conduct their investigations and, following that, if there is proven non-compliance, those contractors may then be unable to contract with us for up to 12 months following that non-compliance until they then become certified again that they have become compliant.

We believe this process will actually improve the culture in the industry of their industrial relations obligations compliance, which has become a little bit of a concern of late.

MR HARGREAVES: Thanks very much, Ms Hardy. That is pretty comprehensive. You said you were going to advertise shortly for that audit panel?

Ms Hardy: Yes.

MR HARGREAVES: How long after that do you expect the program to kick in?

Ms Hardy: At the moment we are hoping to implement the process as of 1 January 2012. That, of course, will depend on the number of auditors we are able to attract. We believe that it is quite a specific kind of audit. It is not the kind of an audit for an accountant. It is more for someone who is aware of industrial relations law; it is more in the legal frame. Similar audits are conducted, but on a voluntary basis, in New South Wales. There is a regime of some kind in other places, but not like the one we are implementing.

It will depend on how many auditors we get. We know that there are several hundred main contractors, but many, many trades that will have to become certified in order to do business with us. That will be able to happen during a tender process. For instance, if someone is not certified, they should have enough time, if their business is in order, to become certified during that process. It is a little bit like prequalification. If you are not prequalified in the ACT, generally during a tender process you have got enough time to become prequalified.

That is our hope, and that is what we are working towards. However, we have discussed with industry and others that we will monitor that. If it is such that we only have half a dozen auditors and that becomes an issue—that they are just too busy and they just cannot get around everyone—we will attempt to get more auditors, if we can, but then we will monitor the start date.

MR HARGREAVES: The qualifications for these auditors—you said that it is more in the legal field than the accounting field. Is there a set qualification that you require?

Ms Hardy: We are actually devising that at this very moment, in consultation. I have a consultative group that I have been working with, which consists of industry and union groups—the CFMEU, in particular. We have been working more, I would say, on the statement of requirements for the registration process and the kinds of qualifications that you might require for this. We even believe that we may conduct interviews to ensure that the people that we have on this registration system fully understand what we are asking them to do. At this stage we do not have a complete list of requirements.

MR HARGREAVES: Okay. You said that the people will need to be certified. That will create or will need a systems approach to that?

Ms Hardy: Yes.

MR HARGREAVES: Is that system actually developed and in place now?

Ms Hardy: It is being developed, certainly. We have been doing it fairly quickly. We already have a fully developed prequalification process. We have a registration system, for instance, for small architects and landscape architects. We are able to use the same kinds of process, essentially. We will advertise, as we do through our normal processes. We will conduct a closing process of those and an evaluation, just as we normally do—and the certificates that we provide through the prequalification process. We are not having to duplicate a lot there. There is a lot in our system already. It is just the timing issue that I am concerned about—the fact that there are a lot of organisations to get certified. That is more of a concern than the system that we have within. We think we have got that covered.

MR HARGREAVES: My final question, in case my colleagues get over-excited and want to ask one, because I can feel the vibes across—

MS LE COUTEUR: No.

MR HARGREAVES: It is just palpable over here. Ms Hardy, are any legislative changes required to introduce this?

Ms Hardy: No. The changes are essentially within our contractual arrangements, although our contracts generally have provisions in them where we can inspect and seek records. We will provide minor amendments to our contracts, which will enable us to seek this kind of information. As I said, it certainly does not require any changes to legislation; it is a contractual frame.

MR HARGREAVES: Thank you.

THE CHAIR: Just to follow up on the issue of contracting, the federal government is making some changes to law that will require reporting when payments are made to subcontractors. Has Procurement done any work on the cost effect of that on the projects?

Ms Hardy: No, we have not. As to the reporting in relation to the payment of subcontractors, we have not been consulted on that as yet. We are not sure how it will impact on us at this point in time.

THE CHAIR: All right. Robert Gottliebsen, at the budget breakfast, said he thought it may well end up adding something like 25 per cent to the cost of a house because of the paperwork involved. I think he said that it will make the implementation of the GST look like a walk in the park. You are not concerned about that, or you are just not aware of the details of what is happening?

Ms Hardy: No, I am actually not aware of the detail. We have at this point in time no idea of the impact that it will have on us.

THE CHAIR: All right. In terms of procurement, there was a news article recently about the pattern of contracts being let and the number of contracts of large value that

had gone to single tenderers. How many contracts valued at, say, more than \$200,000 were signed in 2009-10 and 2010-11 without seeking more than one tender?

Ms Hardy: I am sorry, could you repeat the question?

THE CHAIR: How many contracts, firstly, in the 2009-10 financial year and then this year, 2010-11, have been signed over \$200,000 where there has only been one tenderer?

Ms Hardy: I would have to take that on notice.

THE CHAIR: That is fine. The checks and balances to ensure that the taxpayer gets best value and the processes that you have to ensure that we are getting appropriate competition so that the taxpayer gets best value for money—are you happy that they are robust enough?

Ms Hardy: Yes. The process which agencies go through in conducting a procurement is very robust. We certainly believe that, in the ACT, we are best practice in terms of Australia. Our regime is very similar to what happens in other states. Where agencies want to procure a good, a service or some works, they are required to go through a process of preparing a procurement plan, which goes to the justification of the procurement method, the requirements and the evaluation criteria. If they are actually going to a select or a single select process, they have to justify that. If it is a single select, they have to justify it to a chief executive.

There are many very good reasons why a select or a single select procurement process is best value for money—for example, if there are only one or two suppliers. Certainly, in many areas of government procurement there are very few suppliers, especially of specialist medical equipment. There are occasionally only a couple of suppliers of that. To actually conduct a public tender process for that would actually be wasteful of public money.

There are other times when there is a demonstrated community value. For instance, if you had intended to determine that a procurement should be set aside for a social venture, for example, in that particular case you might want to value a social procurement and the community value there highly and, therefore, you may actually go to a select or a single select tender. Agencies are required to go through a very robust process. It goes through a number of delegates for consideration. I believe that best value for money is certainly considered strongly.

THE CHAIR: On the issue of procurement, I know the procurement board will often review projects—and we have had discussions in previous estimates on projects that have been reviewed to see what went well and what did not go so well. With regard to the two fire sheds that the government has built in the past year, we have heard in previous days that, first, you cannot open your doors when you park your tanker and, second, there are difficulties with the slab. The minister made the statement that because of these problems the contractor who built the sheds would not be used again. How is it possible that a minister can determine that a contractor will not be used again?

Ms Hardy: I think what the minister was actually referring to was the performance records. During a capital works procurement there is a process whereby the performance of the contractor is assessed. At the end of the process, the contractor's performance record is assessed by the project officers and that goes on their prequalification record. If the assessment is a poor one, the contractor is brought in to discuss the record. Contractor performance is discussed during the project as well.

THE CHAIR: But if the contractor has built a shed to the design specifications and the design specifications were wrong, how can that contractor be punished for building what he was directed to build?

Ms Hardy: As I said, the minister was probably referring to other performance issues in relation to the contract—

THE CHAIR: I think you are being generous. I am not sure he was. He just said, "The blame was shifted to the contractor." Let us go through the process. Did Shared Services Procurement have a role in this project?

Ms Hardy: Shared Services Procurement was project managing the project directorship of these projects, yes.

THE CHAIR: And what fee did Shared Services get for the sheds program?

Ms Hardy: It would be the normal four per cent. Off the top of my head, I cannot give you the exact figure.

THE CHAIR: I am sorry, the normal—

Ms Hardy: The normal four per cent.

THE CHAIR: Okay. With regard to the procurement of the design of the shed, would you have had a role there?

Ms Hardy: The procurement of the design would have been part of the project management—the managing contractor, I assume.

THE CHAIR: How were the specifications checked? Is the problem in that the builders built a shed to the wrong size, or is the problem in the design?

Ms Hardy: I think those kinds of questions really need to be directed at the department of justice. In a normal process, the design process is a part of—

THE CHAIR: But you are the project manager.

Ms Hardy: Yes, but, in the sense that chief executives are responsible for their projects, any specific questions probably ought to be directed to the justice portfolio. However, what I can say is that the normal process is that there is a design brief determined with the architect or the consultant, the user groups and the client.

THE CHAIR: All right.

Ms Gallagher: I would say that the advice I have, Mr Smyth, is that Shared Services Procurement formally warned the contractor on several occasions around this project. Perhaps we can get some further information for you about what that was about. Certainly, the advice to me is that there were formal steps taken in terms of discussions between the project manager and Shared Services Procurement around this project.

THE CHAIR: But on that, will there be rectification? If the contractor has made a mistake and built a shed that is too small, in the case of Jerrabomberra, or a shed that has got a faulty slab, in the case of Rivers, will the contractor be asked to rectify that and deliver what he was paid for—or is the flaw in the initial request and the design?

Ms Gallagher: We can perhaps get back to you with that answer. I do not have that detail ahead of me, but I do know that contracts allow—if fault can be laid at a particular contractor's responsibility, that rectification is proceeded with under the contract. We can certainly provide that to you.

THE CHAIR: The reason we went into procurement and the procurement model was that this expertise did not reside in the departments. If Procurement is being paid a management fee to manage these projects, why can you not answer these questions?

Ms Hardy: In a sense, under the procurement act, all chief executives are responsible for their projects. I am happy to answer the questions in relation to the process, but I believe that, in a sense, it would be like answering questions about roads et cetera. I believe I should be answering those questions about the process. In this particular case, the contractor will be required to correct any defects, if there are any defects in the building. That is a normal process under any contract that we have. Defects are corrected as the project is underway and then during the 12-month defect liability period the defects are corrected. If there are any defects that need to be corrected because occupancy certification is not available then that happens as well.

MS HUNTER: How is duplication of project management reduced in cases where both the department or, in this case, Shared Services or an agency are undertaking a project? I sat through the AMC inquiry and it seemed to be very complicated about how these things work together. So why isn't there a duplication of project management where, in this case, it is JACS plus it is Procurement Solutions? I was never quite clear how it—

Ms Hardy: It is about the roles and responsibilities. Shared Services' procurement role is to work with the agency to deliver whatever project or service or good that they require. Under the legislation, chief executives are responsible for their procurements and their projects et cetera. Our job as the one ACT government is to work alongside them to deliver whatever it is that they need. It is not a duplication. Essentially, a client's role is to develop the specifications, the requirements of what they want et cetera and essentially to develop their business cases, secure the funds et cetera. It is our job to deliver the product for them.

THE CHAIR: In regard to deficiencies, are deficiencies reported to you as the project manager, and are you responsible, therefore, for rectification?

Ms Hardy: If there are defects in a project, it is the contractor's responsibility to fix them under the contract, and we would certainly direct them—

THE CHAIR: But you manage that process?

Ms Hardy: Yes, absolutely. We direct them to actually correct those defects, where there are contractual defects, yes.

THE CHAIR: So what defects have been reported on either the Rivers or the Jerrabomberra shed?

Ms Hardy: Off the top of my head, I could not give you a list, because I just do not know the full detail of the full defects there. But I am certainly aware of the defect on the floor, and the floor waste et cetera. I believe that was corrected.

THE CHAIR: Will you take on notice and provide the committee with a list of the defects?

Ms Hardy: Yes.

MS HUNTER: Could I go back to that four per cent to administer the contract. I want to understand the costing model that is used by ACT Treasury to come up with that amount, that percentage.

Ms Smithies: Yes. The four per cent was initially set—Robyn, correct me if I am wrong—pre Shared Services, so in 2004. Four per cent at the time was roughly the amount that was necessary to maintain an operating procurement function with the roles and responsibilities that they had. There is ability, as I understand it, for the four per cent to be negotiated depending on the particular type of project and where the emphasis in the project lies. I think that has happened a number of times. The four per cent procurement fee, though—and, again, this is an issue of continuous improvement—is something that is being closely looked at, certainly by Treasury in the work that EREC is doing, and in relation to its appropriateness and whether the model in itself is the most relevant model in relation to the services that Procurement Solutions is now providing.

Along with that, there is also a discussion about roles, responsibilities and governance of Procurement Solutions. Again, it is really about having a good look at the model. Is the model right? Does the model fit the purpose for this day, and are their improvements that we can make? So what has been past practice around the four per cent is definitely under review.

THE CHAIR: But in the total cost of the buildings, questions on notice reveal that for the Rivers shed, Rivers got \$1.146 million of the project. The actual building, the physical buildings—the new building, the refurb of the existing buildings, some external works and external services—came to \$681,000 out of that \$1.1 million. And it was the same for Jerrabomberra. It came to \$653,000. So the actual buildings cost \$1.335 million out of a \$2.270 million project, or only 59 per cent. The rest has gone on contingencies, preliminaries and margins, on fees—all sorts of things. It does not

seem like we are getting particularly good value. Of the actual built form, only 60 per cent of it is the cost. Is that standard in these—

Ms Hardy: I have not seen those figures.

THE CHAIR: They are in last year's. There were questions taken on notice on 25 May last year that give the breakdown. But it does seem extraordinary that the management fees, contingencies and insurances occupy almost 40 per cent of the project and we still cannot get the project right. Is there something wrong in the delivery of these projects?

Ms Hardy: It does not sound to me like the figure that you are referring to as a management fee relates to Procurement Solutions' fee.

THE CHAIR: No—

Ms Hardy: That sounds like the contractor's—

THE CHAIR: No, you get four per cent, the ACT Insurance Authority gets one per cent, buildings cost 59 per cent, and the rest is in preliminaries and margin and construction contingencies. I am just at a loss as to how we can spend that much on non-building and still get it wrong.

Ms Hardy: The explanation might refer—I am only speculating here, because I have not seen that document—to the contractual costs for the managing contractor. It might mean materials that you are referring to in terms of the 50 per cent.

THE CHAIR: Who is the managing contractor in the case of these two sheds?

Ms Hardy: Which shed are you referring to?

THE CHAIR: I understand they were run as one contract. So is Procurement the managing contractor?

Ms Hardy: No, we would have engaged a managing contractor.

THE CHAIR: You have employed somebody?

Ms Hardy: Yes.

THE CHAIR: What liability does the managing contractor have?

Ms Hardy: Under a contract, he is engaged to construct whatever it is that we have asked him to do under that particular contract.

THE CHAIR: In regard to the big office building, the new office building, will Procurement Solutions be running that project? Will you be responsible for procurement?

Ms Hardy: At this stage, that has not been determined. I do not believe any decision

on that has been made at all.

THE CHAIR: How would the process be, Treasurer, that would not see Procurement Solutions run this project?

Ms Gallagher: Sorry, what was your question?

THE CHAIR: How would Procurement Solutions not be involved? They are the government's procurement arm.

Ms Gallagher: Yes.

THE CHAIR: Will they be involved—

Ms Gallagher: So they will be.

THE CHAIR: They will be?

Ms Gallagher: Yes.

THE CHAIR: So they will pick up the standard four per cent fee for that?

Ms Gallagher: I cannot see any reason why not. That is the way that we manage our construction projects, as a standard rule. I should say that there is still a lot of work to be done on the office block. The reason we have taken the decision in this budget is to provide some certainty around some directions and decisions we have to take about future leasing and accommodation arrangements, and also to provide some certainty to industry around some future work, which is what industry are always asking us to do. As you know, it is factored into the final two years of this budget, so there is more work to be done as we bring this project together and finalise the arrangements.

You asked questions earlier around the office block. I think they were questions around the five per cent savings for ICT. Those are essentially, as I understand it, benchmarked savings that have been provided through the consultancy reports that the government has commissioned through this work about potential indirect savings attributed to this project. They have not been worked through in detail across government. I think there is a view that more savings can be made as we finalise and bring this project together. These are not savings that we have factored in at this point in time to the project, but they are potential savings that sit on the table and will be finalised as we move this project closer to commencement.

THE CHAIR: But you cannot detail what those savings are? They are assumed; they are not detailed?

Ms Gallagher: Again, Mr Smyth, what I am saying to you is that the work that has been done on the office block has identified some direct savings that can be measured and are real, and then there is another portion of potential savings, at this point in time being known as indirect savings, that are basically established through looking at similar projects around the country and what savings have been realised through that. So it is setting a benchmark: "This is what we believe, if you go down this path, are

some of the savings that you can realise in addition to the direct savings that are attributable to this project.”

Obviously, as we progress this project—and, really, that is behind the decision that the government has taken about saying, “Yes, we will do this”; it is so that we can now commence that further detailed work on what are those other savings in addition to that. And that work will be done.

THE CHAIR: But you cannot give the committee a document that details what that five per cent is?

Ms Gallagher: As I understand it, you are having a technical briefing. I have not had a formal response from the committee, but I understand you are.

THE CHAIR: We have written you a letter, yes.

Ms Gallagher: You have what?

THE CHAIR: We have written a letter asking for that.

Ms Gallagher: Okay. I have not seen the letter. But, as I understand it, you are, and I think we will be able, through that process, to provide you with more information. But it is not unusual to have savings that have been benchmarked across similar projects around the country. We are not saying, “This is the figure that will be delivered.” We are saying, “This is the potential, and we’re going to do some more work around it.”

THE CHAIR: All right. Ms Hunter?

MS HUNTER: I wanted to go—

MR HANSON: Can I have a question, please?

THE CHAIR: Yes, Ms Hunter wants one and then—

MR HANSON: Well, I note that I have not had a question.

MS LE COUTEUR: Neither has Ms Hunter.

Ms Gallagher: I have noticed.

MR HANSON: Really? My apologies, Ms Hunter.

Ms Gallagher: I had noticed, Mr Hanson, that you had not had a question.

MR HANSON: Did you?

Ms Gallagher: Yes.

MR HANSON: I know you care about my welfare.

Ms Gallagher: Very quiet; very quiet up there.

MS HUNTER: I wanted to go to social tendering. What progress has been developing in social tendering since the government announcement last year? I note that the procurement circular of February this year was sent out on social procurement and how to conduct social procurement et cetera. My question is about progress and also what contracts the government has gone on to acquire from a social enterprise since June 2010.

Ms Hardy: We delivered a number of sessions for government back in August 2010. These were done by Social Ventures Australia and Social Traders. They helped us to do some sessions. In October, we did another session to promote social procurement. Then, on 5 November and 25 November, we did some social procurement information sessions for a couple of agencies. Just this week I met with Social Ventures Australia and the Social Enterprise Hub to discuss further things that we might do. We are looking at developing a guide, similar to the guide that they have in Victoria, and we are investigating whether or not we can actually borrow some of their intellectual property, because it is a wonderful document, if you have seen it. We are hoping that we can borrow some of the information there to help us to guide project officers in developing social procurements.

With respect to other things that we have done, we have conducted monthly procurement information sessions, which include talking about social procurement. We have included social procurement in our procurement plan template, such that when delegates are signing off on a procurement, project officers are required to consider whether social procurement is an option or not or an appropriate methodology for this procurement.

On 8 June, we are going to conduct an information session for not-for-profit organisations, and we are working with the department of housing and community services on that one. In conjunction with that, and because the people that we have got coming up to deliver that—Mark Daniels—are not always available, we are also having a broader information session about social procurement through the Chartered Institute of Purchasing and Supply Australia network here in the ACT. That covers other commonwealth government organisations. For instance, there are people from Defence involved in that, people from Centrelink et cetera, and also private enterprise. So it will cover a broader audience.

We also managed to get social procurement onto the agenda for the Chartered Institute of Purchasing and Supply public procurement conference, which was held here in Canberra on Tuesday and Wednesday. We are very pleased that we managed to do that, because Mark Daniels presented, and that was through my agitation with the head office in Melbourne. Regularly, we will be going forward and conducting more information sessions and attempting to raise, in our agency clients, their knowledge of how social procurement might be done.

You also asked for examples of projects which have included social procurement. For quite a long time, for instance, TAMS and Koomarri have been working at the nursery. There was the graffiti removal tender released not so many months ago, and that included—I can actually read it to you—for instance, employment of disadvantaged

persons per region for graffiti removal. There is also the very large Housing ACT total facilities management project, which includes a substantial social procurement element in it. That procurement is underway at the moment. It has gone through the first phase of expression of interest and is now in the second phase. They are some examples.

MS HUNTER: You talked about the information sessions and so forth that you have been doing with a range of agencies. Do you give more one-on-one assistance with agencies who decide to go down this path?

Ms Hardy: Well, yes, because a project officer in Procurement Solutions works directly with a project officer client in the agency. And if the agency has decided that they will have a social procurement element or it will be a social procurement, those two officers work hand in hand to develop the procurement plan and submit that to the delegate for their approval. So that is how the process works normally anyway.

MS HUNTER: And could you inform the committee as to why the e-waste contract went to MRI in Sydney rather than to Renewable Processes, which is a Canberra-based organisation that does employ people who have mental health issues?

Ms Hardy: I think that is a question that ought to be directed to TAMS. However, as I said to you, the general process is that it is the agency and the delegates who actually determine whether a procurement is appropriate for a social procurement or not. And in that particular case, it may have been timing. We are only, I believe, in our infancy in becoming fully aware of how you can inculcate social procurement into procurements. I believe we have got a fair way to go there, but we are developing. So it may have been a timing issue.

Procurements are not just a two-week process. That procurement may have been in the pipeline and unable to be turned to add a social procurement element. Certainly, I know through my own working with NOWaste in terms of whole-of-government procurement, they are certainly looking at all sorts of methods to not only make savings in waste but also to look at potential for social procurement.

MS HUNTER: I guess that that does bring me to the next question, which is: there are a whole lot of contracts that go across government, large contracts. So, are you looking at that possibility of breaking things down so that you could be looking at part of a larger contract focusing on a social enterprise or social tendering?

Ms Hardy: The whole-of-government group is doing some early planning at the moment with respect to paper waste, particularly the shredding of confidential waste. There is potential there. So, yes, we are. We have a number of whole-of-government contracts where there is potential. These are long-term projects and large projects. So there are possibilities for social procurement elements, yes, and we are examining some of them.

THE CHAIR: Mr Hanson.

MR HANSON: I hope they are worth waiting for.

THE CHAIR: I am sure they will be. I know the Treasurer and Chief Minister waits for your questions.

MR HANSON: Two questions: one on ICT and the other one on pay, so I will go with ICT first. I just want to know and get an understanding of what proportion of the ACT government's entire ICT is done by Shared Services ICT, what is done by the directorates themselves and what is done by external contractors? So what does Shared Services ICT do, what space is it in and what space are the directorates in?

Mr Whale: Yes, I will call Ken Moore to give a bit more detail. We do not have figures as to the total amount of all the ICT work, and, therefore, what our percentage or our component would be in that picture. But we can give you a brief summary of the role that we take in the majority of projects and working with agencies and their infrastructure and ICT, which, hopefully, will go a long way to answering your question.

Mr Moore: We have got the responsibility for running the ACT government network. We have got our own fibre optic network of about 300 kilometres. We are responsible for all the infrastructure off that network. We have got two primary data centres—one at Callum offices, where we are located, and one at Macarthur House—and two failover small sites. We own all the equipment in those data centres—the racking, service, whether it is physical service or virtual service—and we own all the components of the network—all the switches, the EPSs, the routers—so it is a government-owned network.

We host on that network a large range of business applications. Some of them go across government, some of them are specific to agencies. Those applications are owned by those agencies. We work with agencies in determining the most suitable applications for their business needs, but, at the end of the day, it is their decision, the chief executive's decision, of what applications they need. But, of course, they have got to run on our network.

A fair percentage of our staff are outposted to those agencies. In particular, we have got a large number of staff in Health, as you would imagine, and also in DET. And we work side by side with those agencies in the day-to-day operations of those applications and to make sure the network functions properly.

We cannot get enough staff inside Shared Services ICT as public servants, so nearly a quarter of our workforce are contracted. We also rely on a lot of third-party vendors for our equipment, whether it be Cisco, Hewlett-Packard, all the major tier 1 suppliers that you could imagine, through public tendering processes. For major construction projects, such as what is going on at the hospital at the minute, a lot of that is contracted out by ACT Health, and we work within that construction environment to bring it into reality—

MR HANSON: So just on that, if ACT Health is, for example, going to put in some ICT work, do they go through you to manage those contracts? Do they do it themselves? Do you need to be involved in that process?

Mr Moore: We are involved. They manage the contracts, but we provide advice and

we provide expertise and actually help implement the solutions. But they are often implemented by contractors in conjunction with our people.

MR HANSON: Okay. And let us say ACT Health were looking to get an ICT provider and they go out to market, do you then bid against that, or, for example—

Mr Moore: No, we are not—

MR HANSON: if it was a body of work that would be within your scope?

Mr Moore: We are just not another commercial provider. The services we provide to all agencies are tied to us under the government's Shared Services model. Clearly, we do not construct buildings or new intensive care units or whatever it is. But they all have to be fitted out with ICT. So we provide expert advice—

MR HANSON: So you are more managing the network and keeping it all together rather than getting down into the technical level.

Ms Gallagher: Yes, Shared Services ICT sit on Health's redevelopment committee on the capital asset development plan, and there are subcommittees of that that deal with the IT side of the capital asset development plan. So they are very involved. But, obviously, with a lot of the solutions that are being implemented, they are very specialised products. So I think the main role from where I sit as general manager of Shared Services ICT is that, in discussing the solutions to the ICT initiatives, our role is to advise, "Yes, this will fit in with the systems that are currently being run," and we then work with the contractor around how that is going to be implemented.

MR HANSON: All right. And in terms of that original question I had in terms of who does what as a percentage, would that be information you would be able to provide to the committee? I am just trying to get a vision of how much across agencies we are spending on ICT and how much of that is essentially through Shared Services, how much would be through various contractors and how much is actually done in house by agencies, if they do any.

Mr Moore: We will have a go.

Ms Gallagher: Yes.

MR HANSON: Could you? Yes, not down to the—

Ms Smithies: Not down to the 10th decimal point or—

MR HANSON: One decimal point is fine. That is fine. We had an estimate yesterday, and it turned out being an estimate of 76. It was a very precise estimate.

THE CHAIR: Yes, very precise.

MR HANSON: That is probably enough on that specific question. That is very good, thank you.

THE CHAIR: Sorry, just before we move off that, so you are going to give us a breakdown of how much of the government's IT spend is—

Ms Gallagher: Yes, as much as we can, yes.

THE CHAIR: All right. Has there been any evaluation, particularly recently, to determine whether the community is better off with increasing the size of InTACT—or SSICT, as it will now be called—rather than increasing private sector activity? I notice in all your accountability indicators on pages 174 and 175, there is no actual comparison as to whether or not we are getting value for money. Indeed, there is no actual cost per service in any of the four areas of Shared Services that determine whether or not we are constraining costs. So if somebody would like to comment on that, and then back to Mr Hanson.

Mr Whale: The benchmarking that is in the outputs was decided upon by the government structure around Shared Services when it was established four years ago. Since then, it has been finetuned, but it is about service delivery. And if you look at the accountability indicators, they are around there. There is information provided to agencies through the SLAs and the agreements we have with them as to funding costs. There is more work that we are looking at doing on that.

We are spending a lot of focus and resources over the next 12 months working on our service and pricing catalogue, which is currently largely a feature that is utilised by our ICT area and agencies in looking at what is available in the ICT space from Shared Services but looking at expanding that to provide more services that are currently available through all the areas of shared service. Part of that will provide a bit more potential measuring on service costs and components of the service delivery. So there should be a bit more clarity on that in the next 12 months.

Ms Smithies: And I can carry on from that. Certainly, again, the work that we are doing as part of ERC is having a preliminary look at this issue as part of the post-implementation review of how Shared Services is going, what are other further opportunities and have we got the model right? It is certainly looking at that and whether there are better opportunities to take a look at particular parts of the business that could be best provided elsewhere or, indeed, whether, if it is an issue of efficiency, if it is best to reap the efficiency internally and return it to the budget rather than return it to a private sector profit line. There are obviously issues around models, risk, capacity, redundancy et cetera. So we are in the preliminary phases of looking at that. I think it is something that needs to be considered moving forward as the organisations grow. It is a good touchstone to come back and ask those questions again, that is right.

THE CHAIR: Perhaps a question for the minister: minister, does the government have a policy that the preference is that it be done in house, or do you look for best value for the taxpayer, best job?

Ms Gallagher: We certainly support Shared Services ICT, and that is loyalty across the government, but it is not at any cost. I think you will see in output 1.1, accountability indicator a, there is a measure there of costs compared to peer organisations' costs around this. So that is my opening statement. The answer to the

next part of your question would be that in specific projects, if InTACT is not able to do it or we believe we can get a better solution from the private sector, then we are very prepared to go out there in search of product and value for money. I think the health capital asset development plan is an excellent example of that.

THE CHAIR: All right. You mentioned indicator a, which is great, because, indicator a has footnote 1 against it—the independent benchmark is undertaken annually. When was the most recent benchmarking done, and is it—

Ms Gallagher: Well, I would say within the last year.

THE CHAIR: That is a very good assessment of what “annually” means, minister. I am impressed.

MR HANSON: She is a smart girl, Mr Smyth.

THE CHAIR: That is very quick.

Ms Gallagher: It is the right answer, too. Perhaps—

THE CHAIR: Let me be more specific: when, in the last 12 months, minister, was the benchmarking undertaken, and is it possible for the committee to have a copy of the report?

Mr Moore: We do do this annually. We have been doing it since 2002-03. My recollection is that I got the report last time about three months ago.

THE CHAIR: For what years?

Mr Moore: We have been doing it annually since 2002-03—

THE CHAIR: Annually, you said; okay.

Mr Moore: but we look at not the entirety of the organisation, because the information, benchmarking information, is not available from other jurisdictions for everything we do. So the sorts of areas that are benchmarked are our desktop services, our servers, such as the Unix, our service desk, storage, voice, internet services, network devices—those sorts of areas. They are benchmarked against a number of other jurisdictions within Australia and large ICT organisations in the private sector.

The five per cent refers to how we compare both in terms of efficiency and effectiveness. With the last result, we were slightly above in efficiency and slightly below in effectiveness. On both measures, we are within that five per cent range.

THE CHAIR: In regard to the cost of being effective and efficient?

Mr Moore: Yes.

THE CHAIR: Okay. I think Mr Hargreaves has a supplementary directly on this, then back to you, Mr Hanson.

MR HARGREAVES: It is on ICT stuff.

THE CHAIR: All right. Let Mr Hanson finish and then we will come back to you as a new questioner.

MR HANSON: I have a question on pay. I have had some—

MR HARGREAVES: You want a rise?

MR HANSON: No.

THE CHAIR: You would like more?

MR HARGREAVES: He would.

MR HANSON: No, I am very content with the remuneration I get. The question I have is on pay. I have had a number of complaints made to me about pay. In actual fact, it comes from nurses in ACT Health and how that is managed. Have we had a significant number of complaints in that area? How do we manage those complaints? Are you across any issues that you have had with the management of pay?

Ms Smithies: There have been a few in the course—

Mr Moore: Yes, there have been—we process effectively 18,000 pays every fortnight. So every pay run there are some issues, particularly when you have rostered employees and we are relying on the information around the shifts that those people have worked. That can change, and it often does in many of the workplaces across ACT government each fortnight. So we need that data to be sent through from the agencies in a timely fashion and then it goes through our processes to be incorporated. Ninety-nine per cent of the time that works and there are times when there is some slippage or some issue. That is probably where most of the issues occur in regard to complaints about pay.

Having said that, we did run a client satisfaction survey last year on the pay system and the pay team. We got about 87 per cent—I am just checking the figure—yes, an 87 per cent satisfaction rate. So while there are issues that occur from time to time, there is certainly not a systemic pattern of problems.

Where they do occur from time to time, it may be in relation to a particular agency. There usually is a clumping of issues and there usually is some process thing that we can identify. We sit down with the agency in their strategic HR areas and we work through processes. Nine times out of 10 we come up with some resolution.

The pay system that we use, chris21, works very effectively with most employees. It does struggle in some areas around shift workers, particularly around leave entitlements. We have instigated for several years now workarounds to get that to perform at a higher standard. Occasionally there are what I would call inconsistencies that come out of that by comparison to the fully automated processes. Again, they are not common. There are no serious systemic problems. It is just something that occurs

from time to time when you are paying 18,500 people.

MR HANSON: Do you have people embedded within agencies to provide advice and support?

Mr Whale: No, in the pay area we have dedicated pay teams for agencies that are agency specific. They are based within Shared Services. They are very focused on those agencies because there are different arrangements in different workplaces, whether that is attributable to their enterprise agreement or their conditions or whatever. It is important that we have dedicated teams focusing on dedicated agencies. Each of those pay teams has a client manager. They work very actively with the directorate and strategic HR. From time to time, particularly where there are projects going on, we have staff either from Shared Services or from that agency sitting within either the agency or within Shared Services to work through issues.

There were some pay issues, for example, with the Ambulance Service and JACS about some back pay that had to be paid. So we had people in from the Ambulance Service working full time with us to assist us to get that through. We work in a very cooperative and collegiate fashion. Some of the models we employ in the HR space around communication and active engagement were established initially when Shared Services was established four years ago.

We have been working with agencies over the past 12 months to update some of those communication forums to give them a bit more life. They have got a bit stale and their needs were different four years ago to what they are now. We are implementing a new communication plan and strategy. That will also assist with the way we are working with agencies to deal with their particular issues.

THE CHAIR: Mr Hargreaves, a new question, then Ms Hunter and Ms Le Couteur.

MR HARGREAVES: My question is about ICT; so if you have an expert in cyberspace, that might be good to call them up.

Mr Whale: You ask your question; we will find out which expert—

MR HARGREAVES: All right, Mr Whale, the challenge is on. The challenge is never big enough. But I have to say, before I go, that Mr Hanson's last question was an absolute ripper. Are there people embedded in the hospital? I would hope so! I would hope there are hundreds of them!

THE CHAIR: No, I think it was the answer—

MR HANSON: Shared Services staff.

THE CHAIR: Embedded.

Ms Gallagher: I got it.

MR HARGREAVES: Okay. Three or four people got the joke. Right. The question was about ICT security.

Ms Smithies: I am slow.

MR HARGREAVES: You are slow, Ms Smithies, aren't you?

MR HANSON: I get it. I just didn't think it was very funny.

MR HARGREAVES: I thought it was huge.

THE CHAIR: The health minister has not got it yet. She is still not laughing.

Ms Gallagher: No, I have. I got it, too. I am more in Jeremy's camp.

MR HANSON: It is rare that we agree, but in that case, we did. John, you have united us.

MR HARGREAVES: Okay. ICT security. I am curious about what that is all about. It is not just about logging off your computer when you go home and things like that. Are we talking about cyber threats and security against that globally and systemically? If so, what are you targeting? What is the go?

Mr Moore: We get thousands of attacks on the ACT government network. I think the number of attacks we have had has received some media attention in recent months and the fact that, for all the internally hosted services by Shared Services ICT, none of those attacks have been successful. One of the reasons for that is that we have a dedicated security team within my organisation that works closely across the whole of government. We have some very strict security policies in place. We have got some very good people ensuring that the ACT government network is made as safe as we possibly can make it.

Having said that, we are not a large target, and it can be seasonal. We do notice that in holiday periods the number of attacks increases. But so far we have been very successful at keeping all the internally hosted sites—

MR HARGREAVES: I have a feeling that we have partly had this conversation before. I seem to remember talking about it. It might have been in the annual report hearings perhaps. We did also talk about whether the threats were coming from within Australia, within the ACT or from overseas. You would know about—

Mr Moore: Both.

MR HARGREAVES: Both. What sort of quantities are you talking about?

Mr Moore: In any one year, we get hundreds of thousands of attacks. I do not have off the top of my head the split between Australia and—

MR HARGREAVES: That is good enough. I do not want anything bigger than that.

Mr Moore: We have hundreds of thousands of attacks every year.

MS LE COUTEUR: Could we have a little more detail on the Australian ones? Are some home grown? High school students, school students, have been known to enjoy themselves playing with the computer networks. How do you protect against the area possibly of most threat within the internal networks?

Mr Moore: We work very closely with the commonwealth government, in particular Defence Signals Directorate, to ensure that we have sufficient safeguards within our network. You can build some physical barriers into your network—firewalls et cetera—that can repel those attacks. We test these preventative measures regularly. We have got state-of-the-art equipment that can do that. We can tell if we are under attack and make sure that we stay safe.

It really is cross-jurisdictional, leveraging off the commonwealth and making sure that we stay ahead of trends in what sort of attacks and from where. It is vigilance. It is something that we do every day.

MS LE COUTEUR: You talked about your having 300k of fibre. Is the school network totally physically separate? Is it part—

Mr Moore: It is hooked to—

MS LE COUTEUR: Is it counted in that 300?

Mr Moore: Yes.

MR HARGREAVES: Are your protections extended to the education group as well?

Mr Moore: Right across. That is an issue, for example, with social networking and allowing that onto the network, or chat rooms for students. We can do some physical separation for things like that in schools compared to teachers being on the ACT government network. If you want access to the ACT network, it has got to be secure. It has been one of the reasons that we have been very deliberate in the roll out of mobile devices onto our network. There are security considerations of having a lot of mobile devices, whether they are government owned or privately owned, being part of our network. We have resolved those issues and we are about to undertake a pilot, of course. But it has only been by being as strong on security as we are so far that you will notice that now, courtesy of Mr Byles, we have a new accountability indicator on this particular issue.

MR HARGREAVES: I remember now when the conversation was on. It was on the administrative procedure committee. I think a couple of our members were whinging because they could not get certain applications on their system. I think it might have been the Speaker who was grumbling about not being able to have Skype on it. The conversation led from that subject on to the extent to which cyber security has to be a big issue with the ACTGOV network.

Mr Moore: I understand that Chief Minister's Directorate are currently developing guidelines for social networking in consultation with my people. Letting that within the ACT government network—there are a number of business units already using things like Twitter and Facebook, of course. That is the way of the future but we have

to make sure that the rest of the network is safe.

MR HARGREAVES: If you detect what looks like a targeted threat as opposed to a general one which is going to attack anybody, what do you do with it? Do you actually talk to the federal police, the ACT police?

Mr Moore: Yes, we do.

MR HARGREAVES: Have you had any of those in the last 12 months?

Mr Moore: I understand we have, but I have not got the details. I would prefer to take that on notice.

MR HARGREAVES: I do not think I need the detail. I think the detail being out there publicly would be a dangerous thing, but what I would like to know, if you would not mind, is how many you have had in the last 12 months.

Mr Moore: I can—

MR HARGREAVES: Is it zero, one, two, three, whatever? That would be nice. I do not want the details.

Mr Moore: Yes, certainly. I know that we have been involved in a number of investigations, but my security unit is so well regarded by the federal police that we are often called in to assist in investigations in other jurisdictions. We may have been involved in investigations that had nothing to do with a cyber attack on our networks.

MR HARGREAVES: Do you charge them for the privilege of assisting them?

Mr Moore: No, because we get reciprocal in terms of what the commonwealth shares with us.

MR HARGREAVES: Beware of Greeks bearing gifts.

THE CHAIR: On that note, we might finish there. Chief Minister, thank you for your attendance and those of your officers this morning. For any questions taken on notice, could we have responses within five days? Members, if you have any further questions, you have four days to get them on the notice paper. With that, we will suspend the hearing until 10.45 promptly, when we will have the Minister for Territory and Municipal Services back.

The committee suspended from 10.29 to 10.46 am.

Appearances:

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

Territory and Municipal Services Directorate

Byles, Mr Gary, Chief Executive

Ware, Mr Chris, Senior Manager, ACT NOWaste

Kalogeropoulos, Mr Nick, Director, Finance

Steward, Ms Fay, Executive Director, Land Management and Planning Division

Flanery, Ms Fleur, Manager, Urban Forest

Hughes, Mr Stephen, Manager, National Parks, Reserves and Rural Land

Carder, Ms Jane, Manager, Place Management

Dinan, Mr Peter, Registrar, Domestic Animal Services

Peters, Mr Paul, Acting Executive Director, Roads and Public Transport Division

Roncon, Mr James, Director, ACTION

Home, Mr Hamish, Manager, Canberra Cemeteries

Environment and Sustainable Development Directorate

Papps, Mr David, Director-General

Savery, Mr Neil, Chief Planning Executive, ACT Planning and Land Authority

Ponton, Mr Ben, Director, Development Services Branch, ACT Planning and Land Authority

Simmons, Mr Craig, Director, Construction Services Branch, ACT Planning and Land Authority

THE CHAIR: Welcome to this session of the estimates inquiry into the coming year's budget. In front of you is the privilege statement. Have you read the statement and do you understand its implications?

Mr Corbell: Thank you, Mr Chairman; yes.

THE CHAIR: Thank you, minister. For the information of all who are here, the proceedings are being recorded by Hansard for transcription. They are being webstreamed, broadcast live and will be available through the Committees on Demand system. We need to get through a lot of ground; we are going to have to be very tight with our questions today, members, and tight with the answers, please, minister and officials. Minister, would you like to make an opening statement?

Mr Corbell: No, thank you, Mr Chairman.

THE CHAIR: As a follow-on from the procurement question which Mr Byles is aware of, I will go straight to Ms Hunter from the last session.

MS HUNTER: As you know, Mr Byles, in the last session my question was: why did the e-waste contract go to MRI in Sydney rather than Renewable Processes, a local social enterprise which employs about 30 people with mental health issues here in the ACT?

Mr Byles: I might ask Mr Ware to deal with that, minister, with your permission.

Mr Corbell: Yes.

Mr Ware: The contract or the tender that you refer to was issued some time ago. The preferred respondents were two parties, one of which was Renewable Processes at Parkwood. So it was not issued just to MRI, as you said. It was to Renewable Processes. Both parties have been issued a contract. There were other parties who tendered who were not given the offer of a contract.

MS HUNTER: I understand that Renewable Processes was awarded the contract to cover the secondary waste but that the contract has been put on hold. Is that the case?

Mr Ware: No. We are awaiting further information from the preferred respondents. Both preferred respondents have to give us additional information. I believe that is presently with Procurement Solutions, who are managing that process.

THE CHAIR: Done?

MS HUNTER: Yes.

THE CHAIR: All right. Further questions, members, on output class 1.3, waste management?

MR HANSON: Yes. Budget paper 4, page 77—this is regarding the west Belconnen landfill. There is \$5.7 million there, I think. Can you tell me what is going on there at that site, what is being done?

Mr Ware: Is that the capital works funding in relation to—

MR HANSON: I assume so.

Mr Ware: We have received some capital—for west Belconnen we received some funding for the ongoing rehabilitation of that site. We receive \$550,000 next financial year to, in effect, thicken up the capping layer that is out there. When the site was closed, it was closed according to the best practice as it was at that time. Obviously standards have moved on, and the Environment Protection Authority have now said, “We would like it to be, in effect, a thicker capping layer.” So there are certain areas throughout the landfill that require more clay capping. That, in effect, prevents water from getting into the waste underneath and any methane from escaping out of the waste underneath. When that is completed, hopefully, that will take us forward into future years and there will not be any further work required. But we will have to wait and see what the appropriate standards are in, for instance, 20 years time.

MR COE: On that, are you advising that that site will always be an alternative landfill site? Does that mean that really there are no prospects for any other use of that site other than simply being in effect low-grade parkland?

Mr Ware: Thank you, Mr Coe, for the question. I think at the time I was alluding to

the west Belconnen facility as Canberra's emergency landfill; it is not an alternate landfill. Should we ever need to access that on a short-term basis, that is the site where we can still take waste if we need to. It is not my intention to use that unless we absolutely have to due to a civil emergency or, god forbid, something happening at Mugga Lane.

MS BRESNAN: Can I—

THE CHAIR: On waste?

MS BRESNAN: I have a follow-up to Ms Hunter's question.

THE CHAIR: All right.

MS BRESNAN: You mentioned that you are waiting on some further information, I think you said from Renewable Processes. Is that correct—regarding that waste contract?

Mr Ware: Yes; I believe—

Mr Corbell: From the respondents.

MS BRESNAN: Yes, from the respondents.

Mr Corbell: From the successful respondents.

MS BRESNAN: Obviously there has been a social procurement policy that has been promoted through Procurement Solutions. How did that factor into the decision which you made? That happened about a year ago. Did that factor into the decision you made around that contract? Renewable Processes do employ about 30 people with mental illness.

Mr Ware: I believe that this tender was already in the pipeline before that came into effect. We have, in the interim, issued several tenders that do have a social procurement section in the assessment of those tenders. Wherever possible, we do try and encourage social procurement for our agencies. Obviously the waste industry has a lot of—dare I say it: it attracts certain socioeconomic groups as workers.

MS BRESNAN: It has a lot of opportunities as well.

Mr Ware: Yes, there are certain opportunities. And certainly recycling does use a lot of staff at the lower end of the workforce, if you like.

MS BRESNAN: The policy was announced about a year ago. How long ago did that contract get finalised?

Mr Ware: The development and the tender have taken quite some time; I would have to check the dates on that.

Mr Corbell: We would have to give you a chronology on that, Ms Bresnan.

MS BRESNAN: Would it be possible to get that information? That would be good.

Mr Corbell: We can do that.

MS BRESNAN: You said that now you were factoring that into your contracts. What are you actually doing? Is it a provision within the contract? Is it just something you encourage in terms of tenders? How are you actually doing that?

Mr Ware: Most of the time we encourage businesses to enunciate in their response what the social tendering aspect would be. In certain cases we do have assessment criteria. But I have not seen exactly which ones of our contracts have which component.

MS BRESNAN: That would be useful to know—a specific contract and applying it to a client across all contracts where it is applicable. It would be useful to know that.

Mr Byles: Ms Bresnan, may I add—this was raised at the last estimates session—that that is a government policy that has been implemented—

MS BRESNAN: Yes, I am aware of that.

Mr Byles: certainly across all agencies. And, can I say, it has been implemented in TAMS as well. My executive directors have been advised by me that they are to include that as a consideration as part of the contracting and tendering. So it is a consideration that we do take into account.

MS BRESNAN: Just wait a bit. When you say it is a consideration, is it something which is part of the criteria, is it something which is part of the contract or is it just something you are promoting?

Mr Byles: I will take that on notice and look at the specific wording, if you are happy with that. But I can say—I have reiterated this—that it is important to consider in line with the value for money aspect as well. It is part of the consideration. But again I will get back to you. I will take that on notice, if you are happy with that, and see if it is actually factored into the documentation.

MS BRESNAN: No, it would be—because I mean it is something which is—

Mr Byles: Yes; sure.

MS BRESNAN: It is not exactly new, so it would be good to know how it has been—

Mr Byles: No, absolutely—

MS BRESNAN: implemented with the contracts.

Mr Byles: Absolutely. I understand.

THE CHAIR: All right. A further question on waste, 1.3?

MR COE: Yes. A couple of days ago I asked about the acquisition of land adjacent to the Mugga landfill. Similar to that question—with regard to the money for research into a new landfill facility, I was wondering how that ties in with the acquisition of land near Mugga or whether it is completely separate.

Mr Ware: Some of the funds allocated in the budget are for land acquisition. We also have some further studies that we need to undertake to make sure that in effect we cross all the t's and dot all the i's that need to be done on an undertaking such as this.

MR HARGREAVES: Can I follow on Mr Coe's question? That block of land that we are talking about at Hume, at Mugga—that is really about more of the recycling facility type and reuse facility as opposed to a new landfill site, isn't it?

Mr Corbell: No; it is for a new landfill cell.

MR HARGREAVES: Okay.

MR COE: Following what Mr Hargreaves clarified, in terms of the construction of the new MRF does the ACT government already own the land where that new MRF would be or would that have to be acquired as well?

Mr Ware: The land for the new materials recovery facility—the dry commercial industrial materials recovery facility—which is on land adjacent to the present materials recovery facility—is owned by the ACT government.

MR COE: Right. Okay.

THE CHAIR: So that is between the current landfill and the Monaro Highway?

Mr Corbell: That is right. It is the site where the current materials recovery facility is, near the Monaro Highway.

THE CHAIR: Next to the current facility.

Mr Corbell: That is correct.

MR COE: Is that where the bulk are operating from? Is it that particular site or is it adjacent to that?

Mr Corbell: It is in that precinct.

THE CHAIR: Will this new facility displace Revolve?

Mr Ware: No; it is on a separate block from where Revolve presently are.

THE CHAIR: Perhaps, minister, you might update us on where Revolve is and the government's action against Revolve.

Mr Corbell: Sorry? The government's—

THE CHAIR: What is the future of Revolve on that site?

Mr Corbell: My understanding is that the Supreme Court heard a application from Revolve about a month or so ago now, if I recall correctly, and did not accept Revolve's application around issues to do with native title on the site but did give Revolve a further period of time to vacate the site in accordance with the orders of the court.

THE CHAIR: So the government will pursue the removal of Revolve from that site?

Mr Corbell: The court has upheld the territory's position in relation to this matter and required Revolve to vacate the site in accordance with the decision of the court. As to the application of the native title matter, which is a new application which was rejected, the court granted a further period of time for Revolve to vacate the site.

THE CHAIR: Revolve will vacate the site because the government has asked them to. Will you, as the new Minister for Territory and Municipal Services, meet with Revolve and try and work out a different path that would allow Revolve to continue its very valuable community function?

Mr Corbell: This matter has been the subject of extensive litigation between the territory and Revolve; I do not see any value in revisiting those matters.

THE CHAIR: All right. Ms Hunter, a further question on 1.3? Then, members, we are going to have to move on to 1.4.

MS HUNTER: I was wondering about the funding for the rehabilitation of the old landfill site at west Belconnen and what that funding is for specifically?

Mr Corbell: We just answered that question for Mr Coe, Ms Hunter.

MS HUNTER: Sorry; I did not hear Mr Coe say that. Okay. I will ask about the master plan. There is a master planning process that is going on. Has it been finalised and what public consultation was taken on as part of that master plan?

Mr Ware: The master plan that was developed for the West Belconnen Resource Management Centre is almost complete. We are waiting on the final report from our consultant. Some community consultation was undertaken. I cannot recall at this point in time exactly who was consulted but I understand that our consultant who was engaged in this process did undertake some community consultation. That master plan has been developed in consultation with the Environment Protection Authority to also guide us on our postponed plans, which is where some of the funding that we got in this year's budget, which was your initial question, will be directed towards, which will be the final closure of the site.

MS HUNTER: Are you able to say what plans there are for the site?

Mr Ware: At this stage the report has not been finalised. It has not been taken to government yet. There are a range of possible uses for the site. But at this stage no

decisions have been made. I would like to point out that it is a great location to undertake further resource recovery in the area and obviously the question arises: what do you do with a former landfill? Personally, I would like to see more resource recovery on the area but that is subject of course to government approval.

MS HUNTER: That takes me to the next one, which is the building waste recycling facility that is already out there. A million dollars has been put towards cleaning that up. What are the plans for the site after clean-up, to keep that as a recycling plant facility?

Mr Ware: Yes.

MS HUNTER: That is obviously what you indicated.

Mr Ware: Yes.

MS HUNTER: There was a lease given to a building waste recycling company that was formerly there at the site. I was wondering about the due diligence that was taken with that contract and wondering whether we are going to be ensuring that, if there is another contractor out there, we are not going to end up in the same situation where it goes into liquidation and sits there for quite some time while processes are worked through.

Mr Ware: I cannot speak for the due diligence that was undertaken at the time—and this was some six or seven years ago—that that lease or that licence was issued to that building waste recycling company. What I can say is that it will be my intention to ensure that we go through a rigorous selection process for the next operator and that due diligence will be undertaken at that point in time.

THE CHAIR: We will move on to output class 1.4, land management. Minister, on page 74 of budget paper 4, part d, implementation of activities identified under the bushfire operational plan, I see we have only achieved 85 per cent against the 100 per cent target. I think we all appreciate it has been a wet season. I have a couple of questions. How much is allocated to funding activities for the bushfire operational plan? How much of the land that we were to treat have we not treated? And will we be able to do that before the start of the season?

Mr Corbell: I will ask Ms Steward, who is the executive director responsible, to run you through these figures. But your observation is generally correct. The unseasonably wet summer and particularly the unseasonably wet spring and even into parts of autumn have meant that the full range of fuel reduction activities, particularly burning activities, has been severely hampered. Nevertheless I am quite happy with progress to date in this area. Ms Steward can give you some more details in terms of the budget that has been allocated, the extent of area that has been treated and the extent of area that is yet to be treated.

Ms Steward: In terms of the bushfire operational plan, we have not achieved the full extent that we had hoped. Again, as the minister said, it is due to the wet season. It has also been prolonged not only because it has taken so long for the ground to dry out but also because of the humidity that we experienced before winter and we simply could

not commence burning.

I think it is important to note that the fire regime or the fuel mitigation through fire is only a small part of the BOP. There is considerable work that is achieved through grazing, slashing and the like. And, as you know, we had considerable grass during the season. It has meant that in some areas potentially some parts have had to be slashed up to five times. So, in fact, the concentration of our effort has had to be directed to that.

In terms of completion of the BOP, we have amended that and we have submitted it to the ESA for approval. What it does recognise is that it is a rolling program at work that has to be prioritised based on the circumstances at the time. So we are having discussions with the ESA in terms of the forward plan but also bringing forward our state of readiness to be able to respond to that.

I cannot give you the precise numbers in terms of the funding expenditure to date. Coincidentally, we have a simulated emergency response right at this point in time and I have all of my people who are caught up in fire concentrating on that. However, I would be happy to provide you with those details.

THE CHAIR: If we could have how much was spent this current financial year and how much is expected to be spent next financial year. Last year I think we treated about eight per cent of the treatable area. Can we also have it as a percentage of what has been done at this stage? And has any work been done on the fuel loads? What is the fuel load per hectare, particularly in the grasslands on the western fringe and in the forests beyond that?

Ms Steward: The fuel load has increased because of the grass growth. And that is another one of the issues that present, I suppose, a heightened awareness in terms of that part of the city. That is being assessed and again I can provide you with a more detailed report on that as soon as that information is provided to me. But certainly we are reviewing the BOP.

I have not had a look at all the precise changes to date but I am aware that we are looking at, I suppose, working particularly with the rural lessees—because the activities that they do do provide a buffer between those areas of high forestation and the city—and probably concentrate much more actively on working with the Rural Fire Service and the rural lessees to try to put in as much mitigation measures as we can in the lead-up to the summer. It will not necessarily be reflected in the BOP to that extent but it will be part of a program that we will discuss with the Rural Fire Service.

THE CHAIR: Thank you. Moving right along. Ms Le Couteur.

MS LE COUTEUR: I would like to ask about the urban treescape program which is underway. Can you outline: what are the major differences between the new program and the previous program, the urban tree renewal program?

Ms Steward: I will ask Fleur to come up. But one of the things that have influenced us significantly is the report by the commissioner, Maxine Cooper.

MS LE COUTEUR: One would hope so.

Ms Steward: It has. I have to say that in fact it brought to light that, in terms of our own management practices, there was a considerable need for improvement. We acknowledge that. We have learnt a great deal through that process and prior to the commissioner providing her report to government we did start to adopt some of those practices. I suppose one of the most significant is that in terms of community engagement and consultation or notification it meant that we would take a more targeted approach. In some cases there was perhaps too little and in some cases there was more than was really required, particularly when it related to decisions relating to dangerous situations, hazardous trees and the like.

What has changed now is that—and it is reflected in the budget for the forthcoming financial year—we will be concentrating our efforts into maintaining and improving the assets that we already have in the city, given that this is a bush capital and it is highly regarded by the community. Extending the life of the asset is going to become a priority and that is reflected in, I think, the fact that 500 trees will be replaced where they have been removed. An additional 500 that have been identified as dangerous will be removed and replaced.

That has come out of a very comprehensive audit that was done in city services in terms of the quality of the asset across the city. And then, I think it is, another 20,000 new trees will be planted in association with the new release areas. So that is a fundamental shift in where we are prioritising our resources over the forthcoming year.

MS LE COUTEUR: And is part of that fundamental shift also that when a tree is removed there will be the commitment to replacing it and looking after the replacement tree? That was one of the issues.

Ms Steward: It will not automatically occur that once a tree is removed it is replaced. What we will look at is this: there will be some criteria that will influence the decision, some of which may be to do with solar access, an amenity for someone. That stands for itself. Again that is a reason why we would not necessarily replace a tree.

It may mean that, in terms of the spacing of the trees that were previously too close together and in fact meant that trees could not flourish to the extent that they could, we may not replace them for that reason. Or it may be that the tree is impacting on public infrastructure to the extent that it would just exacerbate the problem if we were to put it in that location. So it will not automatically be a replacement, but we will assess it against some very clear criteria. Again these are the criteria that we have discussed with the commissioner.

MS LE COUTEUR: And you mentioned solar access. Are you going to be looking at solar access in terms of potentially sometimes changing species of trees in streets? That has been an area of considerable community concern.

Ms Steward: Yes, in some cases the species that have been chosen are not really appropriate, but Fleur might like to make comment.

Ms Flanery: Solar access is a big priority for our tree replanting. In some cases there have been incorrect species chosen. You have to assess every situation on its own merit. Often people love native trees and they are not great for solar access and we have some competing priorities. So there is always a balance that needs to be made.

THE CHAIR: Thank you. We will move along. Mr Hargreaves and then Mr Hanson.

MR HARGREAVES: Thank you very much, Mr Chairman. I would like to have a very brief discussion on the woodland restoration that we have got in BP3, page 87. It talks about a million dollars allocated to that over four years and it talks about the natural regeneration of significant box gum woodlands in areas of particular significance. Can you tell us where those areas are and a little more about the program and what you are going to do?

Ms Steward: The question has been raised since Monday.

Mr Hughes: I can add a bit more information on that.

Ms Steward: Yes, since the question was asked on Monday, we have a little more detail about locations. So I will hand over to Stephen.

MR HARGREAVES: Thank you.

Mr Hughes: Through the Chair, as I mentioned on Monday, I think it was, we have not resolved the detail of which reserves will have work done in them yet. However, there is a steering committee which has been formed, which has representation from government and the academic professions and community representatives as well. They met yesterday at 12 o'clock and we are working through analysis of which areas we should identify for investment this year and next year and the year after.

What I can say is that, in the first two years, the investment will primarily be in nature reserve areas as opposed to rural lands. The area that is looking most likely to be targeted at the moment—and it is on a landscape scale—will be the areas from Kinlyside across to Mulligans, Goorooyarroo and then down through Mount Majura and Mount Ainslie, Mount Paynter. That is one landscape scale area. Another area is across from Kama down through Black Mountain, through to the Molonglo River corridor. The third area is in the south of Canberra, from Mount Taylor right through down into Tuggeranong Hill, that sort of area. But it has not been decided yet. It looks like this—

MR HARGREAVES: The emphasis is mainly on nature parks and not so much rural at this point?

Mr Hughes: No, we have got funding over four years, and if there are areas of rural land which we need to invest in now to ensure connectivity, we will do that. But we would like to defer the rural land investment to later on, because the Nature Conservation Act is being reviewed at the moment. When it is reviewed, it may give us greater powers to secure the investment through conservator's directions or stronger management agreements or some other mechanism.

MR HARGREAVES: Are there any stands of worry in the urban area or on the edge of the urban area?

Mr Hughes: Again, that would be informed by the connectivity study. We are not precluding the urban area, particularly what is called the semi-natural bushland areas on the periphery of the urban area which may not be nature reserves.

MR HARGREAVES: One piece I had in my mind was the bit at Conder-Banks—I could give you a street: Templestowe Avenue, Chartersville Avenue, around that particular thing. In fact, the minister and I—and Mr Smyth actually, when he was the minister—preserved a couple of blocks there such that we had a seamless interface between the rejuvenated wetlands going through the grasslands into the parkland, if I remember correctly. I know there were stands there, but I am not sure whether they were in the parkland or the urban area, but because it was a seamless transition, I would hope that that would be picked up in your south Canberra landscape.

Mr Hughes: Mr Hargreaves, I would be more than happy to take any guidance that this committee would like to give in that regard. I will refer that for consideration to the steering committee.

MR HARGREAVES: Thanks. Good. Thanks for that.

THE CHAIR: All right. A supplementary from Mr Rattenbury, then a new question from Mr Hanson.

MR RATTENBURY: It was actually just a general management question.

THE CHAIR: That is a new question, so we will go to Mr Hanson, then to Mr Rattenbury and along the line.

MR HANSON: Budget paper 4, pages 70 and 71, talks about the output description of maintaining the look and feel of the city. I get a lot of response from constituents regarding that, particularly with regard to mowing, and I appreciate it has been a busy year for mowing. I know that we spent extra this year, and I am trying to find out how much extra it was. I notice the budget outcome was significantly more than was estimated, but for next year we have got an estimation of it going down. So there is money going somewhere. I just want to find out essentially what we spent as a surge and then whether we are going to be trying to catch up on the mowing, because it does not seem to be meeting people's expectations. That is certainly the response I am getting into my office.

Ms Steward: Our budget last year was \$6.4 million, and that was to mow over 5,000 hectares. That was increased by another million dollars to be able to deal with the unusual conditions. Is it enough? Again, it is seasonal, and it also needs to be considered within the context of what the community or the government feel are reasonable service levels. We do concentrate in terms of the district parks and irrigated areas. It is every one to two weeks, so we obviously concentrate on the high usage areas and the visual corridors, the main thoroughfares and the like that are important to the ambience of the city. Sports grounds are done twice weekly. Dryland grass in suburbs are done, four weekly during the peak growth and two to three

monthly during the rest of the year.

So, in terms of the service level that Canberra already has for its mowing, that is probably a little above what could be expected and what we have seen in other jurisdictions. So managing expectations about the service level is probably one of our biggest challenges that we have.

What we do have in place now, though, is a program. We have a program across the entire city, so that everybody who has a question about when their local area is going to be mowed can be provided with an answer straight away. Previously we were not able to do that, and that is what caused a lot of frustration for the community. We have found that, by being able to give them an indication that it is going to happen in the next two weeks or the second half of the month, people are happier because they then know. And then when it happens, as long as it meets their expectations, we have been able to manage that.

So I think that, unless it is another very very green wet season, provided we do have this in place and we can alert people when they do want to find out, we will probably be able to manage those expectations within the budget that we have.

MR HANSON: And how much is in the budget for 2011-12?

Ms Steward: The budget for this year—

Ms Carder: We are looking at \$6.4 million again.

MR HANSON: So it reverts back to—

Ms Carder: Yes.

Ms Steward: The same.

Ms Carder: Back to a normal year.

MR COE: How much of the mowing is done by TAMS staff as opposed to contractors?

Ms Steward: I will have to hand over to the manager in that area—Jane.

Ms Carder: We have got a base fleet of 66 mowers and a contract fleet of 32 mowers. That is our base fleet. When we had a particularly wet season, we got an additional 29 mowers on top of that to help with the worst time of the year. Those mowers are drawn from all over—Brisbane, Goulburn, even down south. So we really drew on every resource we could. We do most of our mowing in house, particularly the more difficult mowing around laneways and to the inner suburb areas. The other areas, which are the main thoroughfares, that is where we tend to use our contract mowers, which is the easier mowing. You will often see a fleet of up to six mowers come and hit the Barton Highway, for instance, and do it all in one go in a very short period of time.

MR COE: Sure. So given there is that capability to wind up or wind down the mowing program, in previous years why did we not have considerable savings when it was not as wet and grass was not growing as much as it did this year?

Ms Carder: When it is very dry, we have laid off the contractors; we have not used them in some of those areas. That has caused its own problems, because they have relied on us for their income. But in regard to the savings, we reallocate that money into other areas, so we might put it into shrub beds and those sorts of areas in a dry year.

MR COE: So are you able to tell us how much has been spent on the mowing program for the last few years?

Ms Carder: It has been between probably \$5 million to \$6 million, but we can get an accurate figure if you like.

MR COE: Yes, if you can give us a breakdown of perhaps the last five years, then we can just correlate that against rainfall.

MR HANSON: If I can just ask on this issue—

Mr Corbell: If I could just ask Mr Byles—sorry, Mr Hanson—there is another nuance I think the committee should be aware of.

Mr Byles: Yes, thanks minister. Mr Coe, is your question whether we have been able to save money previously by not doing as much mowing? Is that the basis of your question?

MR COE: In effect.

Mr Byles: Okay. Generally speaking, if you reflect back perhaps 12 months ago, we were pretty dry in terms of the temperature and the conditions in the ACT and had a significant cost for irrigation. So it is a matter of balancing the resources you have got to make the city look the best it can. Having said that, I do not deny the fact that we are getting better on how we manage these processes—how we manage contracts, how we employ the staff, how we redirect the staff. So I think all those things have to be taken into consideration. If you are suggesting that we had plenty of money and did not spend it as wisely as we could, I would suggest that is not true. We allocated it to other issues within the department that needed priority at the time.

THE CHAIR: Is there a reconciliation available of those transfers?

Mr Byles: Can I take that—

THE CHAIR: Happy to take it on notice? Yes. All right. Mr Hanson, to finish quickly, then Mr Rattenbury and Mr Coe, and then we will go to 1.5.

MR HANSON: The accountability indicators for that area, there are some accountability indicators that talk about the look and feel of local suburban shopping centres and so on. Do we have an accountability indicator or statistics on how people

are feeling in terms of the mowing in their local suburbs?

Mr Corbell: The directorate does a survey of Canberra households to get feedback on a broad range of issues around the feel of the city and their views on how well the city is being maintained overall, and there are a range of things around that. Gary.

Mr Byles: Thank you minister. That is part of the annual survey program which we do. Part of our strategic indicators you will see on page 68—

MR HANSON: Seventy-four.

Mr Byles: Sixty-eight, Mr Hanson.

MR HANSON: Sixty-eight? Okay, I have got that.

Mr Byles: You will see we measure that so that we maintain the optics of how we are tracking in terms of customer satisfaction across a range of services within TAMS.

MR COE: Would you please provide the results of the survey and also the survey questions?

Mr Corbell: Yes, we can do that.

MR HANSON: And I just wonder, with that specific issue of—

THE CHAIR: Sorry, just for clarity, that was taken on notice, yes?

Mr Corbell: Yes.

THE CHAIR: Thank you. Mr Hanson, then moving right along.

MR HANSON: With the maintenance of the urban environment, can we have a look at that as an accountability indicator and whether it is covered under that, because you have got a number of them there?

Mr Byles: Yes, sure.

MR HANSON: You know what I am talking about—that specific issue of people and their local urban environment, particularly in terms of—

Mr Corbell: Ms Steward could give you a bit of feedback on how we are tracking around the issue you are raising as well. Fay.

Ms Steward: Thank you, minister. Our most recent result was a 93 per cent satisfaction rating from customers and community in terms of our mowing program.

MR HANSON: Of your mowing program?

Ms Carder: Yes, 92 to 93.

MR HANSON: I must be talking to the other seven per cent then.

Mr Corbell: Well, they are probably the ones who—

MR COE: That is right, and I think ABC radio—

MR RATTENBURY: That is your constituency, Jeremy.

THE CHAIR: All right. Order, order. Members, you are using up your time. A very quick response, Ms Carder, and then to Mr Rattenbury.

MR HANSON: They are a very active minority.

Ms Carder: We have had the survey results of the grass, and it did come in reasonable. Most people were quite satisfied. They were understanding of the wet year. The area where they were visited and where the survey was undertaken was in town and district parks, and they were being mown weekly to fortnightly, depending on the grass growth at the time. It would reflect the mowing within those areas, probably not across the whole city.

MR HANSON: I think this is the issue.

THE CHAIR: We are going to finish, Mr Hanson.

MR HANSON: Town and district parks are a bit different from the urban environment in which people live.

THE CHAIR: Mr Rattenbury, a new question.

MR RATTENBURY: Just quickly on the indicators under output 1.4—and we discussed this last time, the intrinsic nature of them—they do not seem to have changed this year. Do you have actually any indicators that measure ecological values, such as biodiversity outcomes, water quality, anything like that at all, given that you are responsible for the parks and conservation service?

Mr Corbell: As always, Mr Rattenbury, if the committee wants to make observations or suggestions around that, the government is very happy to consider them.

MR RATTENBURY: I wanted to ask about branding for the parks and conservation service. There are media reports that the iconic gang-gang logo might vanish under the Hawke review processes. Minister, is that your understanding?

Mr Corbell: As members would be aware, Mr Rattenbury, the government has adopted the forward direction of the Hawke review, and one of the observations that Dr Hawke made was that there were about 60 separate insignia or badges across the ACT government service, which contributed, in his view, to confusion about who was delivering a service—whether it was the ACT government, the federal government or some other entity that people thought existed that does not really exist, like a local council or something. So he made the observation that, in terms of presenting a clear face to the Canberra community about who is responsible and accountable for service

delivery, there needed to be a look at the plethora of insignia and badges that existed across the ACT government service.

What the Chief Minister has said is that there will need to be a case of individual assessment of each circumstance and whether or not it is desirable to retain separate insignia for certain purposes. Dr Hawke made this observation as well. He said there would inevitably be circumstances where it is appropriate to retain certain insignia, and he drew particular attention to the emergency services in that context but did not say that that was the only circumstance. So the government is going to look at this issue on a case-by-case basis, and that is the case for the gang-gang insignia.

MR RATTENBURY: Are you aware that other state jurisdictions have not abolished it? So when New South Wales did their rebranding, they kept the lyrebird logo for the parks service?

Mr Corbell: Yes, I am aware of that.

MR RATTENBURY: And will you be advocating for the retention of the gang-gang logo for the parks service?

Mr Corbell: These matters are yet to be determined, Mr Rattenbury.

MR COE: Is it true that the—

THE CHAIR: Mr Rattenbury, it was tried about 11 or 12 years ago, and the minister then, I think, had a small hand in stopping its removal. Just for history.

MR HARGREAVES: And Mr Chairman, while you are at it, about four years ago the same thing happened, and another minister said it.

THE CHAIR: Well, there you go. A good example to you, Mr Corbell.

Mr Corbell: I am very aware of the precedents.

MR RATTENBURY: And you will be advocating, then, to retain it, minister?

Mr Corbell: Look, these are matters that will be discussed within government. No decision has been made at this stage, and that is where we are currently at.

MR RATTENBURY: I just wanted to briefly ask about ranger numbers. There has been quite a bit of debate and there are certainly community concerns about whether we have enough rangers to cover the ACT reserve. Are you aware that in June 2009 the then minister for TAMS answered a question on notice indicating there would be three additional rangers in that budget, which would see a total of 41. In last year's estimates committee a question on notice indicated there were 40 rangers employed across the reserve, and in February 2011 the answer given to a further question on notice was there were 37 rangers employed across the service. Can you explain this decline in numbers to us, please?

Mr Corbell: Ms Steward can assist you with this question.

Ms Steward: I think it is important to note that with ranger numbers there is—our full-time equivalent ranger number at 37 has remained unchanged. But it does change according to specific projects that may be tied to grants. From time to time, we might win funding for a particular project and a ranger will be employed for that purpose. That could be for the duration of the project. We also have seasonals. We also have, I suppose, a number of staff who, whilst not called rangers, have a different title but they undertake many of the functions that a ranger actually does. Stephen Hughes, who is the manager of that area, can provide further detail.

Mr Hughes: Mr Rattenbury, Ms Steward is quite correct. The base number of rangers that we have—our full-time equivalent number is 37. It is difficult to answer questions on notice sometimes when we are asked how many rangers do we have at a certain date, because as we get, for instance, capital works money, we sometimes create ranger positions. We will move one of our experienced rangers up into a position to run a capital works program, such as investment in Kama nature reserve or in the grasslands down at Jerrabomberra. We will then bring in a temporary ranger to backdoor that position.

That means that the number of rangers can go up and down from 37, but when that project is finished that ranger drops back to their position and the temporary ranger that was backfilling the vacant position is either let go or goes somewhere else in the organisation.

The other reason why ranger numbers can fluctuate at a certain point in time is that our rangers are usually drawn from a highly enthusiastic pool of young people that have university degrees in natural resource management. We provide them with a lot of training. They are on an upward career path. So we do have a fair bit of churn and turnover of rangers as they progress through their career. That creates vacancies. We then have to recruit to those vacancies and that takes time, as you know. We undertake a recruitment process once a year for rangers and then we establish what is called an order of merit.

We have just advertised recently for rangers. We had 150 applications. We will be interviewing about 50 of those and that will be our pool for ranger vacancies in the future. There are times when that pool becomes exhausted, as it is at the moment. We have a number of vacancies at the moment as a result of the inability to actually appoint rangers.

MR RATTENBURY: Has PCS done any sort of assessment of the ideal number of rangers actually required to manage our nature parks? Do you have a sense of whether we are meeting—I guess, given that there are no indicators, probably not. Do we have any sense of what an ideal number would be?

Ms Steward: I might answer that. I think it is important that the number of rangers employed does not necessarily equate to the environmental outcomes. For example, if we receive funding for weeds management or vertebrate pest control, it does not necessarily mean the creation of new ranger jobs. It will mean potentially that we engage contractors to undertake environmental management work to achieve the environmental outcomes that we want. That is how we would look at trying to manage

the success of the way in which we manage the resources available to us.

I am always cautious about using staff numbers as an indication of outcomes, achieving whatever the outcome it is for that particular output class. We would be looking at the extent to which we have achieved, for example, our weeds operations plan, our vertebrate pest control plan or the bushfire operations plan through whatever resources are available to us, whether it is full-time staff or contractors.

Mr Corbell: Equally, it is worth making the observation that, as Ms Steward says, there are more than just rangers involved in the land management task. For example, there are another 34 field officers engaged by the directorate who do direct land management activities, including environmental weed and feral animal control. If we are going to have a serious discussion about the adequacy of the land management task, we should not focus on just the one classification of ranger staff.

MR RATTENBURY: I believe that has been my go.

MR COE: Chair, whilst I do have more questions on land management and environmental regulation, I am happy to put those on notice in the interests of time and with regard to ACTION.

THE CHAIR: From now until a quarter to 12 we will deal with output class 1.5. Then we will go to ACTION. If you want to start with 1.5, go for your life.

MR COE: I am happy to put them on notice.

THE CHAIR: You are happy to put them on notice? All right. I will start with 1.5.

MR COE: I have got questions relating to 1.5, but if—

THE CHAIR: We are only going to have 10 minutes to deal with 1.5. If you want the first question, it is yours; otherwise I am going to start.

MR COE: Can I ask about Domestic Animal Services? The question is about the fundamental role of the service and whether the government really does need to be in this space, given that the RSPCA does in effect already manage the cat population. Is it possible that the shelter could also be managed by an extant organisation? I was wondering what sort of thinking the government has done about that and whether that is not something that is actually on the horizon.

Mr Corbell: At this point in time, Mr Coe, I am obviously a new minister to this portfolio; so I am still getting my head around all of the policy in relation to this area. That said, I think there is a clear division of responsibility, of function, between Domestic Animal Services and the RSPCA, but I am happy to ask Mr Dinan if he can add to that.

Mr Dinan: Domestic Animal Services enforce the compliance parts of the Domestic Animals Act and also run the pound. Our rangers are authorised officers and so are police officers under that act. RSPCA are not. They are authorised under the Animal Welfare Act. There is a complete division.

MR COE: It has been put to me that perhaps a model could be that the enforcement is still done by the government, but the actual housing of the animals could be outsourced. Is that a model that you would consider?

Ms Steward: In terms of that model, generally speaking the outsourcing of the activities associated with the control and compliance associated with, I suppose, impounded dogs, for want of a better word, is something that the other agencies have tended not to wish to be involved in. They have not treated it as their core business. It is, to some extent, potentially dangerous work for the staff involved. There is a certain amount of—I suppose there are some fairly difficult circumstances where the staff have to deal with the owners of the dogs and that effectively means that it requires a skill set specific to a compliance role. Theoretically, it could be outsourced, but generally speaking it is not well received by any of the other agencies or NGOs who are involved in animal welfare service.

MS BRESNAN: They do that in other states. Other states actually do that, though—I think in Queensland and Victoria is another one—where the RSPCA is actually contracted to do those services. The RSPCA have inspectors that actually go out and do those sorts of tasks as well.

Ms Steward: That is correct. Different jurisdictions have got different models that they apply, depending upon their own capability and, I suppose, depending upon the availability of the RSPCA or others to be able to provide that service. In this instance, you are correct. In discussions, the RSPCA has indicated that it would prefer the government to continue to take the responsibilities that we are for the pound, in terms of the compliance role that Peter just described, which is a responsibility that the government does have under the act.

THE CHAIR: We are going to run out of time. I do apologise to members. I notice that on page 88 of budget paper 3, there is \$150,000 for the RSPCA in the coming year. The RSPCA appeared before the committee on the first day of hearings and basically said that their situation is dire because of the collapse of return on investments and tight economic circumstances leading to a drying up of donations. They will, unless they get some certainty, have to shed staff and shed services. Minister, have you got an allocation to pick up those services or will you speak with the RSPCA and come to an arrangement to ensure their continued support?

Mr Corbell: Two observations, Mr Smyth: first of all, I think the government and, indeed, the previous minister, Mr Stanhope, have been very open and engaged with the needs and the pressures faced by the RSPCA. The government has been, I would argue, quite generous in its support for the RSPCA to date. For example, in 2008-09 we gave them an emergency payment of \$100,000 followed by a further emergency cash payment of \$300,000, one-off, to assist them with pressures they faced following the global financial crisis.

In the current financial year the government has agreed to pay the RSPCA \$420,000 over two instalments. The first of these was made in July last year and the second was paid one month in advance on 2 December last year—again in response to representations from the RSPCA. So I think the government has indicated its goodwill

and its willingness to provide a substantial level of support for the important work that the RSPCA does.

Of course, in the most recent budget we have supplemented our funding further by another \$150,000. I am aware that the RSPCA continues to have concerns about its financial position and I do have a meeting scheduled with representatives of the RSPCA to discuss those matters in the coming weeks.

THE CHAIR: Ms Le Couteur has a follow-up question.

MS LE COUTEUR: Yes, another one on the RSPCA. My understanding, in fact, is that not only is the RSPCA not adequately funded but DAS also. RSPCA actually does washing for DAS and donates other services and equipment to DAS. It would appear that the whole area was underfunded.

Mr Dinan: That is not true. They have done no washing for us. The last time they donated anything to us was some coats back in either June or July of 2010. Since then, we have received nothing from them.

MS LE COUTEUR: You have talked about the RSPCA having a role under different legislation. Do you believe there are enough resources to enforce animal cruelty and investigate animal cruelty with the two lots of legislation and the dual roles?

Mr Corbell: This is always an issue that government has to monitor. It is a bit like how long is a piece of string—how much enforcement can you do; how much compliance can you undertake? These are difficult judgements. The government provides funding to the best of its ability within its budget constraints for these services.

MS LE COUTEUR: I have a question you can take on notice. Can you provide the exact figures from DAS on the number of dogs re-homed and the number euthanased? I am happy if you take that on notice.

Mr Dinan: Last financial year or this financial year?

MS LE COUTEUR: Both ones would be great.

Mr Dinan: I have got last financial ones. What would you like?

THE CHAIR: Perhaps the witness can give the figures now.

MS LE COUTEUR: Yes.

Mr Dinan: What would you like?

MS LE COUTEUR: Re-homed and euthanased?

Mr Dinan: In total, we euthanased 249 dogs last financial year. The re-homing was 169 dogs went to in-state owners, rescue and foster took another 100 dogs, the RSPCA took 15 and we sold 257. This year, I would have to take that on notice and

provide it.

MS LE COUTEUR: That would be good if you could.

THE CHAIR: We might finish output class 1.5. I do apologise for the lack of time, members. TAMS is always an interesting and large portfolio. We move on to ACTION now and I am quite happy to defer in my questioning to Mr Coe.

MR COE: Thank you, chair. Minister, whilst I appreciate that you have only been the minister for this portfolio for a little while—

THE CHAIR: You have had it before, though.

MS LE COUTEUR: He did. He had it before.

MR COE: I think it is pretty fair to say that the procurement of the MyWay ticketing system overall was pretty shambolic, especially with regard to the cost of the system. In spite of it coming in extremely late, and we were told that the reason it was being delivered late was so you could finetune all the different issues with it, we are still seeing quite a few issues.

I know that my office, and I imagine ACTION and also Canberra Connect, are receiving quite a few calls about some of the problems especially with regard to things like tagging off, the time it takes to recharge cards, the cost of the park-and-ride facility and also the fact that interstate residents cannot get concessions here in the ACT. Why is it that all these things have not actually been thought of and why is it that these have not actually been incorporated into the new ticketing system?

Mr Corbell: First of all, I have to object to your accusation that the management of the MyWay rollout has been poor. In fact, it has been very good. You only have to compare it with the rollout of similar electronic ticketing systems in other cities around the country to demonstrate that point. This has—

MR COE: What is a similar single mode or single zone system?

Mr Corbell: Mr Coe, this is a complex undertaking and we have seen problems with the undertaking of rollout of electronic ticketing in other jurisdictions. We have not seen anywhere near the magnitude or the severity or the problems associated with the rollouts in other cities around the country when it comes to electronic ticketing compared to MyWay.

There are a number of issues that I am keen to see resolved, but overall I think the project team is to be commended for the very hard work they have done to make sure that we only went live with this system when we could have a high level of confidence that it was going to work efficiently and effectively and give us the data and promote the services to customers that we were looking for from it.

You mentioned a couple of specific issues. First of all, in relation to concessions, as you would understand, concessions arrangements are on a jurisdictional basis and, unless there is agreement with other jurisdictions about concessions regimes for

residents in other jurisdictions, concessions are not provided for people from different jurisdictions. There is—

MR COE: In practice in the past, those with concessions from Queanbeyan have been able to buy concession tickets on ACTION buses. In practice, that is what has happened.

Mr Corbell: It is not the usual practice in relation to concessions. Without agreements from other jurisdictions about concession arrangements, we are not able to extend the same concessions arrangements here. In relation to the other matters you raised, I will ask my officials to deal with some of the more specific technical issues. I think you mentioned the issue of tagging off, the BPAY matter and also park and ride. So I will ask officials to assist you with those questions.

Mr Peters: In relation to the tag-off issue, Mr Coe, the reason that was incorporated in the system was that it enables us to gather planning data, so that we actually know when people tag on. When they tag off, we can actually understand how the system is being used and what the most heavily patronised stops are. That will allow us to plan a better system in the future.

We have more than 70,000 trips a day on the system now, including about 6,000 transfers. Previously, other than anecdotally or by undertaking physical on-bus surveys with sheets and asking questions and the like, we really did not have that planning data to tell us which were the heavily patronised routes and how we could better plan the service. So that is the reason why the tag-off was incorporated into the system.

MR COE: I understand that rationale, but surely you are still going to have a pretty representative sample without having to dock school students additional money because when they happen to get off the bus they were not able to swipe their card because the bus was full.

Mr Peters: Yes. Again, the reason for the tag-off was for the planning data. At the moment there is an automatic default on the system back to the usual, cheapest cash fare. We will be putting a proposal to the minister as to whether he wishes to keep that past the end of the financial year. At the moment the system is designed so that, at the end of June, 30 June, that grace will run out. There are probably 500 to 1,000 people who are forgetting to tag off, out of the 70,000 trips a day. The proposal would be whether we keep the default arrangement in place, where they go to the cheapest fare, or whether they revert back to the cash fare, which is how the system is designed at present.

MS BRESNAN: As Mr Coe said, sometimes there is the situation where people might not actually be forgetting but they are not able to do it because the bus might be full. We have had a couple of emails from older people who cannot necessarily manage to do it when the bus starts moving, or there are other reasons why. How will that actually be taken into account? I appreciate that you are trying to get that data but how are you actually going to incorporate those situations where people actually physically cannot do it?

Mr Corbell: Obviously, without that data it is difficult to know whether we need—if the bus is full, without that data it is difficult to know whether or not we should be providing more buses.

MS BRESNAN: No, I understand that but if someone physically cannot actually do it—

MR COE: But they are still swiping on the bus.

Mr Corbell: It is about where people are getting off, it is about the volume of loads that routes are carrying during the day and where the service provision can be improved. But I understand the issue that is being raised. I am happy to have a look at it. But I think that, overall, it is desirable that we get as accurate a picture as possible of patronage so that we can deliver better services for the community. That is what I am interested in as minister—a better bus service, a better public transport service for the city. And this data is integral to making that happen.

MR COE: I would think it is possible to get that data without having to penalise school students and concessions.

Mr Corbell: As I have said, Mr Coe, I am very happy to look at the specific issue you raise. As Mr Peters has just indicated to you, it is a matter that ACTION are also aware of and are looking at as well.

MR CHAIR: A new question from Ms Bresnan.

MS BRESNAN: It is a quick follow-up to that. I appreciate what you are saying about the data. Obviously, accountability indicators c and d in BP4 112 say that. Part of the reason why we do not know whether you have reached your modal shifts is because you do not have that data. Do you have any idea at all whether it has gone up or down, or do you have absolutely no indication at all of what the modal shift has been?

Mr Corbell: Obviously, the most recent comprehensive survey is the last census, which was some time ago now. There is a new census approaching; so that will be a valuable source in terms of measuring the city overall in terms of what they indicate is their choice in terms of trips to work. Obviously, the old ticketing system provided us with a very unreliable dataset and we treat those figures with some caution because of the unreliability of that system. MyWay is not only designed to make it easier for people to use public transport but also it is about making sure that we have a much more accurate picture of how public transport is being used so that we can deliver better services.

MS BRESNAN: One of the other indicators, indicator a, is about timeliness of ACTION services. The target for 2010-11 is 83 per cent.

Mr Corbell: Sorry, which page are you on?

MS BRESNAN: It is budget paper 4, page 112. The timeliness figure is 83 per cent and the goal is 85 per cent. When we look at other states and jurisdictions, in Victoria

and New South Wales they have 95 and 96 per cent as their targets. I am wondering why this figure is so low. We have had quite a few emails just recently about a lot of people's buses not turning up. How does this low reliability figure impact on patronage as well?

Mr Corbell: I think this reflects the fact that we do not yet have, for example, a year's worth of data to look at the overall performance of the fleet and how we are going over a standard financial year's worth of operations. Once we get that data we will be in a better position to make judgements about what performance measures should be for future use. So this is a fairly cautious approach on this measure because we need to be able to properly measure our performance rather than just set a target that—

MR COE: How are you measuring that?

Mr Corbell: How have we been measuring what?

MR COE: How is that indicator measured? In the past that indicator has simply been the time that the bus leaves the depot, I believe.

Mr Corbell: We have now got real-time monitoring of the fleet, so we know where the fleet is and we can track the fleet.

MR COE: Is that real-time monitoring already incorporated into the timeliness of ACTION services that we see in 1.1a or have you actually developed a new model for working out the timeliness?

Mr Corbell: The way you work out timeliness is to look at what your scheduled times are and then compare that with the actual performance on the ground.

MR COE: That is easier said than done, I imagine.

Mr Corbell: Well, no—

MR COE: Have you actually got a model in place to definitively say—

Mr Corbell: I am answering your question, Mr Coe.

MR HARGREAVES: How about we let him answer?

THE CHAIR: Could he answer one question at a time and then back to Ms Bresnan.

Mr Corbell: Obviously, if you know what your scheduled times to run are, we have now got a ticketing system that gives us the capability to track where buses are and therefore we can compare the two, as to whether where they are is where we expect them to be in accordance with their timetable. We did not have that before; we relied on manual reporting, basically, from drivers. That is not entirely reliable. We have now got a system where the ticketing system gives the capability to know where the buses are in the network.

MS BRESNAN: So in terms of its reliability, in terms of what the constituents who

have been in contact have been saying about that, it is simply where buses just are not turning up. How do you build that into the reliability in terms of actually looking at the impact? I appreciate that it is difficult because you have not had the data, but what are you actually doing to address this particular situation?

Mr Corbell: In terms of reliability, I will ask Mr Roncon to deal with that. But in terms of accountability indicators, there is a new accountability indicator, Ms Bresnan, that seeks to measure percentage of services operating on scheduled time. So that is a new measure that we put in place. In terms of the reliability issues—

MS BRESNAN: And also about buses not turning up—not about being on time but actually not turning up.

Mr Corbell: Yes, absolutely. Cancellations, James?

Mr Roncon: Thank you, minister. In terms of service delivery, it would be fair to say that probably since the introduction of network 10, and certainly since the beginning of term 1, ACTION has had a few issues with meeting the benchmarks it has set for itself. We have had some driver shortage issues. They have created some problems for us. We have embarked on a major recruitment process over the last few months. We have a class of 15 that are going through at the moment, so that has been a significant increase. We believe that by mid-June we will have our driver numbers up, our establishment numbers up, to where we need to be. So that will be a big issue in terms of our service delivery.

To put it in perspective, though, over the last 12 months we have averaged 99.2 per cent service delivery. We do have days; like any business, I suppose, we have people who will ring in at the last minute, we have illness, we have drivers who cannot make it in—added to, of course, the issue around driver shortages as well. So that has created a few problems for us on any given day, about running a full service each day. But we are certainly getting that well and truly under control.

MS BRESNAN: I know you said it is like any business but I guess this is actually an essential public service that is being provided. If a bus does not turn up, if someone is going to work, what do they then do? They are late for work. Or they may be going to an appointment. There are workforce issues—

Mr Corbell: It is operated by human beings, though.

MS BRESNAN: I appreciate that, but that is where providing that real-time information at bus stops and all of those things is going to help. How long is it going to be before we actually have that in place so that people are not just left stranded, literally?

Mr Corbell: Mr Peters can assist you with that.

Mr Peters: Thanks, Ms Bresnan. At the moment, with the real-time passenger information project, we are just about to sign up a consultant to basically do the first phase of that, which is to look at what systems are actually available around the world, essentially, that might be of use to us here to provide that sort of information via the

internet, via mobile phones and by real-time platforms at key stops. We would anticipate that that initial phase will take a couple of months and then we would be looking at a practical way to progressively implement the systems after that. Ones that can be brought on earlier, like phone apps or internet, would be ones that we would be looking to bring on first.

Mr Corbell: The delivery of real-time information is a priority for me as minister. I think it is very important that we deliver that immediacy of information which helps to improve public confidence in where the bus is—whether it is late, whether it is early, whether it is on time. That is very important to encourage people to feel confident that when they are standing at the stop they have a better idea of what is happening and they are not wasting their time. That is very important.

MS BRESNAN: You said the initial phase would be about two months. Do you have an idea of when it would actually be in place?

Mr Corbell: The government has provided funding for feasibility at this time.

Mr Peters: The government has allocated \$12.5 million to this project, including \$6 million in this financial year. So we would anticipate that, pending, we have something that is able to be rolled out progressively. We think that that will be the way it will go. We will introduce these applications—mobile phones, internet and those sort of ones—early. The first phase of the study will tell us exactly how to do that.

MS BRESNAN: So no idea when it would actually be happening?

Mr Peters: We would be looking to implement something early next financial year.

THE CHAIR: A quick question from Mr Hargreaves, who assures me that it will only require a quick answer, and then a question from Ms Hunter. Then we will go back to—

MR HARGREAVES: I am again looking at page 112 of BP4. You have changed a couple of the indicators about compliance with standards under the DDA from the percentage of the fleet fully compliant to the percentage of in-service fleet fully compliant. Two questions come out of this for me. First, can you explain why you have made that change, please? Second, I notice that in indicator f you have got the 2012 target at 51 per cent. How does that match up against—I think it was the target for 2012 of 55? And could you please explain where we are at with that.

Mr Corbell: Mr Roncon.

Mr Roncon: Thank you, minister. I guess the indicator that you refer to, Mr Hargreaves, is—the bottom line around that particular indicator is actually measured against ACTION's entire fleet, essentially everything that appears on this balance sheet. That is retired buses and the whole lot. That is why that figure has been a little bit skewed this year in terms of what we have actually been able to achieve. As I have mentioned, that takes into consideration total fleet numbers, including those that are sitting in the depots that are awaiting a disposal process—that is, buses that

are no longer actually in service. So the change that you alluded to there in terms of the indicators for next year is around the fact that we will actually be measuring the in-service fleet—that is, the number of buses that we require day to day to run the ACTION operations.

MR HARGREAVES: You have indicated 51 per cent as being the target for 2012. I just seem to remember a target of 55 for 2012. I could be wrong, because I am an old bloke and I have got a really rotten memory.

Mr Roncon: Yes, Mr Hargreaves: 55 per cent by December 2012. That is the target. That has been assisted by the fact that the government brought forward \$26 million from the outyears of the budget into this upcoming budget to assist ACTION with the replacement of 35 buses. We are well and truly on track to meet that December 2012 55 per cent DDA compliance.

MR HARGREAVES: Thank you. You have talked about vehicles which are not available for service, the ones that are scheduled for disposal and all of those sorts of things. In terms of numbers, how many of those do we deal with in a given year?

Mr Roncon: At the moment there are 15 buses that are awaiting sale, essentially—to be sold or to be disposed of. We require 427 buses daily. There are 383 in service and then the balance are the spares ratio for any breakdowns or associated problems that we might have.

MR HARGREAVES: So in fact you are getting a disposal of 15 and then acquiring 35?

Mr Roncon: Yes.

MR HARGREAVES: Am I right? So that means there is a net increase of rolling stock of 20 vehicles? My maths is great; I am not that old. Thank you very much.

THE CHAIR: Ms Hunter; then back to Mr Coe and Ms Bresnan.

MS HUNTER: You were mentioning before around people ringing in sick and that sometimes this affects services and so forth. I was just wondering about sick leave and whether it was within acceptable normal levels.

Mr Roncon: Generally, yes, it is. We have a reasonably robust system in terms of recording that and just making sure that people are accountable for their absences—such as filling in sick leave forms upon return and ensuring that that is registered through the system.

MS HUNTER: What about people on workers compensation? Is that also within acceptable levels for this type of work—those who are on workers compensation? And have you sorted through most of your workers compensation cases? Are there still outstanding ones that have been going on for some time?

Mr Roncon: It is certainly a work in progress. It is perhaps something that has not been as well addressed or as well managed as it could have been in the past, but we

certainly are putting some good systems in place at the moment to address that.

MS HUNTER: What has changed? What is changing and what are the new strategies?

Mr Roncon: I guess immediate intervention in terms of our injury prevention management, making sure that we have people on the ground that can actually—when somebody reports sick, they very quickly can be attended to by an IPM worker. And return to work plans, accompanying people to doctors. Probably the key around it is just making people accountable. We appreciate that people get injured, and that is what workers compensation is there to address—but just making sure that with those people we get them back to work as quickly as we possibly can. So yes.

MS HUNTER: So we still have some outstanding long-term cases?

Mr Roncon: There are, but they are being managed in partnership with Shared Services. There has been some great work going on there over the last few months that is really starting to address those issues. We are very happy with where that is headed at the moment.

THE CHAIR: Mr Coe; then Ms Bresnan.

MR COE: Back to the MyWay ticketing system, and in particular with regard to school students—students that have registered for a MyWay card to get the school student concession need to register all their details. And then the card, I understand, is actually printed over in Perth, so all the information is sent over to Perth, the cards are printed, and then the cards are sent back here and they are given to the actual school student. And then on that MyWay profile on the internet, you can see the log of that child's bus movements.

What I am concerned about is the overall privacy of the applications. What I am seeking is some sort of assurance that the government and ACTION are completely on top of the privacy arrangements at every single step along the process—and whether it is absolutely essential that the cards are printed interstate, where there is a different privacy regime, and whether the internet profile does actually need to store the bus movements of minors.

Mr Corbell: In relation to privacy issues generally, the government is required to comply with its obligations under the commonwealth Privacy Act, which is the relevant privacy law in the territory. That is generally regarded as the best practice legislation in the country in relation to the management of issues around privacy and the protection of individuals' privacy. I believe that sets a very high threshold that this government has to abide by. In relation to the specific issues you raised, Mr Peters can assist you with that.

Mr Peters: Thank you, minister. In terms of the contractor, which is Downer EDI, their contract is actually bound by the same requirements that we are as government agencies, so they are bound by the same Privacy Act and the principles in the Privacy Act that we are. In terms of the information that is on the internet and that we request from the students for the purpose of the MyWay system, the information that we

request from them is essentially the basic information that we need, and that is in accordance with the Privacy Act, to be able to run a system which essentially means that we need to be able to check that they are a student at an ACT school. That is the basic information and the sum of the information that we collect from them and that we use.

MR COE: Can all ACTION administrative staff who have access to your IT system access the profile of all bus users?

Mr Peters: Sorry, Mr Coe? The question is: can all ACTION staff—

MR COE: Can all ACTION administrative staff who have access to your IT system access the bus movements for each person who has a MyWay profile or who has a MyWay card?

Mr Peters: No, not all ACTION staff. There are certain MyWay administrative staff in the MyWay project team and Canberra Connect staff who take inquiries over the phone in terms of applications for student cards. For instance, if you ring up and you want a student card over the phone—you dial 131710—the Canberra Connect staff fill the smart form out online. That goes, then is batch-filed and goes off to the—

MR COE: Sure. Firstly, I would like to know exactly how many MyWay staff there are that have access to that system, and also how many Canberra Connect staff. But is it true that pretty much everyone who—

THE CHAIR: Should we just take it on notice?

MR COE: Is it true that pretty much everyone who has access to the IT system at ACTION can look at the log for any MyWay card?

Mr Peters: No. I do not believe that is the case, no.

MR COE: Is it definitely not the case or—

Mr Corbell: We can clarify it, Mr Coe. As Mr Peters says, his understanding is that that is not the case.

MR COE: Okay. In terms of the actual system that you use, what software or IT system do the staff of the MyWay project team have access to that the rest of ACTION staff do not have access to?

Mr Corbell: I think we should take that on notice. It is quite a technical question. We will take the question on notice and provide an answer to you.

MR COE: With respect, minister—

Mr Corbell: You are asking what software programs they have access to—

MR COE: I think it is quite reasonable, given there has been a \$9 million procurement of a new ticketing system and we have been talking about it at some

length. Surely you expected to get a lot of questions about this. We have just heard that there is a MyWay project team. I would like to know what capability the MyWay project team have with regard to the software system. That is quite a reasonable question.

Mr Corbell: We will take the question on notice, Mr Coe.

THE CHAIR: Ms Bresnan?

MS BRESNAN: Thank you, chair. Budget paper 3, at page 86, lists \$2.5 million per year for approved ACTION network services. I am just wondering whether \$2.5 million is actually enough to improve ACTION services—what you can actually do with \$2.5 million. It also talks about improved services for Gungahlin. I am just wondering what those improved services on the north of Canberra are.

Mr Corbell: It is \$2.49 million in 2012 and then indexed in the outyears—so \$2½ million or so in the outyears. There are five new service improvements to be delivered from this service, Ms Bresnan. The first is the trial of an extension of the Blue Rapid service to Kippax. The second is new services in new suburbs in Gungahlin—that is, those suburbs to be occupied by residents. There are improvements to regular routes in the inner north, the ANU and Fyshwick. There are service improvements to the Canberra Hospital and then there are community transport services for the Aboriginal and Torres Strait Islander communities.

This is a further development, an enhancement, of ACTION's network. Just to give a bit more detail around that, in relation to the Kippax services, this is an extension of Blue Rapid Kippax, which will improve services along Southern Cross Drive connected to a park and ride at Kippax, which is due to be constructed late this year. This extended service will be trialled for six months and will be evaluated after that time.

There are new services for the Gungahlin suburbs of Casey, Crace, Forde and Bonner, where services are currently limited or have not yet been introduced because they are new suburbs. In relation to the inner north, the ANU and Fyshwick, we are improving the frequency of services along high patronage network segments, particularly where there has been an increase in development density, such as within a two-kilometre radius of the city, the parliamentary triangle and the inner north suburbs of Braddon, Turner, O'Connor and Ainslie.

In Fyshwick there will be an improved service by replacing route 80 with branches of the Red Rapid 200 service, which will cover all the key daytime destinations in Fyshwick. This is important because of the workforce in Fyshwick and the need to provide better commuter services to that area rather than just general suburban line services, if you like. At the Canberra Hospital, service improvements will result in 15-minute frequency connections on weekdays between the hospital, the city and Woden. We will be increasing frequency of services for that important destination.

MS BRESNAN: Just to clarify, you said there were new services for the north. Were they new services going to the new suburbs? You mentioned Crace and a couple of others.

Mr Corbell: These will be services along high patronage network segments such as, for example, Northbourne Avenue, I would assume.

MS BRESNAN: But specifically for Gungahlin—

Mr Corbell: Mr Peters can assist.

MS BRESNAN: You mentioned, I think, some of the new suburbs. Just to clarify again what that was—

Mr Peters: Ms Bresnan, the question would be: how are those new suburbs serviced?

MS BRESNAN: Yes.

Mr Peters: Most likely that would be route diversions with existing routes 51 and 59, but we will go through a consultative exercise to nail down the detail of that.

MS BRESNAN: On page 86 there is the item “ACTION operations”. Can you give us a bit more information about what that actually entails and the sum allocated there? I am just wondering whether that has got anything to do with staffing arrangements. What is it actually about?

Mr Kalogeropoulos: The initiative that is identified in the budget papers relates to a number of components. It is there to address largely some increases in costs associated with the operations of ACTION that have appeared over time. It is effectively an injection to address some of the structural budget issues.

MS BRESNAN: What actually are those?

Mr Kalogeropoulos: There are five components. The first one relates to a contribution to the increase in the Comcare premium. The Comcare premium has increased during the 2010-11 financial year by approximately \$2 million. That is an increase in the premium—from about \$3½ million to \$5½ million. It has been a significant increase that ACTION has not been able to absorb during this year. So there is an injection to address that.

There is also some funding there—\$399,000—for insurance. That is the increase in the property insurance premium and the public liability premium. That gets levied through the ACT Insurance Authority to ACTION. That relates to indemnity arrangements that are in place. There are also some costs to increase the rural bus service program. Effectively, those funds are there to make a catch-up, if you like, to the provision of those services by private providers.

There is also some funding associated with the recent Fair Work Australia determination, or ruling, which relates to the 10-minute rule. That will see an increase in driver costs. It is estimated that the bottom line impact will probably be around \$1 million. In total, approximately \$4 million has been allocated for 2011-12 to address some of those budgetary issues.

MS BRESNAN: I think you said there are five components. That was four, I think. What is the fifth one?

Mr Kalogeropoulos: The fifth one is what is called “network expansion” or, effectively, unfunded network expansion. That is where the network is effectively tweaked outside of the budget process. Obviously we only have one opportunity to get funds through the budget process, but during the financial year there may well be services that get changed, altered or added during the financial year. That is there to address some of those unfunded expansions.

MS BRESNAN: In terms of some of the IR issues that have been occurring with ACTION, the only one that that funding will deal with will be that determination around the 10-minute rule?

Mr Kalogeropoulos: Yes, specifically, the 10-minute rule; that is correct.

MS BRESNAN: So other IR issues are yet to be dealt with?

Mr Corbell: We have reached an in-principle agreement with the AMWU today. I have announced today that we have reached in-principle agreement with that union in relation to the agreement that we want to reach with workshop staff—so the mechanics, the mechanical staff, at ACTION. I am very pleased with the outcome. The outcome means that we get a more reliable roster system for staff working weekends, which has been a key issue for the government. We have wanted to see a more reliable roster system so that we can have confidence that buses will be appropriately maintained and repaired over the weekend and that we have a fleet available for us ready to go for the start of the working week, for the first peak hour of the week. It is very important that we have that capability. The agreement that we have reached with the AMWU is a significant improvement on the rostering arrangements. That is an outcome which the government is looking forward to seeing formally endorsed by the membership of the union at the ACTION workshops.

In relation to industrial issues, generally speaking, the government has made provision for the whole-of-government offer. The whole-of-government offer is the same offer, potentially, that is available for staff in ACTION—so 2½ per cent, plus potentially—

MS BRESNAN: That is for drivers as well?

Mr Corbell: plus a sign-on bonus.

MS BRESNAN: Is that for drivers as well?

Mr Corbell: We are still in negotiation with drivers on this issue. I had a constructive meeting this morning with the Transport Workers Union on these issues. I think we are definitely making progress. I am keen, as minister, to see the industrial issues that have caused disruption to the travelling public dealt with. I am very pleased that today we have dealt with the issues that have been of concern to workshop staff and to the government. I am hopeful that we will get a similar outcome for the driving staff, the drivers, of ACTION very soon.

MS BRESNAN: So the offer of arbitration that was initially given is off the board now that it has moved on to another point of negotiation?

Mr Corbell: The government did make an offer of arbitration, but without the agreement of the unions we are not able to arbitrate these matters.

MR COE: Have your left wing Labor groups been handy for the negotiations?

Mr Corbell: I make no secret of the fact that I am a Labor minister, Mr Coe. I always seek to maintain good relationships with Labor unions, as did my predecessor.

MR COE: It is interesting that union issues really dogged Mr Stanhope when he was Minister for Transport and here you are, a few weeks in, perhaps giving in to union demands pretty quickly.

Mr Corbell: The government has not given in. This is a negotiated outcome where there are concessions on both sides. That is the nature of a bargaining arrangement. I would like to pay my thanks to the work of ACTION staff and ACTION management in getting the agreement we have got today in relation to workshop staff. I would also like to pay my thanks to the work of Mr Stanhope because he was instrumental in getting to where we are today as well.

THE CHAIR: All right. We may have to leave ACTION there and place any further questions on notice.

MR COE: Just one very quick one about the independent living centre, which moved from Weston Creek to Tuggeranong. There are a number of people with disabilities who have to get buses to that independent living centre in Tuggeranong, in Kambah. I was wondering whether ACTION were consulted or gave any advice on the needs of the independent living centre with regard to public transport?

Mr Roncon: I would need to take that on notice, Mr Coe. I am not across the issue. I am happy to provide you a response on notice.

Mr Corbell: We are happy to do so.

THE CHAIR: All right. Minister, in the Hawke review a number of the recommendations concerned ownership of government bodies, particularly ACTION. We will move on now, very quickly, to enterprise services—the linen service and Yarralumla nursery. Recommendation 21 says that the government should consider the appropriateness of maintaining ownership of Yarralumla nursery and the linen service. What is happening with regard to those recommendations and the recommendations on ACTION?

Mr Corbell: The government has given no consideration to those matters at this time.

THE CHAIR: All right. Are there any further questions on enterprise services?

MS LE COUTEUR: No, but I have some on cemeteries.

THE CHAIR: All right. Before moving on, apologies to the officers from enterprise services—a long wait for very little return in that regard. We now move to the ACT Public Cemeteries Authority. Minister, what is happening with the proposal for a cemetery in southern Canberra?

Mr Corbell: I am sorry, what was the specific question about the—

THE CHAIR: What is happening with the proposal for a cemetery in southern Canberra?

Mr Corbell: I would ask representatives of the cemeteries trust to come up.

THE CHAIR: Caroline, any other questions on the trust?

MS LE COUTEUR: Yes. What—

THE CHAIR: Let the minister answer that one first; then, Caroline—

MS LE COUTEUR: I was just wondering what further work you—

THE CHAIR: Stop. They have already got a question. It is probably the same question.

Mr Corbell: All right. My apologies, Mr Smyth. The government has provided capital funding of \$727,000 for the design of a new southern cemetery. The project will deliver a master plan and project plan for development of the site. Blocks 15-20, 15-21, 16-73, 16-76 and 16-77 in Tuggeranong have been selected as the proposed site for the new cemetery and crematorium. A final decision on the exact location within those blocks is yet to be made and the blocks are subject to that master planning exercise. The next step in the project is to develop the project brief; initiate the procurement process to engage a contractor; complete public consultation; complete environmental studies, including an EIS if required; undertake a complete geotechnical survey; and produce the master plan and develop the sequence.

THE CHAIR: So the government intends to build the cemetery on or near the intersection of Long Gully Road and Monaro Highway?

Mr Corbell: Yes we do.

MR HARGREAVES: Question, Mr Chair.

THE CHAIR: Sorry, no. Ms Le Couteur had one first; then you may and then Mr Coe.

MS LE COUTEUR: Thank you. Firstly, you said there will be some more public consultation. Can you give us some more details about what more public consultation there will be? In particular, will there be anything required in the nature of a DA or a territory plan variation?

Mr Corbell: There will be public consultation in the development of the master plan

and we will be seeking community feedback on the design that will be resolved through the master plan. Details of that consultation are yet to be concluded; obviously this project has not yet commenced. But we do expect consultation. In relation to whether there will be a requirement for a statutory process in the planning legislation, I might defer to Mr Horne.

Mr Horne: As far as I understand, there will be a development application process required.

MS LE COUTEUR: Are you doing any more financial modelling around the need or otherwise for a crematorium on that site?

Mr Horne: We have done substantial modelling to date and—

MS LE COUTEUR: Will you publicly release the modelling you have done on it then?

MR HARGREAVES: That is the minister's question.

Mr Corbell: I will take that on notice and look at the matter, Ms Le Couteur.

MR HARGREAVES: Mine is a related question, Mr Chairman, to the minister or Mr Horne. How much is the current perpetual care liability running at?

Mr Horne: At present there is a review being undertaken of that by TAMS which has not yet been released.

MR HARGREAVES: And has that amount increased in the last couple of years?

Mr Horne: We assume so.

Ms Steward: Yes, that review has now been completed. I will be putting a brief to the minister very shortly. It will make recommendations in terms of what the percentages ought to be in terms of both short-term maintenance and the longer-term maintenance. And yes; costs have gone up.

MR HARGREAVES: I had expected them to go up. Could I also ask this: if you do not proceed with a crematorium, is there an alternative strategy to take care of the significant perpetual care liability?

Ms Steward: I will leave this for the government to decide. We do have a report and I will be putting a brief up that will canvass all the options.

MR HARGREAVES: Have you made any recommendations along those lines? I do not want to know what they are, but have you made any?

Mr Corbell: The options are being considered in relation to this matter.

MR HARGREAVES: Where I am headed is this. I am conscious that the perpetual care liability is significant and I am conscious that there are very few ways in which

the taxpayer can actually satisfy that perpetual care liability. I think, quite frankly, and I put it on the record, that this process is the best way of going about it.

THE CHAIR: All right. Mr Coe had a question, and Ms Le Couteur had another question.

MR COE: Thank you. On vandalism, I note, minister, that you made over some money to St John's, Reid, which is a much-needed injection. Vandalism at the other sites across Canberra—is that something which is on the rise? Is that a liability which is taking more and more of the authority's budget?

Mr Corbell: The short answer to that is no. We have very little vandalism.

THE CHAIR: All right. Ms Le Couteur to close this section.

MS LE COUTEUR: On your website when you are talking about the consultation on and development of the southern cemetery, you have talked about natural burials and the possibility of introducing that into the existing cemeteries in Canberra. Can you talk more about where you are up to with natural burials, both on the southern site and on other sites?

Mr Horne: A person can achieve a near natural burial now if they choose simply by making arrangements that all of the materials that are buried with them are biodegradable. At this stage we have not got specific plans to create a natural burial only space in any of our current cemeteries. Naturally enough, you are probably aware of the discussion relating to the southern cemetery that we plan to have a designated space for natural burial on that site.

THE CHAIR: Thank you. We will finish there. Thank you for your attendance today, minister, and that of your officers. I remind you of questions pertaining to Territory and Municipal Services output class 1.1, 1.3, 1.4, 1.5 and 2.1, public transport 1.1 and the ACT Public Cemeteries Authority. You have five days in which to answer. Members, you have four days in which to get your questions on. We thank everybody for their attendance.

Meeting adjourned from to 12.30 to 2.00 pm.

THE CHAIR: Thank you, minister, for attending this afternoon's session of the Select Committee on Estimates. This afternoon we will look at output 1.4, sustainable planning, which includes the ACT Planning and Land Authority, transport planning, which is transferred in from TAMS, and the Government Architect, who has transferred in from the CMD.

I need to remind witnesses of the protections and obligations supported by the privilege card on the table in front of you and ask: have you read the privilege card and do you understand its implications?

Mr Corbell: Yes.

THE CHAIR: We all do. Fantastic. I now remind you that proceedings are being

recorded by Hansard for transcription. As well as being webstreamed and broadcast live, the Assembly is also trialling Committees On Demand, which will allow you to go home and watch this all over again because it is such a good show. Are you happy to proceed?

Mr Corbell: Yes.

THE CHAIR: Thank you very much. Minister, would you like to make a short opening statement about sustainable planning?

Mr Corbell: No, thank you, Mr Chairman.

THE CHAIR: No? All right. Well, we will get right into it. Minister, you have just been reappointed to the portfolio after being removed by the former Chief Minister, Mr Stanhope. What will you be doing differently this time as the planning minister?

Mr Corbell: I am very pleased to have the opportunity to be responsible for the issues around planning and sustainable development in the city. I believe that planning and sustainable development is an essential function of government and that it is essential to the quality of life for Canberrans now in making the city more sustainable and just and more equitable with great opportunities for all, economically, socially and creatively. So this is a significant opportunity, and I am grateful that the Chief Minister has confidence in me, and I am looking forward to the challenges and the tasks of the portfolio.

THE CHAIR: Again, what will you be doing differently as the planning minister? For instance, the Urban Development Institute of Australia said that the reason housing affordability got out of control in the ACT was twofold—the failure to release land and poor planning procedures and high fees and charges. You presided over that. What will you do differently as the planning minister this time?

Mr Corbell: I have told you what my approach is and what my areas of interest are, Mr Smyth.

THE CHAIR: So nothing has changed?

Mr Corbell: You can put whatever words in my mouth you attempt to, but I have answered your question.

THE CHAIR: The Hawke review made some interesting comments about planning and how it has affected the city. Given that change was recommended in the Hawke review, what will you be doing differently?

Mr Corbell: The government has made clear its position in relation to the organisational arrangements that it believes should be in place in relation to the regulation of both strategic planning activity and developmental control, and that is to bring together the planning functions with the environment policy functions, particularly the critical functions around environment, environment protection, energy policy, water policy and waste management. This presents a significant opportunity for the city to have all these functions sitting within a single directorate of government.

That is the structure we have. I think it is a very exciting time. My directions and my challenges, I believe, are to focus on policies and implementation of programs that will deliver better public transport for Canberrans—better transport options overall—that will assist in the task of housing affordability and that will deliver more sustainable development for the city, noting that the built environment is a key contributor to our use of natural resources and is a key area for improvement in the area of reducing greenhouse gas emissions.

THE CHAIR: The transmittal letter from Mr Hawke to the then Chief Minister, Mr Stanhope, says that current arrangements in relation to land and planning are, at best, hindering, if not actively obstructing and frustrating, achievement of the government's priorities. For the bulk of that time, you were the minister responsible for planning. Again, I ask you what you will be doing differently? I note the change. We have changed portfolios; we have gone from departments to directorates, but what will you do differently as minister this time?

Mr Corbell: Well, I have answered the question, Mr Smyth.

THE CHAIR: I do not think you have, minister.

Mr Corbell: Well, you might not be happy with my answer.

THE CHAIR: You deftly avoid the question. Good luck to you, but it does leave the question hanging over your head.

MR HARGREAVES: Can we have a substantive question, please, on the output class?

Mr Corbell: You might be unhappy with the answer, Mr Smyth, but I have answered it, and I am looking forward to your questions about the budget.

THE CHAIR: So what will be different in your approach this time?

Mr Corbell: I have answered your question.

THE CHAIR: So nothing has changed?

MR HARGREAVES: Next question.

Mr Corbell: Again, you can put any words in my mouth you would like to try to, but that is not what I said, and I have answered your question.

THE CHAIR: All right. A new question, Ms Hunter?

MS HUNTER: Thank you, chair. The notes to the estimates program note that ACTPLA is now a discontinued agency and is now called Sustainable Planning. How can this be the case when ACTPLA is a statutory body? It is set up under legislation and so forth. How does it work from here? What is going to be happening? Will there be new legislation?

Mr Corbell: There is still a formal statutory requirement for an entity known as the ACT Planning and Land Authority. The authority's functions sit within the Environment and Sustainable Development Directorate. So there has been no change to the statutory establishment of the authority or the powers and responsibilities of the chief planning executive. The government has agreed that the director-general of the directorate will take on the responsibilities of the chief planning executive, and the functions of the authority will continue to be performed consistent with the legislative framework already in place.

MS HUNTER: The Hawke review did talk about some legislative changes in planning and development to fully implement changes with respect to ACTPLA, and I wanted to get some idea of what these might be?

Mr Corbell: You mean legislative changes?

MS HUNTER: Legislative changes.

Mr Corbell: The government is not proposing any legislative change in relation to the operations of the ACT Planning and Land Authority. The government is considering its position in relation to matters relating to the Land Development Agency.

MS HUNTER: And what do you see, minister, as the advantages in integrating ACTPLA within the same sustainable development directorate?

Mr Corbell: I think, as I outlined earlier, Ms Hunter, the opportunity here is to bring together those core policy functions that inform the government and give guidance and direction to community on how we use our natural resources more wisely, how we manage, for example, energy use, how we manage our water supply and use of water in the city, how we manage waste and how we develop and implement strategies around climate change policy and relate those to the built environment. So bringing those two things together is, I think, potentially a very powerful combination—

MS HUNTER: And adding transport in there?

Mr Corbell: And having transport in there is a very, very important aspect of that. To have the transport planning function sitting again with the planning function, I think, is a welcome development. That way we can get a much more integrated approach to the way we do our work in this critical area. The built environment is the key contributor to our greenhouse gas emissions. So we need to ensure that the built environment works in a more sustainable manner and that new developments continually improve in their delivery of sustainability outcomes using less energy, relying on less water, creating less waste—these are key challenges for the city—but, equally, making sure that the pattern of development within the city supports more sustainable outcomes around access to better transport and supports more effective public transport for the city.

Finally, we need to ensure that the regulation of the development sector assists in the delivery of a diversity of housing choice, and that includes the affordability of

housing in the territory. These are the priorities for me as minister: public transport, better public transport, better transport options for the city overall; a more sustainable city and more sustainable buildings, whether they are households or office buildings or any other type of building; and, thirdly, better affordability. Those are my key priorities having taken on this portfolio.

MS HUNTER: So the environment, transport and planning would be sort of a green directorate really for you, would it not, Mr Corbell?

Mr Corbell: Perhaps, Ms Hunter. I think it certainly presents its challenges but also its opportunities.

THE CHAIR: Ms Hunter asked about legislative change. What does it mean in terms of staff arrangements? Mr Papps will now take on the legislative role?

Mr Corbell: He will. It is anticipated Mr Papps will take on that role at the beginning of the new financial year.

THE CHAIR: So what happens to ACTPLA at the moment? It has moved in, and the position that Mr Savery occupies becomes—

Mr Corbell: We are in a transition stage at this point in time. Both ACTPLA and the old DECCEW are reporting directly to me on their functions and activities. Mr Papps, as director-general, is finalising the new organisational structure for the directorate in liaison with and in close consultation with Mr Savery. The final structure will be signed off in the coming weeks, and the new directorate and the new statutory arrangements will take effect on 1 July.

Mr SESLEJA: So will there be a chief planner still?

Mr Corbell: The chief planning executive will be rested in the office of the director-general. The director-general will perform the functions under the act of the chief planning executive.

MR SESELJA: Sorry, I am not aware of Mr Papps's background. Mr Papps has a planning background or not?

Mr Corbell: Mr Papps can speak for himself, perhaps.

Mr Papps: Thank you, minister. In a long public sector career I have spent considerable time within the planning area. I was what would be known in the ACT as a deputy director-general within the New South Wales planning department for seven years. As well as that, I have spent a great deal of time dealing with planning issues from a sustainability perspective in Victoria, ACT and New South Wales.

MR COE: Do you have formal planning qualifications?

Mr Papps: No I do not.

MR SESELJA: So how do you see it operating, minister, because that is a significant

change in that we have had a chief planner who has been independent? The two obvious changes here are, one, you will have a chief planner who is not formally qualified as a planner and, secondly, you will have a chief planner who is also the head of your department and, therefore, is not, in the classic sense, independent because he is the head of the department that answers directly to a minister? How will you deal with those two separate issues?

Mr Corbell: In relation to the second matter, it is not any different from the previous arrangement where Mr Savery, as the chief planning executive, was accountable to his minister and subject to the direction of his minister in issues around policy and, in the exercise of his statutory functions, had his independence protected under the statute. That will remain the case with the new arrangements. Mr Papps will be accountable to me and subject to my direction on issues of policy. In relation to the performance of his statutory functions in relation to development and approval and assessment and so on, he will be able to exercise those functions with the protection of the act.

In relation to the first matter, I think it would be unwise to seek to criticise holders of offices, along the line that you are attempting to do, or perhaps intimating at. Mr Papps has extensive experience in the former New South Wales department of planning at a senior executive level. He has acquitted himself outstandingly in those roles, as he has in similar roles in Victoria. I think he is eminently qualified for the position.

MR COE: The legislation which underpins the operations of the planning authority was not developed with this kind of structure in place at the time. Do you envisage that it will work as smoothly as it has in the past or will tweaks to the legislation need to be made to accommodate the new directorate structure?

Mr Corbell: The government does not anticipate any tweaks needing to be made to the legislative structure. Obviously, that does not mean we do not rule that out should that be necessary. But at this point in time we do not envisage that being necessary. I think it is very important that members understand the practical difference between the independence of the authority when it comes to its development, assessment and approval function and its role as a policy adviser to government on matters of planning policy.

That is the way it operated previously when I was minister and when Minister Barr was minister. The planning authority was always subject to the policy direction of the government when it came to policy matters. Its independence was placed in legislation to deal with the issue of development assessment and to ensure that development assessment was not subject to political interference. We have achieved that here in the ACT. It is something that my predecessor, Mr Barr, was always very clear about, as I was before him—that is, that development assessment should be undertaken by an impartial, apolitical planning agency. That is what is in the legislation. That is what remains in the legislation, and that is how those functions will continue to operate.

MR SESELJA: How do you see your role within that, minister, both as a member of parliament and as a minister, in seeking to influence those decisions? You came out, for instance, recently on, I think, one of the developments in Griffith and made public

comments ahead of ACTPLA's decision. Do you see your role being in directing or giving public comments that influence that independent decision making?

Mr Corbell: That was a matter of policy. The proposal there involved a potential change to the territory plan. That is quite rightly a matter of policy that is entirely appropriate for any member of this place or, indeed, any member of the community, but particularly any member of this place, to comment on. It was not a development proposal. It was not a development application.

THE CHAIR: So in regard to Mr Papps, Mr Papps has been appointed as director-general of the new directorate? It will be a straight-over transfer?

Mr Corbell: Yes.

THE CHAIR: Yes, and Mr Savery will, therefore, transfer into running ACTPLA in the organisation?

Mr Corbell: Mr Savery's roles and responsibilities will be clarified in the new organisational structure that Mr Papps is finalising.

THE CHAIR: When will that be finalised by Mr Papps?

Mr Corbell: Before the commencement of the new financial year.

MR COE: Just before we move on from that, can you give us any guidance as to where you are headed with this, as to what that role might be?

Mr Corbell: With what?

MR COE: Obviously, Mr Savery has got considerable corporate knowledge here in the ACT.

Mr Corbell: Yes.

MR COE: I was wondering how the ACT can continue to benefit from that corporate knowledge?

Mr Corbell: Yes. I value highly Mr Savery's experience here in the ACT and elsewhere. His leadership on planning issues nationally is well recognised and highly regarded, and it is by me as well. So I hope that we are able to find an effective arrangement whereby Mr Savery is able to continue to provide his considerable knowledge and expertise to the government. That is a matter that Mr Papps is working through as he finalises the organisational structure at this time.

MR COE: Is that likely to be in house or in a contract role?

MS LE COUTEUR: Is this an appropriate line of questioning? I mean, really.

Mr Corbell: I do not think it is really—

MR HARGREAVES: Mr Chairman, this is getting a little embarrassing.

Mr Corbell: I do not really see that—

MR SESELJA: You are now determining what is an appropriate line of questioning.

MS LE COUTEUR: This is someone starting. This is just not—

MR SESELJA: No, we are talking about a restructure. Where exactly is the problem?

MR COE: We are talking about a major restructure of the department whereby we have gone from a chief planner to an executive officer.

MR HARGREAVES: They are part of the same—

MS LE COUTEUR: You are talking about a human being.

MR SESELJA: You will now vet the questions, Caroline?

THE CHAIR: Order! Order, members!

MR SESELJA: You will now vet the questions?

THE CHAIR: Order, members! Mr Coe has the floor.

MR COE: I would like to know what input the current chief planner is going to have into the future. I think that is a reasonable position and given we are going to have a new structure, I think it is quite reasonable to ask how the current chief planner will be continuing to serve the organisation.

Mr Corbell: Mr Savery is an employee of the ACT government and I am keen to see that continue for as long as Mr Savery wants to remain an employee of the ACT government.

MR HARGREAVES: Mr Chairman, I have got some questions.

THE CHAIR: Ms Le Couteur, a new question?

MS LE COUTEUR: I have got some totally different questions.

THE CHAIR: That is okay. You are allowed totally different questions.

MS LE COUTEUR: On page 101 of BP3, we have a number of initiatives, that being what BP3 is about. The one I specifically want to talk about is improved regulation of building energy efficiency. Basically, of course, I am in favour of it. But can you give us a bit more detail as to what actually you are planning to do, how this will interact with the sale of premises act and what level of auditing this will require? Will it involve on-site auditing? It is in BP3. I will slow down while you try to find your piece of paper.

Mr Corbell: Funding of \$1.53 million over four years has been provided for this initiative, Ms Le Couteur. It will provide for expanded building audit teams with additional staff responsible for enforcing compliance with building and energy assessment legislation, delivery on a target of auditing at least five per cent of all types of energy efficiency ratings and conducting other compliance and education activities with industry. Improved administration of assessments with good access to information and reporting is important to effective compliance and there will be improvements to the regulatory framework for energy assessment providing a strong basis for the expansion of the ACTHERS scheme and potential implementation of other energy efficiency policies down the track.

MS LE COUTEUR: One of the things referred to on page 101 is centralisation of pertinent data. What data is going to be pertinently centralised? I particularly ask this because we have been asking ACTPLA over the years questions trying to work out how many houses there are at particular energy ratings in the ACT. This appears to be information that is not possible to obtain.

Mr Corbell: Mr Simmons might be able to assist you.

Mr Simmons: Thank you, minister. As you know, people do energy ratings using one of three systems—BERS Pro, AccuRate or First Rate. Within the data modelling, that information is held in a particular file. That is the file we will be collecting. That file will essentially come to us through the e-development platform, which we have been developing over the last few years.

As you know, we have been working steadily to improve our electronic service delivery. As we move through that, we are now into the DA phase and all those occupations that sit relative to the completion of buildings. That is the database that we will start to collect that information on. The information you have sought in the past has been very difficult to provide, because we have not been able to collect that. But once we get the system live, that data will in fact give us a much greater capacity than we have had before.

MS LE COUTEUR: Good. Will that over time become more complete? Obviously, it will so far as all new houses being there, but as renovations and things happen, where a DA is required, will that information then go in?

Mr Simmons: Yes, that is—

MS LE COUTEUR: And will you integrate the sale of premises as well, because that also requires an energy efficiency rating?

Mr Simmons: Yes, in terms of what we have legislated for, from 1 March of this year, the activity of undertaking an energy rating became a COLA-licensed activity. That covers both for the purposes of BER as well as for the purposes of energy ratings when buildings are completed. In terms of the extra enforcement that we have been doing, one of the things that has been very difficult is verification. This is why we have moved to actually start to undertake audits. One of the funding items this year is for us to buy equipment that specifically addresses how we will establish the verification of what has been happening out there in the industry.

It is very difficult for building certifiers. They have a choice at the point of pre-sheet to test whether or not insulation is there. The problem for a pre-sheet inspection is that if insulation is already in place, it covers a myriad of sins. If it is not in place then you cannot see it. You do not know. The sins are exposed, but you do not know whether the insulation goes in after that or whether it has been put in properly. For the first time, we will be purchasing thermal imaging cameras with appropriate software so that we will be able to actually go into buildings. This will also help us, once they are completed, to be able to see whether or not the insulation has in fact been installed, and also whether it has been installed properly.

We will be able to go back. If there was systemic non-compliance, we would be able to talk to the industry about how to improve the implementation of insulation within buildings, because very small gaps can allow very significant drops. We have not had that capacity before, but the new funding this year enables us to actually undertake this for the first time.

MS LE COUTEUR: You talked about the systemic problems. Will it also be a situation that if someone has purchased a house and they think this cannot be six-star or whatever, are they going to be able to go to you and say, “Can you check it out?”

Mr Simmons: Avoiding a circumstance where we end up being the default—

MS LE COUTEUR: Certifier, yes.

Mr Simmons: inspectors for everything energy, what we would do is take a targeted approach to those things. Because the people doing the energy ratings will become COLA licensed, that gives us certain powers and authorities. The way we will enforce those things—some resources will become available to us after 1 July. The additional staff will enable us to actually start to undertake the systemic auditing. The aim is, using systemic audit, to bring up the level. When things come out that are clearly problematic, we will obviously go and have a look, as we would with building or any other type of licensed activity.

MS LE COUTEUR: You will be auditing both the new and the old—the sale of premises and the BCA?

Mr Simmons: Yes.

MS LE COUTEUR: That is really good. I was told that not all the COLA regulations were ready on 1 March when people expected to find them. Is this being addressed?

Mr Simmons: Yes, it is being addressed. The one person who you probably have met on the odd briefing sometimes gets busy doing these things. The 1 March date was the date on which anybody new coming to us would take a COLA licence. There is a 12-month transition period that enables—in that 12-month period, people will transition from their current registrations into COLA licences. The work that we are doing at the moment is to put online each of those new tools. Those tools that were already in place were deemed across. It was not a case that suddenly on 1 March the law changed, there was a licence and all the protocols disappeared as well. The protocols

stay in place until they are replaced. We are just putting better protocols in place.

MS LE COUTEUR: I have a slightly different, but very related, question: the LDA introduced a new role called the sustainability assessor. Have you looked in ACTPLA at something like that? It seems to be working very well. For Wright and Coombs, before you put in your DA, you have to have your plans ticked off by this sustainability assessor to say that it is—well, sustainable, I presume.

Mr Savery: Through the chair—

THE CHAIR: Yes, it is probably not this area.

Mr Savery: I think what you have got to understand there is that the LDA for that purpose is a developer.

MS LE COUTEUR: Yes.

Mr Savery: ACTPLA is not and never has been a developer; so it is not an offering we provide.

MS LE COUTEUR: I know you do not, but you could as an extension—

Mr Savery: No, because the government's land developer is offering that service. A private competitor with that may want to offer that, but we are not in that business.

THE CHAIR: Mr Seselja had a supplementary on this.

MR SESELJA: Yes, I did. Minister, you have received correspondence from an individual who has had concerns about the energy efficiency rating system. They have written you quite a detailed letter, which I think has been cc'd to a number of members here, including Mr Rattenbury and I, and perhaps others, and members of ACTPLA. I want to put to you some of the issues that this individual has raised and see whether or not these have been investigated and whether or not there are any systemic issues and the like.

In writing to you, he says he was concerned that his EER report was wrong and he asked for ACTPLA to do an audit on the fault assessment EER report “as it is just totally wrong and found that when I made my investigation, there was only one government auditor doing audits”. He continued:

The auditor said that the report was okay, as the current legislation auditing scheme exists. I asked how he could verify the figures if no one—ie he, the one and only auditor—had not come to my house. His reply was that he doesn't go out into the field at all.

That first part of his question is: are they going out and checking these? In this individual case, which you are aware of, has that been checked and are you satisfied that the process has been a good one to determine whether or not the EER is indeed correct?

Mr Corbell: I think we are referring to the same correspondence. This arrived on my desk in the last day or so. I have seen the correspondence and I have referred it to the planning authority for appropriate advice. I do not at this stage have anything further to add to that, as the correspondence is quite recent. In relation to the general issues you raise, I will of course be replying to that constituent in due course, once I have advice on the particular issues he is raising with me. In terms of the general issues, I will ask Mr Simmons if he can assist at all.

Mr Simmons: At the moment, verification has been difficult for us. One of the things about it is that once we license the activity, we actually increase the capacity to do those things on site. That has been an issue which has been raised, and the budget provides those resources to be able to undertake that work.

MR SESELJA: Sorry, the audit function?

Mr Simmons: The auditing function. It is a part of verification, but depending on when an audit comes to you, sometimes they are about looking at the plans. So you are looking at an energy rating which has been done on a set of plans and they are what accompany the building approvals. There is the energy efficiency rating for the purposes of the Civil Law (Sale of Residential Property) Act. Until 1 March that was not within our regulatory scope because that came under the Civil Law (Sale of Residential Property) Act.

What the government had decided to do was to pick those matters up, bring them across and make it a licensed activity, which brought all those—the full force and capacity that COLA has contained within it to be able to address these sorts of issues. The letter which you are referring to does raise a number of issues, which largely go through those issues which have led to the changes that you are seeing at the moment.

MR SESELJA: So in these types of cases where an individual claims that there are basic factual errors—they say there is no insulation and the individual claims there is insulation; all those sorts of things—what will be the process for checking to see who is right?

Mr Simmons: That is what thermal imaging cameras do. They literally see through the walls. They will tell you what the heat transfer is, whether there is or is not heat transfer. They are a spectacularly cool piece of kit.

THE CHAIR: That being a technical description!

MR SESELJA: Okay, so we will be relying on them. So the thermal imaging will become the main auditing—

Mr Simmons: Depending—

MS LE COUTEUR: That was the question I asked earlier. In any individual case, you will not actually do this?

Mr Simmons: Well, it depends—

MS LE COUTEUR: I know you have the capability but when will it be exercised?

Mr Simmons: Yes, we will. There is no point in having the capability unless you use it. That is the—

MS LE COUTEUR: Yes.

Mr Simmons: We have people who will go out on site specifically to look at those issues.

Mr Savery: I think it is worth mentioning—and this applies across most of our regulatory functions—that we have a combination of audit, because in most cases of electrical, gas, plumbing et cetera, we have a percentage of audit, which is what we are resourced to do. We also have a responsibility to respond to formal complaints. In between that, there is a large body of work that we do not just go out and routinely inspect. We have only got the resources to do a mandatory audit and then another resource to undertake responses to formal complaints.

Mr Simmons: One of the things we would do in circumstances like that is—if somebody makes that complaint, the first thing we will do is go and see who was the person who actually did the energy rating. Sitting behind in our black box are ways that we look for people. We look for licensees and what they do and the way they do work. Some licensees trouble us more than others and there is a combination of things. So if that was a person who had already come to our attention, they might already be being audited. We might go looking for them. It might trigger a further look.

There are methodologies that sit behind how we go out and find people and who we look for. There are some triggers in there: single individuals doing high volumes is a risk. You can flag those. One person doing 1,000 inspections a year—possibly you are in the realm of not being able to do them all effectively.

MR SESELJA: There is obviously an urgency for individuals in these circumstances, if they want to sell and they have a problem with their EER. What is the turnaround for you going and checking for these individuals who have complained, who claim that they have got an EER that is dodgy?

Mr Simmons: As soon as we employ some people—we turn the tap on on 1 July, so we are in the process of getting some people in. It will depend on how those systems develop. In the early days, we are establishing processes and mechanisms about how we get out there. It will depend on what the demand is. With some of it, the activity we do inspires demand. Also, the information we put out there inspires some demand in some areas. I cannot give you an answer on how long it will take. Our aim is to be able to respond effectively to improve the quality of the industry. We would not be here if we had not identified a problem.

MR SESELJA: In the meantime, do these people have any redress? If they have a real problem with what is being done now, what can they do?

Mr Simmons: They can complain under COLA now. From 1 March this year, they are entitled to complain under COLA. There is a well-established process regarding

somebody who is licensed under the Construction Occupations (Licensing) Act—how you make a complaint against them and how that is investigated. So the process is well established and it varies in response time. Our highest risk in the 24-hour turnaround time is stuff where there is an imminent threat to life or property and then it scales back from there.

MR COE: But does that simply address the licensee or does it actually address the work they have done as well?

Mr Simmons: It addresses the work of the licensee. In other jurisdictions where the licensing activity is separated from the regulatory activity, that would not be the case. But the ACT is a jurisdiction that combines both the regulatory authority and the licensing authorities vested in the Construction Occupations Registrar, so it enables us as an agency to deal with both the conduct of the individual and their licence at the same time.

Mr Savery: I want to pick up on a point that Mr Simmons has made; that is, we are not putting all of our resources into being a regulator and an enforcer. We are actually working with industry to improve the quality of the work that is happening, and that is related to another subject on the building quality matters that the previous minister initiated. We have significant buy-in from all of the industry groups, so that if we see that there is a systemic problem, we are going to go to those industry groups and say, “You’ve got to work with us.” This cannot just be left to a regulator wielding a big stick.

THE CHAIR: All right, moving right along. Mr Hargreaves with a new question and then Mr Hanson and Mr Seselja.

MR HARGREAVES: Thank you very much, Mr Chair. Minister and officials, I refer you to budget paper 3, page 176. There are a couple of items on that page which I would like some further information on. The first one is the employment land planning implementation feasibility study. I see that is for one year only, so I would like to know a little bit more about it and when you expect it to be completed. Does it feed into and/or inform the urban development sequence for affordable housing feasibility study, which I know is spread over two years—\$750,000 in the first and \$650,000 in the second? Is there a connection between the two and can you give us a bit of an explanation for both of them?

Mr Corbell: I will ask Mr Savery to assist you with that, Mr Hargreaves.

Mr Savery: If I could answer the second part of your question first, no, there is not a connection. They are two separate things. So the employment land planning and implementation feasibility study is essentially the follow-on work to the eastern broadacre strategy, which involves the investigation of employment opportunities along what is known as the Majura Valley corridor, which extends from the Federal Highway down to the Hume industrial estate. That work is close to being completed in the sense of providing a recommendation to government about areas that should be subject to further investigation. And those areas, if supported by government, will be where this money is applied.

It might be an area, just as an example, near the airport, or it might be down further towards the Hume industrial estate, that needs some further environmental assessment, some geotechnical assessment, some transport assessment to determine how and in what form and when that land can be developed and made ready for release to the market, bearing in mind that the primary purpose is industrial forms of development. I do not mean heavy industry; it could be logistics, warehousing, manufacturing of green industry technology and those sorts of things.

The assessment or the analysis for the urban development sequence for affordable housing is associated with greenfield development opportunities, ostensibly in Gungahlin and in the Molonglo Valley. So this looks beyond Molonglo stage 2, which is where we are currently focusing most of our attention for the accelerated land release program, which will comprise suburbs 3 and 4, which is also referenced on page 176, to looking at areas like Kenny, Throsby, Moncrieff, Taylor, Jacka, Kinlyside—the residual areas of Gungahlin, basically—and then the early analysis of stage 3 of Molonglo, which is to the north of the river, between William Hovell Drive and the lower Molonglo Valley.

MR HARGREAVES: With respect to that bit of work, the employment land planning implementation feasibility study, will environmental impacts be taken into account in that particular bit of work?

Mr Savery: They will be, but what we actually have to do is scope what the environmental impacts are. The broad-brush strategy to date has taken on board areas of environmental significance. I can tell you that, as a result of that, and the combination of that with ownership of federal government agencies, national land—being police, Defence et cetera, of which there are many in this corridor—the area we started off with has probably been narrowed down to 10 per cent. We have removed about 90 per cent of the area. So we are now down to recommending to government that there are about 10 areas that are worthy of further investigation, some of which will undoubtedly trigger more detailed environment assessment. If the government supports those recommendations, what this budget enables us to do is go and prioritise which ones to do first and, invariably, they will involve environmental and other assessments: tree assessments, heritage assessments et cetera.

MR HARGREAVES: You did mention that 90 per cent of it has gone. I think that shows the efficacy of the process, quite frankly. There is quite often an accusation that we see a block of land, see a dollar value on it and go for it. Quite clearly, that is not the case. With respect to those lands, is it still the case that along the major transport corridors like the Monaro Highway, Federal Highway and Barton Highway, the commonwealth has jurisdiction over 200 metres on either side of the road?

Mr Savery: Not in all cases, but in most of those that you have mentioned it is the case. Essentially, under the national capital plan, there are matters of national significance relating to major gateways into the city and high profile corridors and in those cases—and it includes Adelaide Avenue as well, Northbourne Avenue—

MR COE: Are they the designated roads? Is that what they are called?

Mr Savery: Yes, they have control over certain highways or arterial roads within the

city that are designated within the national capital plan. The particular matter that the member has raised relates to a 200-metre setback where it is not designated land but there are typically development control plans in place that warrant us referring development applications to them, where they may wish to make comment. In most cases development along the Monaro Highway, like the former prison—sorry, not the former prison, the prison, but the former process involved us referring that matter to the National Capital Authority.

MR HARGREAVES: And my question in that same vein is: is Majura Road and therefore the Majura Parkway going to be subject to that sort of jurisdiction?

Mr Savery: The Majura Parkway, in terms of jurisdiction, is with the ACT government and whilst there are Defence lands and other national lands, as far as I am aware that is not one of those roads. We have done all the environmental clearances, which of course is a completely separate matter. So subject to funding, it is still subject to a development approval from the authority.

MR HARGREAVES: Once that parkway is delivered, it will be one of the significant highways in the ACT, in the same way that the Monaro Highway, the Federal Highway and the Barton Highway are significant highways. And in fact it will be part of that whole major highway infrastructure going from Sydney or Melbourne though to Cooma and beyond. Is there any risk that the federal government might wish to include it in their area of responsibility, do you think? And do you reckon we can leave it at that to get some dough out of them?

Mr Savery: I would be speculating somewhat but I do not believe that would be the case because they would have shown us, they would have indicated that to us already, either through the environmental process or through the understanding that exists, because we have sought federal government funding. They have had prior opportunity.

THE CHAIR: Ms Le Couteur has a supplementary.

MS LE COUTEUR: I want to go back to Throsby which is, I think, where Mr Hargreaves began.

MR HARGREAVES: No, I did not. Mr Savery introduced that one into the argument and I thank him for it.

MS LE COUTEUR: Wherever it came from, Throsby. The former Chief Minister, Mr Stanhope, while doing his last Chief Minister's talkback a few weeks ago, said that there was serious consideration being given to throwing back the boundary in Throsby to move the ecologically indecent split which juts into Mulligans Flat and Goorooyaroo. What is being done in this regard?

Mr Corbell: You are right that the former Chief Minister outlined the need to reconsider the final pattern of development for that suburb. That matter is still not fully resolved and it is something which I will be receiving advice on from both the planning authority and the directorate in the coming weeks to make a final determination on it.

MS LE COUTEUR: So in a few weeks it will be a—

Mr Corbell: Yes, and it—

MS LE COUTEUR: And this will become public at that point?

Mr Corbell: At some point the government will indicate what its decision is on that matter.

MS LE COUTEUR: And at Kenny, we are up to the structure plan?

Mr Savery: Where we are at with Kenny at the moment is that all of the preliminary investigations have been done—they include environmental, heritage trees, geotechnical, hydrological—with a view to being able to proceed with the planning and design framework in the next financial year. So this is a typical process that we follow where we look to establish what are the constraints of a particular geographical area. Once we have identified those, they will inform our ability to plan that area for the purposes of infrastructure, land use, planning outcomes and the like.

MS LE COUTEUR: Is the revenue for the land sales in Kenny already built into the forward projections of the land revenue budget?

Mr Savery: I think you would have to direct that question to the Treasurer.

MR HANSON: Minister, I was at a forum the other evening and we were discussing the changes to the administrative structures. A number of people raised their concerns with me about, I guess, your previous stint as planning minister and we discussed this. I was not in the Assembly at the time but they specifically asked me, and I quote, “How do you intend to restore the community’s confidence in your ability as planning minister?”

Mr Corbell: I do not believe I need to restore the community’s confidence in my ability as planning minister. I think the only people that have got a concern about my ability as planning minister are you and your colleagues, Mr Hanson. And—

MR HANSON: As I say, this was raised with me.

Mr Corbell: You have asked the question—

MR HANSON: I was not in this Assembly prior—

Mr Corbell: Let me answer the question. And there has been a lot of myth making by you and your colleagues about why I ceased to be planning minister and there has been a lot of inventing of history by you and your colleagues.

MR SESELJA: Tell us what the truth is then.

MR HANSON: You resigned then?

MR HARGREAVES: Mr Chairman, this is not acceptable. You know it, and I know

it. This is not a legitimate question. There is no budget relationship. Mr Chairman, you should really move on.

THE CHAIR: No, it has been entirely in order.

MR HARGREAVES: It is not in order, and you know it is not in order.

THE CHAIR: We are about to appropriate \$58 million under this line. Mr Hanson can ask questions on it.

MR HARGREAVES: Let us have a relationship with the money then.

Mr Corbell: I would be more than happy to answer.

MR HANSON: It is an important issue.

MR HARGREAVES: I do not care. It is not acceptable.

MR HANSON: There are a lot of people out there that do have this perception.

MR HARGREAVES: That is what your Assembly is for, not this committee.

THE CHAIR: Order, members! The minister would like to answer the question.

Mr Corbell: Thank you, Mr Chairman. I do not believe I need to restore anybody's confidence in me. I have maintained a strong and compassionate interest in the issue of urban development and sustainability. I do not resile from that for one little bit. I think it is one of the most important things that a public representative can do. In the course of my time as planning minister I did assert and, of course, in my time now as Minister for the Environment and Sustainable Development, I am going to continue to assert the important role of planning in delivering better environments for people to live in—better environments in terms of their economic opportunity, better environments in terms of their social opportunity, better environments in terms of their creativity and capacity to live full and worthy lives as citizens. And for me, that is what this is fundamentally all about.

There will be times in the future, as there were in the past, where people will disagree but I have never met anyone in this city who for a moment has doubted my passion and my commitment to the importance of this portfolio. And whilst they may disagree with me on certain matters, I do not think they can be for one moment in any doubt about why I believe this is important for our city and why I am going to put every possible effort into it.

MR HANSON: I would agree with some of your statements but people are not questioning your passion. It is your competence, minister. How are you going to restore their faith in your competence?

Mr Corbell: I think I have answered your question, Mr Hanson, and I have—

MR HARGREAVES: Now let us start acting like mature people and get on with it.

THE CHAIR: We can do without the interjections, Mr Hargreaves.

MR HARGREAVES: This is getting ridiculous.

Mr Corbell: I have maintained strong engagements with a range of people in the planning and development sector in the period of time that I have not been directly responsible for this portfolio. Even though I have maintained a strong interest in the built environment within my portfolio responsibilities around issues such as climate change, energy and water policy and sustainability issues more generally, the people I talk to and the people I engage with—many of whom are quite frank and say they do not vote for me or my party—say to me also that they believe that I at all times have worked to be a minister who was passionate, capable, experienced, informed about the issues that our city faces. And I thank them for their comments, even though I know that they do not vote for me or my party. I look forward to engaging with them in the future.

THE CHAIR: Supplementary, Mr Seselja, and then a new question.

MR SESELJA: Thank you. It is about direction. The Hawke review says, and Mr Smyth referred to it, that the current arrangements in relation to land and planning are at best hindering, if not actively obstructing and frustrating, the achievement of the government's priorities. You did help set up many of those structures. LDA and ACTPLA were set up in your time as planning minister and you are now going to be asked to take a different direction, which is what the Hawke review has recommended. Do you agree firstly with that key finding of the Hawke review that the current arrangements in relation to land and planning are hindering and/or actively obstructing and frustrating the achievement of the government's objectives?

Mr Corbell: I do not agree with the premise of your question or your interpretation of the Hawke review's findings. The key conclusion from Hawke is that there were too many government agencies trying to perform the planning function and there was not enough coordination amongst those agencies that did need to be involved about the delivery of the planning and development regulation function. So the government has acted to address that matter through the establishment of this directorate. The fact is that the legislative structure, which I was responsible for in an earlier period, is the same legislative structure that will continue in relation to the ACT Planning and Land Authority. There is no change in relation to that matter.

In relation to the LDA, whilst I am not responsible for the LDA, I think I can make the observation on behalf of myself and my colleagues that the key function of the LDA was to re-establish a government role in land development. And that mission has been achieved. That political objective of the government has been implemented, and public sector land development is now a central element of the way the government continues to deliver land to the community. It will remain, under this government, a central mechanism for the way we deliver land to the community.

Whether it is called the LDA or whether it becomes in the future a function of some other part of the ACT administration, from my perspective, is neither here nor there. And I think that is certainly the case for the government as well. What is important is

that there is a role for the public sector to be involved in the delivery of land, and that policy setting is unchanged.

MR SESELJA: I want to ask you about, chair, if I could, a new area. I want to ask about the Erindale master plan process.

Mr Corbell: Are you going to ask me a question about the budget now?

MR SESELJA: Sorry?

Mr Corbell: Are you asking me a question about the budget now?

THE CHAIR: It is all about the budget, minister.

MR SESELJA: The Hawker area is funded and the changes are funded in the budget.

MR HANSON: Master planning is budget paper 4, page 303.

Mr Corbell: I am pleased that we are getting to some of the specific appropriations the government has allocated.

MR SESELJA: You are clearly not liking that questioning.

MR HANSON: Budget paper 4, page 303, if you want a reference.

MR COE: Incidentally, we would welcome you as the new minister.

MR SESELJA: If I could ask questions about the Erindale master plan, it is going to be a lengthy process, I think. I do not know what the exact time frame is but I think it is 18 months or two years, when I last checked. There are some immediate concerns that have been expressed by a lot of traders, which you would be aware of because they have been reported, particularly in the area around, I think it is, Gartside Street, where there are a lot of restaurants.

MR HARGREAVES: It is TAMS' responsibility.

MR SESELJA: It may well be TAMS's responsibility but we have a master plan in process. What is going to be done to deal with some of these immediate planning issues where there are serious traffic problems and serious parking problems? Will the government's answer be that something will be done once the master plan is finished or can we expect some of these issues to be addressed before that?

Mr Corbell: In relation to this exercise, I know that there are concerns with some traders and residents and others in the Erindale area about the issues you raise, Mr Seselja. I am currently getting better acquainted with the issues. I have not been directly acquainted with them in previous portfolio responsibilities, but as we go through this transition I am working hard to get a better understanding of all these issues. I know that there are concerns. I will be looking closely at the issues that have been raised and, to the extent that they involve the operation of the existing road network and so on, those are matters which I would be very happy to look at further,

given my other responsibilities as Minister for Territory and Municipal Services, because those are fundamentally where these issues rest. In terms of the planning exercise, I think it is important that we make every effort to engage with small business operators, property owners and others with an interest in the Erindale centre, and that is what I am confident ACTPLA will be continuing to do.

MR SESELJA: How long—

Mr Corbell: Sorry; I will just ask Mr Savery perhaps to add to that.

Mr Savery: If I could elaborate, of course, this is a project that we are engaged in right now. I think this also goes to the whole heart of commentary around community engagement, community consultation. Once you enter into a master plan exercise within an established community, you never know where it is going to go. It is essentially like poking a spider. You go in with some preconceived views of what you think the issues are likely to be, and you are usually wrong. There will be a myriad of other issues there that come out, some of which are literally within your jurisdiction, others which you have got no control over. That does not mean you ignore them; you try and identify who within government can assist you or assist them.

In the case of the Erindale-Tuggeranong project, I know some of you have participated in some of the consultation exercises we have undertaken there. As we have drilled more and more into the detail, it has become quite evident that in Erindale the principal issue is car parking and traffic management. There is no question about that. We know some of the reasons for that, some of the causes. The fact that we have got three very large education facilities at one end of a road and a major shopping facility at the other end of the road means that there is a lot of traffic moving between the two. And then you have got service stations, takeaway food stores—it is a major attractor for that local community.

It is fair to say that where we are at at the moment is working through those issues. Transport planning within TAMS, now part of the one directorate, are an integral part of the team. They are putting forward some of their ideas and suggestions as part of the process. What we do is iteratively go to the community, identify the issues and go back with a plan of how we might address those issues. Invariably the community response, some of it, will be “How on earth did you come up with that idea? That is disastrous.” Others will say, “Like that. We will go forward with it.” And you tease out all the issues—you will never reconcile all of them, of course—to the point where we feel reasonably comfortable going to government and saying, “On balance we think these are the recommendations you should go forward with.”

Where we are at right now is that we have gone back with a first draft of a master plan for Erindale. That did attract quite a bit of interest, as you are no doubt aware. And we have made a very deliberate attempt to go back to the people who have raised those issues, the two most significant being Trinity college—and we have met; I personally met the school principal to talk through the concerns that they had—and the small business traders, particularly on Gartside Street, around their car parking issues. We are now at that next stage of trying to work through those issues.

MR SESELJA: One of the problems that has been identified when we speak to the

traders has been particularly exacerbated as a result of a new development that is going ahead there next to the gym and I think an expansion of the gym services—so those two things coming together. When that development was approved, what consideration was given and what conditions, if any, were put in place to ensure that adequate car parking did exist.

Mr Savery: I might refer this to Mr Ben Ponton to deal with the specifics, but any development application that has major car parking and traffic management issues associated with it will always be referred to our colleagues in TAMS in the transport planning area, and we will obviously take their advice on the implications. Typically, and Mr Ponton may be able to confirm this, on a project such as that in the location where it exists, and I am very familiar with the project you are referring to, we would seek a traffic management report as part of the submission for the application.

Mr Ponton: Mr Savery is correct in what he said. That particular application for the expansion of the gym did remove some car parking spaces and obviously increased the GFA. It was referred to Territory and Municipal Services for advice. They looked very carefully at the traffic and parking issues and they did support the application. In addition to that, as I recall, for that particular proposal—and it has been some time since I have reviewed that—the crown lease did also provide for the provision of car parking off site. That was also looked at by TAMS, and in terms of the provision rate, that was included in the lease—that the development did comply. But I can certainly provide some more detailed information for you on notice.

MR SESELJA: Yes. When are those assessments done? If you go down to that area on a Friday night or a Saturday night in particular, you can barely move. That was true before these developments were there. How is that taken into account in assessing the impact of this development?

Mr Ponton: Again I would need to look at the specifics of that particular proposal, but in the normal course of events, when a traffic study is prepared, the consultant who is preparing that study will go and look at what is occurring on site during different times of the day. And if it is in a school holiday period, for example, they will also look during school time.

MR SESELJA: Is that traffic study public?

Mr Ponton: It would be, yes.

MR SESELJA: Are you able to provide it to the committee or point to where it is?

Mr Ponton: I can provide you with—

MR SESELJA: There is just one other on what Mr Savery had to say about the draft that is out there. I think one of the things that are there in the draft is new bays for buses that we are looking at. Are you able to tell us—is that the only possible location that ACTPLA is considering at the moment? I know that there are already bays for buses around the corner. Is it seen that we need extra bays? Will they replace the old bays? And if that is not the only location, where else is being considered for them.

Mr Savery: The answer to the question is that no, they are not the only location. Again it is a process of fact finding—putting forward ideas based on advice from people who are more expert in the area than I am. As a result of the responses, and certainly in this case the responses that have come back through the initial round of consultation, I have every expectation that there will be changes made.

You may recall that when we started the Tuggeranong exercise Erindale was going to be treated as a separate project. We actually—and I think the Assembly had some commentary on this itself as well—saw the value of doing Tuggeranong and Erindale collectively and including the transport corridor between, because of the potential opportunity for Erindale to perform a higher level public transport function. It is relevant to your question, because those initial locations that were identified were based on an expectation or a need for Erindale to perform that higher order function. That is why the initial plan was put out the way it is. We have certainly received a response that suggested that there was some concern associated with that, and transport engineers are going back and revising those plans.

MR SESELJA: Just on the second part of that question, whether or not they would be proposed as a replacement for the current bus bays or whether or not they would be in addition to what is currently used—

Mr Savery: My understanding is that they are to replace. There would be increased capacity. Essentially the principle behind this is to make the main street the focus of public transport movement and increase accessibility to services. We are only really at the start of this process. If, as a result of the changes that we are now going to make because of the concerns raised, we have to significantly reconfigure, it may well be that some of the existing bays remain. But the initial concept was that those would form the principal services.

MR SESELJA: Is there an initial cost estimate on those new bays?

Mr Savery: Not that I am aware of. I think it is more at a very high level of planning.

Mr Corbell: It is conceptual at this stage, Mr Seselja.

THE CHAIR: Mr Hanson has a supplementary question; then a new question from Mr Coe and Mr Rattenbury.

MR HANSON: My question is on master planning and it involves the Weston Creek group centre, otherwise known as Cooleman Court. The first question I have relates to the process. Last year in the Assembly, in November, I moved a motion that a master plan be conducted. At that stage, the previous minister advised that these decisions could not be made essentially out of session—that there was going to be a list consolidated because he did not want to do them ad hoc and there were no funds available. About two weeks later, the Chief Minister announced a master plan for Hawker shops. That was a surprise to me, and I believe it was a big surprise to the crossbench. It was directly contradictory to what the planning minister at that stage had said. Could you provide an explanation of what the process was between the minister standing up in the Assembly and saying that we would not be able to do one straightaway for Weston Creek, because of those factors—ad hoc and not enough

money—and then, within literally two weeks, the then Chief Minister announcing one for Hawker.

Mr Corbell: I think what Minister Barr was making clear, Mr Hanson, is that it would be preferable, given the always limited resources available on this issue, to determine some relative priority for master planning exercises rather than every member of the Assembly in turn trying to get their fingerprints on a particular exercise in their electorate. That is not to diminish the importance in the government's view.

MR HANSON: Isn't that what Mr Stanhope did two weeks after that?

Mr Corbell: The exercise in relation to Hawker was driven by a proposal for a land release and was in response to a consultation process around a specific land release proposal. But that aside, what the government has done in this budget is allocated a significant amount of funding for a series of master planning exercises that will help us determine priority for master planning across all centres and then fund those exercises. I can certainly assure you, Mr Hanson, as a resident of Weston Creek myself, that the Weston group centre is an area of interest to the government. There are development pressures arising in terms of the use of that centre, because of development that is starting to occur in the Molonglo area and for a range of other reasons. And the government and I will be determining, I imagine fairly soon in my term of appointment, the relative priority that we will give to master planning at Weston and other centres.

MR HANSON: I noticed it in the budget, and I am thankful for that. When does that process actually start? When will we start the process of the master plan? I guess the first bit would be some notification to the community—and start to engage, I assume.

Mr Corbell: The government has provided funding for a certain number of master planning exercises each year. What I need to do, on advice from the relevant officials and parts of the directorate, is to determine what the priorities should be. Then those funds can start to be allocated.

MR HANSON: And Weston Creek is one of those priorities that have been listed?

Mr Corbell: Weston Creek is certainly in there as a priority. Now—

MR HANSON: It is one of four that were listed by the previous planning minister.

Mr Corbell: Correct. And it remains that; it has not changed, Mr Hanson.

MR HANSON: So you will do them in sequence, will you, or will you do them together or—

Mr Corbell: As I say, these are decisions yet to be made.

MR HANSON: When you are looking at the Weston group centre—and obviously there is the impact of Molonglo, as you mentioned—how are we going to make sure that we actually get it right? In Gungahlin it is quite clear that what happened was that some of the important construction and support for that community came well after

the community needed it. My concern and the concern of the community is that that is a centre that is already under enormous pressure, and that although there is this promise of development occurring in Molonglo—indeed, Mr Barr was in the *Chronicle* this week saying that there is going to be new access and amenity for people at Weston Creek. That may be the case well down the track, but in the shorter term—that might be in five or 10 years; I am not sure of the scope—how are we going to make sure that that is taken into account? Have you had a look at that within the department?

Mr Corbell: Sorry—how what is taken into account?

MR HANSON: What is taken into account—the pressure from the Molonglo development and the fact that there is going to be a lag in terms of the development of amenity in Molonglo, to take the pressure off Weston Creek in the short to medium term.

Mr Corbell: Pressure in what? Can you be a bit more specific, Mr Hanson?

MR HANSON: Let us talk about the use of the shopping centre as an example. Until a group centre or a Coles or a Woolies is built in Molonglo, people are going to go and use that centre. At that centre, as you would probably be aware, it is already difficult to get a car park and the shops are starting to get full. I suppose my point is that simply saying that we are going to build a group centre and we are going to have facilities in Molonglo in X number of years—unless that is done in a rapid period of time, the pressure on the Weston Creek group centre is going to be significant. I just want to make sure that thought has been given to the pressure being applied and how we are going to balance the emerging development in Molonglo with the short and medium term needs in Weston Creek.

Mr Corbell: I think there are two ways of addressing this issue. The first, as Mr Barr has indicated, is that the government will need to focus more of its infrastructure spend on addressing issues occurring as a result of development in Molonglo—whether that is within the Molonglo Valley itself or in areas related to the development of Molonglo. The government will be taking a whole-of-government look at those pressures—what the issues are and how we can make sure the infrastructure budget is aligned with those growing needs. That is the first thing, which really is a political process across the government.

The second relates to the exercises that we have just been talking about. Master planning for centres will give us a greater clarity over the future pattern of development activity in the centre. That is what is desirable about the master planning process. That will also inform government thinking. I would not want you to think that we are not going to think about this issue until the master plan is complete. The government are going to be looking at this issue in a very proactive way. We are conscious of the issues and the pressures in that district and we will be taking a proactive approach to it.

MR HANSON: In terms of the organisations that conduct these master plans, Purdons did one recently, I think, for Dickson and Kingston. Who else have you got that does these?

Mr Corbell: The government goes through a tender process to engage relevant consultants, usually, to undertake this work. Sometimes the work is done in-house, but more often it is the case that it is more effective in terms of time to have it done by a dedicated team that comes in for a short period of time from an outside consultancy.

MR HANSON: So you will go out to tender and—

Mr Corbell: We will go through an appropriate procurement process to obtain the expertise we need. It would be fair to observe that there are not that many planning consultancies in town. There is more than one, but they are not large in number and not all of them do this sort of work.

MR HANSON: As to the sorts of questions I have asked here—obviously there are a lot of similar questions in the community—will you be putting information out to the community council or other—

Mr Corbell: Absolutely. Engagement with the community council is important. I am scheduled to speak at a meeting of the relevant community council in the coming month. This will be an important thing to pursue.

THE CHAIR: Ms Hunter has a supplementary to the original question. Are there any other more master planning questions that people would like to ask?

MS HUNTER: Yes. Noting that we have master planning in the budget—it is also around group centres and transport corridors, as well as the rural villages—there are a couple of questions that I want to ask. One is around the transport corridors and whether you are able to outline what the official transport corridors are in Canberra. Is that work that you will be doing?

Mr Corbell: The transport corridors, generally speaking, refer to those avenues and major corridors in the city which are on the designated inter-town public transport route which is laid out in the territory plan.

MS HUNTER: So that is the official—

Mr Corbell: So that is Northbourne Avenue, Adelaide Avenue, Commonwealth Avenue, Yarra Glen, Athllon Drive, Belconnen Way and then the connection from Northbourne Avenue, Flemington Road to the Gungahlin town centre. Those are generally recognised as the transport corridors. There are others which you would also put in that category, even though they are not on the IPT route, such as Canberra Avenue. There may be others as well.

MS HUNTER: In terms of the Dickson master plan and the bus station, obviously the master planning process is underway. What is the timing for that? What happens next?

Mr Corbell: In terms of the bus station?

MS HUNTER: Yes.

Mr Corbell: In relation to the bus station, the government has provided funding for the design of a bus station at Dickson in the new location, which is on Challis Street. That work is funded for the coming financial year.

MS HUNTER: The issue of rural villages is a discussion we have had with the previous planning minister, and certainly Mr Savery is aware of it. Where are we up to regarding the sequencing of master plans, particularly for Hall and Tharwa?

Mr Corbell: Again, this would be a matter which I would need to give direction to the directorate on. As you would be aware, there is quite a list of bids for master planning, so I will need to determine a sequence. I think there is an Assembly resolution that Minister Barr said he would be reporting back to the Assembly on—the sequence: which centre or locale was going to be done in what order. That is what I will be doing.

MS HUNTER: Certainly, we have had correspondence that you might want to have some people show you too, minister.

Mr Corbell: Sure; I am happy to have a look at that.

MR COE: On master planning, particularly Hawker and Jamison—both of those group centres have been the subject of a fair bit of community debate in the last year or so. I understand that there is some work being done with regard to Hawker. I think there is still a lot of doubt about where we are at with regard to Jamison and the status of all the plans that are out there. Minister, in terms of the vision for Jamison, I was wondering what you see as being the future with regard to further density and the group centre.

Mr Corbell: There was a master plan done for Jamison back in—

MR COE: I think it was when you were minister.

Mr Corbell: Yes, it was. I recall at the time it was well received.

MR COE: Yes. I will say that I think the traders there are quite happy with that plan.

Mr Corbell: No-one was doubting my competence on that occasion, Mr Coe!

MR COE: You mustn't have had too much to do with it!

Mr Corbell: All care and no responsibility, Mr Coe.

MR COE: What the traders want to know is: what is the status of that plan? What is the status of all those plans done back then? I know back then there was quite an extensive neighbourhood planning process. For various reasons, whether it was not sustainable financially or whatever, it did not continue. What I would like to know is: all those plans that were done 10 years ago, or eight years ago—where are they at? Are they still current and should people look to them for advice about what is going to happen?

Mr Corbell: As to the statutory standing of those plans, I might seek some advice from Mr Savery. In relation to the intent of those plans, the intent of those plans is still, in the government's view, relevant. They are still contemporary documents. Indeed, development at Jamison has largely taken place in accordance with the overall objectives. I think that when you look at where Jamison was 10 years ago and look at where it is today, it is a transformed centre in many respects. It is much more active. It is a much more desirable location. It has got more choice for consumers. There is renewal happening at that centre and that is a very positive thing. In relation to the statutory standing of the master plan for Jamison, Mr Savery can talk to you about that.

Mr Savery: You would expect me to caution that there is an active DA under consideration at the moment, so without in any way wanting to prejudice that process—as with master plans for Belconnen town centre and Woden town centre, we often receive the commentary, “What have you done with the master plans? You have ignored them.” They have all been picked up by variations to the territory plan at some point where the zonings and other provisions within the territory plan have been varied to reflect the content of those master plan documents.

The master plan itself, the document that has the nice drawings and has a lot of description about what it is you are trying to achieve as a planning outcome, is not a statutory instrument in its own right. What you have taken from that body of work is an uplift of the land use planning policy elements and you have put them into the territory plan. They then become the basis upon which you make future development assessments for individual proposals that come forward.

That does not mean that the residual of the document has no relevance. It will always be looked at as a strategic planning document and on occasions those documents will be looked at as to whether or not they remain current. They need to be revisited. In the case of the Jamison master plan, there was a very unequivocal statement in it that talked about this plan having duration for more than a decade. As far as I am concerned, that document is still largely a work in progress in terms of its implementation.

MR COE: Whether it is in a fact sheet form or in some statement, I think it would be worth while having on the website what that process is, as briefly as possible, and giving some context as to where the master plans actually sit—because that is certainly a question that we regularly get.

Mr Corbell: All right. We can do that.

MR COE: Thank you. At a meeting that I hosted, where we had 230 people, it was one of the issues that came up repeatedly.

Mr Corbell: We are very happy to do that, Mr Coe.

MR COE: It is just where the master plans actually sit and the process. Certainly, that might help.

Mr Corbell: We are very happy to do that.

MR COE: Can we have an update on Hawker? Where are we at with that?

Mr Savery: The Hawker group centre does not have a master plan. As the minister made reference to before, as a result of a proposed land sale, it obviously attracted a lot of interest. As a consequence of that government has made a commitment to undertake a master plan. That process is being managed by what is now the Economic Development Directorate.

We will be the recipients, presumably, of that master plan. We will undertake to analyse what are the relevant aspects of that that should be uplifted into the territory plan. In the new format territory plan it will likely be in the form of a precinct code. That process will probably take in the order of 12 months, because it has got to go through the normal Assembly committee process.

THE CHAIR: All right. Mr Rattenbury, on a new question.

MR RATTENBURY: I want to ask some questions about the safety inspections for solar installations—Mr Simmons's area. I received a letter from Minister Barr on 2 May in response to questions that I had posed. In that letter he said:

It is also important to clarify that there are only two sets of enforceable standards in the ACT: the Australian Wiring Rules (ASNZ 3000) ... and the ActewAGL Service and Installation Rules (the S&I Rules).

Is that a correct summation of what is applicable in the ACT?

Mr Simmons: Within ACT law, yes.

MR RATTENBURY: Or within the ACT?

Mr Simmons: Are you asking what the role of the Clean Energy Council is in this?

MR RATTENBURY: I believe there are a number of other standards, such as AS5033.

Mr Simmons: They are all partner standards. They are all called up by AS3000.

MR RATTENBURY: Okay.

Mr Simmons: So what happens is that, when you go to do an installation like this, it then references within AS3000. AS3000 is the principal standard. Everything else is subordinate and dragged through because of it. So that is why AS3000 is the principal—because the electrician is licensed and is required to work in accordance with that and all of its reference standards. Those other standards are reference standards within AS3000.

MR RATTENBURY: So does that also apply to AS4777, the grid connection standard, as well?

Mr Simmons: 4777, yes, is a reference standard too.

MR RATTENBURY: In the same letter, Minister Barr made reference to the use of DC circuit breakers when it comes to solar installations. Are they actually used in solar installation? My understanding is they are not.

Mr Simmons: There is a debate within the industry about this. They have been used in other jurisdictions, and it has caused some degree of problem. People have sought to use them as DC switches, which they are not, and that is where the confusion has been at a national level. It is identified here because our inspection rate is 100 per cent, which is by far and away superior to any other jurisdiction in the country.

MR RATTENBURY: I want to ask then in that vein—and the minister touched on the double inspections in energy estimates the other day—in the ACT, when the safety inspectors come out to a property to inspect, do they go up on the roof to check that the polarised isolators have been installed correctly?

Mr Simmons: The answer to that is it depends. We, like every other regulator in the country, have been learning on the job. We are further ahead than anybody else, and our inspection techniques and what we inspect for has changed. Until early this year we were considered to be aberrant in a requirement for having rooftop isolators. In fact, the Clean Energy Council and a number of their people argued that we were inconsistent with the rules for requiring them.

The floods in Queensland sort of put that one to bed, because once the sun came out and the water was still there, they started generating again. Without a rooftop isolator, it is a very difficult disconnection job, as in it is not possible. We sort of won that debate, but that has been three to four years of being told we were wrong by others. We insist on that. We do get on the roof now where the roof is safe for our inspectors to get on it. There are occupational health and safety laws we must abide by as well.

The safety inspections we are doing are to ensure that there are no electrical faults within the system. So each installation is judged on its merits about its safety. I would not say that we climb on every roof, but we do inspect on the roofs as well.

MR RATTENBURY: Just so that I understand correctly, do all installed systems have a polarised isolator on the roof?

Mr Simmons: I would have to get back to you on whether they are all isolated on the roof. I will have to confirm with you the exact detail, because there was a debate this week about that. The preference is to use non-polarised switching devices, because that takes the issue away.

MR RATTENBURY: I understand that is the emerging trend.

Mr Simmons: Yes.

MR RATTENBURY: If you do not get on the roof to check the isolators on all occasions, how do you know that they are installed correctly?

Mr Simmons: Because you can test the polarisation at the inverter, because it comes down as DC to the inverter.

MR RATTENBURY: Okay, thank you. Regarding electrical licensees, again, the minister made some reference to the loss of demerit points. Have any electrical licensees in the ACT lost demerit points because of the installation of solar systems specifically?

Mr Simmons: Many. Many. The registrar has cancelled six electrical licences so far this year.

MR RATTENBURY: And have they been because of solar, or have they been for a range of reasons?

Mr Simmons: Some of them for a range of reasons. Two in particular, which were people who came from New South Wales, had a licence for exactly one month. Between the pair of them, they managed to get 76 demerit points the first time they submitted material to us.

MR HARGREAVES: That was a bit of an effort, wasn't it?

THE CHAIR: Can you reference how many demerit points you need to lose your licence?

Mr Simmons: Fifteen. They did not just come up to the bar; they got pole vaulted out. We shifted to 100 per cent inspection around 2007, because our 10 per cent inspection rate was showing large areas of non-compliance that indicated it was going to be a problem for us. I think the rest of the country is catching up to that. These are complicated installs. They have a range of things that can vary from what people think to be a minor issue all the way through to major.

A minor issue is that people say to us that we are very hard on labelling. There is a requirement that labels must be on all and they must be indelibly marked. People put stickers on. Stickers peel off. They say, "Why would you stop an installation for that?" Because when emergency service workers come along, they need to know there is a second source of supply. If a tree falls and crashes through the roof or the house is on fire, the fact that you can see from a substantial distance—from more than two metres away—that there is a second source of supply is an essential safety matter when something has gone wrong. So we do not allow them to go ahead. A lot of people say that we are being overly officious on that point. But our emergency service workers and those people who work for ActewAGL need to know where those second sources of supply are, because they do occur at full voltage.

MR RATTENBURY: Thank you. Perhaps to wrap that up then, can I take it from the comments you have made that you are confident that the problems that have been identified by some of the federal government audit programs and certainly the issues that have been in the press in New South Wales in the last few days are not an issue in the ACT?

Mr Simmons: You cannot say that 100 per cent of the time you are going to get it 100 per cent right. But we have taken, in our view, every precaution that is possible for us. We welcome another set of eyes from the people the commonwealth has put in place to come and test if there are any things that have gone wrong with our systems. Our entire electrical inspectorate has been stopped twice now where we have had more experienced people come in and spend a day with our inspectors. The one earlier this year was where we got the inspectors because the technology is moving so fast—what people are installing and the size of it. If you look at what has been happening in pricing and what the commonwealth incentive has done to drop price, average systems have increased in size. The cells are much better at generating in much lower light conditions. The electrical characteristics of PV arrays are very different to normal electrical equipment. They are constant voltage but variable current. Most of the stuff you use in your house is, in fact, constant. It is constant current and variable voltage. So at very low light conditions they come up to what we call the lethal potential. Anything above 50 volts AC or 120 volts DC has lethal potential. These things get there very quickly in very low light conditions. Some of the new panels are activated by street lighting, and when they are going off, you are talking about a lethal voltage at that point.

Mr Savery: Can I make the observation—and you can detect, obviously, the level of expertise in the room—that, just as we are benefiting from the extra pair of eyes, I think it is fair to say that they are benefiting from talking to us. There is a lot of feedback going the other way.

MR RATTENBURY: Thank you for the comprehensive answers.

THE CHAIR: Just a final one on that whole issue of assessment, Mr Seselja asked some questions earlier about energy rating assessments. I had heard that some of the assessors were having trouble getting insurance. Is that correct?

Mr Simmons: That has not been raised with me, but I can look into it for you.

THE CHAIR: Yes, could you? That is great. Thanks very much.

Mr Simmons: Yes. If you have got anything specific, that would help.

THE CHAIR: No, it was sometimes seen as perhaps dangerous. They might have to go up on a roof or down to a crawl space or something and, therefore, for some of them, it had been difficult. There was nothing specific, but if you can check that, that would be great. Thank you.

We have got a few minutes before quarter to 4, and we will go to afternoon tea at that stage. Minister, section 63, can you give us an update on what is currently happening at the site?

Mr Corbell: The Canberra Centre QIC?

THE CHAIR: No, 63 is the other side. We will get to Canberra Centre next.

Mr Corbell: Leighton's, I beg your pardon. I cannot, but I will ask if one of my

officials can.

Mr Savery: As far as we are aware, the lessee of the land, who are also obviously the developer of the land—Leighton property holdings with Mirvac—are waiting for a tenant and are actively out there seeking a tenant. We understand that if they secure a tenant for any of the four major buildings that have been approved—they have a works approval from the National Capital Authority—they will proceed with development, but they do not intend to spec develop anything.

THE CHAIR: All right. When did they purchase the blocks?

Mr Savery: Three or four years ago.

THE CHAIR: All right. Is section 63 still under a holding lease?

Mr Savery: Yes, yes.

THE CHAIR: So development will commence if they get a tenant. Have any penalties been imposed on the owners of the site for not proceeding?

Mr Savery: No, no.

THE CHAIR: No? Okay. Back to your favourite, therefore, because it obviously popped into your head—Canberra Centre, the section on Bunda Street—

Mr Savery: Precinct D, which is block 100 or section 100. We have been involved in a number of conversations with the lessee of that property. Obviously in the current climate they have been reappraising what their commercial opportunities are on that site. We asked them to undertake a master plan exercise because it is a fairly large site—so revisit the master plan that had already been completed so that we could go back to government with a view to making recommendations as to whether or not government should support any changes.

One of the things we have done is insist that the residential component of that precinct must be retained. If you recall, the master plan that is current allows for significant commercial, including retail and office space plus car parking, but it also requires and has an expectation for residential development in the order of about 330 units. It has always been the government's expectation it would be a mixed use development. We have said, "You can't just get to the end and then say, 'Well, we won't do the residential.'" It has got to be delivered.

THE CHAIR: So why did you go back and ask for a new master plan when there was a master plan in place?

Mr Savery: Because the master plan was uplifted into the territory plan as part of the new territory plan structure. It is our view that what they have to date indicated they would like to do would require at a minimum a technical amendment to the territory plan, and that warrants a revisit of the master plan. But also consistent with what we do with major developments is encourage them to consult with the community as a developer. We have said the best way to do that is go out with a revised master

plan and engage with the community.

THE CHAIR: So when is that likely to happen?

Mr Savery: I would have to say, sitting here, I am somewhat surprised it has not happened. So it could be anytime. It is in their hands.

THE CHAIR: All right, so section 100, is that under a holding lease or—

Mr Savery: That is under a holding lease, and 2015 is the date for completion of Precinct D.

THE CHAIR: So for how long have they had a holding lease on that section?

Mr Savery: Close to 15 years, I think.

Mr Simmons: I would need to confirm that.

Mr Savery: It is a fair time.

THE CHAIR: So have there been any penalties imposed?

Mr Savery: It was pre your turn of events.

THE CHAIR: Yes, it dates back to my time as minister. So, is this land banking or—

Mr Corbell: It was sold in the late 1990s.

Mr Savery: Yes, that is right.

THE CHAIR: Yes, but is this land banking?

Mr Savery: No, I do not think so. I think this is realistically them progressively going through the process of developing a very large complex. Getting to the last bit, global financial crisis, downturn in tenancies. I mean, we have obviously got an increased—

THE CHAIR: Huge pressure on residential need, particularly—

Mr Savery: Yes, absolutely, and that is why we have been very firm that we are not going to relent on that residential component being delivered. But they are looking to diversify the uses of development on that site.

THE CHAIR: Sure. Have any penalties been imposed on the owner of the site for non-compliance?

Mr Savery: I do not believe so, but I—

Mr Ponton: The extension of time does not come in under a holding lease. It comes in once the lease is granted. So the commence and complete covenants are functions of the lease once it is granted. These are holding leases, so it does not trigger. That is

how the leasehold system deals with the long-term need.

THE CHAIR: All right. A supplementary, Ms Le Couteur, and then we will go to afternoon tea.

MS LE COUTEUR: Have you looked at the impacts on businesses in the rest of Civic, and Centrepoint, of course, comes to mind? Is that going to be part of the studies that the developer has to do—

Mr Savery: It is. It is.

MS LE COUTEUR: And will they be public studies?

Mr Savery: They have been requested by us, if not required by us, as part of the process to prepare a business impact statement.

MS LE COUTEUR: Will that become public information?

Mr Savery: It would become part of the development process, and they are public documents. There may be something in there that they ultimately determine they want to have as commercial in confidence, but, in that case, I would not submit it as part of the development application, because anything they do, we will make public.

THE CHAIR: All right, we might break there and resume at 4 o'clock.

Meeting adjourned from 3.40 to 3.58 pm.

THE CHAIR: Minister, welcome back. We will resume. Minister, can we go to the issue of the Government Architect in BP3, page 103. I see the architect is funded for two years. Why is it only funded for the two years?

Mr Corbell: The Government Architect also has an academic position at the University of Canberra. The territory entered into a contract for provision of services from Alastair Swain, as an academic at the University of Canberra, for the purposes of the role of Government Architect, and that is when the contract concludes.

THE CHAIR: So it is only a two-year position?

Mr Corbell: No, it started the previous year. It is a three-year position.

THE CHAIR: Okay, so this is the second half of the funding. What happens at the end of 2012-13?

Mr Corbell: The government will revisit the arrangement with the university prior to the contract concluding.

THE CHAIR: Did the government ask for a three-year contract or did the university?

Mr Corbell: I honestly do not know, Mr Smyth. Three years is a fairly standard term for a contract, but I am happy to find out.

THE CHAIR: So it is not an ongoing position? What will the government do at the end of the three years?

Mr Corbell: As I said, we will renegotiate the contract. Obviously it depends on the availability firstly of the individual at that time.

THE CHAIR: Ms Hunter, a new question?

MS HUNTER: Yes, certainly. I want to talk about development application processes. I was wondering why a development application is allowed to be put forward that is essentially the same as the original DA, even if that original DA was rejected in ACAT.

Mr Savery: If I can make an initial comment on that, and then Mr Ponton might want to expand on it. I find that every time we have estimates there is always at least one question that raises some difficulties for us because it is an active development application. So, again, we have to be somewhat cautious here.

The first thing I would say is that the application that we have received that I believe you are referring to is different. So I do not believe that the issue even arises. But in the event that it did arise, there are legal points in respect of that matter that are the subject of debate as part of the process of assessing that development application, which involves getting legal advice that I am not even privy to at the moment. That point has been raised by lawyers acting for a particular individual. That matter has been referred to the Government Solicitor for advice, and we will be receiving a response. But my first observation, unless Mr Ponton wants to correct me, is that the application is not identical to the previous application.

MS LE COUTEUR: I am not sure exactly which case you are referring to, but this is not something that I would say is a one-off or unique. Every few months I get an email from a group of people who say, "Look, we had this DA, it got rejected for whatever reason, it's come back again, it's essentially the same, there's maybe one unit less, we haven't been notified, we put in our complaints before, we haven't been notified," or "ACTPLA is expecting us to go through and do it all again." In general, is there any threshold for differences, so that we do not just wear out the community?

Mr Savery: It is not a common occurrence. I think that in many of the circumstances that you are raising it is not necessarily a new application; it may be compliance with a condition imposed by the tribunal or it may be that revised plans have been submitted. So on each occasion we would have to consider it on its merits in terms of what particular pathway it is going down as part of the development application.

But you made the point in your comments that it may be that one unit has been dropped. That is an entirely different development application. We do not have a right under the act to say to someone, "We will not accept your development application because this looks pretty much the same as the last one," when it is different. And even if it is identical, there are still questions of law, if that matter has been before the tribunal and the tribunal has determined that the application should not proceed, as to whether or not ACTPLA can accept a new development application.

MS LE COUTEUR: Okay. In terms of what I suspect is the DA that you talked about earlier, can you talk at all about what the differences are between the two? I suspect the answer is no, but—

Mr Savery: I can. In order to answer the question, I obviously have to declare what the application is.

MS LE COUTEUR: I assume we are talking about Giralang?

Mr Savery: Yes, the shopping centre proposal at Giralang. As far as we are concerned, the supermarket proposal—and let me just reinforce that we are not interested at all about who the operator of the supermarket is. It is not part of the assessment of the development application.

MS LE COUTEUR: I do appreciate that.

Mr Savery: It is a smaller supermarket than the previous proposal, and there is an increase in the number of specialty shops. They would be the two primary differences.

MS LE COUTEUR: Given that there are differences, the current DA contains documents which are dated January 2010, which have to be part of the previous DA. Given that you are saying they are different, how can you still have the same—

Mr Savery: Again, ACTPLA cannot dictate to someone what they submit with an application. That is what they have determined that they want to submit with their application. It is our job to assess whether or not that is adequate for the purposes of assessing the development application.

Without the benefit of having spoken to them as to why they have done it, one would assume that they have submitted that material because they believe that it is still adequate and relevant for the purposes of the new proposal, even though that proposal may be somewhat different from the original proposal. An example is traffic management. If this is now a smaller proposal but they did a traffic management report for a larger proposal, they could resubmit it and say, “Well, the impacts are going to be less, so I’m not going to go and do a new one, because I’ve actually done one for a larger development.” It would be that sort of approach.

MS LE COUTEUR: We talked about the small business impact assessment for the QIC development in Civic. There was not one attached to these DAs. This is something that the Greens have been on about for a long time. Why don’t we have any small business impact assessment for significant retail developments?

Mr Savery: We do. There was an economic impact assessment submitted as part of the application. In addition to that, ACTPLA engaged its own expert advice to assist it in examining the adequacy of that and the authenticity—well, not the authenticity of it but that what was said in it was going to be a reasonable assessment of the impact of this development.

MS LE COUTEUR: Is that also part of the DA that I have not noticed in this? There

is a lot to it.

Mr Savery: Yes, it is.

MS LE COUTEUR: Good. Why is there no change of use charge valuation attached to the current DA application, given my understanding that it is one of the things that you are supposed to do?

Mr Ponton: I would need to have a look at that in more detail. My understanding is that the proposal does include a variation to the lease and therefore there should be a valuation report with a before-and-after value identified. But I can certainly clarify that for you.

MS LE COUTEUR: Thank you. Is ACTPLA aware that Woolworths instigated an ACAT hearing to require that all the evidence be destroyed that was subpoenaed from objectors through the previous ACAT case that was rejected in 2010?

Mr Savery: We are, because we were a party to it. We were one of the other parties, so that applied to us.

MS LE COUTEUR: That is all on that particular one.

THE CHAIR: Mr Hargreaves, a new question?

MR HARGREAVES: No, I am fine, thank you. I think our planning system is in great hands and great shape.

THE CHAIR: Mr Savery is doing well, yes. Over to you, Mr Seselja.

MR SESELJA: Thank you, chair. Just before I move on to another line of questioning, Mr Chair, I have a quick follow-on from a question you asked earlier on section 63. I think the answer was that no penalties had been imposed, even though nothing has been developed. Could we have a reason why? I know that the government's policy has been that they have put in place this regime so that people do not sit on blocks of land, and there would be many other builders and developers who would face penalties if they had several years without developing. Why is it that the owners of section 63 are not subject to any penalties?

Mr Savery: I believe in your absence that a response was given to this question in relation to section 100 on QIC. It is a holding lease.

MR SESELJA: Is that the reason why there is no penalty?

Mr Savery: That is right, and the holding lease allows for staging of the development.

MR SESELJA: There is no staging at this stage. There is nothing happening.

Mr Savery: Well, there is. The approvals that have been granted actually provide for the staging of development.

MR SESELJA: Okay. So if they have not developed on this in five years time, are you saying that they still would not be subject to any penalties?

Mr Savery: Until the lease expires.

Mr Simmons: Until the provisions of the holding lease are dealt with—and I am not sure what each of them is. The section that I look after is when a crown lease is activated and all the commencement is complete and covenants are in, and then you start to develop. One of the things that has happened as part of this process is that people would come in, look and just take the standard 12 and 24 months. Some buildings are just never going to be built that quickly. So what has happened is the process of saying to people before they take that lease, “Is this enough time?” To think of one in particular, an aged-care facility, they said, “Well, what we need is 60 months to complete.” So their lease was 60 months.

MR SESELJA: So how long is this holding lease for?

Mr Simmons: I am not sure. It is not my—

Mr Savery: We would have to get back to you.

MR SESELJA: Okay, that would be good. With respect to the Auditor-General’s report on the north Weston pond project, there are some pretty concerning findings in here, minister—not just that it has blown out now by around \$22 million, more than double the original project, but if you go through the key findings, it does not reflect well on the government overall. It suggests that a lot of the lessons of previous project blow-outs have not been learnt. I might get you to respond to some of the individual findings and why this has still been allowed to happen, even after these kinds of problems have been identified time after time.

One of the findings is that there was no single project owner with responsibility for the project. Another one is that ACTPLA did not establish effective project management or governance arrangements for the pond project. ACT Procurement Solutions was responsible for managing consultant and contractor performance and there was little documentation to support the rigorous examination of consultants’ advice. And it goes on. Could you respond and give us an indication as to why this is still allowed to happen? We have seen these kinds of issues raised before and it does lead us to conclude that perhaps not much has changed.

Mr Corbell: Yes. Thanks, Mr Seselja. A couple of comments. The first is that this is a very comprehensive Auditor-General’s report which was instigated at the request of the government, so this was a report where the government sought to find out what went wrong in relation to this project. The Auditor-General has given us a very comprehensive report, one that is very detailed. The government is going to take the opportunity to work through the specific detail of the report and provide a comprehensive response in relation to the report.

MR SESELJA: But the government has agreed to take on the recommendations at this stage, I believe. Is that incorrect?

Mr Corbell: The agencies have accepted the recommendations that have been made, in large.

MR SESELJA: So they have effectively acknowledged that the report is broadly correct. So going back to the—

Mr Corbell: I think it would be fair to say that there is some disagreement between agencies and the Auditor-General about some of the commentary, but in relation to the specific recommendations overall the agencies consider those recommendations to be sensible recommendations.

MR SESELJA: Which parts of the commentary are wrong?

Mr Corbell: I would simply refer you to the correspondence, which is incorporated in the report from the relevant agency heads, which draws the Auditor-General's attention to those matters.

MR SESELJA: You have seen the report, obviously—probably before it was published, minister. Do you believe that the taxpayer has been let down on this?

Mr Corbell: I believe that we need to use this exercise to further improve our processes, and that is what the government will be doing. The government will be looking very closely at the report now that it has been formally released and following through on the issues that the Auditor-General raises.

MR SESELJA: So you have got nothing further to add as to why these significant flaws were allowed to happen after we have seen many projects that have had significant criticisms from the Auditor-General. Each time, whether it is things like FireLink or any number of projects, we see the Auditor-General giving strong recommendations for change, but it would appear that those recommendations simply have not been taken up. If they had, we would not continually get these kinds of problems.

Mr Corbell: I am not going to engage in a blow-by-blow analysis today about the detail of the Auditor-General's report. It is a comprehensive report; it is a very detailed report. The government will take the time to properly consider all the issues in the report and make sure that they are appropriately addressed.

MR SESELJA: Another key finding in the environmental assessments is:

The Remedial Action Plan under-estimated the quantity of contaminated material and processes required to manage the asbestos containing material.

Perhaps Mr Savery can enlighten us as to how that was allowed to happen.

Mr Corbell: I do not think it is useful to engage in some blow-by-blow analysis here. Certainly it is open to Mr Savery to make some comments about ACTPLA's engagement in this process, and I will ask him to do that in a moment, but the government as a whole will be taking the time to consider very carefully this report. The government sought this report. The government wanted the Auditor-General to

have a close look at what occurred in relation to this project. For that reason, we will be looking very carefully at the auditor's report and what steps need to be taken now. I will ask Mr Savery if he would like to comment now.

Mr Savery: Certainly. Obviously, I would draw your attention to the comments that I have been quoted on in the Auditor-General's report. And referring back to the minister's previous comment, we do agree with the auditor's recommendations in that he has identified areas in which processes can be improved. But, as I have indicated, we do not agree with all of the findings. I do not agree that we did not undertake adequate risk management, which includes the risk administration plan—the risk audit plan, the RAP—or that there were not appropriate governance arrangements in place. In fact, in the Auditor-General's media release of today, he talks about the fact that:

Individual processes associated with the planning, design and construction of the pond were generally appropriate and in accordance with industry practice.

In that respect, we agree with the Auditor-General that we followed good process. But the Auditor-General has, with the benefit of hindsight, said that there could have been better process and practice, and that is what is included in the recommendations.

THE CHAIR: Just to interrupt there, Mr Savery—I am sorry, but you might like to read the next line.

Mr Savery: Yes; I have.

THE CHAIR: It goes on to say:

However, ACT Government agencies did not effectively combine the information and knowledge generated from each process ...

Mr Savery: And I was about to make that observation—that I believe that that is a recommendation that we agree with. But, for instance, on the following page of that release, he goes on to say “apply a robust risk management framework”, implement appropriate project governance” et cetera. I believe that we had all of those in place. There is plenty of evidence that we have provided to the Auditor-General that supports our case that we had good process and practice in place that met industry standard, that met national guidelines. The Auditor-General has said, “Well, I think that we can improve upon that.” We accept and agree with that. Obviously, they are matters for the government—to determine if in its response it will accept that. And one of those does relate to how we improve the transfer of projects from their planning and design through to their construction, which is one of the recommendations that we agree with.

THE CHAIR: Yes, but—perhaps more for the minister rather than for you, Mr Savery—there is a litany of failures now. There is the GDE: we built half a road; we are now building it at four times the original estimate. The prison is at 75 per cent of the capacity that was estimated for \$110 million, yet we spent 131 and it is still not complete. FireLink speaks for itself. Yesterday we discovered that the ponds that were to cost 13.8 are now costing \$21.3 million. We have got a Jerrabomberra fire shed where you cannot get trucks into two bays. And at Rivers fire shed, you cannot

adequately sit in the toilet, I am told. And of course, there is the blow-out at the Fairbairn HQ.

When will the government learn these lessons? The Auditor-General comes out and says that you do not apply robust risk management framework, you do not implement appropriate project governance and you do not critically assess the feasibility of the project. This is not just a one-off; this is another disaster. Minister, you have had a hand in many of them and the taxpayer is now getting a pond that is much smaller for a 109 per cent increase on the cost.

Mr Corbell: I am not going to go into some debate that is probably better left for the chamber, Mr Smyth, but in relation to the specifics of the Auditor-General's report, as I have said, the government sought this report. It wanted to understand fully what occurred in relation to this project and how government processes could be improved. That is what we have done in getting this report. We will now look at it very closely. And, as has already been indicated, agencies have already indicated their acceptance of the recommendations made by the Auditor-General.

MR SESELJA: Do you continue to have confidence in these agencies' abilities to get it done? You were very critical yesterday of the contractors. Whose fault is this? Is it contractors? Is it your agencies? Is it the minister? Is it the government? Who is going to now take responsibility? And what do you see that is going to happen differently now from the other reports that the Auditor-General has recommended, which do not seem to have been followed in the past?

Mr Corbell: It is worth making the observation that of course the government has implemented significant structural reform to join together disparate parts of the ACT government that were involved in this project, to make sure that they work more closely together. For example, within this directorate that you are examining today, the functions around environment protection and around the planning of estates have been brought together into a single directorate. That is about joining up the dots and making sure that there is better communication between relevant parts of government to make sure that there is a greater sense and actuality of corporate ownership and governance for outcomes. That is what the Hawke reform is all about and that is why the government has implemented the great bulk of those reforms.

MR HANSON: If you are saying that the reason for this was disparate government structures, do you then, yourself and the government collectively, take responsibility for that? You are saying it then was not the executives on the ground and it was not the agencies on the ground; it was because they were given an impossible structure with which to work. That is basically what you just said. Do you therefore admit that the government and the way it has set up its various departments and organisations caused what has happened here and in other situations? That is what you just said to us.

Mr Corbell: That is what you say I said to you.

MR HANSON: You gave that as an explanation to Mr Seselja.

Mr Corbell: Mr Hanson—

MR SESELJA: It is a reasonable extrapolation.

MR HANSON: You gave that as your explanation.

Mr Corbell: I am not going to have—

THE CHAIR: Let him answer.

Mr Corbell: I am not going to sit here and let you put any words in my mouth, Mr Hanson. What I am saying in response to Mr Seselja's question, "What steps is the government going to take to deal with these sorts of issues?"—I have outlined that already the government has taken steps in relation to the organisational structure—

MR HANSON: His question was "Who is responsible?"

Mr Corbell: Will you let me answer the question or not?

MR HANSON: No. You just said something wrong.

MR HARGREAVES: Let him answer the question.

MR HANSON: You misled in terms of what Mr Seselja said.

Mr Corbell: Clearly Mr Hanson is not interested in my answer.

MR HANSON: What Mr Seselja said was "Who is responsible? Who is liable? Who is accountable?" That was what he said, not "What you are going to do about it?"

Mr Corbell: I have answered the question, Mr Hanson.

THE CHAIR: The audit conclusion on page 9 says:

The project has required significant redesign to address escalating costs due to risks that were known at the earliest stages of the project.

Minister, given that these risks were known at the earliest stage of the project, why did cabinet approve the project?

Mr Corbell: It is not for me to comment on the conclusions cabinet reached in relation to this matter.

THE CHAIR: Why did the government go ahead with the project if the risks were known from the earliest stages of the project?

Mr Corbell: The construction of this project is necessary to enable the development of new suburbs. There needs to be a facility of a stormwater pond to meet the relevant standards in relation to water quality and stormwater management for the new urban development front. Without that, it is not feasible to develop that new urban development front. So at the highest level, the construction of this asset is critical to

the release of land, to improve housing affordability, to make more land available to the market.

THE CHAIR: The auditor notes, and it is worth reading this line:

The original planned completion date of May 2011 has not been met.

When will the ponds be completed?

Mr Savery: Through the minister and chair, the audit makes reference to the fact that the project has recommenced. Literally speaking, that is that the contractor is back on site, but not constructing the ponds. The pond is being redesigned from a single pond into two ponds with a reduced volume, and that is reported in the audit report. That will be going to cabinet, or certainly to the minister in the first instance and potentially to cabinet, I believe, with the aim of getting the contractor constructing the pond again in May-June, so around now—June.

THE CHAIR: All right. What was the initial volume and what is the reduced volume of the ponds?

Mr Savery: The original volume was 280 megalitres; the revised volume is 180 megalitres.

THE CHAIR: So 280 down to—

Mr Savery: It is 280 megalitres to 180 megalitres.

THE CHAIR: So it has been cut by effectively more than a third, and according to the auditor the cost is going from \$20.8 million to \$43 million.

Mr Savery: That is the estimate.

THE CHAIR: Will it go beyond \$43.4 million?

Mr Savery: Until we have got final design, and therefore the quantity surveyors can give a reliable cost estimate, that is an estimate I understand has been discussed with the current contractor based on the revised design.

THE CHAIR: So the 43.4 is not guaranteed. If more money is required, where will that come from initially?

Mr Savery: I cannot speculate on that.

Mr Corbell: That would be a matter for government to consider—if that occurs, but that is a hypothetical situation at this point.

MR SESELJA: But the government is committed to this aspect of the—

MR HANSON: Supplementary, Mr Smyth.

MR SESELJA: This \$43 million project.

Mr Corbell: The government has made appropriation.

MR HANSON: Minister, these do appear to be systemic issues. We see them repeated. I am just trying to look to see whether that is the case. Can you point to a project of significance that has been delivered on time, on budget and on scope by this government?

Mr Corbell: Stage 1 of John Gorton Drive.

MR HANSON: Do you have any others? In 10 years of delivering projects of significance, could we—

Mr Corbell: I would be very happy to provide a list, Mr Hanson, should you wish.

MR HANSON: You cannot think of any right now? You have got your passion for planning that you talked about earlier. You cannot name a single project, and you are having to get advice from your department officials to try and come up with one, in 10 years, that has been delivered on time, on budget and on scope.

Mr Corbell: Believe it or not, Mr Hanson, I do not walk around with a list of infrastructure projects in my head—and their completion dates, target and actual.

MR SESELJA: It would not be a very long list, though. It would not be that hard to remember.

MR HANSON: It is extraordinary.

Mr Corbell: You can ask these sorts of childish questions if you like.

MR HANSON: I do not think it is childish.

Mr Corbell: But if you are interested in a serious answer—

MR HANSON: I was expecting a serious answer.

Mr Corbell: I am sure you will do me the courtesy of letting me prepare one for you.

THE CHAIR: That is not unreasonable. We asked the minister the same question last year about ESA projects. He could not come up with one, so he came back with a list and—

MR SESELJA: I do remember that I asked a similar question on notice in the Assembly.

MR HARGREAVES: Isn't that enough puerile commentary along the way?

THE CHAIR: Minister, on page 17, at the key findings, the auditor says:

There was no single project owner with responsibility for the project from its inception through to its construction.

Why did the government allow such a project to go ahead with no single project owner?

Mr Corbell: Again, Mr Smyth, as I said, I am not going to go into a blow-by-blow commentary on every aspect of the Auditor-General's report at this time. The government will comprehensively review the report and adopt the necessary measures needed to address the issues raised by the report.

THE CHAIR: All right. On page 33, under the key findings under "Environmental Assessments", the auditor finds:

At the earliest stages of the project, the Environment Protection Authority communicated the general environmental and contamination risks associated with the site to consultants engaged for the pond project.

Why was this ignored?

Mr Corbell: Again, I will refer you to my previous answer, Mr Smyth.

THE CHAIR: Is there nothing you know about this project, minister?

Mr Corbell: Mr Smyth, as I have indicated to you previously, I am not going to engage in a blow-by-blow analysis of every element of the report at this time. The government is going to consider the report in detail, take the appropriate steps to ensure that the issues raised by the Auditor-General are rectified and, as is the normal course in relation to Auditor-General's reports, respond to the report.

THE CHAIR: On page 45, under the key findings, the auditor finds:

ACTPLA did not adequately recognise and cost issues identified during the environmental and geotechnical assessments during the planning process. These include risks associated with the integrity of the Molonglo Valley Interceptor Sewer (an ageing structure) and the existence of former Weston Creek Sewerage Treatment Plant structures at the location of the pond.

How was that able to happen?

Mr Corbell: I refer you to my previous answer, Mr Smyth.

THE CHAIR: The auditor goes on and says:

ACTPLA did not adequately document acceptance of the pond design or the risks associated with the selected design option and measures to address these risks.

How did that happen, minister?

Mr Corbell: I refer you to my previous answer, Mr Smyth.

THE CHAIR: I have to say—

MR HARGREAVES: I have got a supplementary, Mr Smyth.

THE CHAIR: Go, Mr Hargreaves—a supplementary.

MR HARGREAVES: Minister, are you aware that the Auditor-General's report was delivered to members' offices at the lunch break today, and therefore most members in this place have not had a chance to read it yet?

Mr Corbell: I am aware that it was released at lunch-time today, Mr Hargreaves.

THE CHAIR: I only got it earlier. I have had a chance to read it.

MR HANSON: What were you doing at lunch time, John?

MR HARGREAVES: I was having an oxtail and tomato soup, if you would like to know, without pepper.

THE CHAIR: What is the process now—

MR SESELJA: How was it?

MR HANSON: Without pepper?

MR HARGREAVES: It was delightful.

THE CHAIR: Minister, when will members get an answer to these questions?

Mr Corbell: When the government prepares its response and provides it to the Assembly.

THE CHAIR: I started by asking the question “What has changed?” Yet here we have another report. We can change the structure, we can colour the structure in different colours and we can go from department to directorate, but how can you guarantee the people of the ACT that the \$4 billion that is in this budget and the \$58 million that is coming to ACTPLA will be spent wisely in the future and that we will not have yet another disaster in the long list of disasters of Gungahlin Drive, the prison, FireLink, the ponds, the Jerrabomberra fire shed, Fairbairn HQ and now the north Weston pond project?

Mr Corbell: Again, as I said to you earlier, Mr Smyth, we can have a debate, but I do not think the estimates committee is a place for debate. We can make these rhetorical points in the chamber, if you like, and I am sure we will join battle on those issues. But in relation to the specifics of this report—the government sought this report. The government commissioned this report, asked the Auditor-General to look at these issues, because we recognised that there were issues that needed to be addressed. That is why we will treat the report seriously; we will review it in detail and we will provide our comprehensive response in due course.

THE CHAIR: It is a good tactic to refer a report or an issue to the Auditor-General. You were under a lot of pressure at the time. But the government is asking this committee to explore whether or not it should get \$4 billion to expend on behalf of the people of the ACT. I think it is specifically \$58 million for ACTPLA. Given what the Auditor-General has said, and given that you are now the minister in charge and there are new arrangements, what has changed that should lead us as a committee to have confidence that you can now deliver capital works projects on time and on budget when the record of the government over the past 10 years is particularly poor in this area?

Mr Corbell: Again, Mr Smyth, it is a rhetorical debating point that you are raising and—

THE CHAIR: It was hardly rhetorical, minister; it is accurate.

Mr Corbell: Mr Smyth, I doubt whether there is anything I could say that would change your mind, but of course that is because you want my job.

THE CHAIR: But you have not said anything about what will be different.

Mr Corbell: That is the way it is, Mr Smyth.

THE CHAIR: I will refer you to the front page of the *CityNews* where—

MR HARGREAVES: Minister, can I put on the record that I do not want your job.

Mr Corbell: I know that, Mr Hargreaves.

THE CHAIR: John, they would not trust you, mate. They do not want you there.

MR HARGREAVES: They did not trust you in the 2001 election, did they? I remember that.

THE CHAIR: For instance, Michael Moore, on the front page of the *CityNews*, says—

MR HANSON: You are both ministers who have been sacked in the past, so you do share that.

MR HARGREAVES: What—Brendan?

THE CHAIR: It says:

“Simon, it’s simple, no mistakes ...

How can you guarantee that? The mistakes continue.

MR HARGREAVES: Brendan was sacked by the electorate.

THE CHAIR: What has changed that will stop these mistakes? It is not an unreasonable question.

Mr Corbell: I have answered your question, Mr Smyth.

THE CHAIR: No. You have said that there is no change. You have not answered the question. All you have said in regard to the report—

Mr Corbell: No. I draw your attention to the answer I gave to Mr Seselja, which said that there has been a range of organisational reforms in relation to the operations of ACT administration.

THE CHAIR: We will move on. Obviously the minister has no answer to the criticism of the auditor, so we will move on to Ms Le Couteur with a new question.

MS LE COUTEUR: Thank you. I will go back to—

Mr Corbell: That is your commentary, Mr Smyth, not what I said.

THE CHAIR: You have been given ample opportunity to make some.

MR HARGREAVES: Order, please!

MS LE COUTEUR: I will go back to BP3, page 101, where we were before, but the top one now, “Maintain ACT Building Quality”. My assumption is that this is basically carrying on the work of the Building Quality Forum. Is that correct?

Mr Savery: It is, and if you want to go into the detail of that—

MS LE COUTEUR: Yes, a little bit.

Mr Savery: obviously I will defer to Mr Simmons, but this was an initiative of the—

THE CHAIR: Ms Le Couteur, are you sure you want him to defer to Mr Simmons?

MR HARGREAVES: Of course you do.

MS LE COUTEUR: Absolutely, Mr Simmons.

Mr Corbell: We enjoy it.

THE CHAIR: You have licence, Mr Simmons. Go forth.

Mr Savery: But not quite—

THE CHAIR: You were about to put the conditions on the licence?

Mr Savery: I would just like to provide a bit of context. Whilst obviously I am referring here to an initiative of the previous minister, it was a commitment made by the government at the time a number of concerns were being raised by the Owners

Corporation Network—people who were involved in body corporates associated with multi-unit developments who were experiencing problems with the quality of the buildings and problems in being able to deal with builders or owners of those particular properties.

The government, through ACTPLA, committed to a very significant undertaking in engaging with those groups and engaging with industry to identify what the problems were, what the scale of the problems were and what some of the solutions might be. This budget now reflects some of the findings of that work where the government has committed money to ACTPLA to follow through on a number of initiatives. I will ask Mr Simmons to talk specifically about what some of those are.

Mr Simmons: Is there any particular area you would like me to start in?

MR HARGREAVES: Yes, all of it.

Mr Simmons: A series of meetings post the building quality forum really divided up issues into what became four key areas of concern: owners' rights, insurance, skills and competence within the industry and the level of supervision. There were six or eight meetings of each of those groups where we went through and progressively worked through the issues to a point where there is a convergence of how the interrelationships between those four key elements work.

One of the big issues coming out of this is the commitment by the government to rewrite fundamentally the Building Act. The Building Act was rewritten in 2004, but if you look at it in terms of its structure, it was a refresh of the 1972 act. If you go from there to where we are today, a number of the issues that are fundamental to what the city will look like into the future are not dealt with by this Building Act.

The minister has already pointed out the statistics which, for the city, are unique—our stationary energy use for buildings is much higher than anywhere else. The Australia-wide average is about 26 per cent of energy consumed in buildings. In Canberra it is usually in a range between about 69 and 73 per cent. Most people pick around 70 as the amount of energy consumed in buildings, so it is a significant element.

The Building Act then deals with not just the new buildings—which are really the low-hanging fruit, quite frankly, when it comes to improving energy efficiency—but the existing buildings as well. Neither our Building Act nor anybody else's building act really aggressively deal with that issue. So one of the issues that has come out of this is that an opportunity to rewrite the Building Act gives us an opportunity to address not just issues of how a building gets put together and who is entitled to put it together but also energy issues and those issues which are becoming much more relevant within the industry and which the building code is progressively pushing.

If you look at the work that Mr Savery has done on the Building Code of Australia, where he has been the ACT representative since he has been here and before that in South Australia, you can see that the Building Codes Board has been really trying to drive the major document for building buildings in Australia down the path of energy and how to become more efficient in its use in the construction of buildings. But the statutory document that sits behind that, the thing that gives it life, is the Building Act.

And the Building Act really has not dealt with, in a structural sense, the way it deals with the class of buildings that need the highest level of activity with respect to bringing up their energy performance. So it gives us a huge opportunity there at the same time as we start to bring together all those elements.

Neither the 1972 act nor the 2004 act really dealt with that. At its core was the role of private certification. Private certification was introduced in 1999 and sits between those two acts. But what it does not do is if you look at the act in the way it incorporates it, it is an add-on; it is not an integrated element. So people do not have a really nuanced understanding of private certification. We would certainly say it is a very positive thing with respect to the way you can do buildings, and the number of eyeballs on buildings is much greater because of private certification. But it is not really integrated. If you start to put the building blocks together—sorry, I did not mean that. If you start to put it all together about—

MS LE COUTEUR: You did.

Mr Simmons: Comedy is all about timing. As you start to put those things together—

THE CHAIR: Yes, it is, yes.

MR HANSON: Can you explain that to Mr Hargreaves for us, please?

Mr Simmons: He is probably one of the funniest people I know.

MR HANSON: Yes, when he is quiet.

THE CHAIR: Moving right along.

Mr Simmons: Moving right along and not wanting to lose my train of thought—

MR HARGREAVES: Eat my dust!

Mr Simmons: you look at the way a site comes together from what is in the interest of the person who is going to have the building constructed for them on their behalf. So that is the rights of the owner at the start—what involvement they have, knowing what the role of a certifier is and what a certifier does and then how a building site is actually properly supervised. Because it does not matter how good the basic skills of the people putting it together are if the site is not properly supervised. Everybody can independently do their own bit of work, but everybody has the capacity to ruin everybody else's work.

As somebody who used to hold a licence in the premier trade, our ability to destroy everybody else's work is well known, as is everybody else's. One of those things that comes up constantly is waterproofing. It is really easy. You might be the most diligent waterproofer in the world. You have gone out and you have done the roof perfectly. And then the roofer comes along, throws his sheets of corrugated iron down and rips the guts out of your waterproofing and does not tell anybody. That is about site supervision, so we have got to get site supervision right. Similarly, a really well supervised site does not help you if the people doing the waterproofing do not really

know how to do it—they waterproof green concrete, they do the wrong thing. Well, you asked.

MS LE COUTEUR: I am interested—

THE CHAIR: I did not ask. After seven minutes—

MR HARGREAVES: Mr Chairman, he has got another 45 minutes to go yet.

THE CHAIR: Mr Simmons, if you were paid by the word, you would be the most wealthy public servant in the ACT.

Mr Simmons: Thank you very much, Mr Chair.

Mr Corbell: Well, you did ask the question.

MS LE COUTEUR: I am fascinated, even if no-one else is.

THE CHAIR: Could we arrange a private briefing for Ms Le Couteur on the nuances of the difference between the 1972 act and the 2004 act?

MS LE COUTEUR: Could I ask just one very short supplementary on this? It appeared from the beginning of your discussion that the changes are going to be looking at doing more work on existing buildings because they were the hard part.

Mr Simmons: Yes.

MS LE COUTEUR: Could you talk—well, I suppose “yes” was the short answer—very briefly about that.

MR HARGREAVES: No, go for it, mate.

THE CHAIR: When you look up a thesaurus, “briefly” does not contain the word “Simmons”. But an answer please, Mr Simmons—briefly.

Mr Simmons: So how we are going to deal with existing—

MS LE COUTEUR: How you are going to deal with the existing buildings, which are clearly the big problem for energy efficiency.

Mr Simmons: Look, it presents the greatest—

MR HARGREAVES: And are there less than nine or 10 options, and what are they?

Mr Simmons: It presents the greatest policy challenge that we will have, because nobody else has picked it up. There is no other jurisdiction that can deal with it either. And the point here has been that when you go through and you look at what the objectives are, you cannot find a way to do it. The mechanism we have had is where we have talked extensively with industry and the people we have had around the table—that includes the owners as well as all the other professionals that sit around

this—and say, “How do we do this act?” That is why we went for a longer period of time, a two-year period, to actually make sure we get this act right and to go through those really tough policy issues.

The hard bit is about how you figure that out. We sit in the back. We have got a 40 per cent reduction target. We have got to be able to get into this, and we need a legislative tool that enables us to do it. So that is where our thinking has been when we come into this—how is it that we bring all the bits and pieces together to make sure that, when houses are being renovated, when there are existing houses out there, what are the tools, what are the triggers, what are the points where you can actually do something that is effective?

We are not talking about taking zero-star rated houses and making them five. It is almost impossible to do that. It is about: how do we get them from zero to one? How do we get them from one to two? How do we make those incremental changes? When you look at the way energy is done, it is not a linear scale. You get the biggest bang for your buck at the lowest point. What are the mechanisms that help assist and enforce that? I will end there.

Mr Savery: Can I make through the chair just one comment on existing buildings and building quality? It is quite evident through the material that has been provided to us when we have gone out and asked for people’s comments on their experiences that industry is being demonised in this, and it is not necessarily always the case. A lot of people are talking about what, at the end of the day, is cosmetic. It may be a crack that appears 10 years down, but because it is out there in the media at the moment as an issue, everyone says, “My building was poorly constructed.” Cracks happen. I can tell you that a lot of the stuff we see is cosmetic. It is the process of a building depreciating over time. Whilst there are issues that industry acknowledges need to be attended to, it is not fair to demonise it and say that there is a major failure of building construction in the ACT.

THE CHAIR: Thank you for that. A new question, Mr Seselja, and then back to Ms Le Couteur.

MR SESELJA: I will just check with you, chair, because I was out for a little while. Have any questions been asked about the asbestos dump at East Lake?

MR HARGREAVES: Yes, and answered.

MS LE COUTEUR: No.

THE CHAIR: No.

MS LE COUTEUR: No.

THE CHAIR: No. You are thinking of an earlier day, Mr Hargreaves.

MR HARGREAVES: Good try, Johnno.

MS LE COUTEUR: It was a good try, Johnno, but a good question, Mr Seselja; it is

on my list.

MR SESELJA: Could we get a bit of an update as to where that is up to and what is the immediate process forward for the government in dealing with that?

Mr Savery: Can I just make an up-front point? Despite what has been portrayed in the media, what has been found at East Lake is not asbestos. There is an asbestos dump there. It is contained. It is within a fence. Everyone knew from day one it was there. You can walk down there and point to it. So it is self-contained. It is not a threat to public health and safety. What has been discovered, through a process not dissimilar to what we undertook for the north Weston pond, is building rubble that is in excess of nine times what has been found at north Weston pond, and its primary impact is geotechnical in that we cannot construct on it. So there is in excess of 600,000 tonnes of this material that we have got to deal with. We have been investigating this for two or three years. It is not something that has just suddenly materialised. People told us it was there. We got consultants in. We have done tests and, in fact, there is more testing occurring right now.

As a result of the Chief Minister being informed of this, he elected that he would write to the Prime Minister, and that has been well reported. To my knowledge, there has not been a response from the commonwealth or the Prime Minister to that matter at this stage. Therefore, it is still going to have to be determined by government as to how it wants to move forward.

MR SESELJA: Just on that builders' rubble, when you say it is not asbestos, presumably, like in Molonglo where there is a lot of asbestos amongst that builders' rubble, there will be asbestos, because asbestos was used for a long time in building materials in the ACT.

Mr Savery: Yes, the bulk of the material at north Weston pond is not asbestos; it is geotechnically difficult material to deal with. Most of the asbestos-bearing material at north Weston was bundled material. That is not to say that there is not any building rubble that does not contain asbestos in it. But the bulk of the material, as we understand it, comes from the construction of the two parliament houses.

MR SESELJA: The rubble that presumably would need to be cleared because of geotechnical issues in order to build: what is the current estimate for the removal of that?

Mr Savery: It could vary anywhere between \$50 million and \$100 million.

MR SESELJA: And how much of the site does it actually affect—how much of the proposed developments?

Mr Savery: It is not all contained within one location, so it is spread. But you would have to say—and I am just going from memory of the plans that I have seen—almost two-thirds of the site.

MR SESELJA: Just remind us: what kind of physical area does that represent, roughly?

Mr Savery: The developable part of the site is in the order of 180 hectares, so it is going to be between—

MR SESELJA: 120 hectares or so.

Mr Savery: 120 hectares is going to be affected in one way or another.

MR SESELJA: That is a very massive sort of bill, \$50 million to \$100 million, and that is just an estimate. What is an estimated time frame for remediation? If you know it will cost you somewhere between \$50 million and \$100 million, how long would it take, roughly?

Mr Savery: On that point staging is really important. That would be an issue that government would have to consider based on all the advice and reports that will come its way. The government could just do it in one stage and say, “We’re going to go in and remove all the material before we do any construction.” That then becomes an issue of cash management because you are putting all your expenditure up-front before you are getting any return.

The alternative is to look at a staging plan that allows you to start construction in the 60 hectares that does not have contaminated material. So you are getting a revenue stream whilst you are also carrying out the remediation. Part of the difficulty is that the part of the 60 hectares that is not contaminated is where the causeway is, and because we need to relocate the causeway residents, we have not got somewhere to relocate them to without going into the contaminated material. So it becomes a very complex logistical exercise.

MR SESELJA: Just going back to that question, though, what is the estimate of how long it will take, whether you stage it or not? If you were to undertake that task of removal, what is the estimate?

Mr Savery: I could not answer that question without asking one of the engineers.

MR SESELJA: Could you ask one of the engineers for us?

THE CHAIR: You will take that on notice?

Mr Savery: Yes, we will take that on notice.

THE CHAIR: Just for the benefit of the committee, could you provide a map which shows the 180 hectares and the 120—

Mr Savery: I am speaking figuratively, so—

THE CHAIR: Well, is there a map of—

Mr Corbell: Yes, we can do that.

THE CHAIR: Thank you.

MR SESELJA: Given what we have been discussing with the previous Auditor-General's report on north Weston pond, what is going to be done differently in terms of assessment of this and are we confident that we know the actual extent of the contaminated waste?

Mr Savery: On the first question, I have already given instructions to my staff that, in the knowledge that the government is yet to determine, they are to be cognisant of the recommendations of the Auditor-General, and therefore obviously take those into account not only on this project but on other projects that we are involved in where there are known contaminated sites.

Keep in mind that we do not necessarily always know where the contaminated sites are. Certainly, in the case of both north Weston pond and East Lake, where we understood the contamination to exist, it extended well beyond that. So it was not well mapped, we did not know what the quantities were and we did not know what the nature of the material was.

Having said that, we are reasonably confident that we know exactly—well, not the exact boundaries, but we have a very good understanding of its extent and its quantity. But it is like all these things. Until you actually go in there and dig it up, you cannot be absolutely 100 per cent accurate. We thought we knew that with north Weston pond.

MS LE COUTEUR: Do you have any idea what will happen to East Lake now? Is it likely, given the cost of remediation, to just sit until the commonwealth does something?

Mr Corbell: The government will be considering what is the best direction in relation to East Lake. It is still a sensible and very logical site in relation to urban intensification, and the territory has invested considerable effort and resources into the concept planning and the other work to date in relation to the site.

MS LE COUTEUR: Yes, absolutely.

Mr Corbell: So my view is that East Lake will still proceed. Whether it proceeds in an amended form, a changed form, is something the government will need to consider. But my preference would be that East Lake is to proceed, because it is a sensible site for urban intensification.

MS LE COUTEUR: BP3 175 has got "East Lake gas main relocation", but my understanding is that that is the gas main adjacent to the Monaro Highway. Is that still East Lake?

Mr Corbell: Yes, it is.

MS LE COUTEUR: It is not—

Mr Savery: Can I answer that question?

MS LE COUTEUR: Yes.

Mr Savery: In many respects that is linked to the relocation of the electrical infrastructure associated with the development of the new switching station and subzone station which relocates from the causeway to a location near the sewage treatment works. As Craig would no doubt tell us, but I will not need to ask him on this occasion, gas and electricity do not necessarily work well side by side. Because part of the solution for the electrical relocation is undergrounding, and that was one of the issues that was considered as part of the environmental impact statement process, there is a need to relocate the gas main.

All of this ultimately is work that will benefit and would have had to have been undertaken for the East Lake project, so that is why that title is used. But it is needing to happen now anyway because of the relocation of the electrical infrastructure, which has to proceed not only to enable the latter stages of Kingston Foreshore to proceed but because ActewAGL has a need to upgrade that facility to meet demand, particularly coming from the ASIO building, and there is a time frame in which that has to occur.

MS LE COUTEUR: Could you update me? What is happening with draft territory plan variations 301 and 303? The last I heard there was a reference group and something was going to happen.

Mr Corbell: ACTPLA have undertaken extensive consultation with the reference group that was established by my predecessor on this issue. ACTPLA will shortly be presenting me with options as to how to proceed in relation to that matter.

MS LE COUTEUR: So have you any idea when the rest of us will see something?

Mr Corbell: It will be this year, Ms Le Couteur; absolutely.

MS LE COUTEUR: And is it likely to encompass the full range that was in 301 and 303, or—

Mr Corbell: That is pre-emptive at this stage. Obviously that is subject to my consideration.

THE CHAIR: Just to go back to the Auditor-General's report, who was the Minister for Planning when planning for the pond commenced?

Mr Corbell: It would have been Minister Barr, my predecessor.

THE CHAIR: When did he become planning minister?

Mr Corbell: 2007.

THE CHAIR: That is interesting, because on page 5 of the Auditor-General's report it says planning for the pond commenced in 2004, which I think would make you the minister.

MR HANSON: Nice try!

Mr Corbell: Mr Savery indicated, not me.

THE CHAIR: When you were the planning minister and the planning for this commenced, were any of these problems brought to your attention?

Mr Corbell: No. With the planning at that stage, you have to remember that the territory plan had not even been varied at that stage in relation to this matter. Concept planning would have commenced. But no, this issue was not brought to my attention.

THE CHAIR: You did not see any of the environmental site assessments and feasibility and design studies that commenced in 2004?

Mr Corbell: Not that I can recall.

THE CHAIR: Thank you for that. A new question from Ms Hunter.

MS HUNTER: It is around budget paper 4, page 303, or budget paper 3, 102. It is around the accelerated development of unused leased land in established areas. I want to get an update in terms of the non-compliant leases. Are there particular sites which you are able to let us know about that are on some sort of list?

Mr Savery: Again, I might ask Mr Simmons to elaborate, but this is essentially additional funding to assist us in ensuring compliance with some of the questions that have been asked already around lease and development covenants, particularly on residential properties that have remained undeveloped. A conservative estimate is that there are several hundred properties that remain undeveloped and have now exceeded their development conditions, which is another 500 houses or so that could be on the market.

MS HUNTER: So that is a mixture of greenfield land and also those burnt by bushfires? What are we—

Mr Savery: No, this is not bushfire related. There is a separate initiative around bushfires, and most of the properties that were affected by the bushfires have now been redeveloped. I think there are maybe half a dozen—

Mr Simmons: There are a few that were on-sold that have not been sorted out yet, and there is some money in the budget for us to sort those problems out, because they have been problematic.

As to the broader question, in greenfields, these resources will enable us to systematically go through—as soon as a lease falls over into non-compliance then we will be managing them in 100 per cent order in greenfields. There was a large backlog. This project started back in 2006 for us, when there was some criticism about not releasing enough land. It was discovered that there was a large number of blocks out there that people had owned—that some developers in fact had and they had not in fact done anything with them.

The fee regime was changed to aggressively push those forward. What happens is that when people come up to get a certificate of occupancy or to transfer houses, they are automatically flagged if they are out of their compliance. So there has been that process. We still keep catching up with those, and there are commercial projects in that as well. But with these resources, for every project in greenfields, as they go into non-compliance, we will get them straightaway and people will start getting their bills as soon as they go over.

MS HUNTER: Okay. Can you tell me a bit about the former petrol stations, which ones we are talking about?

Mr Simmons: In terms of former petrol station sites, there are various things that happen with them. One of those has been hanging around for quite a while recently. It has brought itself back into compliance, I understand. The issue with the petrol stations tends to be that the company sites where they have been sold have been sold on the basis that they will be remediated by the seller and the seller has not remediated them. There have been various reasons, but government has worked on that as a broader project. Mr Savery might be better—

Mr Savery: Just on that, I think it is important to understand also that, in relation to things like extension of time arrangements, many of those service stations still comply with their lease.

MS HUNTER: Because they rent them out for some activity—

Mr Savery: They were built as a service station and they operated as a service station. The fact that they are not operating as a service station now is where the complexity of the issue is. Those leases were typically commonwealth leases and they were written a long time ago. When it comes to trying to ensure that the activity is continuing, the way that “use” is defined, it becomes very difficult to enforce. It could be the case that the owner or the lessee only has to go onto the site one day a year and open up the petrol bowsers and they have used the service station in accordance with their lease. It is very difficult to enforce. It is a softly, softly approach to try and get them over the line—a combination of those that have been sold, where DAs have been issued for redevelopment, to ensure that as far as possible—and hence the government’s waiver of the change of use charge—it assists them in increasing the viability of the site.

MS HUNTER: How has that gone, Mr Savery, because it was introduced and then it was extended in the following budget? How many did you get over the line with that particular initiative? I know, particularly out in Page—

Mr Corbell: We will take the question on notice.

Mr Savery: Yes, I will take it on notice.

MS HUNTER: That would be great. I am particularly interested in a number in Ginninderra, including Page, which has been a thorn in the side of many residents for a long time.

Mr Savery: Yes. Suffice it to say that a number who came to us have advanced their projects, but there are still issues around project feasibility and the polluters of the service station still needing to decontaminate the site. The other initiative that the government undertook that we also believe will assist in advancing not only those projects but also commercial development sites that are affected by contaminated material—Braddon being a really good example—was to create a land farm out at the Belconnen tip.

MS HUNTER: Yes, to take the soil.

Mr Savery: We did not appreciate, when the government first offered the waiver, that that only got you so far. What was really costing them was the cartage of contaminated material outside the ACT. Material was put back in the site that then got contaminated at a lower level and it had to get carted back out. That issue has also been resolved.

MS LE COUTEUR: Have you any idea of the quantum of sites that you are looking at? I actually thought it was a much bigger project.

Mr Savery: We have got a short list of about 12 sites. Is that what you are talking about—the service stations?

MS LE COUTEUR: No, not just the service stations—the whole project. How many sites are we looking at here? Is it in the order of hundreds?

Mr Simmons: At any one time leases can be out of compliance with respect to commencing complete covenants. There can be hundreds of them. The question is whether they are out for a month or a year. With the fee structure, the first year that you are out, it is once times your rates, the second year it is twice and then it is three, then four and then five. We have got people who are paying five times the rates available on a house year after year. We have got people up there who just keep paying it. It is intractable. We are looking at where people have hit that cap. Clearly, money is not the issue for them. We have got people who own multiple sites and they gladly pay that money; they just write the cheque. Most people are not in that category. For most people, it might be a few months that they will go over, they pay the money and it is all cleared out. There can be quite a number of them.

The volume of money varies quite substantially. We have got this other group of people and money does not seem to be a thing that moves them across the line. The next set of triggers, which is termination of the lease, has proved over the years to be an incredibly difficult marker to reach in terms of what the tribunals are prepared to accept. We have gone through the process now. We have got people who are more than five years out and are still paying the money. At that point we have got to look at another solution.

MS HUNTER: If we can have a list of the commercial properties that we are talking about, or land that we are talking about? You mentioned commercial and all of that.

Mr Simmons: Yes, there are some, because it applies to all—anywhere where there is a development covenant on it. There may be some privacy issues. It might just be

numbers rather than identifying—

Mr Savery: Yes, it is more likely to be a number than a location.

MS LE COUTEUR: Numbers would be useful. Have you any idea of the motivation of the people who are not developing? Are they land banking because they are hoping for something better?

Mr Corbell: It can be a whole range of reasons, Ms Le Couteur. There can be intractable or very difficult family circumstances that result in people not being able to focus on issues about the future use of land. There can be financial reasons. There can be any number of reasons.

THE CHAIR: Mr Seselja, a new question, and then Ms Le Couteur.

MR SESELJA: Thank you, chair. ACTPLA's current accommodation—is it just the two locations at the moment? Is it Dame Pattie Menzies House and the location at Mitchell?

Mr Savery: Mitchell.

MR SESELJA: Okay. What is the class of that office accommodation which you are in at the moment?

Mr Savery: I think it would be fair to say that we are bordering on C and B grade office buildings. Can I just put a plug in here, though, that by 1 July we will be a 4.5 star NABERS.

MS LE COUTEUR: Great.

Mr Savery: We have committed over the last two or three years to progressively improve the energy performance of Dame Pattie Menzies. The last part of that jigsaw hopefully will be put in place when we change our lighting. It has got a payback period of three years. We have put a proposal through the relevant part of government that that investment is worth while and we will achieve 4.5 NABERS, which is a very difficult target to reach for an existing office building.

MR SESELJA: Why is it that it is deemed reasonable to upgrade Dame Pattie Menzies House to a 4.5 NABERS but not other parts of government offices?

Mr Corbell: It depends on the nature of the buildings being occupied, Mr Seselja. You have to deal with these matters on a case-by-case basis.

MR SESELJA: How much has that upgrade cost?

Mr Savery: I cannot give you the total number, but the payback period has been assessed by a cross-government committee. I cannot remember the name of the committee. All government chief executives were asked to assess the merits of being able to improve the energy efficiency of their buildings. I think that may even have had some relationship back to Assembly discussions.

As the minister has indicated, Dame Pattie Menzies was one of those that were deemed as an appropriate location where we could achieve certain targets and still get a return to government. We are saving in excess of 25 per cent of our power bills as a result of the enhancements that we have made, plus we have improved the amenity for workers, which improves productivity.

MR SESELJA: Great. If you could take on notice how much that upgrade cost?

Mr Savery: Yes.

Mr Corbell: Yes, we can get the total on those.

Mr Savery: I might be right in saying that it will be in the annual report from last year—what we have spent to date and what the savings have been. The cost has been \$200,000 and the per annum saving is \$50,000.

MR SESELJA: There you go. It is amazing what an upgrade can do. What is the average per square metre per person at Dame Pattie Menzies?

Mr Savery: I cannot tell you off the top of my head. I think it is in the report on the ACT government office building, because they did an assessment of—

Mr Corbell: We will take it on notice, Mr Seselja.

Mr Savery: Yes, we will have to take it on notice.

MR SESELJA: Thank you. How many of ACTPLA's staff are proposed to be in the new government office building?

Mr Corbell: I think everyone located at Dame Pattie Menzies.

Mr Savery: It is everyone at Dame Pattie Menzies. The inspectors and the Mitchell staff would remain. I think at this stage it is contemplated that Mitchell would remain as a customer service centre with our inspectors. That would be the hub for the inspectors. Bear in mind that it is all under one directorate, so those numbers are going to vary, depending on—

MR SESELJA: Remind me how many staff are at Dame Pattie Menzies, roughly, at the moment.

Mr Savery: Including Procurement Solutions, because there are two floors occupied by Procurement Solutions, there would be in excess of 400 people.

MR SESELJA: What will be the arrangements for ACTPLA? What are the proposed arrangements once Dame Pattie Menzies is sold prior to the new government office building being completed?

Mr Corbell: The government has not made any detailed decisions about that. My understanding was that those office buildings will not be sold until the government

office building project is complete or close to complete.

MR SESELJA: So you would time the sales to coincide with occupying the new building. Is that the plan?

Mr Corbell: It would not make sense to sell a building we currently own and then pay rent on it before we moved, unless we got a good deal.

MR SESELJA: What consultation has occurred and what information has been provided to ACTPLA's staff in relation to the proposed move?

Mr Savery: Can I just clarify: with respect to the proposed move to the government office building at some future date, the executive of ACTPLA—as was the case, as I understand it, with the executive of all government departments—were involved in consultation with the consultants and LAPS, who have project management of this exercise. Then there was a survey that invited all staff to have the opportunity—again, I think it was a whole-of-government survey. In one way or another every member of staff has had the opportunity to participate in the process. That is not a popularity vote in terms of: do you want to move or do you not want to move? It was more: these are the reasons; these are the ideas; have you got any views on this?

MR SESELJA: So what information was provided to staff as part of that process?

Mr Savery: In the broad, the executive had detailed access to information about how the government office building might look in terms of the synergies between different directorates, those sorts of things. I think the broader survey was more along the lines of where the government office building might be, what period of time it might occur in, issues to do with car parking, which are always topical, particularly for those agencies that are more remote from the city centre, where car parking is more easily available. So there were those sorts of issues. I think staff—and correct me if I am wrong—were alerted to the fact that part of the process was that there would be consistency in the amount of floor space per person, because that is inconsistent across government at the moment.

THE CHAIR: Ms Le Couteur, a new question?

MS LE COUTEUR: Yes, thank you. I want to ask about the Molonglo north-south arterial road bridge. You have got \$300K for a feasibility study for it. Does this imply the alignment of the road has now been finalised?

Mr Savery: The alignment of the—sorry, north-west or—

MS LE COUTEUR: The north-south arterial road in Molonglo.

Mr Savery: Yes. This is the next extension of John Gorton Drive. So John Gorton Drive has been funded to be constructed to accommodate Coombs and Wright, which are suburbs 1 and 2. With suburbs 3 and 4, which are being planned for now as part of the accelerated land release program, John Gorton Drive obviously has to extend to accommodate that. This takes us up to the lower Molonglo River corridor.

MS LE COUTEUR: So it goes to the corridor and stops?

Mr Savery: Yes. To pick up on the second part of your question, the alignment is being finalised as part of the strategic assessment for Molonglo.

MS LE COUTEUR: What advice has there been from the federal environment department on the road alignment and can you make the advice public?

Mr Savery: No, I cannot. We are doing these things concurrently. So as we are finalising the strategic assessment for the federal government's consideration, in order to meet the accelerated land release program we also have been having to progress the feasibility and design for not only John Gorton Drive but a range of other pieces of infrastructure. We have been liaising with the federal department on that. Of course, as per the EPBC process, we are going through the exercise of avoid, mitigate and offset. That all forms part of the NES plan process.

With John Gorton Drive, we have actually changed part of the alignment to avoid impacting on pink-tailed worm lizard habitat, as best you can, because it pretty much goes along the entire length of the embankment.

MS LE COUTEUR: You said that some of the suburbs for stage 2 are being accelerated. What are you doing to accelerate and will there still be a complete EIS process?

Mr Savery: The main part of the acceleration in order to meet the land release program is to make 300 dwelling sites available for release in the next financial year. So whereas part of that had been programmed to be further out, we have had to bring that forward. On issues to do with infrastructure design, the planning and design framework, we have obviously had to put our foot on the accelerator to get those exercises completed.

MS LE COUTEUR: Will there still be a complete EIS?

Mr Savery: We have got to complete the strategic assessment and matters of national environmental significance. Depending on the precise location of different pieces of infrastructure, we then have to determine whether or not there are individual triggers under the legislation. Once you have determined if there are triggers, based on the work that we have done for the strategic assessment, you would appreciate that it will be available for us to consider whether or not we seek any exemptions because we are not going to duplicate the environmental work that we have already done.

MS LE COUTEUR: Fair enough. You talked about the road a minute ago. What consideration has been given to a direct cycleway from Molonglo to the city? It would look like that bridge could well be part of the quickest way to get residents from Molonglo in to the city. Or am I totally lost as to where the bridge is?

Mr Savery: No. There is more than one bridge. Obviously this goes back to the concept of the bicycle superhighway.

MS LE COUTEUR: Yes.

Mr Savery: I think I have answered in response to previous questions. ACTPLA is doing the planning and design for Molonglo and there are several pieces of bicycle infrastructure associated with that, on-road and off-road. We are not doing the planning and design for how you might then connect that back in. There are connections, but in terms of the Greens' proposal for a bicycle superhighway we have not been budgeted for and we are not designing a piece of infrastructure from Molonglo back into the city. As I said, that does not mean it is not connected, but it is not connected in the sense that you are talking about. But the infrastructure will be in there, within Molonglo.

MS LE COUTEUR: But just not getting out of it.

Mr Savery: Well, you are getting out of it, back onto existing cycle paths. To date the government has not—it would probably be a directorate project but not an ACTPLA project, as we are currently constituted.

MS LE COUTEUR: Yes. 305 has a feasibility study for Molonglo future stormwater management and has a physical completion date of September 2011. Does that mean we will see in September a full study of water management options for Molonglo? Is that what that actually means?

Mr Savery: Yes.

MS LE COUTEUR: Can you tell us more about that?

Mr Savery: Well, it is really work that is—

MS LE COUTEUR: And will we actually see it in September?

Mr Savery: That will be a decision for the minister and the government. This is the completion of the triple-bottom-line feasibility assessment for alternative stormwater quality management within the lower Molonglo valley, which was a very significant undertaking that needs resolution for the latter stages of the design for the Molonglo valley. That is a matter that we are yet to report to the minister on, but it is at a very advanced stage.

THE CHAIR: I might ask a question before we go to Mr Seselja for a final one and then a final one from Ms Le Couteur. Minister, on page 19 of the Auditor-General's report No 3 of 2011 concerning the north Weston pond project, there are a number of consultants and contractors and their roles and responsibilities. Many of them produced a report. Is it possible for the committee to have copies of those reports, please?

Mr Corbell: I will take it on notice and seek some advice on those matters.

THE CHAIR: Thank you, minister. Mr Seselja, and then Ms Le Couteur to close.

MR SESELJA: Thank you. I have a couple of quick ones on a couple of different issues if I could, chair. Just briefly on supermarket policy, Mr Savery, have you had

any cause to raise any concerns with government at any stage over the direction of supermarket policy and the process involved in that supermarket policy?

Mr Savery: Yes. I have raised issues in the past with the government about how to interpret that policy and some of that plays out in individual development assessments that we have been or are involved in. This is inevitably part of that greyness around ACTPLA being a decision maker, as the minister has referred to, and government setting policy and how you interpret that. This would not be the only time or issue where I have raised how government might want or think a policy should be interpreted or delivered through the development application process and me saying, as the chief planning executive, “Well, this is my view on that matter.”

MR SESELJA: How have you expressed those concerns to ministers and to the government?

Mr Savery: In confidence, I have expressed my views to the previous minister as to how the John Martin report in particular could be applied in the context of some particular development applications. It was not simple; it was problematic.

MR SESELJA: And what was the nature of those concerns?

Mr Corbell: This is very much advice to government on policy matters. The government treats it seriously and has regard to those issues, but advice to government is advice to government.

MR SESELJA: I am asking Mr Savery: what was the nature of those concerns around how it would be applied in terms of particular developments?

Mr Corbell: I do not think it is appropriate to ask Mr Savery to go into chapter and verse on that. These are matters of advisings to ministers and—

THE CHAIR: That is not cabinet exempt and it is quite appropriate to ask those questions.

Mr Corbell: as Mr Savery said, they were advisings in confidence about these matters.

MR SESELJA: This is not cabinet-in-confidence. Presumably this was a letter to the relevant minister; is that right, Mr Savery?

Mr Savery: No, it is in the form of a confidential brief to the minister.

MR SESELJA: So it is a brief to the minister. When there are these concerns, it would often be expressed in oral form. Why was there the need for you as chief planner to put these concerns in writing?

Mr Corbell: There is nothing inappropriate in providing an advice to a minister in writing.

MR SESELJA: I am just asking why Mr Savery felt the need. I am actually asking

him what was the nature of those concerns. As chief planner, I think it is reasonable that we ask, as we have in the past asked ACTPLA, for their views on supermarket policy. I am keen to get his independent view on where some of the problems might be.

Mr Corbell: These are matters of government policy. The government is the arbiter of matters in relation to policy. We obviously have close regard to the advice provided to us by our officials, including Mr Savery, and we take due account of it.

MR SESELJA: Was it just the once, Mr Savery, that you felt the need to put your concerns on this particular matter in writing to the minister?

Mr Corbell: I think you are not characterising the process appropriately. Mr Savery, as a senior executive in the ACT government service, has a responsibility to advise his ministers on issues that he believes are relevant to matters of government decision making, and that is what he has done. There is nothing unusual in that.

MR SESELJA: Was this advice to your minister, Mr Savery, or was it advice to the Chief Minister?

Mr Savery: It was to my minister.

MR SESELJA: I have asked Mr Savery whether it was just the once that he felt the need to put in writing his concerns over supermarket policy. Is that the case or was it on more than one occasion?

Mr Savery: No. There may have been some follow-up, but it was on the one occasion.

MR SESELJA: Was this prior to the release of the Martin report or was it sometime after? If so, how long after the release of the Martin report?

Mr Savery: It was certainly after the release of the Martin report. I cannot tell you how long after.

MR SESELJA: Just one other if I could, chair. On the government office building, was ACTPLA asked to comment, not as an agency but in its planning capacity, on the relative merits of putting a very large office building in the centre of town in the current environment?

Mr Savery: Two separate roles—and we have been involved in both processes. We have been engaged as an agency where staff have had the opportunity to be involved. And—not in a formal sense as a statutory authority, because we are not dealing with a development application, but as an agency that deals with planning—we were asked for our opinion. And you might recall that dating back several years when we were doing some planning for the city centre—it was called the Canberra central project—one of ACTPLA's earlier planning documents advocated for the location of the government building in London Circuit, because we saw the benefit of having the bulk of the government's employees located close to the Assembly.

MR SESELJA: What was the advice that was given in this context?

Mr Savery: In the context of this, ACTPLA as a planning agency sees merit in a government office building, being not necessarily on this site but somewhere in the city centre.

MR SESELJA: How much of a role did ACTPLA have with the various consultants who conducted reports and—

Mr Savery: No more of a role than any other government agency. We were not project managing it. We had a contribution. We sat in meetings where other government agencies participated.

MR SESELJA: So you were not asked to give specialist advices as a planning authority on the planning merits?

Mr Savery: We were in the sense of how I have just responded. When government agencies sit around a table, they are giving the advice that is relevant to their expertise, so in that respect we were saying—as a planning agency, not as ACTPLA—“This is how we would suggest that this project proceed” or—

MR SESELJA: So you are fully supportive of the large project that is now on the table in terms of the advice given to government?

Mr Savery: Yes. We see merit in it. I also see merit—I am probably going to step just slightly out of line—in government potentially having some of its services located in other locations. But to co-locate the core of the government’s office facility in one building—I have seen it happen in other jurisdictions, and Brisbane is probably the best example of it, and there are significant benefits to be derived from that. But we can all debate the precise locations.

MR SESELJA: Just remind me: you referred to an earlier document where ACTPLA suggested a government office building in its planning. How big was that government office building in that planning?

Mr Savery: I do not think we had ever got to that stage. It was just—

Mr Corbell: The allocation of land use.

Mr Savery: Yes, it was allocation of the site.

THE CHAIR: Ms Le Couteur to quickly close and we will finish.

MS LE COUTEUR: BP4, page 303—there is money for feasibility studies for the urban development sequence for affordable housing. Could you tell me more about that. One specific question is this: it appears to be only for greenfield sites, not for infill sites at all?

Mr Savery: I think this is the same initiative we have discussed. This is the initiative we discussed about following up on building covenants, lease covenants, where people have not completed their developments.

MS LE COUTEUR: Is it? Okay. In that case, we really are confused, because we seriously thought it was—

Mr Savery: You are referring to the accelerated development of unused lease land?

MS LE COUTEUR: No, the urban development sequence for affordable funding. It is slightly more than halfway down the page.

MS HUNTER: It is a feasibility.

MS LE COUTEUR: It has got 750,000 this year and then 650. I do think it is—

Mr Savery: That is part of the greenfield land release program. In order to ensure that we can do the forward planning for greenfield development in order to assist with the availability of housing, we have a budget allocation.

MS LE COUTEUR: Why are we only looking at affordable housing for greenfield? Why not for infill as well?

Mr Savery: I do not think that it should be interpreted that it is at the exclusion of it, but keep in mind that the territory does not have control of a lot of the land that is already within established areas. So in the main, our master plan program will be assisting us in identifying locations; then it will be a measure of how the government can facilitate private landholders to redevelop their sites—whereas greenfield, of course, is entirely in the control of the government.

THE CHAIR: We might finish there. The chair has taken to giving awards for the day. Normally Mr Meyer might have won it for remaining silent all day. Fabulous effort but, given that it is his final appearance before an estimates committee as the head of ACTPLA, perhaps today's award for outstanding service should go to Neil Savery. Neil, thank you for your eight years of service to the people of Canberra as the head of ACTPLA. We have not always agreed with you, but we do appreciate that you have always offered frank and fearless advice, which I know has cost you dearly. I wish you well in your new role in the new portfolio of sustainable planning, whatever that may be, and would simply offer the thanks contained in the gospel of Matthew, chapter 25, verse 23. Thank you.

Minister, for questions taken on notice you have five days to please forward answers. Members, you have four days in which to put further questions on notice. Tomorrow we return at nine for the second-last day of estimates for Housing and Community Services in the morning and the Legislative Assembly, Auditor-General and Treasury in the afternoon. There endeth the lesson.

The committee adjourned at 5.30 pm.