



**LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY**

**SELECT COMMITTEE ON ESTIMATES 2012-2013**

(Reference: [Appropriation Bill 2012-2013 and Appropriation \(Office of the Legislative Assembly\) Bill 2012-2013](#))

**Members:**

**MS A BRESNAN (The Chair)**  
**MR J HARGREAVES (The Deputy Chair)**  
**MS M HUNTER**  
**MR B SMYTH**  
**MR A COE**

**TRANSCRIPT OF EVIDENCE**

**CANBERRA**

**TUESDAY, 19 JUNE 2012**

**Secretary to the committee:**  
**Ms S Salvaneschi (Ph 620 50136)**

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

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

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## **Privilege statement**

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*Amended 9 August 2011*

**The committee met at 9.01 am.**

Appearances:

Barr, Mr Andrew, Deputy Chief Minister, Treasurer, Minister for Economic Development and Minister for Tourism, Sport and Recreation

Treasury Directorate

Smithies, Ms Megan, Under Treasurer  
Divorty, Ms Jill, Executive Director Shared Services, Shared Services Division  
Vigor, Ms Catriona, Acting Director, Goods and Services Procurement and Policy, Shared Services Division  
Whale, Mr Andrew, Director HR Services, Shared Services Division  
Burton, Mr Ross, Chief Financial Officer, Shared Services Division  
Robinson, Mr Calvin, Director Finance Services, Shared Services Division  
Grey, Mr David, Acting Director, Commercial Branch, Infrastructure Procurement Group, Procurement, Shared Services Division  
Murray, Mr Peter, Executive Director, Procurement, Shared Services Division  
Kegel, Mr Mick, Acting Executive Director, ICT Services, Shared Services Division  
Mudge, Mr William, Acting Director, Business Development, Shared Services ICT, Shared Services Division  
Major, Mr Peter, ICT Security Senior Manager, ICT Security, Executive, Shared Services ICT, Shared Services Division

Economic Development Directorate

Dawes, Mr David, Director-General  
O'Leary, Mr Shane, Executive Director, Tourism, Events and Sport Division  
Hill, Mr Ian, Director, Australian Capital Tourism, Tourism, Events and Sport Division  
Priest, Ms Jenny, Director, Sport and Recreation Services, Tourism, Events and Sport Division  
Guthrie, Mr Neale, General Manager, Venue and Event Services, Tourism, Events and Sport Division  
Jeffrey, Mr David, Senior Manager, Sport and Recreation Services, Tourism, Events and Sport Division

**THE CHAIR:** Good morning and welcome to this third public hearing of the Select Committee on Estimates 2012-2013. I welcome once again the Treasurer. This is your last appearance as Treasurer in these estimates hearings.

The Legislative Assembly has referred to the committee for examination the expenditure proposals for the Appropriation Bill 2012-2013 and revenue estimates in the 2011-12 budget. The committee is due to report to the Assembly on 14 August 2012.

The committee has resolved that all questions on notice will be lodged with the committee office within three business days of receipt of the uncorrected proof transcript, with day one being the first business day after the transcript is received.

Answers to questions on notice will be lodged with the committee office within five business days of receiving the question, with day one being the first business day after the transcript is received. Answers to questions taken on notice will be returned five business days after the hearing at which questions were taken, with day one being the first business day after the question was taken.

Proceedings this morning will commence with an examination of the Treasury Directorate's expenditure proposals and review estimates for the Shared Services centre. I will just note that with this area, like yesterday, because there is some overlap with those areas, we will take questions across each of the areas in Shared Services, if that is okay.

This will be followed by examination of the expenditure proposals and revenue estimates for Economic Development—output 1.3, tourism; and output 1.4, sport and recreation—and Environment and Sustainable Development—output 1.1, regulation and services; output 1.2, planning delivery; and output 1.3, planning policy. A morning tea break is scheduled for around 10.30 am.

Before we go to questions, I draw your attention to the privilege card, the statement on the blue card in front of you. Can you indicate that you are aware of that. Excellent; thank you. And proceedings are being broadcast today.

Before we go to questions, I invite you, Treasurer, to make an opening statement.

**Mr Barr:** No. If I did this by every section we would be here for a very long time. Thank you, Madam Chair; I am happy to take questions.

**THE CHAIR:** I have to put that invitation out there. I will go to my first question, in regard to social procurement. It says in the budget papers that Shared Services will continue awareness and education programs related to the development of procurement projects that offer opportunities for social procurements. In the Assembly we passed a motion calling on the government to establish three key social venture demonstration projects. Mr Barr, you reported to the Assembly on this matter and noted the graffiti management Spotless contracts in that. Just on those particular ones, it was my understanding that these contracts and requirements were things that have already been in place for quite some time, across a number of years. I was wondering why they are being included in that statement when they are things that were already in existence.

**Ms Divorty:** Social procurement is an important aspect of our procurement function within Shared Services. The demonstration projects that were put forward in the recent tabling of the motion are the demonstration of the ongoing commitment that this government has to social procurement. We believe that not only should demonstration projects be a one-off project but they should be an ongoing and sustainable commitment by government.

We have spent a lot of time dealing with both industry and the social venture organisations that are out there and directorates, in terms of education and awareness of social procurement and the benefits it can bring to the economy. We have continued to create that education program throughout directorates. We have now put

an additional focus on it by creating a dedicated position. That is a dedicated position at the senior level within procurement. So we now have a full-time resource who is out there, if you like, making the directorates aware of the benefits of social procurement, what it can bring to the economy and how they go about social procurement.

**THE CHAIR:** Sorry to interrupt you, and I appreciate all that, but the graffiti management Spotless contracts, as I said, were things that were already occurring, particularly around the graffiti management.

**Ms Divorty:** Sure.

**THE CHAIR:** The motion was around actually establishing demonstration projects. I appreciate what you are saying—that it is about demonstrating a commitment—but these are actually about demonstration projects, which are a different thing.

**Ms Divorty:** Right.

**THE CHAIR:** As I said, graffiti management is something that was already occurring, and has been occurring for quite some time.

**Ms Divorty:** Yes.

**THE CHAIR:** What projects are going to be pursued?

**Ms Divorty:** Graffiti has been an ongoing project, but it has also been a new tender during the period. There are contracts that are let over time, and they continue to be re-let, if you like, as they expire. That is the ongoing commitment that we have to social procurement in terms of continuing to put those clauses in our contracts.

In terms of the demonstration projects, and I think this comes back to the briefing that we talked about a couple of weeks ago, there is, if you like, a different interpretation of what a demonstration project is. We are aware of the difference that is now being tabled, I guess, in terms of that. We were demonstrating to our procurement function how social procurement could be incorporated into a tender to industry and how government could encourage industry to get involved in social procurement as a way of encouraging that niche industry to develop within the ACT community.

I think what you have asked is whether the government could be more active in sponsoring a demonstration project. It may be outside the realms of procurement's function to do that. We are certainly talking to directorates about how we might be able to enable that in a different way.

**THE CHAIR:** Isn't that part of it, though, too—that there are things happening in other directorates, that they are actually encouraged to do that because of particular circumstances they might have in the services they provide? Is that something you are actually doing?

**Ms Divorty:** I cannot talk on behalf of other directorates, of course, but I can say that we talk to those directorates regularly and there are some directorates who are

particularly active in this space and who really want to be involved in social procurement aspects.

**THE CHAIR:** Just with the Renewable Processes contract, obviously they employed a number of people with mental illness. What has happened with their contract? I did ask about that briefing, but we have not received an answer on that matter.

**Ms Divorty:** Renewable Processes? It is actually a TAMS contract; it might be more appropriate to refer that to TAMS. All I can say is that I understand that the process has been overtaken by other—I think it is other legislation. It is a question to TAMS. We can certainly get a briefing note to you on that.

**THE CHAIR:** Sure. What input, though, did you have with them, given that this is about promoting social procurement and that Renewable Processes employed a large number of people with mental illness? Presumably you had some function in promoting that awareness, given that that is one of your priorities.

**Ms Divorty:** Sure; we did. We did in the original contract. But when other factors overtake, there is very little that we can do about that. Again I would refer you to TAMS in order to discuss that in more detail.

**THE CHAIR:** So a social procurement aspect is not a part of that contract now?

**Ms Divorty:** I think that contract has been overtaken by commonwealth legislation. But again, I am not an expert in this field so I would ask you to refer that to TAMS.

**THE CHAIR:** I know there is a social enterprise known as No Sweat Fashions which you have mentioned to us. They provide employment for women from refugee and migrant backgrounds. Has there been any role by procurement solutions in supporting that particular enterprise?

**Ms Divorty:** If it is okay, I will call on Catriona Vigor.

**Ms Vigor:** Could you repeat the question, please.

**THE CHAIR:** Yes. It is just about No Sweat Fashions, the social enterprise that supports migrant refugee women. Have you had any role in supporting that enterprise?

**Ms Vigor:** It has come to our attention quite recently, through the ACT Social Enterprise Hub, that that service is setting up. We have talked with the ACT Social Enterprise Hub about the range of things that they might be able to do—for example, embroidery of logos or various other things. As yet that has not materialised into any procurements. With social procurements there tends to be a long lead time in the planning and establishment of a procurement.

**THE CHAIR:** What role do you actually have in this? I am just trying to get an understanding. This is a business that has been established. I heard about it a little while ago. What do you do to keep abreast of these being developed, given that it is something you became aware of not that long ago.

**Ms Vigor:** We meet fairly regularly with the ACT Social Enterprise Hub and find out what is emerging amongst social enterprises. And we promote that across different directorates.

**THE CHAIR:** Which directorate would be responsible for this?

**Ms Vigor:** Because, as I understand it, they are in a fabric manufacturing sort of industry, there are quite a lot of different directorates that have the potential to use some of those services. Any directorate that—

**THE CHAIR:** You were talking before about Renewable Processes and saying that is a TAMS matter, and talking about promoting to other departments that they take this up. What department would you see would be responsible for this? Would it be the Office for Women? Would it be Multicultural Affairs? And what do you do then to promote that with those directorates?

**Ms Divorty:** What we do is raise awareness with directorates of the social ventures that are out there, and we give them examples of how they might be able to utilise those functions. Catriona was mentioning logos. Many of the directorates have polo shirts with logos on them, and that is something that could be used across all directorates if it were suitable. It is a directorates awareness campaign, I think.

**THE CHAIR:** What are you doing generally to promote this idea? It does seem that there still seems to be a bit of resistance or a lack of understanding about what social enterprise and social ventures do. And there is, I have to say, probably a bit of fear about what they do. What are you doing to dispel some of those ideas?

**Ms Divorty:** I think that is the power of the dedicated full-time senior officer that we have now got on this. Until now Catriona and her team have taken time to visit directorates on a regular basis and to talk to industry on a regular basis. Now we have a dedicated officer who can do this full time for the coming year and actually get to know the industry, get to know the directorate's needs and try and marry those in a better way than we have been able to before.

**Ms Vigor:** We have had guest speakers come along to talk to senior officer forums at different directorates, including people from Social Traders, Social Ventures Australia and the ACT Social Enterprise Hub—and Jeremy Nicholls from Social Return on Investment Network. So we are generating greater awareness of the value and the importance of building social procurement into normal procurements. But going forward, I am hoping that, with a more dedicated resource, we should be able to get the planning moved along a bit further on procurements that involve social enterprises.

**THE CHAIR:** Would that include the demonstration projects?

**Ms Vigor:** Yes.

**THE CHAIR:** Thank you. Ms Hunter.

**MS HUNTER:** I would like to go to the upgrade replacement of the ACT

government's human resources information management systems. It is in budget paper 3, on page 177. It is also in budget paper 4, 177 and 178. I note that this initiative will cost just over \$1 million in 2012-13 and involves undertaking a comprehensive review to inform whether to upgrade or replace the current system, Chris21. I was a little concerned, given the role of Shared Services human resources, that you do the payroll and those sorts of human resource functions. I am interested as to whether or not you have a comprehensive understanding and knowledge of critical standard human resource management processes across directorates already. And if not, why not, because Shared Services has been in place since 2007?

**Ms Divorty:** I would say that we do have a comprehensive view of the various practices of directorates that we look after. You are right: we do look after the payroll of all of the directorates, and several other agencies as well. The practices vary outside the payroll system itself, though. There are different rostering systems and there are different processes involved in different directorates. Some of that is necessary because of the type of work that they have. There are some directorates who have short-notice shift changes; not everyone is a nine-to-five white-collar worker in the ACT government. So it is necessary for us to understand exactly what the various considerations of their rostering systems are at a more intimate level and to decide what is the best system going forward for the ACT government.

It is not necessarily a good idea for the ACT government to have five different rostering systems and several different processes in order to get information into that rostering system and then just have a payroll system, which is what we have at the moment. The feasibility study, or the comprehensive review, if you like, is to understand what are the different functions of the rostering systems; is there a need for a workforce capability function; and is there a need for one recruitment function that goes across the directorates? And therefore what is the overall need of the ACT government in our HRIMS?

**MS HUNTER:** Will you be using the review to determine where there has been a duplication of services? You have just said that yes, you have got the payroll. But directorates still seem to be building up or maintaining some human resource capability around payroll, timesheets and so forth.

**Ms Divorty:** Sure.

**MS HUNTER:** Will that be looking at duplication?

**Ms Divorty:** I think it is looking at the front end to our process. Shared Services was never designed to do the entirety of the HR function. When you are in the Canberra Hospital, for instance, and you are a nurse manager, it is necessary for you to input the timesheets for yourself and your staff. For us to send our staff out to do that would be a duplication. So we really allow the directorate to do the front end of the rostering system where that is necessary for shiftworkers; and we do the payroll system at the other end. For a lot of nine-to-five white-collar workers, of course, there is very little interaction needed apart from their interaction of inputting leave forms into HR21. That is, if you like, the automated front end for most of the ACT government, but there are rostering systems and, if you like, handraulic input that are required in some directorates in order to get the payslips right.

**MS HUNTER:** With that money that has been allocated, what will that be used for? Is that going to be used for consultants to identify whether there are better systems out there? What is the breakdown for the use of that money?

**Ms Divorty:** I will call on Andrew Whale, if you do not mind. It is both internal and external resourcing. I will get Andrew to give some details on that.

**Mr Whale:** It is a mix, as Jill Divorty said, of internal and external. The two critical functions, I suppose, in either improving our existing system or moving on to another system is around the system's integration and the data migration. For a lot of the work that we are doing this year, we are employing two internal staff to start a data cleansing project. That will look at all the data since it was entered into the current system five or six years ago. That process will take some time. If you look at things such as the Queensland Health scenario, where there are still ongoing concerns about their payroll, they were the things that they did not focus on effectively.

We also need to understand the systems that are out there and how they work with the payroll system, either directly or indirectly—whether it be the rostering systems as Jill is referring to or whether it be how they take one piece of paper at the Canberra Hospital compared to the way they take a piece of paper and deal with it at TAMS, for example.

There will be some business analysis functions as well. Some of that we may be able to source from Shared Services ICT or we may need to go out to the business market if that resource is not available. But primarily it will be focusing on internal staff but there may need to be for short periods of time some external consultancy around specialist processes that would relate to the system—either the existing system or future systems.

**MS HUNTER:** So would that also look at whether there were examples in, say, the private sector of the sort of systems you are looking at and whether they would be suitable?

**Mr Whale:** Yes, part of it is going to industry. We are going to do an RFI with industry to find out what is currently in the market. That is part of the funding. So if we were to consider an RFQ down the track, we have already tested the market in response to what we need in the context of our current and potential future systems. So we will be going to market.

**MS HUNTER:** Are you currently operating on the latest version of Chris21?

**Mr Whale:** We are currently updating it as we speak and, fingers crossed, over the weekend it has successfully gone through. So, yes, we are physically updating it as we speak.

**MR COE:** On HR, what is the role of Ross human services within InTACT?

**Ms Divorty:** Ross Human Directions; they have many different names. They tend to change their names. But Ross Human Directions is, I guess, how we refer to them.

They are the primary provider of contract staff for our ICT arm.

**MR COE:** How many staff are employed through that arrangement?

**Ms Divorty:** I cannot give you exact numbers, Mr Coe, but roughly, I would say, 130 to 150 generally.

**MR COE:** Okay. Of those, what is the nature of the contract—are we talking casual, six months, ongoing?

**Ms Divorty:** They do vary. It is a labour hire contract; so we have ease of termination, if you like, as you should with labour hire contracts. Generally speaking, we recruit people for six to 12 months.

**MR COE:** Why is there a need for 130 to 150 on that sort of arrangement? Presumably, a lot of the contracts you have got with ACT government agencies you have had for a while and you are going to have for a while. So there is some certainty in that market.

**Ms Divorty:** There is. There is certainty and it is an issue that we continue to debate and to find a better way of managing. We have spoken to other IT providers in other jurisdictions as to how they manage and whether we can pick up on some of their solutions or their lessons learned. We find that with the specialist staff, their pay scales are above those of the ACT government standard staff and we need to pay more in order to engage with the market.

**MR COE:** You said that you have got the ability for ease of termination. Is that something that you have had to make use of?

**Ms Divorty:** On occasions, yes.

**MR COE:** For what sort of reason—for individual contract reasons or because the work has dried up? What are the reasons?

**Ms Divorty:** Occasionally because the work has dried up because it may have been a particular specialist skill that we needed just for a finite period of time. But sometimes it is for performance reasons.

**MR COE:** So if you are, in effect, outsourcing to a human resource company for this work, why is it being done in-house? If it is in effect being done by external consultants anyway, is there scope for it to be shifted in terms of the actual functionality of that unit externally?

**Ms Smithies:** Can I correct something? We are not outsourcing in that sense. It is a labour hire arrangement. The labour hire firm does not take on the strategic direction, the business planning or the business deliverability per se. That is still the responsibility of Shared Services and Shared Services ICT. So it is a traditional labour hire arrangement.

**MR COE:** All the same, given that it is an arrangement that I do not think many other

directorates use in terms of that sort of quantum, is there notice—

**Ms Smithies:** Sorry to interrupt again, but Health tends to use labour hire arrangements in the nursing services quite extensively as well. These are areas—both Health nursing and ICT—where there is relatively fierce market competition for skilled services that need to be purchased that you cannot necessarily attract by traditional public service arrangements. They are different reasons to do different things but this is not an unusual arrangement. It is not unusual within the ACT government. It is not unusual across jurisdictions either. Sorry to interrupt.

**MR COE:** Yes, all the same, no doubt there are many arrangements like this, especially of that quantum. Is it something that the directorate or Shared Services has considered—in effect, outsourcing the current roles to the market; shifting the IT capability to IBM, HP or to some other provider?

**Ms Smithies:** Again, I think it is something that we have never—we had a discussion around this just last estimates as well. We have never taken that off the table. In a sense, what the territory has is an insourced-outsourced arrangement. We have insourced all of the IT services for all of our agencies. Your question is: can we take that insource-outsource arrangement and actually look at fully outsourcing it to the market? We have never taken that off the table. We have always had an eye on that as a potential possibility.

I think the issue for us here is value for money and what parts of the business would actually achieve the most value in terms of that outsourced arrangement—can we actually capture that value within the government service first before we look to outsourcing? We have not progressed it to the point of finalisation but again I do not think it is something that will ever come off the table either. There will be parts of the business that over time perhaps could be transitioned out to the private sector.

**MR COE:** Thank you.

**MR SMYTH:** So which parts of the business?

**Ms Smithies:** Sorry, Jill. You might be able to come in on this about what the competitors do in this particular space. Again, the commonwealth has a long history of doing this. It is not a particularly happy history of outsourcing and insourcing and then outsourcing again. It could either be the areas of high volumes—around the help desk and the service desk functions—or it could be around areas of particular skill or expertise, say, in the delivery of a particular health service et cetera. So it could be divided up in a number of different ways.

**THE CHAIR:** I will come back to Ms Hunter because she had not finished that question.

**MS HUNTER:** Yes, I wanted to go back over that question a bit again. Has there been modelling undertaken around whether there is duplication between Shared Services and the directorates? Will that be part of the scope of what you are doing?

**Ms Divorty:** In particular, in HR?

**MS HUNTER:** Yes, sorry, in HR.

**Mr Whale:** We did undertake a feasibility study which was stage 1, if you like, last year.

**Ms Divorty:** Yes.

**Mr Whale:** The focus really is not on the duplication of functions. It is on the consistency—the fact that one directorate may have a different rostering system or a differing process for managing something that actually ends up coming through the payroll system compared to another directorate. That is the real challenge. For us to get a more effective payroll system, we need to get more participation across government. We need to get in the one ACT PS model more consistent HR practices and systems right across government. What this review will be doing will be highlighting some of those significant differences and putting forward options for consideration and action as to more consistent processes. It is more around that consistent process rather than duplication.

**Ms Divorty:** If I could just add, the EREC review that was undertaken of HR and finance in the 2011-12 year did focus on the entirety of the HR function. It did look at our processes between Shared Services and directorates. There was a lot of streamlining of processes and that is how we have gained some efficiency and effectiveness in last year's budget and this year's budget.

**MS HUNTER:** Have you also been looking at the cost to directorates of providing that service? I am aware that the Assembly did pull its payroll and so forth back into the Assembly and has saved quite a lot of money. Have you been looking at the cost?

**Ms Divorty:** Shared Services over the three years is doing a number of functions in terms of just taking ourselves to the next level of maturity. We are five years old now. We have gone through the start-up phase. We need to move to the next level of efficiency and effectiveness. Some of the things that are in our strategic plan over the next three years are to look at our service levels, our service standards, our service specifications. What is it that we do? Are we doing the right thing? Should we hand some back? Should we take more on? What are the costs that are associated with those services? That is something that we are hoping to tackle in this financial year coming.

**MS HUNTER:** How does it work at the moment? The directorates pay you for the services that are provided and that covers costs—it is a cost recovery situation. So why is it that Shared Services Procurement in this case—or is this another part of the operation? It has come out with an expected surplus of just over \$6 million. So I am just trying to understand, if this is cost recovery, why we are having surpluses.

**Ms Divorty:** Yes. Shared Services is set up as a cost recovery organisation. I will ask Ross Burton to join me, if you do not mind. We are set up as a cost recovery organisation and generally speaking we do meet that. Sometimes the line is just met and sometimes there is a surplus involved. With procurement in the previous year and the current year we expect a surplus.

This is related more to the volume of activity that goes through procurement. As you can understand, as you get economies of scale, your profit margin does actually grow. So we have not adjusted the fee in the appropriate way as yet. But it is also a factor of the skill shortages that we are facing in the procurement area, especially in the capital works area.

**MS HUNTER:** Why does that impact?

**Ms Divorty:** The number of capital works project managers that we have is directly related to the fees that we recover. Obviously, we are supposed to use our fees to gain sufficient capital works project managers to undertake the works that are there. Sometimes we have to find other means of doing that. At the moment we are using labour hire, or starting to use labour hire, to cover some of those skill shortages that we are facing.

**Ms Smithies:** So I think this is largely around not being able to appropriately staff the organisation. It is not such an issue about billing but it is an issue around staffing and staffing, again, in a market in which it is very difficult to get appropriately skilled staff.

**Ms Divorty:** Can you confirm those numbers, Ross?

**Mr Burton:** Yes. As Jill indicated, when Shared Services Procurement was set up it was set up with a certain fee structure. It went out to agencies to determine basically what the level of capital works was at, at that point in time. Over the last few years obviously the level of capital works has grown substantially and also the mix of projects, the biggest, and also the amount of contracts that are leased over the last five years has probably increased fourfold from when procurement was originally set up. So there is no doubt it is timely to look at the fee structure that works within procurement, but generally through the capital works program there is the four per cent capital works charge, which is appropriated through Treasury for the project management charge that procurement incurs.

Obviously five years ago there were a lot of smaller projects and medium-sized projects. Now there are a lot larger projects when you look at a capital works program of over \$900 million, compared to five or six years ago; it was nowhere near that high then. So it is recognised, but at the end of the day procurement has generated for the last two financial years significantly better than budget performance, particularly for those two reasons. There is the revenue growth and the staffing. We have been trying to increase the project management or our staffing to meet that demand, trying to attract those people and those specialist project managers.

There is no doubt with the fee structure that the capital works side at the moment subsidises the goods and services side which was set up on a fee schedule based on agency charges and has only been indexed by CPI, WPI, since it was first established. There is no doubt that the workload and the amount of contracts, and the workload between directorates, has changed significantly since that point in time. But the agencies, directorates, are appropriated for that money and we just bill them what they are appropriated for. So there is no doubt that it probably should be right sized, but

that would just be shifting dollars from one directorate to another without any cost saving at that point in time.

**MS HUNTER:** When there are capital works going on, so a directorate has got the responsibility of a particular project and you have taken on that job over at Shared Services Procurement, do you keep some sort of time sheets or log of the time that you are spending on that project? Because in a sense they are giving you money to manage part of that operation, do you then log it in some way so that they know they are getting value for their money, I guess, and also that they have some idea about who they are liaising with; that they know who the team is?

**Ms Divorty:** Directorates always have a contact point and a team that liaise with them so I do not think there is any lack of clarity in terms of who it is that is working on their particular projects. We do not keep time sheets in the way that you are describing, though. The four per cent capital charge is not only to cover specific time sheets or time allocations for project managers; it is also to cover office overheads, accommodation costs et cetera. In some cases it also covers consultants. If we need specialist design consultants, for instance, who might help us prepare the brief to go in for a budget bid, we may engage those through procurement in order to assist a directorate that may not have the skills in-house to do that. So we utilise the four per cent capital works fee for whatever we need to in order to make that project the best project that it can be on the way through, while obviously keeping in mind an appropriate use of money.

**MR COE:** Can I follow up on something Ms Smithies said earlier? You used the term “competitor” and I am just wondering what you meant by that and who you were referring to.

**Ms Smithies:** In respect of ICT?

**MR COE:** Yes.

**Ms Smithies:** There are a number of firms that do similar styles of work. HP has been very active in the ACT market over the last 15 years, and IBM. If we were going to talk about this being a competitive market they are the style of firms that do some of the work where there is a direct comparison.

**MR SMYTH:** Ms Divorty, one of the savings the government has put forward this year is \$4.8 million from extending the operating life of ICT equipment. How does that affect Shared Services?

**Ms Divorty:** Shared Services specifically or Shared Services’ delivery of services to the ACT government?

**MR SMYTH:** Both.

**Ms Divorty:** The extension of life of the computer fleet really comes down to how long will desktops last, how long will laptops last and how long will monitors, keyboards and mouses—mice, mouses?—last? I guess that even in this forum we have been talking about that over the last couple of years and we undertook last year

to do a study on whether we could actually make the monitor, keyboard and mouse last longer. We did that study and we felt that keyboard and mouse do need to be replaced on a regular basis but we felt that the monitor, now that it is in the format that it is, could last significantly longer than we have been allowing it to last in our replacement program. So the savings that you have described, Mr Smyth, are looking at extending desktop computers from four years to five years, laptops from three years to four years, and monitors from four years to 10 years to come in line with every second replacement of a desktop.

**MR SMYTH:** So it will not diminish the functionality? It will not hinder people in the way they use the software in their machines?

**Ms Divorty:** We do not believe so. From the tests that we have been doing—some of them have been deliberate tests and some of them have just been because we have been a little bit behind on our replacement program—we have seen desktops routinely last for five years, so we do not think that there is a very large break/fix element in there. We think laptops going from three years to four years is a very safe stance as well. I guess the only thing that we have not tested is monitors lasting 10 years. So if we get to a large break/fix at six or eight years then we would obviously change that strategy. Of course if technology changes significantly over that time period we will have to revisit the strategy, but we do not believe—

**Mr Barr:** Noting of course that there is an initiative to extend mobile device capability so that I imagine all people will be using devices like these, Mr Smyth.

**MR SMYTH:** As you do.

**Mr Barr:** Indeed.

**MR SMYTH:** In the priorities on page 175 of budget paper 4 the second dot point talks about implementing processes from the 2011-12 review of finance and human resources to achieve efficiencies. What sort of efficiencies were outlined in the review and what was the financial gain from doing this?

**Ms Divorty:** Could I ask my finance and HR directors to join me, if that is okay?

**MR SMYTH:** Yes.

**Ms Smithies:** These were the savings, though, that were in this year's budget—\$2 million in this and \$2½ million put into the 2012-13 budget—and this is on top of what would have been \$20 million of savings that were taken out of Shared Services when it was conglomerated around the time of the functional review, so these are on top of the significant savings that were taken out earlier.

**MS HUNTER:** And some of this was identified through the expenditure review?

**Ms Divorty:** Exactly. All of these were identified through the expenditure review, which was a 17-week review of both finance and HR where a consultant came in, lived and breathed our processes with us and created a lot of process improvements with our staff, so it was a very interactive process. I will just get Calvin to talk

through the changes in finance and Andrew to talk through the changes in HR.

**Mr Robinson:** A number of initiatives were identified through this process. TM1 was identified as a possible reporting tool for us. It allows us to standardise, streamline, all our financial reporting processes. It provides other opportunities down the line in terms of budgeting, management reporting and also annual reporting, so a pretty powerful tool. The implementation of that is already underway for us and we are confident that we will get the benefits of that particular tool during the forthcoming year.

Another initiative is the automation of our invoice payment process. We are going through a feasibility study on that and we expect to automate our process. There are a number of options that we need to consider in doing that. So again 2012-13 provides an opportunity for us to do that. We are looking at automated reconciliation of our credit card process. We want to finalise the banking tender and once that is finalised we will be able to focus on the credit card rec process. They are a few initiatives that we have got underway.

There are a number of process improvements that we have worked on. For example, debt recovery is one area where we have tried to streamline the process and we continue to do that. We continue to, I guess, tweak—if I can use that word—our invoice payment process. We know that there is still considerable variation in that process; it tends largely to be in directorate land rather than in Shared Services but we have to cope with that so we are continuing to work on that.

**MR SMYTH:** You talked about debt recovery. How much debt is overdue?

**Mr Robinson:** I would have to take that on notice at the moment. I do not have those numbers.

**THE CHAIR:** That has been taken on notice.

**Ms Smithies:** We should probably clarify what sort of debt. There will be all kinds of debt—public housing debt—

**MR SMYTH:** We will have a breakdown of all of it, thank you very much.

**Ms Smithies:** All of it?

**MR SMYTH:** Yes. Why not?

**Mr Barr:** It may not be possible in the time frames.

**MR SMYTH:** I am sure Treasury or someone in Shared Services knows all the debt that they are due. I would be surprised if they did not, minister.

**Mr Barr:** We will take some advice on whether that is possible to deliver within the time frame.

**MS HUNTER:** Just going back to the in-directorate land, which I quite liked, with

the tweaking of the invoice payments is that around where directorates have had contractors come in and do work for them or whatever and it is paying out? Is that what you mean, or are you doing it on the debt side rather than the—

**Mr Robinson:** Under the current invoice payment process all the invoices initially go to the directorates and they are authorised, checked I guess, confirming receipt of the goods or the service, and then they are sent to Shared Services for payment. That is the process I am alluding to. There is a substantial amount of variation in the directorates in how they handle that and what they do. For example, in JACS there might be a dozen points of entry for an invoice whereas in TAMS it is a bit more centralised. That is the kind of variation, I suppose.

**MS HUNTER:** Mr Robinson, is there a role for Shared Services in ensuring that they are paying properly? Do you keep a bit of an eye on how long it is taking for the directorates to sign off, check and so forth? Obviously what has been in place has been paying invoices promptly and paying within 30 days or so to businesses. Do you have a role in that?

**Ms Divorty:** We have a benchmark and our benchmark is to process everything that we have within two days after we receive it, so we control our side of things. We obviously have to work in conjunction with directorates to try and streamline their side of things and that is what Calvin is referring to; it does depend how it is received, where it is received, how many touch points, if that is within a directorate, as to how timely that process can be on the other side. The invoice automation process we hope will change this so that there will not be so many paper-based invoices. The fewer paper-based invoices, the fewer touch points there are, and hopefully a quicker payment process can ensue from that.

**MS HUNTER:** You have got your benchmark and I am sure you are meeting that within reasonable time frames. But who is checking to make sure that the 30-day benchmark is being met?

**Ms Divorty:** We do check on that but we can only check on it in, if you like, a retrospective way because the time frame has either passed or it has not passed. So what we need to do is get closer to the entry point for the invoice, and that is what we are trying to do. We have previously tabled invoice payment records for the ACT government and I do not think they have changed significantly since the last time we tabled them.

**MR SMYTH:** Mr Whale, were you going to answer something for me?

**Mr Whale:** In HR the savings have all been around process improvement. With the consultancy firm over those 17 weeks we did extensive mapping of all the individual processes undertaken by the majority of our areas. That led to some significant and some minor changes in the way we process, which has allowed us to actually restructure some of our areas. It has allowed us to reduce some positions in some of those areas without certainly a decrease in efficiency or service and in most cases with an increase in the way we are processing and working with directorates. So that is where the savings in HR have primarily come from.

**MR SMYTH:** Is it possible to have a copy of the review?

**Ms Smithies:** I do not think the reviews are written up in a table. They are really around huge pieces of paper with sticky notes, butcher paper and PowerPoint presentations.

**MR SMYTH:** Sorry, we did a review that consists of butcher paper and post-it notes?

**Ms Smithies:** It is a process review, Mr Smyth. So it is really around getting everyone together—

**MR SMYTH:** There is no need to take that tone with me. I am just saying back to you with great surprise that we did a review of Shared Services and it was done on butcher paper with post-it notes and a PowerPoint presentation.

**Ms Smithies:** This is a process review and a lot of the documentation sits in—

**MR SMYTH:** But there must be a summary document at the end of it?

**Ms Smithies:** Yes, well—

**Mr Whale:** With the majority of the stuff that I have, I have two ring-binders full of process maps. I sat down with each one of my team leaders and went through those process maps and got them to go through them and come back to me with what we could do around those. A lot of the initiatives actually came out of the teams, when they looked at the process maps and the way they went through it. So that was the process. It was not a matter of a consultant coming in, writing a report and saying, “Here it is; here’s how to improve.” Certainly in HR I would say 80 per cent of the improvements actually came from the staff themselves in going through that mapping process.

**MR SMYTH:** But how will you determine that you have achieved the savings and the efficiencies and that the new processes are working?

**Mr Whale:** Largely through staffing. So in the HR space—

**MR SMYTH:** By what? Staff saying that it is working or that it is better?

**Ms Smithies:** No.

**Mr Whale:** No, staffing levels. So I have to find—

**Ms Divorty:** We have targets in our budget, Mr Smyth. So if we achieve our budget for the coming year, we will have achieved the savings targets that are inherent in the review.

**MR SMYTH:** But your staffing is going up.

**Ms Divorty:** Our staffing is going up but not in those areas. Our staffing is going up for other reasons.

**Mr Burton:** The net increase for staffing is because of the transfer of the workers compensation and the safety plan people from eight directorates into Shared Services this financial year.

**MR SMYTH:** The transfers in are of how many staff?

**Mr Burton:** In HR there are 20 staff that came in for injury management.

**MR SMYTH:** Therefore the job losses will be how many?

**Mr Burton:** If we are looking at 2012-13 there is a decrease of around eight staff in relation to the LSI.

**MR SMYTH:** Can you look at the process and, if there is some document that you can give to the committee, that would be good. I have a last question on the priorities. The first dot point talks about approaching the market for a modern, energy efficient and highly scalable data centre. What does “approaching the market” mean?

**Ms Divorty:** We are in the middle of a procurement process, Mr Smyth. It has been a very lengthy process. We have done industry consultation, we have gathered requirements, we have looked at emerging technologies and we are now in the middle of an approach to market for data centre providers.

**MR SMYTH:** Will they be constructing that for the government? It will be the government’s own data centre; will you—

**Ms Divorty:** It will be commercial facilities, so I do not imagine the government would be the only lessee.

**MR SMYTH:** Is this on page 181—the data storage infrastructure that has about \$18 million against it?

**Ms Divorty:** Sorry, Mr Smyth?

**MR SMYTH:** On page 181 of budget paper 4 there is a line called “data storage infrastructure”. There are payments over four years totalling about \$18.1 million.

**Ms Divorty:** That is right. That is the entirety of the process. So that includes all of the strategies that we might introduce, whether that is cloud technologies server virtualisation, migration costs, internal staffing costs, running costs for the data centre once it is established.

**MR SMYTH:** So that is the money for the process. That does not deliver an actual facility?

**Ms Divorty:** Yes, as well as all the other things it is for the facility.

**MR SMYTH:** Sorry, we will end up running a facility or not?

**Ms Smithies:** Rent. We will be renting the facility.

**Ms Divorty:** That is right. So we will be leasing a data centre.

**MR SMYTH:** Okay. And the rent thereafter will be how much?

**Ms Smithies:** We will not know until we go to the market but it will be incorporated in the forward estimates.

**MR SMYTH:** So we are spending \$18 million to migrate to this new facility that we will not own?

**Ms Divorty:** Sorry, that is rent as well. So it is rent, ongoing power, utilities costs, as well as the staffing migration and, if you like, development of strategies for the new data centre. So it is an all-encompassing number.

**MR COE:** And that is rent for how long?

**Ms Divorty:** That is 3½ years, I think.

**Mr Burton:** Two and a half. We are looking at renting the facility in 2013-14, so in 2013-14 and 2014-15 there is a slight increase in costs because of migration costs, but then how much of those costs will go into the forward estimates will depend on the period that is signed up for the lease.

**MR SMYTH:** So the 2015-16 estimate of about \$5.8 million is what a standard year would cost?

**Ms Divorty:** That would be as well as operating costs. We have not got a return from the market as yet so we cannot tell you whether that is a comprehensive number, whether that is a high number. What we can tell you is that it is our estimate at the moment but it covers also ongoing running costs.

**MR SMYTH:** Could we get a breakdown of all those costs over the four years, please?

**Ms Divorty:** We are in the middle of a procurement process—

**Mr Barr:** Not in the middle of a procurement process, no. But once the process is complete, that would be a reasonable request then.

**Ms Divorty:** Yes.

**MR COE:** There is a figure in the budget.

**MR SMYTH:** There is a figure in the budget, as Mr Coe points out.

**Mr Barr:** Yes, but that does not indicate each of the separate elements.

**MR COE:** There must be a way that that figured was derived, though.

**Mr Barr:** Yes, but we are in the middle of a procurement process. It is a very competitive process. There are a dozen people in the marketplace, at least. There are also commonwealth processes. So in order to be eligible for our procurement, you need to be on the AGIMO panel. It is an extensive process. To suggest that we would put into the marketplace in the middle of the procurement—

**Ms Smithies:** What we are prepared to pay—

**MR SMYTH:** When will the process be finished?

**Ms Divorty:** There is an evaluation period, so we would expect it to be later this year, certainly September-October.

**Mr Barr:** It will be reported on in annual reports and future estimates. So you will certainly have the opportunity to scrutinise that. But to suggest that we would go in advance and—

**MR SMYTH:** Perhaps if it is completed before this report is tabled in August, you could update the committee.

**Mr Barr:** It will not be.

**MR SMYTH:** It will not be? Okay. Further down on page 181—

**THE CHAIR:** We will move to Mr Coe and Ms Le Couteur soon.

**MR SMYTH:** there is another data storage infrastructure policy adjustment of about \$5 million over three years. What is that?

**Mr Burton:** That relates to the actual capital costs for the data centre project, basically for installing equipment into the data centre. When we rent or lease a facility it will obviously be rented as space, which is incurred in the data storage infrastructure costs up above. That is the recurrent costs in those figures we were first referring to. The second part is actually the capital costs incurred in setting the data centre up—a bit out of that asset.

**MR SMYTH:** If my memory serves me right there is about \$2.4 million or \$2.5 million in this year's budget. Is that related to the same project as well?

**Mr Burton:** That is under the rolled over data centre infrastructure, which is at the bottom of that page. That refers to a separate initiative whereby last year we received funding to upgrade the data centre at TCH to facilitate in the meantime until a strategy is worked out there. Those figures indicate that we have worked through the process this year with Health. It has taken a fair bit of time and that is why we rolled over funding specifically for that project with TCH.

**MR COE:** With regard to procurement, I know of one or two issues that relate to contract variations. I think it generally stems from disagreements between the contractor and the superintendent on various sites. How regular an occurrence are

these kinds of disputes, especially on variations?

**Ms Divorty:** That might be a difficult question to answer, Mr Coe. I am sure there are regular disputes about those. There are disputes, I am sure, between contractors and superintendents about the extent of work that has been completed, the milestones that are due and, without specific instances, I am not sure that I could answer that more fully than that. I guess it is part and parcel of the building industry for there sometimes to be—“dispute” is a strong word—disagreements, perhaps. It depends whether you are talking about an escalated dispute that goes through particular processes or a disagreement which results—

**MR COE:** Sure. How many go to a conference between Procurement Solutions and the contractor or are facilitated by Procurement Solutions between the superintendent and the contractor?

**Ms Divorty:** There have been a few. I would have to take that on notice, Mr Coe, to give you a more comprehensive answer.

**MR COE:** Yes, that would be good. I know of one particular dispute which I have contacted the ministry about with regard to Gungahlin college. The contractor there is claiming several hundred thousand dollars, I believe, of variation work which had not been paid yet. That issue has been dragging on for over a year now, I believe. Again, how regular an occurrence is it that issues like this can drag on for more than 12 months?

**Ms Divorty:** Again, I would have to take that on notice, Mr Coe. I would say it would be quite rare that it would go on for those lengths of time but I am happy to take that on notice.

**MR COE:** Sure. Are you aware of the situation I am talking about at Gungahlin college?

**Ms Divorty:** I can get some of my procurement people to talk to you about that.

**Mr Grey:** I believe, Mr Coe, you might be referring to a trade contract between the territory and Delnas Metal Roofing at Gungahlin college.

**MR COE:** That is right.

**Mr Grey:** That particular dispute between the territory and that contractor is now in the process of being referred to arbitration, which is the process where the contractor forwards both parties to resolve the dispute once they have attended a conference.

**MR COE:** To get to arbitration, I understand it goes to conference first and then if it is still not resolved it kicks on. Can that be initiated by either party or do both parties have to agree to go to arbitration?

**Mr Grey:** No, the form of the contract in question in relation to this particular matter requires both parties to resolve their differences through referencing it to a conference. By means of referencing to a conference, the items in dispute are, in the first instance,

referred back to the superintendent for a written decision. If the written decision is not satisfactory to either party then it can still be open to a conference. If both parties are unable to reach a satisfactory outcome the contractor or principle reference to settlement through arbitration. So there is quite a clear path of processes set up in the contract.

**MR COE:** Variations on site, by definition, were not expected at the time; therefore you do have additional costs brought about by variations. I am just wondering how the relationship works. The entity paying the bills is the government but the person signing off on the variations is the superintendent. So when you have issues such as this, I wonder how they get resolved. In effect you have got the superintendent doing the payer's bidding in terms of litigating the case. Can you explain to me how that relationship works? In arbitration is there much communication between the government and the superintendent?

**Mr Grey:** Mr Coe, the process in relation to this particular contract, and it is common to all of our AS2124 lump sum contracts, is that the superintendent is employed by the principal. Their role is quite clearly set out in the terms and conditions of the contract to honestly and independently administer the contract, which includes that role and that performance in assessing and determining the value of variation claims. So they are an independent party to the contract, independently administering the terms and conditions of the contract.

**MR COE:** Talking generally and not about that specific contract, if it is going to arbitration it means, I would assume, that the contractor and the superintendent have disagreed on the variation. Therefore if you go to arbitration, what more information are you likely to get from the superintendent that you do not already have? That is where the heart of the disagreement is between the contractor and the superintendent. That is why there is an external arbitrator involved.

**Mr Murray:** In those circumstances when a contract is in dispute and it goes to arbitration, you bring in a third party who is not necessarily going to be introducing new information but is going to make an assessment of the information that has been presented and provide independent advice on a prospective way forward. I do not think the role of arbitration is necessarily to introduce new information but really it is to independently assess the information that has been put forward by all the parties and make a determination accordingly.

**MR COE:** Again, in general, do superintendents have any financial stake in whether a variation is approved or not?

**Mr Murray:** No, I would not believe so.

**MR COE:** When do you think the Gungahlin college situation will be resolved?

**Mr Grey:** As I mentioned, Mr Coe, that process is in finalisation in terms of referral to arbitration. My executive director, Mr Peter Murray, has nominated the arbitrator and it is a matter of final negotiations as to the time of the formal appointment of the arbitrator and then commencement of those proceedings under the control of the arbitrator.

**MR COE:** So it is likely to kick off in the next few months?

**Mr Grey:** Yes.

**MS LE COUTEUR:** I will move back to IT. As Ms Divorty mentioned we have talked about energy efficiency in IT in this forum over a number of years. I was very pleased to find that you are no longer going to be replacing perfectly good screens and perfectly adequate desktops and laptops. But does this policy change mean that you are going to continue to not look at thin clients? Where are thin clients in the strategy?

**Ms Divorty:** No, we continue to look at those things. We have an ICT sustainability plan in draft which points us towards investigating those. We also have the data storage infrastructure upgrade which asks us to look at cloud strategies—virtualisations and different ways of using our data and dealing with our IT systems. So between those two elements, yes, I think we will be looking at thin client or something like thin client.

**MS LE COUTEUR:** You said the IT sustainability plan was in draft. When is it going to be finalised and available?

**Ms Divorty:** We have been working on it and refining it just to make sure that it is as good as it can be before we table it. But I think we are reasonably happy with it now as a draft and it is now basically up to the government's timetable as to when they can deal with it.

**MS LE COUTEUR:** Mr Barr, do you have any idea when that is likely to occur? We have been talking about this over a number of years.

**Mr Barr:** With due haste, Ms Le Couteur. I do not have a date. I do not control the cabinet agenda. It will come forward as soon as possible. I am not holding it up.

**MS LE COUTEUR:** Can we expect it in this term of the Assembly, at the least?

**Mr Barr:** I will need to take some advice on that. It will depend on cabinet agendas.

**MS LE COUTEUR:** It is something that has been talked about over a number of years.

**Mr Barr:** I am aware of that and, along with about 17,000 other items to be completed in this term of the Assembly, I will rank it highly, noting your interest.

**MS LE COUTEUR:** Thank you, Mr Barr. Moving on to the data centre, what did you look at in terms of energy efficiency issues and other sustainability issues with the data centre? Clearly you have not made a decision yet but you have selection criteria.

**Ms Divorty:** We do, and I will bring an expert up, if that is okay.

**Mr Kegel:** There are a number of things we looked at with the need to move to a new

data centre facility. One of the big gains is energy efficiency, of course. Part of the strategy and the budget funding is to look at how best we do that. How can we best look at our current server arrangements and maximise the efficiency of that when we move and transition to a new data centre? Virtualisation, for instance, will be big on our agenda. How do we manage the actual data storage that we hold for directorates? How can we better maximise the efficiency of that? That is wrapped up into this move to the data centre.

**MS LE COUTEUR:** Will you be moving the same physical servers or basically be refreshing your servers?

**Mr Kegel:** That will be part of the strategy. Do we take the opportunity to decommission some of the older servers? We have a rolling program at the moment to replace servers as they go end of life. We will be using this opportunity, as I said, to look at the actual data holdings themselves and how we maximise the efficiency of the servers that hold that data.

**MS LE COUTEUR:** In terms of the actual selection criteria for the data centre itself, what are you asking your vendors for in terms of energy efficiency from their side, as distinct from your side, for providing the actual server?

**Mr Kegel:** I might defer to my esteemed colleague.

**Mr Mudge:** There are two or three broad things we are looking at in our approach to market. One of them is a measure called PUE—power utilisation efficiency. It is really a ratio of the amount of power that goes in to power the kit that is within the data centre facility and the amount of power that needs to be spent managing the environment, so keeping the servers et cetera operating effectively. The lower that number, the better. The lower that number means the more efficient the cooling systems, the power systems and all the other bits and pieces that the facility is providing to us to service the equipment will be. The target is going to be a lot better than any of the facilities we have at the moment, but it will be weighted and negotiated as part of the overall process.

**MS LE COUTEUR:** Do you have any idea of what it is like? You must have at least some idea. Is it better than the current—

**Mr Mudge:** The current is above two and the target is below 1.6. It may be considerably lower again; we will have to wait and see. There are difficulties in that number. It is not as hard as a science as it should be and, in fact, the industry is transitioning to a NABERS rating instead, as you may be aware. We are looking at getting independent expertise in to help assess the veracity of the claims. There are usually a lot of caveats on the claims from any particular provider because it is not just about them; it is also about how we put our equipment in. You do not achieve those numbers until you are nearly fully fitted out. You do not achieve it if your cables are not in nice neat clumps because the airflow is not as good. It is very difficult, but it will certainly be assessed.

In addition to the power utilisation efficiency, the draw of electricity, we have also asked questions around utilisation of water—how much the facility consumes, if they

have got closed-loop systems and those sorts of things. That is another factor to evaluate as part of that process, and the ability to look at green power provision as part of the power drawer within the facility.

**MS LE COUTEUR:** You said “the ability to negotiate a green power provision”. Have you decided that there will be green power provision as part of this or is that just something possible for the future?

**Mr Mudge:** At the moment it will be assessed as part of the overall picture. We do not have a definite percentage.

**MS LE COUTEUR:** Have you expressed any preference for location? I am not talking about suburbs. Are we talking ACT or non-ACT—that level of location?

**Mr Mudge:** Yes, we have. Through the process it will be ACT based. We have to look at geographic separation from current facilities to reduce the chance of a fire or other natural disaster affecting both data centre facilities, effectively. They are really the considerations in process.

**MS LE COUTEUR:** Once this has happened, which of our current data facilities will remain?

**Mr Mudge:** The overall strategy is a two data centre strategy and one of the primary data centres. Probably most of the big server rooms that are not really data centres at the moment will be migrated into the new facility. There is a continuing program to assess what we do with the rest of the equipment and the rest of the facilities.

**MS LE COUTEUR:** So we will still have one data centre that we own after this?

**Mr Mudge:** Yes, we will.

**Mr Kegel:** Which will be at TCH.

**MS LE COUTUER:** What will happen at Callam is a big question.

**Ms Divorty:** Yes. It is likely that Callam would be first and, therefore, Macarthur House would remain for a few years. And then we would gradually migrate out of that.

**MS LE COUTEUR:** TCH, I presume, is probably getting rebuilt. As everything at TCH is being rebuilt, why would you not do the—

**Mr Kegel:** That is part of the infrastructure works.

**MS LE COUTEUR:** Can we move now to some less physical IT issues. The Auditor-General recently did a report on information security. There were some headlines in the *Canberra Times* which did not seem particularly accurate.

**Mr Barr:** That never happens, does it?

**MS LE COUTEUR:** This one was particularly inaccurate. The Auditor-General

described you as robust and the headline said, “Files security attack”.

**Mr Barr:** Is that because sub-editorial is being outsourced to New Zealand?

**MS LE COUTEUR:** I do not think you can blame New Zealanders for that. Or maybe I should. My question really was: what have you done in terms of not writing plans but actually doing disaster recovery in practice? In the good or bad old days before I was here, where I worked we used to turn off all the servers and see what happened at that level.

**Mr Kegel:** We have disaster recovery plans and business continuity plans for all our business systems. I guess by default we test those twice a year because we have data centre shutdowns where we do maintenance on those data centres. Most of those systems are shut down and then brought back as part of that process. That, in effect, tests those particular plans at that level.

**MS LE COUTEUR:** Do you go further than that? Do you actually test from whatever media your backup is in? Do you test what would happen if you—

**Mr Kegel:** Certain systems are tested every year. Some of the child protection services systems et cetera are backup tested. Some of the Health critical systems are backup tested as well. Recovery from take-up is what you are referring to?

**MS LE COUTEUR:** You do that once a year or—

**Mr Kegel:** Each system is different. They have a different regime. There is no set standard on how often you have to test it or do backup recovery.

**MS LE COUTEUR:** Have you had any issues with them?

**Mr Kegel:** No, not that I can recall; not in the time that I have been in the job, no.

**MS LE COUTEUR:** Have you also tested your network? There must be some points of failure in that. What do you do to go around those?

**Mr Kegel:** Again, during the data centre shutdowns we have a process of testing some of those critical core infrastructure components. They are all high redundancy components anyway so they do fall over in the sense of there is a failure.

**MS LE COUTEUR:** You mentioned data centre shutdowns. Do you ever do entire shutdowns? I am aware that we get emails saying that there is going to be a data centre shutdown: “But don’t worry; core services”—

**MR SMYTH:** I just got one then.

**MS LE COUTEUR:** Exactly. I just got one then. In the last few years they have always been very reassuring: “Don’t worry; core services will still be there; email will still be there.” In fact, we now have Citrix there. As far as I am concerned, there may be a shutdown, but everything is still there. So clearly you are not shutting everything down.

**Mr Kegel:** No.

**MS LE COUTEUR:** Do you ever actually shut everything down?

**Mr Kegel:** No. In the time I have been there, I have never shut everything down. There are some directorates—Health, for instance—who would not allow us to do that.

**MS LE COUTEUR:** That is a good question. How do you, in fact, test for disaster recovery for Health if you cannot shut it down?

**Mr Kegel:** Again, that is where the business continuity plans come into play, I guess. A lot of planning goes into that. There is high availability infrastructure put in place for the systems—

**MS LE COUTEUR:** But do you ever test it?

**Mr Kegel:** They get tested, yes.

**MS LE COUTEUR:** With the others, the non-Health stuff, are you actually ever testing each component being shut down? We know the email appears that it needs to be shut down because we are always told so.

**Mr Kegel:** It is one of those critical systems that we have to keep up at all times.

**MS LE COUTEUR:** So you never test contingency plans for that?

**Mr Kegel:** We do not purposely turn the email off. We have never done that. It is considered one of those business critical systems that directorates would not allow us to turn off.

**MS LE COUTEUR:** They might not be very happy if something happened and you had not actually tested that you could get it back again, I would suspect.

**Mr Kegel:** Certainly, we have a plan in place if that happens, but we have never tested that, no.

**THE CHAIR:** Anything further on that, Ms Le Couteur?

**MS LE COUTEUR:** No.

**MR SMYTH:** Just to follow up on that, the report, how many of the ACT government systems have a security plan?

**Mr Kegel:** About five per cent.

**MR SMYTH:** Why is that?

**Mr Kegel:** I am not sure. Certainly, the new systems have been in place for a number of years now. For new systems they will have a security plan and a threat risk

assessment done on them. But for the legacy systems it was never a requirement, going back a long time, I guess. So that has not been revisited.

**MR SMYTH:** But are they all now required to have a plan?

**Mr Major:** May I take it from here? System security plans were introduced in the latest revision of the ICT security policy. It is a whole-of-government policy. There has not been active pursuit of the plan, which is a thing I am chasing up on now. Security plans will form part of the change management process and the new project process. We are attempting to catch up on where we are—to bring the shortfall down. Fortunately, we do have, as the Auditor-General has said, robust security in place. So while plans would be ideal, we are covering the shortfall of the plans. We are going to endeavour to get them for all applications.

**MR SMYTH:** When are the plans required to be in place?

**Mr Major:** The security plans were supposed to be in place by the time the system goes live.

**MR SMYTH:** As Mr Kegel said, obviously there are the legacy systems that have been there for a long time. How do you catch up with those and when do you expect all the plans to be in place?

**Ms Divorty:** We have put a target date of the end of this year to actually identify which systems should have security and threat and risk assessments done. That really depends on the longevity of the system I think from this point forward. If it were a system that was going to be phased out very soon, there may not be much point in doing that. But if it is a system with a great deal of longevity—some of the critical systems that are currently in government that have been here for a while and look like they will be here for quite a long time going forward—then we would identify by the end of this year what the time frame is to get those done.

**MR SMYTH:** End of the calendar year?

**Ms Divorty:** I think it was by October we said we would identify which systems.

**MR SMYTH:** With the threat and risk assessments, something like only 2.25 per cent have had the assessments done. So you are saying that by the end of October all of them will have that assessment done?

**Ms Divorty:** No, by the end of October we will identify which systems going forward need that done. Then we will set a time frame with each system with each directorate to get them done.

**MR SMYTH:** But if it is required under the plan that they all have it done, they all have a security plan in place, will you not be working out how to do that and comply with the requirement?

**Ms Divorty:** The requirement in the Auditor-General's report?

**MR SMYTH:** The requirement—

**Ms Divorty:** In the policy?

**MR SMYTH:** in the policy that you have a security plan?

**Mr Major:** Unfortunately, it is a moving feast, Mr Smyth. We are going to endeavour to reduce our backlog and shortfall as soon as practicable. We have raised the issue now with the project managers and the ICT managers working within directorates to actually highlight it. We have shown the benefits to the business owners of having a security plan in place. They will be actively pursuing it. We have had several security plans actually commence since the publishing of the report.

**MR SMYTH:** How do we know we have a robust system if we do not have security plans and we have never done threat and risk assessments?

**Mr Major:** As part of the project methodology, risk assessments are done by the project manager but they are not a detailed security risk assessment. As I say, the ACT government has put in place a strong security system based on identified risk assessments for the whole of government, which was actually commissioned many years ago. Those then flow through into the systems. The actual systems themselves maybe either over-secured or adequately secured. What the threat and risk assessment will identify is a level of security control that the system needs depending on the value of the information being processed.

**MR SMYTH:** Okay. So again, the question—

**THE CHAIR:** Just a follow up. Sorry, if—

**MR SMYTH:** Sorry, if I may. But, again, the question is: how do you know you have got a robust system as is claimed if it has never been done?

**Mr Major:** We conduct—all systems are subjected to vulnerability assessments prior to going live. We have a robust antivirus and end point security system in place. We have a multilayered gateway system in place. We put in place appropriate filtering in the gateway environment. We have network monitoring in place and other logging and auditing tools. The logging and auditing system is separated from the rest of the ACT government and is kept in a secure environment. It is not accessible by administrators.

**MR SMYTH:** That is okay, but how have we tested whether or not we have a robust system?

**Mr Major:** That is an excellent question. All I can say is that at this point in time, while it is not perfect, we have yet to suffer a major security outage.

**MR SMYTH:** Okay. You still have not answered the question. It may be luck. Nobody is interested in hacking the ACT government system.

**Mr Major:** That is a—

**Mr Barr:** It is a good question.

**MR SMYTH:** With all respect, minister, you have answered your own question. You have answered the question. We cannot prove—we do not know whether it is robust or not.

**Mr Kegel:** What Peter has not mentioned is this, though: we do have a threat and risk assessment done on the critical infrastructure that makes up that network and on the network as a whole. That is robust. I guess what Peter is saying is that the application is—

**MR SMYTH:** You have said that it is robust. How do you know it is robust? Has it been tested?

**Mr Major:** Yes. We have done external testing.

**MR SMYTH:** Now we are getting somewhere.

**Mr Major:** We run our own penetration testing against systems to prove that the systems actually will hold up to attack. We run penetration testing from outside the organisation. We have a third party that runs testing on all our public facing websites. We run penetration testing ourselves with our own internal hacker trying to break through our external defences into our system and we look at the detection rate when the attack is taking place.

**THE CHAIR:** Just a follow up on that—

**Mr Barr:** Are we allowed to declare the identity of the internal hacker?

**THE CHAIR:** Sorry, if I can just ask my question.

**MR SMYTH:** The privacy legislation would prevent you, minister.

**THE CHAIR:** Sorry, can I ask my question, please? There was an externally hosted JACS website. Obviously, that website was hacked. You have just said you do that external testing. You do not do that with the websites?

**Mr Major:** We test the—

**THE CHAIR:** If that has occurred, what is done for those directorate websites to make sure that does not happen or that they are protected?

**Mr Major:** As indicated in the audit report, we conduct testing on our internally hosted websites. We offer a service to those directorates that have chosen to have a third party host their website. We conducted a number of penetration and vulnerability assessments on the externally hosted websites. AussieHQ was one of the websites that actually had the attack. They declined our services to run a penetration test. We have done five hosts of our own externally hosted websites and given them detailed reports. Reports have gone to the various directors-general.

**MR SMYTH:** The internal hacker, how does he achieve it? How often—

**Mr Major:** The person that conducts these tests is my deputy manager, compliance and—

**MR SMYTH:** I do not care who it is. How often do they test?

**Mr Major:** We normally run through a site every three months. It is a long and, shall we say, arduous process. It depends on the availability. It is a statistical sample. We pick a site and run against it.

**MR SMYTH:** So of the 1,025-odd systems that you have got, how many would be tested in a year?

**Mr Major:** On the internal applications, we do 100 per cent. They are being done now. With our websites, we scan them every month with the external scanner but we do a penetration test on one or two websites over a year period. It takes several months to do them.

**MR SMYTH:** How successful has the internal hacker been?

**Mr Major:** At this point in time, on our internally hosted stuff we break a lot of them regularly, but not destructively. With the externally hosted one, we have yet to breach our defences.

**MR SMYTH:** But if you break a lot of them regularly, and you have not got destructive because that kind of would defeat the purpose of it, does that mean, though, that somebody could get in and be destructive should they so choose?

**Mr Major:** Anybody can get in. There is no perfect security. If you want perfect security I will just turn off everything and no-one would be able to do any work or you will spend millions of dollars. But the security is set up such that people can do their work in a secure manner. If someone came in with a dedicated hacker, they would expend the resources and would be able to breach our systems. There is no defence against a person that is willing to spend more resources than the benefit they will gain from getting in.

**MR SMYTH:** But at this stage none of the testing coming from external has breached the—

**Mr Major:** If someone came from externally it would be extremely difficult to actually breach our border protection to get in and our internal systems, which are not facing the outside world, are becoming stronger by doing vulnerability assessments. Therefore, once they do get in their chance of breaching an application could become extremely remote.

**MR SMYTH:** Thank you, Mr Major.

**THE CHAIR:** We are almost out of time. Probably just one more very final quick

question.

**MS LE COUTEUR:** Can I have a follow up? We identified that we have not done any actual physical contingency assessing with the mail system. Could you either give me a list of systems which have not been physically tested—contingency tested—or conversely a list of ones that have been, whichever would be easier? I am concerned to find that mail is certainly a critical system and we have not tested disaster recovery with that. That is concerning.

**THE CHAIR:** That has been taken on notice. Just to be clear, what has been taken on notice, Ms Le Couteur?

**MS LE COUTEUR:** Either what systems have been actually contingency disaster recovery tested or which systems have not—whichever way would be easier to answer I guess.

**THE CHAIR:** Thank you. We are unfortunately out of time. As mentioned at the commencement of the hearing this morning, there is a time frame of five working days for the return of answers to questions taken on notice at this hearing. Questions on notice for the following outputs: Treasury Directorate, Shared Services, output class 1.1 Shared Services ICT, 2.1 Shared Services procurement, 3.1 Shared Services human resources and 4.1 Shared Services, finance should be lodged with the Committee Office within three business days of receipt of the uncorrected proof transcript with day one being the first day after the transcript is received.

On behalf of the committee I would like to thank the Treasurer, Mr Barr, for appearing this morning and officials from the directorate for attending today. After the morning tea break the proceedings will recommence with examination of expenditure proposals and estimates for Economic Development Directorate, Tourism, Sport and Recreation.

**Meeting adjourned from 10.30 to 10.45 am.**

**THE CHAIR:** We will now move to the Tourism, Sport and Recreation portfolio. I welcome Mr Barr. You now wear a different hat as Minister for Tourism, Sport and Recreation. I draw officers' attention to the privilege card, which is on the blue card in front of you. You are probably all very familiar with it, but can you just indicate that you are aware of that and the implications of that. Thank you. And, just so you are aware, proceedings are being broadcast today. Before we go to questions from the committee, I put out the usual invitation, Mr Barr.

**Mr Barr:** No, thank you, Madam Chair.

**THE CHAIR:** No? You are happy to move onto questions? Great. As I said, we will start with tourism. We will move through that and then go on to sport and recreation.

My first question is in relation to the staging of Floriade. I note that the cost of staging Floriade was \$10 million more than anticipated in 2011-12. Can we get an explanation as to why that is the case?

**Mr Barr:** Yes, Madam Chair. Floriade is now delivered through the events area within TVE so it might be best to deal with that question when we appear tomorrow in relation to that element of—

**THE CHAIR:** Would last year's staging have been the responsibility of this directorate?

**Mr Barr:** It is all in the directorate. It is just that as Economic Development has been pulled together, Territory Venues and Events and Tourism are now together in the one directorate.

**THE CHAIR:** Right; so that is where I ask that question.

**Mr Barr:** And the responsibility for the running of events has now moved entirely into the events area.

**THE CHAIR:** All the relevant people are there as well?

**Mr Barr:** Indeed; that is right.

**THE CHAIR:** Okay; I get that. I will ask that then. Let me ask something in relation to another question with reference to budget paper 3, page 105. There is half a million in 2012 and \$2.1 million in 2013-14 for the development of an ACT brand. I know there has been some discussion about this. I was wondering if we could get a bit more information about how the funding is actually going to be applied. Is it for consultants or contractors? What is it going to go towards?

**Mr Barr:** Mr O'Leary can assist.

**Mr O'Leary:** I am the executive director of the Tourism, Events and Sport Division in the Economic Development Directorate.

**MR SMYTH:** And it is your first estimates in this position?

**Mr O'Leary:** It is, in this position, Mr Smyth.

**THE CHAIR:** Welcome.

**Mr O'Leary:** Thank you very much. The brand Canberra project is seen as a very important project for the entire community of the ACT. Certainly a lot of feedback from the business tourism industries suggests the need for a branding exercise—that to better promote, to better position, Canberra to the external markets with whom we engage is an important thing to do at this stage. Certainly over the past few months there has been some foundation work done in this particular area, and we have had a tremendous amount of buy-in from all areas from the community. We have worked closely with the business community, the tourism sector, education, the Australian government and many more. When we talk about budget expenditure in the coming year, we are looking at broadening the engagement beyond those sectors that we have already dealt—

**THE CHAIR:** How is that funding actually going to be applied? That funding that is allocated, what is it going to be used for? I appreciate what you are saying, but what is that actually going to be allocated for?

**Mr O’Leary:** Certainly towards the development of creative aspects of the brand. Certainly towards the protocols of the management of the brand. Certainly towards communication and implementation planning, which would work towards the funding that is allocated in the outyear of this project.

**THE CHAIR:** Is that going to be done within the directorate or is it going to be consultants and contractors? Who is going to conduct that work you have just mentioned?

**Mr O’Leary:** We will certainly work with experts who are able to deliver services in these particular areas, but it will be led by those of us who work in the directorate.

**THE CHAIR:** Are you going to engage experts to actually do some of that work? Is that what you are saying?

**Mr O’Leary:** Absolutely, yes.

**THE CHAIR:** Yes; okay. Is there going to be a launching of this new brand? How is it actually going to roll out?

**Mr Barr:** Yes, in the centenary year.

**THE CHAIR:** So it will just be sometime next year?

**Mr Barr:** Yes, in the second half—towards the end of the centenary.

**THE CHAIR:** Thank you. Ms Hunter?

**MS HUNTER:** Thanks. I wanted to go to budget paper 4, page 237. It is output 1.3, tourism. There are two targets there that are being taken out. They are “Awareness of the Capital Region as a tourist destination” and “Preference of the Capital Region as a tourist destination”. The note says that it will be taken on by Roy Morgan Research and that it will be a quarterly holiday tracking survey. Why haven’t we still got a measure in here so we can see what is coming out of that research or that survey work?

**Mr Hill:** We have had a look at the Tourism Australia 2020 target, which is about growing the value of tourism to Australia, and how that will impact on the ACT in the longer term. We have taken the decision to look at indicators that will reflect a more tangible measure around those 2020 targets rather than the preference and awareness figures that Roy Morgan produce on our behalf. The preference and awareness figures ultimately reflect advertising spend.

As the world has moved on, we have got digital assets in the way that people are booking and looking at holidays. As a measure, it is a fairly blunt tool, so we are looking at aligning our measures more appropriately with the 2020 vision. The value

there, the value of tourism, becomes more of a critical measure for us—and occupancy rates. And also you will see there some things around hits to our website. Again the digital assets are pretty important as a direct measure of the activities that we implement.

**MS HUNTER:** So you feel that in those first three you have put in enough targets there? You do not feel that there need to be other targets to replace these two?

**Mr Hill:** At a business unit level we will certainly be looking at some additional figures back within our organisation, but in terms of those top-line, headline activities we have got occupancy above the national average. If you go back to one of our original strategic indicators, talking about the value of tourism—it is very much about growth of values. So it becomes less about awareness of advertising and a bit more about the value back into the ACT economy.

**MR SMYTH:** The priorities for the Economic Development Directorate on page 225 of budget paper 4 do not actually mention the word tourism. I know that it delivers major events, but it does not talk about tourism. Everybody knows that tourism is a driver and we all know it is an important part of the economy. What is the priority in 2012-13 for tourism for this government?

**Mr Barr:** At the first dot point you will see, in relation to *Growth, diversification and jobs: a business development strategy*, that tourism is central to that strategy. That is the number one priority.

**MR SMYTH:** Thank you. If you go to dot point two, it refers to supporting the ICT sector through NICTA. If we drag NICTA out and give it a specific point, which looks vaguely like an industry policy to me, why isn't tourism, which is just as important as ICT, if not more important, given the same treatment?

**Mr Barr:** If you go further down the list you will see there is a specific mention:

... implementing marketing and development programs in partnership with industry that aim to increase visitation ...

If it is your preference in future, Mr Smyth, that the word “tourism”, as opposed to the actions that support it, is included in the dot points—it is a fairly semantic argument. Undoubtedly there is a focus within the business development strategy and with a specific action here in relation to tourism.

**MR SMYTH:** I did not say there was not a focus. It leads to, for instance, the Tourism Australia advertisement. If you read that page—we know this stuff, those of us who are involved: we know what it means. But a casual reader of this would say, “Okay; I'm looking to see how much they support tourism in the ACT and it is not even mentioned in your priorities list.” And then you get the attitude of Tourism Australia, where the nation's capital does not matter in their primary vehicle for the delivery of the message about coming to see Australia. I am just curious. Maybe it is semantics, but I do not think it is. It quite clearly points out what your priorities are; the word “tourism” does not appear there.

**Mr Barr:** It is a priority of government. The primary vehicle that Tourism Australia is utilising to deliver their new campaign involves social media and their use of online technologies. If you look at my iPad now, you will see our very strong feature in relation to the Tourism Australia application. You are, I think, suffering from a 20th century paradigm around tourism marketing—that is, that everything is about broadcast media. The events in the last 24 hours in relation to Fairfax might demonstrate in a very practical sense, Mr Smyth, what is occurring in terms of marketing and consumer preference. So, frankly—

**MR SMYTH:** Straight to the personal slurs, Andrew.

**Mr Barr:** Frankly, I would prefer to be prominent—

**MR SMYTH:** It is nice to know that you are consistent.

**THE CHAIR:** Can we just have one person speaking, please.

**Mr Barr:** within the digital media area, Mr Smyth, than get too hung up on what is in the first of many campaigns.

**MR SMYTH:** Why not be covered in all areas?

**Mr Barr:** We are covered in all areas.

**MR SMYTH:** We are not covered in the TV ads.

**Mr Barr:** In one ad—and not every part of Australia is in that one ad.

**MR SMYTH:** Just about every other jurisdiction is.

**Mr Barr:** No, it is not. There have been many stories elsewhere in the country about many hundreds of tourism destinations not being in that first ad. But it is one of many. They did come and film here; the information is there and accessible, and it will be used in future campaigns.

**MR SMYTH:** You gave a commitment to write to the minister. Have you written to the minister?

**Mr Barr:** I understand that letter is on its way, yes.

**MR SMYTH:** You have just criticised me for being stuck in the 20th century, but you are now going to write to the minister to ask why we are not in the ad. Is there a contradiction there in your behaviour?

**Mr Barr:** No. I said we would seek to be involved in terms of future campaigns. They have come here and filmed the material, so they have the material. It is not a question where they need to come and do any further filming; it is already done. We want to work with them, for example, in our campaigns in New Zealand for direct flights.

**MR SMYTH:** On page 233 you actually have the output class 1.3 for tourism, so

congratulations on that. After years of asking for the breakdown into tourism and sport and recreation and business it has finally been achieved, which is good. Why don't we have any figures for the 2011-12 year?

**Mr Barr:** Because it was reported as a combined output class previously.

**MR SMYTH:** But you must have the breakdown. You must know what the outcome, the GPO for tourism and the total budget were for that year.

**Mr Barr:** I think Mr Hill may be able to assist.

**Mr Hill:** Back in 2011-12 the GPO was \$22.289 million. As has been indicated there, that is not quite apples with apples, because that includes the GPO that was allocated to events as well as tourism, whereas in the 2012-13 budget papers tourism has been separated out as a stand-alone item, where you will see the GPO at \$12.344 million.

**MR SMYTH:** Of the \$22.289 million what was the GPO just for tourism?

**Mr Hill:** I would have to take that on notice. It is roughly about \$8 million on events. I can give you the exact figure.

**THE CHAIR:** That has been taken on notice.

**MR SMYTH:** Perhaps we can have a reconciliation of the total amount. So \$8 million was tourism. What was the other \$14 million broken down into?

**Mr Barr:** So \$8 million was events.

**MR SMYTH:** Sorry; \$8 million was events?

**Mr Hill:** Yes. The remaining tourism budget in 2011-12 was used for marketing. It was used for the operation of our Canberra and Region Visitors Centre. It was used for post book items including funding for the Canberra Convention Bureau, the national capital tourism education program that is run by Gary Watson, and our tactical marketing campaigns as well.

**MR SMYTH:** So the \$22 million minus the \$8 million for events leaves you about \$14 million. Does that mean that the \$14 million for 2011-12 has gone down \$2 million to 12 million in 2012-13?

**Mr Hill:** I will take on notice the events number. I think it is pretty much on parity last year with this year in terms of the tourism allocation.

**MR SMYTH:** So the tourism budget is on par? What they got last year is what they are getting this year and the coming year?

**Mr Hill:** Yes.

**MR SMYTH:** We will have a reconciliation of that.

**Mr Barr:** Sure, again noting that there are some initiatives within the directorate, namely the branding one, that obviously are pertinent to tourism but not wholly owned by tourism and have applications across the business development space as well.

**MR SMYTH:** So we will have a reconciliation of the ins and the outs as to what constitutes the budget from last year and the budget for the coming year.

**Mr Barr:** Indeed, yes.

**MR SMYTH:** Thank you.

**THE CHAIR:** Is there anything further on that, Mr Smyth?

**MR SMYTH:** I am happy to leave that one at the moment.

**THE CHAIR:** Mr Rattenbury, over to you.

**MR RATTENBURY:** I want to ask about the additional funding that has been provided to the Canberra Convention Bureau. Can you give us a bit of detail on what that is going to be used for and the expected outcomes from it?

**Mr Barr:** Sure. There are a couple of initiatives. One is the development of G20 build-up events. We are working in partnership with the New South Wales government in relation to that particular event. The business development manager role is part of their budget submission to government to enhance partnerships around tourism, sport and recreation events within the remit of the bureau. They are looking to partner with sporting organisations to host small conferences that relate directly to sport and recreation.

**MR RATTENBURY:** I note the amount of \$35,000. I am trying to remember their budget; is that what they asked for?

**Mr Barr:** It is a shared funding arrangement, a fifty-fifty funding arrangement.

**MR RATTENBURY:** Thank you. It is only for two years. Is there a reason why it is—

**Mr Barr:** We will review its effectiveness after the first two years.

**MR RATTENBURY:** Okay.

**THE CHAIR:** Did you say it was for G20 related events?

**Mr Barr:** There are two initiatives. One is to do some work around build-up events for the G20. That is a specific one-off project. The other element is to undertake some further work through the employment of a business development manager, so a fifty-fifty funding split between the bureau and the government in relation to this creation of a new position within the bureau.

**THE CHAIR:** What sort of events will be here in Canberra as part of the G20?

**Mr Barr:** That is to be determined. This work is around what events we would bid for. Obviously there is the main show, which is on a scale too big for this city—

**THE CHAIR:** So maybe some side—

**Mr Barr:** Then there is a whole range of lead-up events; officials come before. Yes, it is quite a show.

**THE CHAIR:** I know. I was just interested that you mentioned that. Anything further on that, Mr Rattenbury?

**MR RATTENBURY:** No, thank you.

**THE CHAIR:** Do you have any tourism questions, Mr Doszpot?

**MR DOSZPOT:** No.

**THE CHAIR:** I do not have any further questions. Ms Hunter?

**MS HUNTER:** I am happy for Mr Smyth to go next.

**MR SMYTH:** What is happening with the total visitor numbers to the ACT?

**Mr Barr:** The last domestic survey saw an increase and I think our last international was quite positive too. So the trends are reasonably encouraging—through to 1.9 million, I think, domestic overnight visitors in the March quarter. So the most recent data saw an increase.

**MR SMYTH:** There is a slight increase. We are still not back at the levels that we saw in 2003-04. When do we expect to recover the market back to those levels?

**Mr Barr:** Probably we need a significant change in the global domestic economy. I suspect that in terms of a share of discretionary spend this sector will continue to suffer while ever the Australian dollar is where it is and investment continues to flow into the mining sector. It has effectively crowded out a significant amount of private investment in almost every other industry; you see this situation nationally. It is having its greatest impact on the tourism sectors in those resource states in that all investment in the investment pipeline in those resource states is, not surprisingly, chasing where the big dollars are. So the impact is even more dramatic for Queensland tourism, for example, and Western Australia.

But I think we may well be into an era, while ever the Australian dollar is this high, when Australians will travel overseas more and undertake more tourism activity offshore. So the domestic market continues to be tough. That is why a focus on international is important. But again, given the high Australian dollar, that is challenging for a market like Canberra particularly as we do not have any direct international aviation access, although we are obviously working on that in partnership with the airport, the Business Council, chamber of commerce and a

number of other stakeholders. The Tourism Industry Council, the convention bureau are all represented on the aviation task force.

**MR SMYTH:** And the length of stay: what is that doing?

**Mr Hill:** Domestically?

**MR SMYTH:** Yes. We will have domestic and international if you have got it.

**Mr Hill:** It is 2.7 nights for domestic and international is up from 20 nights to 24.7 nights, but that is fairly heavily influenced by the education sector.

**MR SMYTH:** Yes. The visitor nights were higher in the September quarter last year than they are for the latest figure. Is that a seasonal thing or have we peaked and there is a decline?

**Mr Hill:** On the international front the IVS figures are incredibly variable. It is a relatively small sample size so I would be wary of indicating anything from that other than potentially some statistical variation.

**MR SMYTH:** And on the domestic?

**Mr Hill:** On the domestic side it has varied from about 2.4 up to about three over the last four or five years, so again we are within that range. I think we are certainly seen as a short break destination rather than the traditional holiday market of extended stays. We are seeing a difference in how people consume their breaks these days, with more regular breaks and more short breaks rather than that longer five, 10, 15-day type break down the coast. So for us it is about how we attract that weekend visitation, short break, and whether we can turn two nights into three nights becomes where we need to be playing.

**MR SMYTH:** So is there a strategy for turning two nights into three nights and could you outline that for us?

**Mr Hill:** We are certainly partnering more cooperatively with industry than we ever have. The winter campaign at the moment would be a good example of that. We are running a new concept, a happy hour concept, which is a one-hour window opportunity between 12 and 1 o'clock. If you pre-register to purchase a short break or holiday in the ACT, there is a value add component to that. It is about \$150 worth of extra value. So we are running a happy hour to try and stimulate visitation in the short break area.

That is being supplemented with things like the Canberra shout. Ten of our Canberra wineries have partnered with us to do shouts in half a dozen high profile, high volume bars in Sydney where we are exposing people to the wine industry through some tastings, trying to stimulate some interest in Canberra as a short break just three hours down the road. So the happy hour and the Canberra shout concept over winter, which is a shoulder period for us, are how we are trying to attract some of that short break visitation.

**MR SMYTH:** And what is happening in terms of spend per visit?

**Mr Hill:** Domestically?

**MR SMYTH:** Yes.

**Mr Hill:** The expenditure per visit has gone up on the year ending March per night from \$205 to \$212 and the expenditure per visit has gone up from \$553 to \$569, so our yield is increasing.

**MR SMYTH:** What area is that in? What is driving the increase?

**Mr Hill:** I would suggest that it is based on things like the NGA and the blockbuster-type funds. It is bringing a consumer to Canberra that has the propensity to pay and the propensity to spend on restaurants, accommodation and staying a little bit longer. I suggest it is a bit around our targeting of what we describe as socially aware visible achievers—using psychographics. I think we are trying to attract the consumer that has that propensity to spend rather than focus purely on volume.

**MR SMYTH:** I must welcome you in your first appearance in your capacity as the head of Australian Capital Tourism.

**Mr Hill:** Thank you.

**MR SMYTH:** In the domestic sectors, what are the most profitable sectors in terms of spending in the ACT?

**Mr Hill:** Accommodation would be the highest portion of spend in terms of the total.

**MR SMYTH:** Sorry, in terms of groups—holidays, visiting friends and relatives, business?

**Mr Hill:** Sorry, I do not follow the question.

**Mr Barr:** He wants to know whether the holiday segment, the visiting friends and relatives segment, the business segment or the other segment has the highest yield?

**Mr Hill:** The highest segment is the business sector followed by leisure followed by VFR, because VFR obviously does not have much of an accommodation component to it.

**MR SMYTH:** In terms of business, what is driving that? Is the business sector going up or is the business sector static?

**Mr Hill:** I would have to take that one on notice. I do not have those figures in front of me. But certainly advice from the Canberra Convention Bureau is that their forward bookings are very strong. They have had a good past 12 months and the forward bookings for the centenary year are particularly strong. There are probably a few things driving that. One is the fact that we have got our centenary and people are looking to host their events in Canberra for that year. The other thing is forward

bookings that are not going to be going towards the Sydney convention bureau. So there is probably some overflow from that too.

**Mr Barr:** I have heard Robyn Hendry say about 25 per cent up.

**MR SMYTH:** The Sydney exhibition centre is to close for three or four years. What are we doing to capitalise on that?

**Mr Hill:** Certainly, Robyn is very active in that marketplace. I understand that there are a number of other venues that are of similar size to us within Sydney. So Sydney is obviously just more than one venue but they are very aggressively seeking to hold their share of the market. But it would appear that they will not be able to do everything because obviously their convention facility is a critical piece of infrastructure for them and it can hold multiple conferences of the sizes that can be held at the Canberra centre.

Certainly, I catch up with Robyn every quarter. I think I am due to again in the next week or so. We have been discussing the efforts that the bureau can put into chasing business that may be displaced from Sydney. I think we can look at the track record of the bureau at being very effective in utilising the additional resources that they have obviously got in this year's budget and have, in fact, got in almost every budget in recent memory. They will put that to good use. You see that in the forward bookings for Canberra.

**MR SMYTH:** The topic of business tourism or business events leads to the question of a new convention centre. There was \$1 million in the current budget for some works on the Australia forum, which really were works on planning for West Basin. What is the progress on that and when will we see outcomes?

**Mr Barr:** We can obviously explore that in a little more detail tomorrow because it is part of the output classes. There is work underway. I am attending a meeting of all the key stakeholders next week. It has been coordinated through the coordinator general's office within Economic Development; so it has got major project status. We obviously are continuing to explore synergies with other critical infrastructure for the city. I was in New Zealand earlier in the year. We have certainly looked at some infrastructure there that would be compatible with a major precinct rebuild for us in the years ahead.

**MR SMYTH:** Given the crossover, for instance, with sport and rec and some of the comments you have made about convention centres and stadiums sharing back-of-house, what progress has been made on the selection of a site for a new stadium?

**Mr Barr:** That is exactly what this precinct study is looking at. Essentially, there is a strong preference amongst user groups for a CBD location for new stadium infrastructure and there are advantages in collocation for those back-of-house services. So it essentially comes down to two sites—either West Basin or the existing convention site plus swimming pool site plus creep over Parkes Way effectively to link the city with the lake. They would be the two options. If you did West Basin, then you would come back towards the new Acton development. But either way, reclaiming some of the land above Parkes Way would appear to be necessary given the size of the infrastructure requirements.

**MR SMYTH:** On page 243 of budget paper 4 there is now a line that refers to the funding profile for the Australia forum, \$4.5 million for 2011-12, being rolled out in two lumps in 2012-13 and 2013-14. Where has that money come from? I am not aware of that being in this year's budget paper as such. Has that been renamed or—

**Mr Dawes:** I would need to take that on notice, Mr Smyth; I will be quite honest.

**MR SMYTH:** The crossover is tomorrow.

**Mr Dawes:** We can actually provide that information tomorrow.

**MR SMYTH:** Yes, because there was the \$1 million for what was called Australia forum but I do not recall an amount of \$4.5 million.

**THE CHAIR:** That will be taken on notice and you will come back tomorrow?

**Mr Dawes:** We will come back tomorrow on that one.

**MR SMYTH:** Perhaps if you are coming back on that, is the \$1 million that was in the budget papers for this year's budget included in that 4½ or is the 4½ additional money?

**Mr Dawes:** Sure, we will deal with that tomorrow.

**MR SMYTH:** David Marshall asked you a question at the budget breakfast about when would we see a new convention centre. When will see a new convention centre?

**Mr Barr:** Obviously, this work needs to be undertaken, but my view is that the project is feasible over the course of this decade. The exact timing will depend on the outcomes of some of this work, financing arrangements, potential commonwealth government financial support and also, ultimately, the correct balance of development opportunities because neither a stadium nor a convention centre are profitable for a commercial private investor in and of themselves, otherwise they would have been built some time ago.

**MR SMYTH:** With a new convention centre there will also be a requirement for new accommodation and the money for the G20. Clearly, one of the limits on Canberra getting big events is the number of five-star rooms and particular suites. What approaches has the government had from existing chains that have buildings here in the ACT, or those that do not, over the last year in regard to open hotels in the ACT?

**Mr Dawes:** I can probably answer part of that question. I think one of the things that we need to remember—one of the key pieces of work that the Canberra Convention Bureau did was to look at and compare the ACT against the other jurisdictions that have had G20 conventions. As you can imagine, the number of rooms available are in the tens of thousands—20,000 to 30,000 rooms available—where we have got a limited supply.

We certainly have been approached by some operators. As you would be aware, we

took a site to the market based on representation from the industry and that failed to sell to the market. That was around the time of the financial crisis as well. As people would be aware, traditionally a hotel site is something in the order of 60 per cent below the value of a site that you would take for commercial purposes because of the nature of the particular business.

We have been approached again by a number of outlets that are wanting to build hotel accommodation and we are in the process of reconfiguring the site and doing a bit of work on that to make sure that we do respond. Where we actually mandated a five star, we will be mandating something in the order of 4½ to five star—giving an option—but we are not being rushed for five-star accommodation at all.

Obviously, we are working on a number of different things. There have been some things occurring in the city around accommodation. As you would be aware, we took a site to the market in Watson, which was sold. We will learn about this later in the week. With EPIC, we have a preferred tenderer on the site there for the caravan park and some accommodation there. We have given recently a direct sale to the Tuggeranong motel to add another 100 rooms there. There is a new hotel going up out at Federation Square. So there are a number of things that are being led by the industry but specifically not for five-star accommodation.

**MR SMYTH:** The Western Australian government and Tourism WA have done a long-term strategy to identify sites in Perth, particularly in the CBD area, that will meet their long-term tourism needs. I understand it has been well received by both the building industry and the tourism industry to have those sites locked away so that they are not used for other purposes. Do we have such a strategy in the ACT?

**Mr Dawes:** That particular bit of work is currently underway. We are looking at a strategic level at our land release program, not only for that but on a number of different fronts. Certainly, accommodation for the tourism sector is at the very front of our of minds as well. Obviously, with the bringing together into this one directorate that discussion has started to take place.

**MR SMYTH:** The WA plan is not just for accommodation. It is about future potential tourist attractions sites, it is for restaurants, it is for a whole lot of other activities and the ancillary infrastructure that one needs to support infrastructure. Is there a specific tourism infrastructure plan that would look at sites for future attractions, future accommodation and support?

**Mr Dawes:** Specifically, no. But it is something that I can honestly say has been discussed and explored, and it is starting to be explored.

**Mr Barr:** There is, of course, the territory plan that does set aside lands owned for those areas. Minister Corbell will be releasing—

**MR SMYTH:** But it certainly does not reserve blocks for future tourism use. The WA plan has gone quite a step beyond the planning—

**Mr Barr:** There is land. Okay, but the territory plan reserves land under a land zoning use that is tourism accommodation. So that exists and those sites are in the territory

plan.

**MR SMYTH:** Yes, but has that been reviewed and has it been—

**Mr Barr:** Yes, the territory plan is regularly reviewed. Minister Corbell is shortly to release the planning strategy for the coming period.

**MR SMYTH:** In regard then to sites, clearly accommodation is being considered. But in terms of sites for future attractions, has that been considered and does the government have a long-term strategy for future attractions in the ACT?

**Mr Dawes:** As I said just a few minutes ago, we are in a process of actually exploring that. One of the key things about the directorate coming together with all of the like-minded entities is to look at that strategy. We actually do develop the land release program and these things will be taken into account. It is not just in tourism; it is in the broad.

**Mr Barr:** And the short-term Stromlo Forest Park is, like I say, an area of focus and we will talk about that tomorrow.

**Mr Dawes:** The only other thing I would add is that we have seen a site in Woden which has been a project that we have been assisting in. Juliana House, one of the old buildings there that has been mothballed for a while, is going to be converted into a 3½-star hotel. So we are seeing the first one of those buildings having an adapted reuse for hotel purposes.

**MR SMYTH:** The recent—

**THE CHAIR:** We might just move on to Sport and Recreation at 11.30.

**MR SMYTH:** The recent tour to Washington led by Mr Watson—are there any outcomes to report from that visit?

**Mr Barr:** I think they have only very recently got back.

**Mr Dawes:** He is not back yet.

**Mr Barr:** He is not back yet. But there will be, yes.

**MR SMYTH:** What does the ACT government contribute to the national capital education tourism program?

**Mr Hill:** It is about \$210,000 a year.

**MR SMYTH:** Is that indexed or is that the same amount? How long has it been \$210,000?

**Mr Hill:** I would have to take that on notice. I am not sure how long.

**MR SMYTH:** Could you give us the last decade's funding for NCTP?

**Mr Hill:** Yes.

**MR SMYTH:** Yes.

**THE CHAIR:** So that has been taken on notice?

**Mr Hill:** Yes.

**MR SMYTH:** What return does that school visits market bring to the ACT? Have we done any analysis to determine the effectiveness of that spend?

**Mr Hill:** It is about 160,000 school visits a year from across the country. It is obviously funded through the PACER program. There is a federal rebate. The further away you live from Canberra the bigger rebate the school gets. People from Perth get a bigger rebate than someone from Brisbane. So 160,000 visitors each year is a strong visitation. The PACER program has three particular attractions that are mandated. I think the feedback, particularly from the National Capital Attractions Association, is that it is a really strong project. It obviously drives visitation for us in the tourism sector. Hopefully, it is a chance to influence the hearts and minds of young Australians about why they should come back.

**MR SMYTH:** The last one I will ask is on grey nomads. Do we particularly have a strategy to attract those with a bit of disposable income who need somewhere to park the old Winnebago—accommodation suited to their needs?

**Mr Hill:** There is a variety of different segmentations out there. We use the Roy Morgan segmentation which talks about socially aware and visible achievers. You could easily put the grey nomads into part of that socially aware area. It is the people within that segment, though, who have the high disposable income—self-funded retirees with a propensity to travel. They take four or five trips a year, some outbound overseas and regular domestic holidays as well.

We look to target those people through our media buy. We look to target that through some of the programs that we run—things like the special events fund that also has funding for activities such as Renaissance and Handwritten. Handwritten, in particular, appealed to a slightly older skew than Renaissance. We are finding that through that type of partnership funding with the federal attractions we are seeing some good numbers out of that area.

**THE CHAIR:** Thank you. As there are no further questions for Tourism, we will move on to Sport and Recreation. Thank you very much, officials, for joining us.

I welcome Ms Priest and Mr Jeffrey to the estimates committee. I draw your attention to the privilege statement which is on the blue card in front of you. If you could just indicate that you have read the implications. Thank you very much. Minister, as you do not wish to make an opening statement we will move on to questions. I am actually going to give my question to Mr Rattenbury.

**MR RATTENBURY:** I want to explore some issues around the performance and

funding agreement, or heads of agreement, with Greater Western Sydney AFL. I note the recent announcement that Wagga Wagga City Council has entered into an agreement with GWS as well to play a pre-season game each year and undertake community activities, development activities, in the Wagga area. Given the existing agreement we have, is the ACT government aware of whether that will have any impact on the ACT agreement? Did we have any discussions with GWS before that was entered into?

**Mr Barr:** No impact on our agreement. They mentioned that they would, of course, be undertaking work within the region. As to the specifics of their agreement with Wagga, no, they did not. Obviously they did not discuss that with me. Shane, did you have—

**Mr O’Leary:** No, but they certainly kept us informed once they had struck a deal with the Wagga council. Strategically, in terms of the relationship that the ACT government has with the Giants—extending their reach and support base into the southern New South Wales regions—I would suggest, in fact, it provides us with an opportunity to market to their members and the people that inevitably will commence to support the club in terms of attracting them to the matches that are staged in Canberra over the next 10 years.

**MR RATTENBURY:** So in terms of the heads of agreement there will be no impact on the commitment to the one pre-season game in Canberra or the development of the talent academy here?

**Mr O’Leary:** No.

**Mr Barr:** No. There is a formalised pre-season structure within the AFL. We are part of that. Obviously they play a number of other matches. I suppose what they are offering Wagga would be what we would call a friendly.

**MR RATTENBURY:** Thank you; that is clear. Just turning to paragraph 9.3 of the heads of agreement, which talks about match day costs, there is a series of paragraphs of things that will be covered by that. Can you advise whether those agreed match day costs are being reimbursed on a full cost recovery basis? It is things like ground management and traffic management.

**Mr Barr:** I think most of these questions actually relate to Territory Venues and Events, which is tomorrow’s output class in terms of the venue, Manuka Oval.

**MR RATTENBURY:** So which part of the directorate is responsible for the heads of agreement then?

**Mr O’Leary:** Sport and Recreation is responsible for the management of the contract, but there is a separate hire agreement that exists between the Giants and Territory Venues and Events for the hiring of Manuka Oval.

**MR SMYTH:** Mr Guthrie is hiding down the back. I am sure he would love to come forward and participate.

**Mr Barr:** All right; save time. That way it will not get asked tomorrow.

**MR RATTENBURY:** That is assuming he is prepared.

**MR SMYTH:** Mr Guthrie is always prepared. He has been since 1978. Is that not true, Mr Guthrie?

**Mr Guthrie:** I first came to Canberra in 1978, yes—with you, Mr Smyth.

**MR SMYTH:** Yes indeed, Mr Guthrie.

**MR RATTENBURY:** The question I was wanting to explore was around the heads of agreement. There is an agreement that match day costs be covered—that the territory be reimbursed for agreed match day costs, such as event staff, ground staff and traffic management. My question is: is that being done on a full cost recovery basis?

**Mr Guthrie:** Yes.

**MR RATTENBURY:** Thank you. It was well worth bringing Mr Guthrie to the table. I wanted to then go on and ask about the community engagement activities that have been undertaken by GWS. That is covered in paragraph 8. Are the sorts of things that are envisaged in paragraph 8 being undertaken in accordance with the agreement and the expectations of the government?

**Mr O'Leary:** I can perhaps provide you with some information in terms of a review that we are currently undertaking in terms of seeing how the relationship is working. I am happy to report that the GWS Giants, as they are contracted to do, conducted a community camp in Canberra in March this year. That community camp entailed 64 school visits in the ACT and Queanbeyan regions. That saw members of their senior playing list engaging with something of the order of 8,000 school children in our region. They have engaged in visits to the Canberra Hospital, visiting kids and the like. They have certainly extended the opportunities for underprivileged children and marginalised groups to attend the matches that have been held in Canberra. They held a fan day at ANU on the day after their recent match against the Gold Coast Suns—a famous victory, as you might recall.

**Mr Barr:** Indeed. I could not have written the script better.

**Mr O'Leary:** In terms of their undertakings, their obligations and our relationship with them in ensuring that they are meeting those obligations, everything, I would suggest, is very much on track.

**MR RATTENBURY:** This review that you undertook, was that scheduled? What was it spurred by?

**Mr O'Leary:** It is certainly part of our need to ensure that the ACT government and, as a consequence, our community are getting value out of the relationship with the Giants beyond merely the fact that they are bringing Australia's most popular sport to Canberra for the people of Canberra.

**MR RATTENBURY:** The agreement states in paragraph 9.4(b) that it is a fundamental requirement that the redevelopment of Manuka Oval take place so the facilities are capable of generating sufficient revenues required by the AFL for each match. Are you able to tell us what a sufficient level of revenue is and whether there are risks to the ACT in that sufficient level of revenue not being met?

**Mr O’Leary:** If I understand the question, correctly, Mr Rattenbury, my understanding is that the AFL have a set of figures on which they categorise the various clubs in terms of their ability to draw spectators. Within that there are figures that are considered a minimum amount that a club needs to generate in terms of revenue to make the staging of games viable. The category in which the GWS Giants fits is somewhere in the order of \$600,000.

Manuka Oval itself, with its present facilities, spectator capacity and corporate facilities, has the ability to generate somewhere in the order of \$200,000 to \$300,000, meaning that there is a gap between what it is able to generate and what the AFL asserts is the minimum amount that a club needs to be able to generate. The agreement that the ACT government has with the AFL has a component in guaranteeing that net match revenue—the gap between Manuka’s present capacity and where it needs to be.

**MR RATTENBURY:** I take it from that that we will keep paying that gap until we provide the required upgrades at Manuka Oval. Is that roughly how it works?

**Mr O’Leary:** That is how the contract works, yes—that part of the agreement, yes.

**MR RATTENBURY:** Thank you.

**Mr Barr:** I should just add that the new seating will be available for the next Giants match, which is in August.

**MR RATTENBURY:** That is the temporary seating?

**Mr Barr:** Yes. This is the additional seating that was in last year’s budget. Of course, the lights project, with complementary commonwealth government funding, is steaming ahead as well. It is all part of a long-term upgrade for Manuka that benefits both AFL and cricket.

**MR SMYTH:** Steaming ahead; steam-powered lights—that is fantastic.

**Mr Barr:** We are very environmentally conscious, Mr Smyth.

**THE CHAIR:** Mr Smyth.

**MR SMYTH:** I will defer to Mr Doszpot.

**THE CHAIR:** Mr Doszpot.

**MR DOSZPOT:** Mr Rattenbury’s questions regarding the Wagga council

arrangements related primarily to the financial issues regarding whether there are any implications. My question goes more to the impact on junior development, AFL development, and the implications of having this agreement with Wagga council. Does it impact on the opportunity for Canberra youth to get the same opportunities to show their capacity? Is there an impact on that?

**Mr Barr:** No.

**MR DOSZPOT:** None at all?

**Mr Barr:** No. The AFL have more junior development officers than most of the other football codes combined, I think.

**MR DOSZPOT:** No. My question, Mr Barr, goes to the opportunity for the youngsters that are developed here in Canberra.

**Mr Barr:** Yes.

**MR DOSZPOT:** Will the fact that there are now competing juniors coming from—

**Mr Barr:** There always were. That is the way AFL recruitment works. The zone for GWS is the entire southern part of New South Wales—so no.

**MR DOSZPOT:** Okay. I am trying to protect the interests of the Canberra youngsters, which I hope you are as well. If that is the case—

**Mr Barr:** No, Steve; I am most interested in the outcomes for Wagga!

**MR DOSZPOT:** I thought you might be, actually. Thank you. So you are saying—

**Mr Barr:** I am saying that in the end your capacity to enter into the AFL through the Giants will depend on your talent, regardless of whether you are from the ACT or elsewhere.

**MR DOSZPOT:** Thank you.

**Mr Barr:** The experience of football clubs is that they like to pick people who play well so that they can win.

**MR DOSZPOT:** Excellent.

**Mr Barr:** They do not really care where they come from.

**MR DOSZPOT:** Thank you for the elaboration. Before I get into the direct budget-related issues, there are a couple of general questions I would like to start with. One is on the disability sports program. Is there funding in this budget for the disability sport and recreation framework?

**Mr Barr:** That is part of our core business, so part of the base fund, yes.

**MR DOSZPOT:** Okay, so can you direct me to it and tell me how much it is?

**Mr Barr:** We may need to take that on notice.

**THE CHAIR:** You will take it on notice and get back to the committee with that information.

**MR DOSZPOT:** Okay. When can we get it—tomorrow?

**Mr Barr:** We will take it on notice and we will give you an answer as part of the process.

**MR DOSZPOT:** Okay, thanks. The other general question is regarding the safe waters ACT 2010-13 action plan. Does this come under the sport and recreation portfolio budget requirement?

**Ms Priest:** Yes, it does, in part. We do work with the safe waters committee and Royal Life Saving Society, but there is also work undertaken in the Environment and Sustainable Development Directorate around pool fencing et cetera. So, yes, we do have responsibility in that space, but there is also work happening within another directorate in relation to safety in pool fencing.

**MR DOSZPOT:** Okay. Minister, if that is the case, are you satisfied that only 28 per cent of students in years 3 to 5 achieve the minimum level IV in the swim and survive program?

**Mr Barr:** Am I satisfied?

**MR DOSZPOT:** Are you satisfied with that?

**Mr Barr:** No, I am not satisfied.

**MR DOSZPOT:** What are you doing about it?

**Mr Barr:** There is additional funding for programs to assist.

**MR DOSZPOT:** How much is that additional funding?

**Mr Barr:** In recent budgets in the order of a couple of hundred thousand dollars have been added into those programs over the forward estimates period. Of course in large part this is a private issue in that that is a parental responsibility; it is not for government to be paying all of the costs associated with this area. There must be a limitation to what government can do. We cannot compulsorily get everyone to that standard. If parents do not engage it becomes challenging for government, either through the education system or through targeted programs. I think there is a question of individual responsibility.

What we have sought to do is to address any financial barriers by providing assistance by way of subsidy to access programs. We can seek to raise awareness, as we do, through our support for a number of organisations that campaign and raise awareness

in this particular space—the Royal Life Saving Society being but one but not the only one—and we provide financial support. But ultimately we cannot pay for everyone’s swimming lessons and we cannot force people to undertake that level of competency. But we can certainly work with organisations to raise awareness and that is what we are seeking to do.

**MR DOSZPOT:** Sure, and I take your point that there is parental responsibility in this as well. But it does impact on the actions and the activities of public servants, such as teachers who were in a fairly serious potential situation in one of the schools recently—without naming the school. I guess what I am trying to highlight is the need for perhaps a little bit more interaction between sport and rec and education to ensure that while we cannot be responsible for each and every child attending there is more emphasis and more highlighting of the issue so that we will not have any further issues like that.

**Mr Barr:** Certainly, yes.

**MR DOSZPOT:** So there is more interaction with Education on it?

**Mr Barr:** We certainly work across ACT government in partnership with those NGOs who are involved in this area and I am certainly happy to undertake further dialogue with them in relation to raising awareness of these issues.

**MR DOSZPOT:** What sort of linkage have you got between the department of education and sport and rec?

**Mr Barr:** Engaged in regular meetings in relation to the delivery of a number of programs.

**MR DOSZPOT:** Okay. I would just like to know who is responsible. Is there a liaison officer designated for that?

**Ms Priest:** We deal on a number of fronts, depending on the issue and on the matter and depending on the area of sport and recreation, with various people across the education directorate. So it is not one particular person. Depending on the particular issue across our programs we deal with different people across the education department. For example, a recent reminder was sent out and discussions are being organised with the department of education principals in respect of our sportsground maintenance program to ensure that the safety of children is paramount. We work around the need for us to roll out our restoration program. There is an example of a dialogue that we are in with education constantly. That is just one example. But we do that on myriad fronts and regularly.

**MR DOSZPOT:** Okay. Ms Priest, I am glad to hear that those actions are in place and that there are people who hopefully will have some specialist involvement from both education and sport and rec. I guess my concern is that when we had the same minister for education and sport and rec there was still a little bit left to be desired in the interaction between the departments. I am concerned that with the different minister taking on the role the interaction between the agencies is highlighted.

**Mr Barr:** I do not accept the premise of the question. Nonetheless, through a variety of programs and a variety of partnerships with non-government organisations this area is certainly being addressed. Awareness is being raised. I think everyone is cognisant of a responsibility but ultimately, as I say, there are limitations in terms of what government can do in this space. There needs to be a degree of personal responsibility. Governments cannot mandate this or seek to direct what people do in their private lives in relation to undertaking swimming training, for example. We can certainly encourage it.

My primary concern relates to a question of equity in that I do not want anyone to be excluded from accessing a program on the basis of a lack of financial capacity. That is why we provided additional funding to subsidise the operation of these programs, to ensure that there are not financial barriers. That is why within the education portfolio there are student support funds and student equity funds to assist those who may not have the financial capacity. But, if the direction of the questioning is that the government should somehow be forcing students or forcing parents, no, that is not part of the government's agenda.

**MR DOSZPOT:** No. The questioning is along the lines of activities that are supported by both agencies or more agencies such as disability, health, sport and education. It is to look at how the agencies can act better together to deliver a better outcome.

**Mr Barr:** Sure. I understand, and if you have any specific suggestions I am sure the agencies would welcome those.

**MR DOSZPOT:** I will have quite a few suggestions at the appropriate time, Mr Barr, but at the moment I am asking—

**MS HUNTER:** Minister, I believe that extra money came through the parliamentary agreement.

**Mr Barr:** I believe it might have, yes.

**Mr Dawes:** Just to add to that, if I could, minister, I think you will find that the directorates are working far more cohesively today than even a couple of years ago. Under the Hawke review there is the one government; sport and rec are interacting with health far more actively than perhaps they have in the past, because we know that encouraging sport activities is going to soften the burden on the health expenditure in future years. So there is a lot of collaboration going on between a lot of the directorates on a number of different fronts.

**Mr O'Leary:** And I would add, minister, that it is perhaps worth noting that Sport and Recreation are now housed in the same building as the education directorate. I have observed that many meetings seem to be going on informally in the coffee shop downstairs, in support of what David was saying.

**MR DOSZPOT:** And does that apply to disability as well?

**Mr Dawes:** Yes, certainly, we have—

**Mr O’Leary:** Across a range of agencies.

**Mr Dawes:** Yes, right across the areas. We have a regular dialogue with the Community Services Directorate on a number of different fronts.

**MR DOSZPOT:** Yet you cannot tell me what the disability funding is at this point?

**Mr Barr:** We will take the detail of that on notice.

**MR DOSZPOT:** You are taking it on notice. I understand. But I guess this is the sort of information that should be fairly readily available through the budget papers.

**Mr Barr:** We do not report on subprogram funding. We report as an output class. We are happy to take that on notice. The budget papers would be about 10 times larger if we were to report on a subprogram level. We will get that information to you, Mr Doszpot.

**THE CHAIR:** Thank you. I will just go to Mr Hargreaves, then Mr Rattenbury and back to you, Mr Doszpot.

**MR HARGREAVES:** I have got a couple of questions. One of them is on the hire fee for junior clubs, for hiring footy fields in 2011-12. Where does the revenue go from those fees? Does it go to the clubs? Does it go into the pocket?

**Mr Barr:** Into maintenance and upkeep of the facilities. The biggest issue for sport and recreation organisations is to ensure the quality of the fields that they are participating on. We have touched on the issue of safety for players; we recognise responsibilities there. We also recognise the context of the various insurance levies that are required for sport and recreation organisations and community-based organisations around a number of elements of participation that may require insurance. For those organisations that are currently paying insurance taxes the phasing out of those taxes in this year’s budget will certainly lighten the cost pressures on those organisations. They can be passed on to players by way of reductions in the costs of participation. That is a very important element of reform, recognising that some organisations are exempt from insurance taxes but not all, so that provides a significant benefit.

We recognise the importance of the quality of facilities. Certainly from the feedback I get from sporting organisations that is their number one priority, and so in this budget we have provided additional resources in terms of not only bringing back online ovals that were offline during the drought but also a significant program of irrigation and turf replacement. Where that program has been in place for a number of years and particular district playing fields have been upgraded—I am most familiar with the ones at Dickson, as a user of those facilities—the improvement in turf and irrigation systems has made a significant difference to the experience of users. In the end the number one priority in this area is to ensure that we maintain our high standards and that where we can improve the quality of those facilities we do so. In my view it is paramount that we protect and enhance the resources in that area to ensure that our facilities are of the highest quality.

**MR HARGREAVES:** You mentioned the restoration of those sporting fields. I am aware that there has been quite a nice move into synthetic turf. One that comes to mind instantly is Harrison—the playing fields there. I know where Kambah is—I do not know where Dickson is but I know where Kambah is—and the Kambah playing fields are standing out to have synthetic turf treatment if we want to have a year-round facility for the kids to play on. Have you given some consideration to extending that program, instead of putting natural turf in?

**Mr Barr:** There have been some approaches from some sporting organisations with a preference for that sort of infrastructure. Capital Football, for example, have indicated a preference for a south side synthetic facility to partner with the north side one that we have at Hawker. So there are negotiations underway in relation to possible locations for a south side facility. I think there is a bit of healthy competition between the Woden valley and Tuggeranong—

**MR HARGREAVES:** Woden will lose, minister, let me tell you, if it is a competition.

**Mr Barr:** by way of a preferred location from Capital Football's perspective. We are certainly looking at those issues. There has been, through some partnerships with the commonwealth, synthetic provision in Nicholls, at the Gold Creek and Holy Spirit schools—those shared campuses—which is, I think, a really useful model in terms of recreation facilities for the school and for the broader community. Yes, we are open to that, but not every field in the city should be synthetic, and we want to maintain a balanced approach, recognising that different sports will have a preference for one type of facility. In Tuggeranong, for example, I recently opened the new synthetic facilities for hockey in the town centre, which was a—

**MR HARGREAVES:** That is an extension of that facility down near the oval?

**Mr Barr:** Indeed, so they now have two. That was funded under the sport and recreation grants program. Obviously hockey has a preference for the synthetic surface. It suits that sport. Other sports would prefer—

**MR HARGREAVES:** I was relating it more to the junior sports. If these playing fields have a multi-use functionality about them, that will be the go. So I was very keen to see that happen around Kambah 2 and 3 ovals; I am not quite sure of the numbers.

**Mr Barr:** Yes.

**MR HARGREAVES:** On the same subject, in budget paper 3, at pages 204 and 208, there are a couple of initiatives around local sportsgrounds. Could you give us a little bit more information on some of those projects—a broad-brush, perhaps?

**Mr Barr:** The restoration program, in terms of sportsgrounds that were drought affected, has been an ongoing one. Last year's budget provided funds for Isabella Plains and Charnwood. Those projects are nearing completion, I understand. This year's budget provides for a program over the next three years for Bonython, Watson and Weetangera. As the number of ovals that were turned off during the drought

reduces, with last year's funding and this year's funding we would be down to about a dozen across the city. So it has been a gradual program of restoration.

We are also, in partnership with the particular communities, looking at, as part of the renewal process, value adding in the sport and recreation facilities by way of looking at what additional recreation opportunities might be available. The traditional model has just been an oval, possibly with a concrete or synthetic cricket pitch in the middle. Recreation needs are changing a little, so there are preferences for basketball courts or half basketball courts, tennis courts and other sorts of recreation facilities being associated with these recreation areas—barbecue, picnic facilities et cetera. I think you see the most advanced model in Crace, at the CRIP, the recreation irrigation—

**Ms Priest:** The community recreation—

**Mr Barr:** The community recreation irrigated park. CRIP is the acronym, and that has been developing

**MR HARGREAVES:** Who designed that acronym? Did you do it?

**Mr Barr:** It incorporates a variety of different sport and recreation activities. So the model is evolving beyond just an oval with no associated amenity and infrastructure to look at what other sport and recreation needs can be met within the dedicated space, and that involves opportunities for sports other than those that would just utilise an oval.

**MS HUNTER:** I want to follow up Mr Hargreaves's question about the revenue that comes in from use of our ovals going to the upkeep of those ovals. Minister, there has been some concern raised about the cost. Has that been a concern raised with you? Have you gone out to test whether there are families or clubs that are unable to continue because of the cost of—

**Mr Barr:** There are a number of issues that are raised at a club level. I would not say cost is number one. The issue that is raised most frequently relates to access to facilities and quality of facilities. Cost is a factor, of course. The government's policy is to seek to recover only a very small component of the total maintenance requirements for sport and recreation facilities through a user-charge system and to heavily discount junior access. So you see that in the thresholds.

The other issue—and I touched on this earlier—relates obviously to insurance costs. They are considerable for some organisations. It depends on the nature of the organisation and the activity. As I say, there are some exemptions for some not-for-profit organisations, but it is not universal. So the benefits of the insurance tax cuts will flow into this sector and will reduce the costs of running competitions and programs, which I think is a useful way of putting downward pressure in terms of costs for those organisations without seeking to diminish the quality of the infrastructure. In terms of ways government can assist to reduce costs of participation in sport while seeking also to maintain the highest quality of facilities, this is a very sensible policy approach.

**MR DOSZPOT:** Further to Mr Hargreaves's questions about synthetic turf, I

understand Melrose high has an allocation of \$1.95 million in 2012-13 and a total project cost of \$2.3 million. How is that travelling? What is the completion date for that?

**Mr Barr:** You will need to raise that with education, as it is their project. It is in the education directorate.

**MR DOSZPOT:** Okay. This is a sports-related issue, though.

**Mr Barr:** Yes, but it is an education capital works program.

**MR DOSZPOT:** Okay.

**Mr Barr:** I have obviously sponsored this in my previous role, and I am very keen to see that developed. But it is a project being managed in the Education and Training Directorate, so you will need to ask them about the specifics of the time frame for the capital works. Nonetheless, yes, we would intend, from a sport and recreation perspective, like we do with other school facilities, to be able to secure access for community-based sport and recreational organisations to those facilities.

**MR DOSZPOT:** Thank you, Mr Barr. I will continue that part of it with education, but there is another aspect of this which is in your area. There is a suggestion that funding has been denied for redevelopment of the old Mawson driving range because of the pending installation of the two synthetic pitches at Melrose high school with lights, grandstand, change rooms and so on. Is there any basis for those claims?

**Mr Barr:** I am not sure there has ever been a formal request from anyone for upgrades to the Mawson driving range. There has certainly been some interest in establishing a facility in the Woden valley, a south side synthetic facility. So the question of its location and its utilisation is a live one. Given that the education directorate has been undertaking some work in this area—it started when I was education minister—frankly, I think the important thing is delivering a facility. Whether it is 200 metres down the road on the other side of Athllon Drive, isolated from a school, or part of a school facility a little bit further up the road, I think is a moot point. I do not really have a preference one way or the other, as long as a facility is built. In this instance education have indicated a desire as part of the high school upgrade program. Is there really a huge difference if it is 200 metres up the road on the other side?

**MR DOSZPOT:** I am asking you. You mentioned before that Capital Football had a preference for the south side.

**Mr Barr:** Yes.

**MR DOSZPOT:** Yet you are saying that you are not aware of any wish to redevelop the old Mawson driving range.

**Mr Barr:** A number of different sites have been raised.

**MR DOSZPOT:** So you are not aware of any application for the old—

**Mr Barr:** I am not aware of a formal application for funding from the ACT government to upgrade Mawson. I am certainly aware of discussions for a south side facility. I have had representations from Mr Hargreaves and others.

**MR DOSZPOT:** Since Mr Hargreaves's issue is about Kambah, has that taken away the focus from this, then?

**Mr Barr:** No. There has been interest raised in a south side facility. Through the education directorate there is now a way forward for that to be located on the corner of that intersection on Athllon Drive and Beasley Street—the other end of Beasley Street.

**MR DOSZPOT:** I understood that there was some discussion, and my question to you is whether there has been an impact of one thing happening on the other. But you are saying that you are not aware of any—

**Mr Barr:** No, I am saying that certainly there have been discussions, but you would not build two synthetic pitches 200 metres apart. So Capital Football's needs can be met with this facility.

**MR DOSZPOT:** It depends if we are talking about the same needs, yes.

**Mr Jeffrey:** We have been in recent discussions with Capital Football. Their previous facilities plan had expired and there was a need for them to update that to look at all of these different options, to confirm and give direction from their perspective and their board's perspective about what are the priority facility requirements for them moving forward. I understand that they are looking at that and will have something to present to sport and recreation services in the not-too-distant future.

**MR DOSZPOT:** Thank you. That is the question I wanted answered.

**MR SMYTH:** I have a supplementary on the ovals. You might take it on notice. What do we collect each year from the ovals, and could we have it broken down into senior and junior sport? What was collected this year and what do you intend to collect or expect to collect next year?

**THE CHAIR:** Okay, that is taken on notice.

**MR RATTENBURY:** I want to ask about the performance agreement with the Brumbies. I note from page 240 of budget paper 4 that the performance fees were paid in advance in the last financial year. I imagine this relates to the financial difficulties that the Brumbies are in. What due diligence was done before paying those fees in advance in terms of assessing the ability of the Brumbies to continue as a going concern?

**Mr Barr:** Both the directorate and Treasury looked at their books before making a recommendation to me as Treasurer.

**MR RATTENBURY:** Given that the Brumbies subsequently secured a new major

sponsor, the University of Canberra, did the government request that the advance payment be repaid or held in trust?

**Mr Barr:** No. I think the two matters are unrelated inasmuch as the nature of the Brumbies' sponsorship arrangement with the University of Canberra is somewhat different from what they may have previously gone to the marketplace with prior to securing their agreement with the University of Canberra.

**MR RATTENBURY:** Presumably that sponsorship meant they did not need the entire advance performance payment.

**Mr Barr:** No, that is not a presumption I would make.

**MR RATTENBURY:** Right. So—

**Mr Barr:** These are obviously commercial arrangements between two parties outside government, but the media reports of the size of the University of Canberra sponsorship, I think, may be way off the mark.

**MR RATTENBURY:** Going back to that due diligence and the Brumbies as a going concern, if they got a new sponsorship agreement but they still needed their performance payment in advance, where does that leave the status of the Brumbies?

**Mr Barr:** Certainly greatly enhanced now by the decision of the Assembly to support the draft variation in relation to their site in Griffith. Undoubtedly, given the circumstances that they found themselves in, where we assessed that bringing forward this payment by a few months was a reasonable thing to do—it is not unusual; it has happened before in terms of the timing of payments. It is simply bringing it forward. There is no extra money going to them; it is just a timing question. At this point, as I say, given the outcomes of the planning process and what lies ahead for the Brumbies, their securing of an arrangement with the University of Canberra gives us a degree of confidence now that their long-term financial position is more secure. Shane might want to add to that.

**Mr O'Leary:** Yes, thank you, minister. Just to expand on your question, Mr Rattenbury, in terms of the due diligence, certainly I and others were party to a meeting with senior Treasury officials, the Brumbies chief executive officer, the chief financial officer and the chair of their finance and audit committee. Treasury, in my observation, were quite demanding in terms of their requests for financial statements—open books.

And in support of what the minister also said, in terms of the relationship with the UC sponsorship, the position that the Brumbies were in at the time of that being signed and the fact that they are commercial-in-confidence arrangements, I think it is fair to say that the receipt of cash from that arrangement and the timing of that put to bed any question of the funding that the ACT government advanced being put in trust or being returned.

**MR RATTENBURY:** Thank you. I want to ask some questions relating to the document called a deed of variation on the Brumbies performance agreements. In

there it requires that the Brumbies will conduct, at their cost, a full economic impact study and market research survey of the games in each year of the agreement. What have been the results of those economic impact studies over recent years?

**Ms Priest:** That is something that we would have to take on notice.

**MR RATTENBURY:** Is it possible that the committee could be provided with copies of those studies?

**Mr Barr:** I imagine so, yes.

**MR RATTENBURY:** That would be helpful. Thank you.

**THE CHAIR:** So that has been taken on notice.

**MR RATTENBURY:** I also wanted to ask why the territory has required the Brumbies to provide the territory with tickets for a whole table at each directors dinner and associated match tickets for home games at Canberra Stadium under the performance agreement.

**Mr Barr:** That is part of normal sponsorship arrangements for these performance arrangements. There is a facility available for the Raiders and the Giants along a similar line. It is utilised for a variety of different ways. Through our ownership of the facilities and the venues, there is also corporate hospitality available through Territory Venues and Events.

**MR RATTENBURY:** Who are those tickets provided to?

**Mr Barr:** The minister.

**MR RATTENBURY:** And who does the minister allocate the tickets to?

**Mr Barr:** Varying parties.

**MR RATTENBURY:** What are the criteria for the allocation of those within the department?

**Mr Barr:** That is at the discretion of the sports minister.

**MR RATTENBURY:** Who have you tended to invite to receive those tickets?

**Mr Barr:** A variety of government officials, representatives from across ACT government. I have also, on occasion, taken staff from my office.

**MR RATTENBURY:** Are those tickets—

**Mr Barr:** I do not always attend.

**MR RATTENBURY:** Sure. Are those tickets being used at all to advance the economic opportunities for the territory?

**Mr Barr:** Yes. Certainly on occasion we have had representatives from other governments and corporations in attendance as part of the usual corporate hospitality arrangements.

**MR RATTENBURY:** Are you able to provide the committee with a breakdown of who was invited on those tickets over the last season?

**Mr Barr:** Yes, I can do that.

**MR RATTENBURY:** Thank you.

**THE CHAIR:** Okay; that is taken on notice.

**MR HARGREAVES:** Would it be helpful, if it was not just restricted to the one game, that I can get a ticket too?

**Mr Barr:** Might be, Mr Hargreaves.

**MR HARGREAVES:** I have not been the recipient of the minister's largesse. I might be interested in all codes which might be applicable.

**Mr Barr:** I might add, Mr Rattenbury, that on occasion, also, members are invited and are the guests of the Brumbies, of Territory Venues and Events and, indeed, of other corporate sponsors.

**MR RATTENBURY:** Certainly. I note that the agreement also requires the Brumbies to provide, at no cost, at the end of each season, a framed Brumbies jersey. What is the fate of those jerseys?

**Mr Barr:** They are hung on the wall in the sports minister's office and then are returned to the Brumbies. Some, I understand, are auctioned off for charity.

**MR RATTENBURY:** So you get one each year and then it just goes back?

**Mr Barr:** It goes back to them, yes.

**MR RATTENBURY:** Why is it required to provide that? Is it a charity thing?

**Mr Barr:** Ultimately, yes.

**MR RATTENBURY:** By the Brumbies?

**Mr Barr:** Yes. I think, on one occasion at least, I ended up buying it back off Lifeline for about 700 bucks at an event that I think Mr Smyth was at.

**MR RATTENBURY:** I make no comment on the wisdom of your investments, minister. I want to turn to the Raiders performance agreement and ask if they have a similar requirement to undertake an economic impact and market research study. Perhaps you will need to take this one on notice again as well, but I am interested to

hear the outcomes of those studies as well—and the economic benefits to the territory that they identify.

**Mr Barr:** Sure.

**MR HARGREAVES:** The same thing for triathletes who only can run down mountains.

**MR RATTENBURY:** Similarly, I understand, and you touched on this, that the territory also received tickets to the Raiders games.

**Mr Barr:** Yes.

**MR RATTENBURY:** And the official dinners?

**Mr Barr:** No; there is not an official dinner at Raiders matches. There is an open box in the Gregan-Larkham stand that is assigned to sport and recreation services that is utilised on occasion—not always, though.

**MR RATTENBURY:** Who are those tickets allocated to?

**Mr Barr:** Again, the minister's office.

**MR RATTENBURY:** And the same sort of deal?

**Mr Barr:** Yes.

**MR RATTENBURY:** It is just at the minister's discretion?

**Mr Barr:** That is correct, yes.

**MR RATTENBURY:** Are you happy to provide us with a similar list to that for the Brumbies as to where those tickets have been allocated in the last season?

**Mr Barr:** Yes, certainly.

**THE CHAIR:** So both those first questions are taken on notice.

**MR RATTENBURY:** I gather the Raiders also provide a framed jersey at the end of each season?

**Mr Barr:** I believe they do, yes.

**MR RATTENBURY:** What is the fate of those jerseys?

**Mr Barr:** The same.

**MR RATTENBURY:** Same deal? Thank you. Recent media articles have talked about the profitability and sound financial position of the Canberra Raiders Group, which is obviously good news at some level. Given that sound financial position, is

the territory now considering charging the Raiders market rent for the use of the CIT Bruce campus facilities?

**Mr Barr:** You would have to raise that matter with the education minister, as it is a CIT facility.

**THE CHAIR:** We will need to move on, I am afraid. Mr Smyth, did you want to go to your question before Mr Doszpot?

**MR SMYTH:** I hope it will be a short question. The active kids challenge—how much funding does it receive from the government? How much did it get this year and how much will it get next year?

**Mr Barr:** It is about \$70,000, but I will take it on notice. There is a phasing out of the level of government support as they are moving into more private sponsorship.

**MR SMYTH:** Why is there a phasing out of government support? When you were the minister for three years, it was your challenge.

**Mr Barr:** That is correct.

**MR SMYTH:** The government spent \$210,000 a year. Why is it expected, now that it is under private control, that the government contribution will decline?

**Mr Barr:** The foundation is moving on to a more independent basis. It has secured private accommodation and sponsorship through the Loop group at the Belconnen markets, so the level of government support has been declining year by year.

**MR SMYTH:** So that was their choice?

**Mr Barr:** Yes, that was their preference.

**MR SMYTH:** It was their preference to have less government money?

**Mr Barr:** Yes. It is now no longer the minister's activity challenge; it is the kids activity challenge. The intent always was to establish the foundation and have it transition to being able to be self-sufficient. It is beginning that process.

**MR SMYTH:** If it cannot reach self-sufficiency, what will happen? Will it fold?

**Mr Barr:** We will have a discussion with them if that situation were to arise.

**MR SMYTH:** Are you in discussions with them at the moment?

**Mr O'Leary:** If I can just expand on that, minister, we are in the second of a three-year funding arrangement with them. Certainly, as the minister suggested, they put forward, as part of their proposal leading into the financial year about to conclude, a model that would see them having diminishing reliance on ACT government support.

In answer to your question, Mr Smyth, as to whether we are in discussion with them

at the moment, yes, we are. We are taking the lead on that through the sport and recreation services directorate in terms of marshalling support—coming back to Mr Doszpot’s question earlier—from the Health Directorate and the education directorate. The Health Directorate is represented by Ms Merryn Hare, with Trish Wilks from the education directorate. We are in discussions with them about the focus of their activities. I have recently attended a board meeting of their board, and certainly we are in discussions with them on those points.

**THE CHAIR:** Okay. We will go to Mr Doszpot and then to Ms Hunter.

**MR DOSZPOT:** Minister, you and I both attended the fifth birthday party out at—

**Mr Barr:** Curtin primary school.

**MR DOSZPOT:** Yes.

**Mr Barr:** You missed my hip-hop dancing.

**MR DOSZPOT:** I did miss your hip-hop dancing.

**MR HARGREAVES:** No, you didn’t.

**Mr Barr:** I have it on authority from Francis from Kulture Break that I have got some moves. I was as surprised as anyone, let me assure you, to learn this—but there you go.

**MR SMYTH:** It is just a shame you told everybody else that it actually did not relate to dancing.

**MR DOSZPOT:** I am impressed from what I have heard. But I was also impressed with the development of that program. It is achieving results along the right areas. I find it a little bit, I guess, disappointing that we would be cutting back on something that is now getting more momentum, and as a result of that additional momentum they do need additional funds. They are moving into a commercial sector but it just seems a bit of a contradiction that we are trying to ensure the health and development of our kids but we are cutting back on the financial aspects of it.

**THE CHAIR:** And the question?

**MR DOSZPOT:** The question is: why is it deemed to be a diminishing sponsorship?

**Mr Barr:** We will continue an active engagement with the foundation. We established it; I am the patron of it. It would not be there but for the initiative of this government.

**MR DOSZPOT:** Correct. I have given you due credit for that—and for your hip-hop dancing too.

**Mr Barr:** But it was always the intention to enable it to transition into being an independent foundation so as to attract additional sponsorship. There is a certain

reluctance, it would appear, on the part of some commercial partners, if it is seen as a government entity and government funded, to support it. We still maintain a funding role and the foundation is able to access a number of other government programs—Healthpact grants, for example—able to participate across a range of different areas and to facilitate the participation of other NGOs in promoting these causes.

As I say, I am happy to look at the next funding agreement that we may have with the foundation and we continue to provide strong support. As patron I am personally committed to it, having established it.

**THE CHAIR:** Okay. Thanks.

**MR DOSZPOT:** I am glad to hear that. That was my question. Thank you.

**Ms Priest:** Could I just add on that that we are continuing to provide support in kind. In addition to the financial aspects, sport and recreation, as the minister has indicated, is continuing to work very strongly with the physical activity foundation to see how we can ensure ongoing participation, not just at that point in time but something that will go for 12 months of the year. So we are working with them.

**MR DOSZPOT:** Thank you. I am also reassured by the comments that Shane made regarding the other agencies coming in as well. I applaud that sort of initiative.

**THE CHAIR:** Ms Hunter, you have a question.

**MS HUNTER:** Yes, thanks. I just want to follow up with a couple of questions about sportsground restoration. I was wondering how Bonython, Watson and Weetangera were chosen. How do you go about deciding which grounds are going to be on the schedule for that year?

**Mr Barr:** There is an assessment process. The number of ovals that remain to be restored is diminishing; it is a fairly small list now. From memory it was about 15 a couple of years ago and it is—

**Ms Priest:** It is around 15, 20, I think, at the moment. We do go through a process of consultation. We do that with the community, with the industry and with schools. So it comes down to, at the time when we are up to the next set of restorations, where are the priorities and where are the demands. We gauge that through a process of consultation.

**MS HUNTER:** Great. And will the restoration commence during this next financial year? Will they all be done within that year or is it over the next few years?

**Ms Priest:** It is one per year.

**MS HUNTER:** I also want to ask about the revised funding for the Kippax district playing fields. I was wondering why that work was delayed and re-profiled.

**Mr Barr:** We are undertaking the project with the Belconnen Magpies. They are providing a number of in-kind services as well as undertaking their own fundraising to

add different elements to the project. So I think it might just be a timing of payments issue.

**Mr O’Leary:** Yes. The project has been split into two: the civil works in terms of the realignment of the sportsground; a new irrigation system; fencing around that; some turfing has been completed. The rephasing relates to DA requirements which we have now got for the construction of the pavilion. So that work has now started. The construction of the pavilion, which is the other key component in the delivery of the project, has started and it is envisaged will be finished towards the end of this year.

**MS HUNTER:** And what about Lyneham? We have had some delay because of asbestos. Where is that up to, and wasn’t it announced some years ago about having another facility there, a smaller enclosed sporting facility?

**Mr Barr:** There have been a number of different phases of development in the Lyneham precinct and some grants provided to sporting organisations that have existing facilities within the precinct. Phase 1 is complete, phase 2 struck the asbestos issue and phase 3 funding is allocated. Then there are the other projects relating to the tennis facility and the netball facility.

**MS HUNTER:** Yes, the netball facility I was specifically thinking about. When will you finish phase 2? Where are we up to with removing the asbestos?

**Ms Priest:** It comes down to finalising this process with the asbestos. At the moment we are waiting on the auditor to actually give us a certification of the next steps. We are expecting that by the end of this month, so we are very close. We have had funding appropriated in the budget for the remediation of the site and fortunately works have been able to continue, a rolling arrangement of works around that.

So everything has not stopped. We have still got activity going on on the site. We would expect, all going well with the auditor’s clearance—and we have got our fingers crossed in anticipating an outcome that is commensurate with the draft report, the auditor certifying that—that we would be able to progress with stage 2 works. So, all going well, we would have that Lyneham precinct open again for the 2012-13 summer.

**THE CHAIR:** Mr Coe had a final question.

**MR COE:** I understand that Western District Rugby Union Club is looking at obtaining a new facility in south-western Belconnen. I understand that Holt or Higgins has been touted as a possibility and also Weetangera oval. Are you able to give me an update on where that request is at?

**Mr O’Leary:** Yes. Weetangera is part of the restoration program, so that will come back on line and that is the third project of the three to come on board.

**MR COE:** I understand that they requested additional facilities at the site. Is that something that is being considered?

**Mr O’Leary:** Additional facilities? In terms of the restoration of that, the early

investigation would be a redevelopment. That would involve probably a new irrigation system and new turfing.

We would then obviously look at the options and the costings around providing some level of amenity for that facility, but that would be something that we would do in a closer detailed design fashion. At that time we would also engage with the Western District Rugby Union Club and also probably the Brumbies to get their input into the upgrade of that facility, as we do with other prospective individuals to benefit from the redevelopments in other areas.

**MR COE:** So what are the milestones on the way that the club can expect in terms of the forward design, construction and then completion?

**Mr O'Leary:** That will be subject to the budget. Because that is the third year we would probably look to do the design closer to that time. So we would look at doing that in the latter half of the middle year, with the first year being Bonython, the second being Watson and then the third being Weetangera.

**MR COE:** So it is possible that the oval would not come on line until maybe 2016 or thereabouts?

**Mr O'Leary:** In terms of the funding, we would try and do the design early and once that funding comes forward we would try to prepare and do the design work in advance of that third year of funding being available. So all of that work, if there were any DA requirements or anything like that, we would try to do in advance so that as the funds become available at the start of July we could hit the ground running immediately.

**MR COE:** Okay. Whenever the funds do become available how long does it usually take to bring the surface, at least, up to a playing standard?

**Mr O'Leary:** That is a little bit dependent on what type of grass variety we put in. Now we look at using couch. Because of the weather impact we try to lay that couch in the warmer months from November through to, say, February. So in that example the priority works would be first of all to get the irrigation system in the ground, put the couch on board, a settlement period and then the facility would hopefully be ready for that upcoming winter season for the use of that club.

**MR COE:** Sure.

**THE CHAIR:** We are unfortunately out of time. Sorry, Mr Doszpot. Your questions will need to go on notice.

Thank you, minister, and officials, for appearing before the committee today. As mentioned at the commencement of the hearing this morning, there is a time frame of five working days for the return of answers to questions taken on notice at this hearing.

Questions on notice for Economic Development Directorate output 1.3, tourism, and output 1.4, sport and recreation, should be lodged with the Committee Office within three business days of receipt of the uncorrected proof transcript, with day one being

the first business day after the transcript is received. After the lunch break proceedings will commence with an examination of Environment and Sustainable Development output 1.1, regulation and services; output 1.2, planning delivery; and output 1.3, planning policy.

**Meeting adjourned from 12.31 to 2.02 pm.**

Appearances:

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

Environment and Sustainable Development Directorate  
Papps, Mr David, Director-General/Chief Planning Executive  
Ponton, Mr Ben, Acting Deputy Director-General, Planning Policy  
Simmons, Mr Craig, Director, Construction Services  
Meyer, Mr John, Acting Executive Director, Regulation and Services

**THE CHAIR:** Minister Corbell and officials, welcome to this public hearing of the Select Committee on Estimates 2012-2013.

The Legislative Assembly has referred to the committee, for examination, the expenditure proposals for the Appropriation Bill 2012-2013 and the revenue estimates in the 2011-12 budget. The committee is due to report to the Assembly on 14 August 2012.

The committee has resolved that all questions on notice will be lodged with the Committee Office within three business days of receipt of the uncorrected proof transcript, with day one being the first business day after the transcript is received. Answers to questions on notice will be lodged with the Committee Office within five business days of receiving the question, with day one being the first business day after the transcript is received. And answers to questions taken on notice will be returned five business days after the hearing at which questions were taken, with day one being the first business day after the question was taken.

Proceedings this afternoon will commence with an examination of the expenditure proposals and revenue estimates for Environment and Sustainable Development for output class 1, output 1.1, regulation and services; output 1.2, planning delivery; and output 1.3, planning policy.

I note that, because a lot of these areas overlap, we will do what we have done with other outputs: we will take questions across them. Just so committee members know, we will allow questions across the outputs. I recognise that may require some change in officials, but because of the overlap it is probably easier to do that.

I draw your attention to the privilege card, which is the blue card in front of you. Can you all indicate that you are aware of the information implications in that. And, just so you are aware, proceedings are being broadcast today.

Before we go to questions from the committee, minister, I would like you invite you to make an opening statement if you wish.

**Mr Corbell:** Thank you, Madam Chair, and members of the committee. I do not propose to make an opening statement, but I and my officials will endeavour to answer the committee's questions.

**THE CHAIR:** Thank you, minister. I will go to my first question. I do not have a

specific budget paper reference for it, but it is in relation to resource management plans. I am just wondering if you can specify which area of the directorate is responsible for implementing the ESDD resource management plan.

**Mr Papps:** The resource management plan's implementation is a responsibility that runs across the directorate. As the director-general, I accept ultimate responsibility for it.

**THE CHAIR:** So each directorate is responsible for its implementation, but you direct that?

**Mr Papps:** Each directorate is responsible for its own resource management plan.

**THE CHAIR:** Is there an ESDD committee that deals with implementing and updating the resource management plan? If so, when did it last meet?

**Mr Papps:** There is no specific committee. It is dealt with by the executive management board, which is, if you like, the governing body of the directorate. That is chaired by me and comprises all the senior executives within the directorate. In other words, we see it very much as core business of the directorate so it is dealt with by the most senior management group in the directorate.

**THE CHAIR:** You said you see it as being core business. Is it something you regularly discuss? Are updates provided? How is it managed so that you ensure that it is actually occurring?

**Mr Papps:** That is right. You will be aware that, following the Hawke review and the government's adoption of the recommendations of the Hawke review, two previous agencies were combined to form the directorate. Both of those previous agencies had individual resource management plans. We have combined them as, if you like, an interim resource management plan for the directorate. We will update and revise that over the next little while to take account of the new structure.

**THE CHAIR:** When was it last updated?

**Mr Papps:** Almost immediately after the creation of the directorate—within the first three or four months of the creation of the directorate.

**THE CHAIR:** How often does that senior executive group meet?

**Mr Papps:** The senior executive group meets every week.

**THE CHAIR:** Is the ESDD resource management plan used as a model for other directorates?

**Mr Papps:** It has been used as a model, although we encourage directorates to construct their resource management plans around their own particular circumstances. There are obviously very common elements: energy, gas, water, paper—all the sorts of things that you would expect to be in a resource management plan. Those circumstances will vary according to directorate. There is some commonality, but

each directorate will have a specific response.

**THE CHAIR:** Government has indicated a move to renewable energy sources and looking at cutting their own energy costs. Is that something that is being encouraged through all directorate plans, with ESDD leading?

**Mr Papps:** It is being encouraged through all directorate plans. And it is being further encouraged, as you will have already been aware of, because of the minister's announcement of one of the government's initiatives in this budget—the carbon neutrality fund, which will support the drive by this government to ensure that its operations are carbon neutral by 2020. That fund, and a carbon neutrality framework that sets out the sorts of expectations that the government will have of directorates, will increasingly flow through into activities particularly around energy efficiency but not only energy efficiency.

**THE CHAIR:** Will it be a core part of each directorate's plan, though?

**Mr Papps:** It will be.

**Mr Corbell:** Each directorate will be able to take advantage of making application to the expanded resource management fund which the government has announced, the carbon neutrality fund, as it is now known. It is a \$5 million revolving loan facility internal to the government to allow government agencies to access capital, subject to the approval of an adequate business case, to improve energy efficiency in their own operations. The fund will assist those agencies to access the capital required to upgrade various aspects of their operations to improve their energy efficiency. That is potentially in a range of areas—lighting, heating, water heating and so on. That will allow those agencies to recoup savings as a result of accessing that capital; then that capital will be repaid to the fund and be available for another agency to utilise. The agency is able to retain the savings that it accrues from the reduction in its energy use as a result of the capital investment.

**THE CHAIR:** Is the ESDD resource management plan on the website?

**Mr Corbell:** No. I think it is an internal directorate document.

**Mr Papps:** No.

**THE CHAIR:** Is it possible to get any information from the plan back to the committee?

**Mr Corbell:** I am happy to take on notice what is available.

**THE CHAIR:** Thank you. Ms Hunter.

**MS HUNTER:** I would like to go to the government's response to the interim report of the Legislative Assembly's inquiry into ACT greenhouse gas reduction targets. As part of the government's response, it indicated that a task force would be established to review planning and building regulations to identify opportunities for reducing greenhouse gas emissions. This was on page 6 of the government's response. It said:

The Government will establish a Taskforce to review planning and building regulations to identify opportunities for reducing GHG emissions. The Taskforce, chaired by DECCEW with membership drawn from relevant ACT Government agencies will extensively consult with ActewAGL and key planning, development and building associations. The Taskforce is to report by June 2010.

Was that task force ever established?

**Mr Corbell:** Yes. That work was, I understand, pursued through the building quality task force.

**MS HUNTER:** What was the outcome of that? What came out of that work?

**Mr Corbell:** As you might recall, Ms Hunter, the building quality task force was initially developed in response to concerns around a range of issues with building quality, particularly in multi-unit and larger commercial development projects. But invariably, the issue of the relative energy efficiency and water efficiency of those projects was highlighted through that work. That is now feeding into our review of the Building Act, which is looking at a substantial rewrite of the Building Act to both improve the regulatory framework and also identify opportunities for further improvements in the sustainability and performance of buildings.

**MS HUNTER:** Who was consulted as part of all of that?

**Mr Corbell:** The building quality task force saw a wide range of stakeholders brought to the table—willingly, I might add. There were two roundtable meetings. One was convened by my predecessor, Mr Barr, when he was the responsible minister, and the second one was convened by me. That second meeting occurred—I am just trying to recall—early this year, I think. The groups that were represented there included architects, professional bodies, the MBA, the HIA, the Property Council and planners as well as residents and resident-based organisations.

**MS HUNTER:** Is any of the information that came out of that task force publicly available? Was there a report or some sort of plan?

**Mr Simmons:** We have been managing the process of the review of the Building Act, targeted under the building quality forum banner. We now meet on a monthly basis to bring forward all the parties. There are a number of parties. It is a very complex rewrite that we are undertaking at the moment to ensure that all the views we have around the table are properly understood. The government gave us quite a period of time. Sometimes these processes can be quite short. We have actually got a two-year period to ensure that we properly consult with all the parties, to make sure we can address the very real issues that we have.

It should be noted, of course, that around 70 per cent of the energy consumed in the ACT is consumed in static energy, so it is in buildings. We really do need to spend some time to get this bit right about what is the most effective way to ensure that our buildings, both existing and new, can meet the highest level of performance possible.

Our monthly meetings target various activities around that. Not all the issues that we deal with are of interest to all the parties in the building and construction industry. At various times there can be quite interesting technical issues which are of deep fascination to some of our members and not to others. I, of course, remain fascinated by the entire subject, but that is where we sit.

We do not have a formal report other than the reports that we table in the Assembly, but we will be bringing forward more material that will become public as we start to consult more widely.

**Mr Corbell:** I would also add, Ms Hunter, that, of course, there is work ongoing identifying a range of measures as part of the government's finalisation of action plan 2, which obviously identifies energy efficiency in the built environment as an important area. So there is a range of policy initiatives being considered there. Of course we know that there will be significant work occurring in the upgrade of existing residential premises as a result of the passage of the energy efficiency cost of living legislation, which will deliver energy efficiency improvements to around 70,000 Canberra households as a result of that law being passed by the Assembly.

**MR SMYTH:** Minister, the NCA in their draft development control plans noted that the ACT government had issued a request for proposals on 22 January 2012 to support the development of up to 40 megawatts of large-scale solar generation. What is particularly happening with that and can you please tell me whether or not the horse paddocks at Rose Cottage in Tuggeranong are involved?

**Mr Corbell:** I am happy to answer the question, Mr Smyth. I indicate to the committee that the question you are asking is in relation to the conduct of the large-scale solar auction, which, of course, sits in the energy portfolio, not in the planning portfolio.

**MR SMYTH:** I was more interested in the planning arrangements for Rose Cottage.

**Mr Corbell:** My understanding is that an application has been made to the NCA by one of the proponents who is bidding in the auction to get the necessary planning clearances and approvals should their proposal be successful in the auction. As a result they have approached the NCA because the site that they wish to utilise is adjacent to a national approach route and therefore falls under the planning control of the NCA.

The NCA are conducting their own processes around setting out what conditions they will require of any development in that location. But that process on the part of the NCA does not indicate ACT government endorsement of that solar project at this time. That is subject to the outcome of the large-scale auction. With respect to the application on the part of the proponent to the NCA, effectively they are indicating that they are preparing the ground for the necessary regulatory approvals should they be successful in the auction process.

**MR SMYTH:** How much land at Rose Cottage is affected by this?

**Mr Corbell:** That is yet to be determined. There has been no specific proposal put to

ESDD through the development assessment process and that would only be considered if and when this particular proponent was successful in the auction process.

**MR SMYTH:** So nobody here today knows the nature of how much land could be taken if it is successful?

**Mr Corbell:** Not in exact terms. An indicative assessment has been made by the proponent as part of their bid. I am not at liberty to disclose the nature of their bid for probity reasons.

**MR SMYTH:** When will we know whether the horse paddocks are up for grabs?

**Mr Corbell:** Perhaps I can assist in this way: once the successful bidders in the auction are selected, and the first round of that will be determined in August this year, those successful bidders will have the onus placed on them to seek all of the necessary approvals and clearances from both the ACT and the territory to allow their project to proceed.

With respect to the way the auction process has been structured, the government indicates its preparedness to award a feed-in tariff payment to the successful bidders based on the competitiveness of their price and their capability to deliver the project, and then those successful bidders have to go out like any other private developer and get the necessary approvals from both the NCA and the ACT planning authorities as required. If they have indicated that they wish to use government owned land, they will also need to get the agreement of the territory to purchase access to that land.

**MR SMYTH:** Does the government have a policy or a position on whether using horse paddocks for solar farms is an appropriate use of that land?

**Mr Corbell:** The government will make decisions about the sale of government owned land in accordance with the normal criteria that are applied for applications for direct grant of land.

**MR SMYTH:** As a general principle, would you allow the conversion of horse paddocks into a solar farm?

**Mr Corbell:** That would be considered on its merits on a case by case basis.

**MR COE:** An issue has been raised with me by a constituent in Page. It is with regard to a building project, an extension, which was commenced last year. However there were problems with the builder and the builder did not have all the plans approved, so a stop work notice was lodged and there has been no progress since. This poor family do not have a roof on their house. They have twins who are a year old and they have a three-year-old, and they are without a roof. It has been this way since December, I believe. Have you had a chance to review the letter which I sent to you about this last week and where might it be at?

**Mr Corbell:** Thank you, Mr Coe. I have not reviewed your correspondence but I would anticipate that your correspondence is with my directorate for advice and response at this time. I am not familiar with the particulars of the case and I do not

know whether it is appropriate to go into the personal circumstances of a particular family or individual through this forum. But given that you have only written to me last week, I expect that you will get a response soon on those issues.

**MR COE:** Given that this family in Page have been living without a roof since December and they have three kids under three, is this case known to your advisers or to the directorate?

**Mr Corbell:** I imagine it would be known to my directorate if a stop work order has been issued.

**MR COE:** Can I hear from someone from your directorate about where things are at?

**Mr Corbell:** Again I do not know whether it is appropriate to go into the personal circumstances of a family or the reasons behind the project. Obviously if a stop work order has been issued, that would highlight that the occupational licensing or building inspectorate function in ESDD has some concerns about some aspect of the project.

**MR COE:** I would like to hear from someone, from Mr Simmons, Mr Ponton or Mr Papps, about the situation, whether it is on your radar and whether this family can expect to have work started soon on the completion of their roof.

**Mr Corbell:** It is always my position, Mr Coe, that I am keen to see these situations resolved as quickly as possible. I am always concerned, where people are relying on a project to be completed, to have a secure home for them to live in. Whilst I am not familiar with the particulars of this case, it sounds to me like it might involve an extension of an existing premises. Am I correct?

**MR COE:** That is what I said, yes.

**Mr Corbell:** Obviously that is, in and of itself, a process that can involve some disruption to the normal living arrangements. I am happy to seek further advice on the matter. You only raised it with me last week. I am sure that a timely response will be provided to you that can deal with the particulars of the issue you have raised.

**MR COE:** Given, I imagine, that there are people in this room that would be familiar with this case, will you please allow one of them to shed some light on the matter?

**Mr Corbell:** I looked at Mr Simmons, who shook his head, which is why I was not going to call him up. I think Mr Ponton can assist, so I am happy to ask Mr Ponton to assist.

**MR COE:** Thank you.

**Mr Ponton:** Without the specifics, other than Page, I cannot be absolutely certain but I am—

**MR COE:** Sure.

**Mr Ponton:** familiar with a particular proposal that relates to an extension to a single

residential dwelling in Page that has been issued a stop work notice because of some concerns with respect to certain aspects of that extension. I can advise you that in relation to regularising that particular extension, the directorate has been in direct contact with the lessee in terms of assisting them to understand what needs to be done to obtain development approval. The development assessment area is working with the lessee to ensure that they obtain a speedy assessment of the proposal.

**MR COE:** And can I just throw—

**MR HARGREAVES:** Can we move on to something that is in the budget, please?

**THE CHAIR:** It is all right.

**MR COE:** Excuse me.

**MR HARGREAVES:** Yes, you have had a fair go.

**MR COE:** Excuse me.

**THE CHAIR:** No, Mr Hargreaves.

**MR HARGREAVES:** Fair go.

**MR COE:** Can I be—

**THE CHAIR:** Mr Hargreaves, let him ask his question, please.

**MR COE:** I can hardly stress the severity of the situation. There are three kids under the age of three living in a house with no roof. I would just like you to be absolutely aware of the circumstances of this family and please to take all steps possible to expedite the approval processes needed to get work underway for this family.

**Mr Corbell:** I am advised, Mr Coe, that what seems to have occurred in this case is that work commenced based on the advice of a certifier that the works were exempt from development approval. Given the nature of the works, that does not appear to have been correct advice. A development approval is required before that work can be done. My directorate is seeking to assist the lessee to make the necessary application for development approval so that work can recommence as promptly as possible.

**MR COE:** Look, I understand that it is a complex case. There has been a lot of toing and froing. I understand that.

**Mr Corbell:** Yes.

**MR COE:** But I just would like to seek your assurance that everything that can be done will be done to ensure a speedy resolution takes place.

**Mr Corbell:** Yes. My directorate is making all necessary effort to see the matter resolved as quickly as possible.

**MR COE:** Thank you.

**MR SESELJA:** Minister, page 322 of BP4 deals with some of the capital works program. Looking back to last year's budget for some of these programs, many of them appear to have had their time frames pushed out. I wanted to pursue why that has happened in a few of these cases. The Molonglo north-south arterial road bridge and pedestrian bridge feasibility study in last year's budget was due to be finished in June of 2012. It is now due in 2013. Why the 12-month delay in that project?

**Mr Ponton:** My understanding in relation to that particular project is that there have been some unanticipated delays in relation to obtaining necessary approvals. Also there are some delays in the design works being undertaken.

**MR SESELJA:** So there are approvals needed for the feasibility study?

**Mr Ponton:** In terms of feasibility, it is important to understand what is being proposed can, in fact, be constructed.

**MR SESELJA:** Sorry, I could not quite catch that.

**Mr Ponton:** It is important in terms of looking at feasibility—that early stage—there is some design work that is associated with that; so early design work. Part of that is working with those parts of the directorate and also the commonwealth to ensure that what is being proposed can, in fact, be constructed. There have been some complexities around those particular issues.

**MR SESELJA:** Which are the approval delays on that project that have held that up?

**Mr Ponton:** This is the north—

**MR SESELJA:** Yes, the north-south arterial road bridge and pedestrian bridge.

**Mr Ponton:** As I understand it, that relates to ACT EIS clearances with respect to, in particular, section 211 exemptions. Some work is being done jointly with our directorate and also the Economic Development Directorate to understand the impact of that proposal.

**MR SESELJA:** So those delays in relation to EIS affect the feasibility—

**Mr Ponton:** As I said, that is one of the complexities. The other issue in relation to this also is in relation to overall design.

**MR SESELJA:** Yes.

**Mr Ponton:** As I recall—again, I can clarify this for you, Mr Seselja—it also relates to the relationship with the north-south arterial with respect to the Molonglo group centre.

**MR SESELJA:** Has the cost on that project gone up at all from the original budget or is it expected to?

**Mr Ponton:** I would need to take that on notice.

**MR SESELJA:** Okay.

**THE CHAIR:** That is taken on notice, Zed.

**MR SESELJA:** Likewise, the Molonglo valley sewer vent odour study is the same. It was due June of 2012 in last year's budget. It is now June 2013. Are the reasons for the delay there the same?

**Mr Ponton:** I believe so but again I can clarify that for you.

**MR SESELJA:** Okay. We also have some others that have significant delays in other areas. The Lawson South relocation of power line design which was due in last year's budget—September 2011, we were told. It is now December 2012; so it is a 15-month delay. Why that delay?

**Mr Ponton:** My understanding in relation to that particular issue is that it is with respect to the nature of the work—whether it be re-aligned or undergrounded and the extent of that undergrounding. Also associated with that work, again, is understanding environmental issues. EPBC matters apply to that particular work and also the need to run under the waterway that is associated with that work.

**MR SESELJA:** Okay, but what is changed in scope since last year's budget to this year's budget?

**Mr Ponton:** I would need to get back to you on that.

**MR SESELJA:** Okay. There is likewise the Canberra integrated urban water program. Again, last year's budget said June 2012. This year's says June 2013. Why the 12-month blow-out in that time frame?

**Mr Ponton:** In relation to that particular project, there have been a number of delays primarily associated with wet weather—the ponds out at Gungahlin. The concern there was with the significant amount of wet weather that we have received. Essentially, it is in a waterway. That means that it is very difficult then to proceed with work. That has caused delays.

**MR SESELJA:** Okay. The Eastlake sustainable urban renewal is in the same category. What are the reasons for an additional 12-month delay in the expected completion of that project?

**Mr Ponton:** Sorry, Eastlake?

**MR SESELJA:** Eastlake sustainable urban renewal.

**Mr Ponton:** At Eastlake there have been some complexities with respect to the extent of contaminated land. That is both asbestos and also primarily unstable materials.

**MR SESELJA:** When did the government become aware of that, because it has been aware of that for some time?

**Mr Ponton:** It has been aware of that for well over 12 months but, as I said, the particular issue has created some complexities that we need to work through.

**Mr Corbell:** The government has provided additional funding in this year's budget to assist with understanding the full extent of the contamination and options to remediate or adjust the planning framework as a consequence of that contamination. Basically, what we need to do now, given the extent of that contaminated land at Eastlake, which is largely loose fill from dumping that occurred when the commonwealth was in control of the site, is assess first of all its full extent, understand what that means for potential development of that land, what the cost-benefit would be of developing that land and remediating the site vis-a-vis some other use of the land. So we need to understand both its full condition and capacity. Those are the types of issues that we are seeking to address in this complex brownfield site.

**MR SESELJA:** Okay. Could I just go back to Mr Ponton for a minute. He was finishing his last answer and he said that there had been some additional complexities from last year's budget to this year's budget. Are you able to elaborate as to what those additional complexities are? Obviously, there have been complexities in this project, but what has changed in the last 12 months to push this time frame out?

**Mr Ponton:** It is understanding, Mr Seselja, the extent of the unstable material.

**MR SESELJA:** Sorry, it is not clear to me. You did not understand it presumably before. So there has been a greater understanding, which has led to an understanding that there is more than was expected or that it is more complex to resolve?

**Mr Ponton:** As I said, it is a complex area and we are trying to understand the extent of that contamination. We are also working through then what initial work might be required. In fact, the budget papers do identify some additional work that we now know needs to be undertaken to progress this matter.

**MR SESELJA:** Okay. One more—

**MS HUNTER:** So is the complexity how much is there, where it is on the site?

**Mr Ponton:** That is right, yes.

**MS HUNTER:** Is it also that it is the type of fill?

**Mr Ponton:** It is the type of fill and it is the depth of the fill.

**MS HUNTER:** So what kind of asbestos? I think it was assumed it was asbestos there.

**Mr Ponton:** Asbestos and also builders rubble.

**MS HUNTER:** And anything else that you were concerned about?

**Mr Ponton:** It is primarily the builders rubble and the fact that it makes the land unstable.

**Mr Corbell:** The issue is that the land cannot be built on in its current state, particularly if you identify the site as a site for higher density development that may involve basement works. The government has to make a decision as to whether or not the land is capable of being redeveloped to any significant extent and whether it is value for money to undertake and expend money on remediating and stabilising that part of the site to allow that redevelopment to occur, or whether it is just not cost-effective to do that and the site should essentially become an area of open space within the East Lake development.

Both of those options are on the table, but until we fully ascertain the extent and nature of the contamination to a level of detail that we have not previously been able to do we are not in a position to make that judgement. Depending on what judgement we do make, it may necessitate changes to the planning structure work for the site—that is, what development goes where and the nature of that development. There is a whole series of decisions that hang off that resolution of the issue—what is there, how sensitive is it and what is the relative cost-benefit of remediating versus leaving—

**MS HUNTER:** Are you using the same methodology used at north Weston ponds, because that was a situation where—

**Mr Corbell:** No, we are not.

**MS HUNTER:** Is this also adding to the sort of rollover and complexity? You are adopting a different methodology to see how—

**Mr Corbell:** Yes. We are taking a very prudent approach here and that, of necessity, is requiring more time, which is why the time frames have moved and why the government is also expending and proposing additional expenditure to undertake those further investigations that I have just mentioned.

**MR SESELJA:** I have one more on this line of questioning, chair. Again in Molonglo, the east-west arterial road and extension of John Gorton Drive to Molonglo River—that was due to be completed in October 2011 and it has now moved to August 2012. What is the reason for that 10-month delay?

**Mr Ponton:** I believe that is in relation to the necessary design changes for the Molonglo group centre. There was some additional work that we were undertaking in terms of looking at more efficient and effective public transport linkages. I am more than happy to check that for you.

**THE CHAIR:** So that has been taken on notice.

**MR SESELJA:** There is a bunch there in Molonglo and I guess I would ask you to comment. There are delays in these various projects—12 months for a number of them and 10 months for another. How much is that going to delay future development in Molonglo and hold off the government's ability to get land out to the market?

**Mr Ponton:** We are on target to achieve the current land releases identified in the program.

**MR SESELJA:** So the delays in these projects across Molonglo are going to have no impact on the ability to get land out to the market over the next two, three, four years?

**Mr Ponton:** As I said, we are on target to achieve the current land release program.

**MR SESELJA:** When you say “current”, you mean for the next five years?

**Mr Ponton:** Yes.

**MR COE:** On a point of order, chair, if that is okay. Earlier when I was discussing the plight of the family in Page, I believe Mr Hargreaves interjected something like, “Get them a bucket.” If that was said, I think it is grossly inappropriate. I would like to invite Mr Hargreaves to withdraw that and to apologise.

**THE CHAIR:** I did not hear it.

**MR HARGREAVES:** I am happy to do it, Mr Coe. Firstly, it was a conversation between me and another member. If it was detected and anybody has taken offence, I withdraw that and I do so—

**MR SMYTH:** Well, I certainly heard it.

**MR HARGREAVES:** Excuse me, Mr Smyth. I do so and I do so unreservedly.

**MR COE:** Thank you.

**THE CHAIR:** Ms Le Couteur.

**MS LE COUTEUR:** I am now going to move to regulation and services. If you look at page 311, you will find that funding for this is decreasing by \$7.2 million for 2012-13, but if you go to page 314, which has a wonderful set of accountability indicators, you find that only one of them, (a), was actually met in the current year of the estimated outcomes. If we are not managing to meet all the targets now, how are we going to be able to meet them in future, given we are reducing funding?

**MR SMYTH:** Particularly when they lose 20 staff.

**MS LE COUTEUR:** That is another question. It is about a \$7.2 million funding reduction.

**Mr Papps:** I think the first observation to make is that the directorate, like all government directorates, is being asked to meet efficiency dividends and deliver savings back to government. In doing that, we are not going to compromise any of the priority projects of the government nor, indeed, any of our regulatory arrangements or obligations. The way we are going to approach that is that, instead of being guided by what we currently have, we will go through a process of realigning our resources with our priorities and our regulatory role to ensure that we continue to meet those

obligations.

In terms of the actual numbers that you are talking about, they do not ring true. I am not sure that that is a correct reading of it. I will have to take the specific numbers on notice, but certainly the explanation in terms of us reallocating resources within the directorate to meet those obligations will apply.

**MS LE COUTEUR:** Are you suggesting that the numbers in budget paper 4 are wrong?

**Mr Papps:** No.

**Mr Corbell:** I think the way you are reading them, Ms Le Couteur, is perhaps somewhat misconstrued. For example, there is depreciation of almost \$1½ million included in that figure. You will see note 1 to the table. Also, the figure does not include transfer expenses of another \$2.3 million. I think you need to take those figures into account.

**MS LE COUTEUR:** I saw that, but I had no idea what direction we were transferring that. I did not know if that was a plus or a minus. Would it be possible, given what you have said, to give us a breakdown of the difference between the two figures?

**Mr Corbell:** Yes, happy to.

**MS LE COUTEUR:** Depreciation was understandable.

**THE CHAIR:** So that has been taken on notice.

**MS LE COUTEUR:** Moving right along and looking at the accountability indicators—page 314, (a)—how many of these are physical inspections and audits and how many of them are desk audits?

**Mr Corbell:** I will ask Mr Simmons to assist you with that, Ms Le Couteur.

**Mr Simmons:** Electrical installations, gas, sewerage connections and photovoltaics are all physical inspections. You will notice that the target is 100 per cent and the outcome is slightly under 100 per cent. The explanation for that lies in the time when the actual inspection took place. The easiest example is that if an installation was completed on 30 June we would not receive the application for it until after 1 July in the next year. So there is a group where the inspection is sought in the previous year but it is not actually completed till the following year. There is always a catch-up in these figures. The largest one there, you will note, was the new photovoltaic installations. This reflects the work we were doing to wind back the backlog that had formed with the other rapid increase in demand for our services there.

The building applications lodged are a mix of both physical inspection and desktop. The work that is done now after the increased funding from last year enables us to look at desktop inspections and, where we see patterns of behaviour, to then apply that to physical inspections on the ground. In terms of the exact numbers, I would have to get back to you on that.

**MS LE COUTEUR:** So does what you have said imply that you could never get 100 per cent done because—

**Mr Simmons:** No.

**MS LE COUTEUR:** If so, I would invite you to change your targets if they are not possible to be achieved.

**Mr Simmons:** Of those four indicators, 100 per cent of the inspections always take place. It is just that they do not necessarily take place in the year in which they occur. If an inspection is requested on 30 June, it cannot be done until the next year, but the target is to inspect everything and everything is inspected.

**MS LE COUTEUR:** I did get that. You are suggesting that you will never be in a position that, from a target point of view, you achieve 100 per cent. I am just saying that if that is so, change your targets. Put in a note saying, “We intend to inspect 100 per cent, but due to the financial years it will only be 98 per cent or something.”

**Mr Corbell:** The government is always happy to consider recommendations from the committee in that respect.

**MS LE COUTEUR:** So it is a bit more comprehensible than—

**Mr Corbell:** Sure.

**MS LE COUTEUR:** Your explanation makes perfect sense, Mr Simmons, and I am glad to hear you are catching up on the PVs. You could probably expect this question coming from me: why have we not got energy efficiency mentioned here as a specific inspection? Is it purely in with the building applications?

**Mr Simmons:** There are new measures starting on 1 July that will record energy efficiency differently, but energy efficiency is caught up in the building approval process and in our building inspection audits. That is where we see energy efficiency in those elements.

**MS LE COUTEUR:** How many actual physical inspections have you done with respect to energy efficiency and how are you using your new toys?

**Mr Simmons:** We are using our new high-tech equipment very well.

**MS LE COUTEUR:** Good.

**Mr Simmons:** We do not buy toys, but they are—

**MR SMYTH:** That was not the question. How are your toys?

**Mr Simmons:** They are very good. If you want us to come and look at your house, Mr Smyth, and see how energy efficient you are, we could do that. If anybody on the committee would like a personal inspection I am sure I can arrange it for you.

**MR SMYTH:** Of my house?

**Mr Simmons:** Just from the outside. It is very good. It is showing us very detailed and interesting elements about the housing stock. It is still new for us. We are still working through how we are using that equipment. In terms of exact numbers, I would have to take that on notice and get back to you.

**THE CHAIR:** So that is on notice.

**MS LE COUTEUR:** Have you used any of the outcomes from using your new airtight thermal imaging equipment to actually go back to someone and say, “Your energy efficiency rating cannot be correct”?

**Mr Simmons:** Not yet. As a part of the creation of the new directorate we are starting to build very effective links with the other elements of what was DECCEW so that we can start to bring some of those programs together. We are trying to build the education around this quite rapidly so that we have got a much better handle of what has been happening in our buildings.

**MS LE COUTEUR:** But have you been talking to any of the certifiers? We have heard from Mr Coe about a problem with a certifier. I know nothing more than what Mr Coe said, but have you ended up disqualifying any professionals as a result of your audits, or is it purely a warning system at this stage?

**Mr Simmons:** The system is new. We do not tend to take action against newly licensed and new systems this early on in the process. Our obligation is to educate the industry first. We like to educate before we enforce with the full weight of the tools we have available to us. This is the newest form of licensing we have and we are working with the licensees to bring them up to speed with what our expectations of them are now that they are licensed.

**MS LE COUTEUR:** When will you start moving to the enforcement phase, Mr Simmons?

**Mr Simmons:** Over the next year, over this coming financial year; the system will be fully in place by 1 July and then we will start to ramp up the type of enforcement we undertake.

**MS LE COUTEUR:** Okay. If we do not look at energy efficiency but we look at the areas which have been traditionally regulated, has anyone been disqualified over the last year?

**Mr Simmons:** Yes. A lot of electricians got disqualified.

**MS LE COUTEUR:** And that might have related to PV installations, at a rough guess?

**Mr Simmons:** It was—mainly foreign, mainly interstate licensed people initially.

**MS LE COUTEUR:** Any Canberra-based disqualifications?

**Mr Simmons:** I will have to get back to you on the exact location of each of the licensees disqualified.

**MS LE COUTEUR:** I was going to ask some questions about the building quality forum, but that has largely been dealt with. One thing that was not dealt with, one of the big issues that led to the building quality forum being set up, was concerns about water tightness. What is happening as far as that is concerned?

**Mr Simmons:** We have taken a number of actions against people at the moment and they are working their way through the legal system at the moment. There has been more education and more knowledge developed in and around issues of water penetration into buildings. I would say we have still some way to travel with respect to that. But we have spent a lot more time with bodies corporate, informing people about what the issues are, how to get those issues resolved and how to work initially with the builders and the people who are involved in the construction of the building about repair, maintenance and the ongoing operation of their buildings so that we do not get into a situation where it is too late for us to work with the bodies corporate about those buildings. The predominant issues have been in and around class 2 buildings, so the multi-unit, and that is where we have focused a lot of our attention over the last year. There have been a number of cases which have gone to the tribunal or are in the process.

**MS LE COUTEUR:** Okay.

**THE CHAIR:** Mr Seselja, did you have a follow-up?

**MR SESELJA:** Yes, I did, on the photovoltaic installations. You have got the 100 per cent target and the 92 per cent outcome, but what is the average time taken for those inspections to take place post them actually being installed or post relevant forms being lodged?

**Mr Simmons:** It is now back with the industry standard for everybody else, so it is sub five days.

**MR SESELJA:** Sub five days is the average?

**Mr Simmons:** Yes.

**MR SESELJA:** And what has been the range? What has been the longest anyone has had to wait for these kinds of inspections?

**Mr Simmons:** The wait got out to around, from memory, three months.

**MR SESELJA:** So the longest wait is around three months?

**Mr Simmons:** There could be more out there. A lot of the people who did the work were not aware of our systems and how the ACT works and information that should have been provided to us that would have registered the inspection with us earlier did

not take place, so there could be some outlying in that. It got to quite an extended period of time from the notification to us that there was work to be done and when we were actually able to get out there, despite a significant ramping up of the number of people we had.

**MR SESELJA:** Okay. And on new electrical installations what is the average time taken?

**Mr Simmons:** They are sub five days.

**MR SESELJA:** Sub five days. And again the range; are we experiencing long delays there?

**Mr Simmons:** No. We have dealt with the backlog and all the impacts it had on our system. We were cleared and back to what we would consider normal operations by the end of March of this year.

**THE CHAIR:** I have a transport planning question in relation to the Gungahlin to Civic project and obviously an authority that has been established. I asked Treasury about this and they said they would have a central role. What exact role will ESDD play in the authority and will you still have carriage of the transport project? How is it going to work practically?

**Mr Corbell:** Yes. It is not an authority, Ms Bresnan, at this point.

**THE CHAIR:** No. Sorry; office, I should say, yes.

**Mr Corbell:** The government have indicated that in many respects we consider this an embryonic stage and a precursor to the potential establishment of a potential authority or dedicated statutory function to deliver the Gungahlin to city project. So each directorate retains its policy responsibility for various components of this project. So ESDD will retain its responsibility for the transport planning assessment for the corridor in the same way as EDD will retain its responsibility for land release along the corridor and for example, Community Services will retain its responsibility for the management and potential redevelopment of public housing projects along the corridor, at least at this stage.

But the purpose of the office is to make sure that that work comes together and informs the work of the various directorates. The Chief Minister has asked me to take on the coordinating role as a minister coordinating that office. That means that I will be able to ensure that different directorates are working in the same direction for the delivery of this important project and I will be responsible for reporting to the urban development committee of cabinet on progress through the office. So I am basically the conduit between the office and the relevant work undertaken by the directorates to cabinet and then that is discussed by me and the other relevant ministers, particularly the Treasurer, Minister Burch and the Chief Minister, on progress around different elements of this corridor work.

**MR COE:** What areas of transport do you actually have carriage for? It seems to me quite vague as to what the Chief Minister's responsibilities are and what yours are.

**Mr Corbell:** No, it is not vague at all, I do not think, Mr Coe. I am responsible for transport planning functions, so strategic planning functions around the management of the transport network and identification of areas for improvement, particularly to the public transport network. The Chief Minister is responsible for transport service delivery through her responsibilities as Minister for Territory and Municipal Services, whether that is ACTION or Roads ACT or, for example, the delivery of certain public transport infrastructure such as upgrades to bus stations or bus stops and so on.

**THE CHAIR:** Okay. Coming back to my questions I was asking, are there any plans for this office to be an independent office or body at any stage, or are you going to continue along the arrangements you described for that?

**Mr Corbell:** For the next 12 months the government propose the operation of this office, and that is what we have set out in the budget papers. As you would be aware, Ms Bresnan, the Treasurer and I have indicated that we see this as a potential precursor to a dedicated statutory office, but that has not yet been resolved upon or further considered at this point. But that will occur as part of the work we do over the next 12 months. I think there is significant merit in the establishment of a statutory office. But that would require the formal administrative transfer of a range of functions from other parts of government and we are not in a position to do that at this point. We need to resolve questions around the transport planning work. The preferred alignment within the corridor and the preferred mode within the corridor are very important considerations.

Equally, we have to resolve options around financing models. We have to resolve questions around land release. Once that work is done then we are in a position to say that the government has set the parameters around what the work should be and it is now up to X body, a potential authority, to go and deliver it. But you do not set up an authority until you can be very clear to that authority about what you want delivered, and we are not at that point.

**THE CHAIR:** I understand that. When do you think you will actually be making a decision about the transport mode, whether it is light rail or bus rapid transit?

**Mr Corbell:** I appreciate there is a lot of interest about a mode but I would stress that this is a question about ends, not means. We should always focus on what is the end we want and then choose the best means to deliver that end rather than the other way around. The government have said that we will indicate our preferred mode before the election in October and that remains the government's position.

**THE CHAIR:** Okay. I asked that because, as you said, there is a lot of interest. I appreciate what you are saying, but there is a lot of interest in this. If you decide on a particular mode would that then mean that that is the mode that would be progressed to other parts of the ACT? Will that have an impact on what is then progressed for other parts? In terms of pursuing rapid transit, whatever it might be into the future, will this decision have a bearing, do you think, on what then happens for other areas in Canberra?

**Mr Corbell:** Insofar as the assessment we make would have regard to its applicability

to potential extension, yes.

**THE CHAIR:** Obviously you know I have asked some questions about the costs. There was a transport forum last week which Mr Coe, you and I were at, and you did indicate—and I think the Chief Minister in answering a question also said—there will be more costs put out. Is that something which will occur so that people can actually see that information?

**Mr Corbell:** Yes.

**THE CHAIR:** I am interested in the cost because one of the questions was about the stock itself; that that took up a considerable portion of the cost for light rail. Has there been any thought given, instead of purchasing new vehicles, to leasing vehicles or to using essentially second-hand vehicles, which I know is done in other states?

**Mr Corbell:** These are all matters that are at a finer level of detail that would be considered as we progress costings. I have to stress that the issue of costings is not a case of simply saying, “Here are the costings and this is the final cost and we have ascertained every variable.” It is not that. The development of costings is an iterative process over time that becomes more and more precise as more and more work occurs.

So even when the government does release detail of costings later this year they are only going to be the next stage of costings; they are not going to be the final costings. They are not going to be the actual last dollar and cent cost of this project because the development of costings is an iterative process subject to change and subject to refinement as more detail is undertaken, more investigations and analysis are complete and risks and variables are better and better understood. That is a normal part of the development of costs for this project.

In relation to the matters you raise, issues around leasing versus purchasing are all options that would be considered through an assessment of both costs and financial models for financing a project—

**THE CHAIR:** I asked that because that could potentially reduce the cost of light rail.

**Mr Corbell:** There is a range of options that could either reduce the up-front capital or recurrent costs and those are all matters that are subject to further consideration.

**THE CHAIR:** Okay. Mr Hargreaves.

**MS LE COUTEUR:** Could I just ask some more on this subject?

**THE CHAIR:** Mr Hargreaves has some more questions on transport planning. It is a follow-up on this?

**MS LE COUTEUR:** It is definitely a follow-up on this. Clearly there is a significant issue as to what mode of transport there is down there but, looking more widely, what level of commitment does the government have towards doing something on Northbourne Avenue, regardless of whether it is a train or a bus?

**Mr Corbell:** As I have indicated, the government's view is that doing nothing on Northbourne Avenue is not an option. Northbourne Avenue is the most congested corridor of all the key corridors in the city. We have outlined very clearly what business as usual means in terms of delays in travel time and further increases in congestion. We have already set out our initial analysis on that very clearly. The government's view is that transit—that is, public transport—needs to be given priority on the corridor. The question is how that is delivered.

**MS LE COUTEUR:** Not if it is? You are committed to doing one of those plans?

**Mr Corbell:** Yes.

**MS LE COUTEUR:** Have you talked to the NCA about it? My understanding is that it would have planning approval there.

**Mr Corbell:** Yes, the NCA is the approval authority for Northbourne Avenue itself—and parts of the Federal Highway as well, north beyond Dickson. The NCA has been represented on the steering group that has been coordinating the work within ESDD to date. Its chief planner has been active in his participation, as has the chief executive of the NCA. I would like to thank Mr Rake for that; he has shown a strong level of interest in this from day one. That is a good and very strong level of engagement early from the NCA. So yes, I am very pleased with our liaison to date with the NCA.

**MS LE COUTEUR:** Have you considered any options other than the two that have come out publicly—potentially options which might be less expensive and remove fewer trees? I have had a number of amateur designers describe to me how they could do it much better and much more cheaply. I do not know if they could or not, but have you looked at other options?

**Mr Corbell:** Yes, we have.

**MS LE COUTEUR:** Why were these ones chosen?

**Mr Corbell:** One option that was considered but has been ruled out is utilising an existing traffic lane on Northbourne Avenue. That is the cheapest option—to simply say that instead of three lanes in each direction there are two lanes in each direction.

**MS LE COUTEUR:** It is the obvious one.

**Mr Corbell:** That is cheap in terms of building infrastructure, but it is not cheap in terms of the impacts on congestion. In fact, the analysis would suggest that you completely destroy the business case for transit on Northbourne Avenue by doing that, because the costs of congestion outweigh any benefit you get from the transit that you put in place in that scenario. That is, utilising an existing traffic lane in each direction on Northbourne Avenue, northbound and southbound, will cause unreasonable levels of congestion and delay, even with the transit in place. You basically destroy the business case for light rail or bus rapid transit if you do that. So we have ruled that out, and that means we have a more limited range of choices before us.

**THE CHAIR:** Okay. Mr Hargreaves.

**MR HARGREAVES:** Thanks very much, Madam Chair. Minister, in BP4, at page 315, you talk very briefly about weathering the change, the transport for Canberra plan and the infrastructure plan. I am interested in your views on Canberra's future as a regional transport hub. We have talked about there being a regional hub around the airport precinct for quite a number of years now. You will not find it absolutely specifically in there, but seeing the transport for Canberra plan mentioned in there sparked my thinking of it. I would be interested in how you see us moving forward to achieving that goal of being a reasonable transport hub and how you see it taking place.

**Mr Corbell:** Thanks, Mr Hargreaves. The government announced last week the commencement of work to develop a freight strategy for the ACT. This is one of the actions outlined in the transport for Canberra plan, a framework that guides our policy making on issues around freight distribution in the territory and therefore in the region. Some of the key issues that we will be considering as part of that work include the formal designation of key peripheral major roads in the territory as freight corridors and therefore the elimination of heavier freight traffic on other roads because of the impact it causes on adjacent residential or commercial areas.

We are particularly concerned, for example, about the implications for more heavy freight on Northbourne Avenue. It is not the road we want to see heavier freight using. So the formal designation of preferred freight corridors, and therefore potential limits on heavy freight vehicles on other roads, is now under active consideration as a result of development that has commenced on that freight strategy. Obviously the Majura parkway plays an important role in this. Majura parkway was approved by Infrastructure Australia significantly on the basis that it would act as an alternative freight corridor for freight movements from both the Barton Highway, to a lesser extent, and also the Federal Highway. And obviously the development of Majura parkway is now underway.

The role of the airport as a freight hub also needs to be taken into account. Obviously we cannot control the mode that freight transporters use to move their goods around, but we can make sure that we seek to try and anticipate where those developments may be in terms of freight movements, and make sure that infrastructure planning and land allocation are keeping up to speed with possible changes in freight markets.

So other work in the strategy will include things such as identifying possible sites for freight distribution or logistic support functions within the territory on major transport corridors. That will also be incorporated into the freight strategy. The territory is not a significant generator of freight movements nationally, but we are an important freight hub, obviously for the city itself but also for the region. Managing freight movements will be the key task of that strategy.

**MR HARGREAVES:** Is the thinking limited to freight by road and air, or does it include the possible introduction of rail?

**Mr Corbell:** Rail will also be considered as part of the strategy. Again, reiterating what I have said in the Assembly previously, the government cannot push freight onto particular modes, but we can ensure that we are planning to accommodate growth or

changes in different freight modes. That is what the freight strategy is about. So looking at what may develop in terms of freight movements by rail is an important consideration. That feeds into some of the planning work that is underway in relation to the relocation of the Canberra railway station from its existing location to another location further to the south, around Fyshwick, as part of the East Lake planning.

**MR HARGREAVES:** Is there any sort of conflict, do you think, between the planning that you have supported as being a transport hub around the airport precinct and the lack of control we have over, for example, curfews around aeroplanes coming in with freight during the night time? Is there any conflict in planning, do you think?

**Mr Corbell:** Not in terms of curfew. Obviously matters of curfew are something that the government will always pay close attention to, but we do not have control over those matters. Those are matters determined by the commonwealth agencies responsible. But we pay close attention to those issues. At this point in time, we do not see issues around a curfew as being of any detriment to the territory in terms of residential amenity. We are fortunate that we have an airport in a location with clear approach and departure corridors that protect the amenity of residential areas. We are keen to see that situation maintained.

**MR HARGREAVES:** The last question I have is this. Given that the Majura parkway would, hopefully, be constructed with a certain robust construction to enable it to take a fair amount of B-double transport—in fact, that is the primary use, I would hope, for it—do you see the need to perhaps put in a ban on B-doubles on Northbourne Avenue or do you think that it will just naturally occur?

**Mr Corbell:** Obviously we have to provide alternatives to existing corridors, and the development of Majura gives us an alternative to Northbourne Avenue. As I indicated, with the development of the freight strategy I would see the potential to prohibit heavier freight vehicles on other roads such as Northbourne Avenue as a result.

**THE CHAIR:** Before we go on, minister, you mentioned, in relation to a question Ms Le Couteur asked, the costs and benefits of taking away a lane on Northbourne.

**Mr Corbell:** Yes.

**THE CHAIR:** Are you able to provide that information to the committee?

**Mr Corbell:** That assessment will be provided when the government releases its costings on the project, including the cost-benefit analysis.

**THE CHAIR:** So that will be in those costings?

**Mr Corbell:** What you have to understand is that at this point there are two elements underway. There is an assessment of the cost of options, and then there is an economic analysis of the costs and benefits of those options.

**THE CHAIR:** Yes. Ms Hunter.

**MS HUNTER:** First of all, I would like to go budget paper 4, page 319. It has some

initiatives that are ceasing—"Ceasing initiative". I wanted to go to two there. There is "Maintain ACT building quality (partial)" and "Master planning program—group centres, transport corridors and rural villages". Could you just explain to me why they are ceasing initiatives? Has the work been done and that is why, in 2015-16, we see money taken out?

**Mr Corbell:** The master planning project to date has produced around four master plans every year. By the end of 2012-13 the program will have completed a strategic review of the role of group and local centres across Canberra. There will also have been a review of all five town centre master plans by that time. With that work complete, the program will not need to continue in its current form.

**MS HUNTER:** What about the villages?

**Mr Corbell:** The villages are currently being completed. Pialligo, [Tharwa](#), Hall and Oaks Estate are all underway and will be complete before that time.

**MS HUNTER:** And the transport corridors will be complete?

**Mr Corbell:** Yes.

**MS HUNTER:** Okay. With "Maintain ACT building quality", considering that we were talking about this building quality forum beforehand—what is that one about?

**Mr Corbell:** The review of the Building Act is due to be completed in 2013, with implementation of those reforms in 2013-14 and 2014-15. We basically see the ceasing of the funding at—

**MS HUNTER:** 2015-16.

**Mr Corbell:** the date indicated as basically the completion of that transition work.

**MS HUNTER:** I also wanted to ask about the directorate numbers, as in FTEs. There is a whole-of-government table on page 587 of budget paper 4. It appears to show that the directorate will reduce its FTE by 20. I was just wondering where those positions will come from and what they may impact on.

**Mr Papps:** I will take you back briefly to the answer I gave to an earlier question about maintaining building quality. Yes, the 20 figure is correct. That is a reflection of the savings that have been asked of my particular directorate. Of course, similar or proportional savings are asked of each directorate, to contribute revenue back. I cannot give you a detailed breakdown now of the 20 positions that will be lost, but I can repeat the undertaking that I gave earlier.

This is a thoughtful, considered process where we look at the priorities of the government. We look at our statutory obligations. That includes, for example, the things that Mr Simmons has already spoken about—and the EPA, for example. And we make a decision to take the total resourcing that we have in the directorate and realign it according to those priorities. So the loss of 20 FTEs will not have any impact upon, first of all, those priority projects.

**MS HUNTER:** This is in relation to Ms Le Couteur's question. She was asking about the \$7 million or so.

**Mr Papps:** It is the same process. It is the same process of realigning our resources, including our staff numbers—our reduced staff numbers—against the priority projects that the government is asking us to deliver, and the obligations that we have, with various statutory matters, including building quality, inspections, development assessment and environment protection and the like.

**MS HUNTER:** And you are confident you are going to be able to do that, Mr Papps?

**Mr Papps:** I am confident.

**THE CHAIR:** Mr Smyth.

**MR SMYTH:** I have some questions about Constitution Avenue in Campbell. The federal government finally paid \$42 million for the upgrade of Constitution Avenue, which I see is in the budget paper under Roads ACT. What planning responsibility do you have for the total upgrade of Constitution Avenue, if any? Or is it just being treated as a road—

**Mr Corbell:** Planning control is within the National Capital Authority's ambit.

**MR SMYTH:** So there is no long-term planning input to turn Constitution Avenue into a grand boulevard. Roads ACT will build a road and the NCA will oversee the project through their planning controls?

**Mr Corbell:** As you would appreciate, Mr Smyth, the ultimate development outcome proposed for not only Constitution Avenue but other key roads that form the immediate national precinct, the parliamentary triangle, falls within the ambit of the National Capital Authority. They have complete planning responsibility for how those avenues develop. That has been outlined through amendments to the national capital plan that have been made as a consequence of the Griffin legacy work that the NCA did a number of years ago. Basically what you are seeing with the proposed development of Constitution Avenue is development which is consistent with the outcomes that the NCA has established through changes to the national capital plan as a result of the Griffin legacy work.

**MR SMYTH:** Section 5 Campbell is being run by the LDA, but what input does your department have in that regard?

**Mr Corbell:** ESDD remains engaged in discussions on those issues, but where the approval authority is the NCA, the NCA has primary responsibility.

**MR SMYTH:** The intersection of Russell Drive and Constitution Avenue is currently shut, which again would probably be under NCA control.

**Mr Corbell:** Yes.

**MR SMYTH:** Are you aware of whether or not that intersection will reopen? I have had it raised with me by some constituents that that road might not reopen.

**Mr Corbell:** Again I would direct you to either the NCA or Roads ACT in terms of operational management during construction.

**MR SMYTH:** So you have no planning control over that either?

**Mr Corbell:** No.

**MR SMYTH:** It is national land again?

**Mr Corbell:** No, it is all land under the planning control of the commonwealth.

**MR COE:** An issue that has been around for quite a while is in Delegate Street in Kaleen. It is with regard to what I believe is an accumulation of what some people would call junk at the front and back of the house. It has been an issue for a number of years, I believe. Are you in a position to give a view about how it might be resolved?

**Mr Corbell:** Yes. I am aware of this particular block. I think you may have written to me about this matter. If I recall correctly, I responded to some of your correspondence only recently, which is why I remember it. I think I outlined to you in my reply that the block in question has been the subject of ongoing enforcement action and compliance action by the relevant areas of the directorate over an extended period of time. There have been a number of orders issued and a number of steps taken to see clean-up of the block, and the block has been cleaned on a number of occasions as a result of orders being issued. Obviously the lessee of that block though continues to use the block in ways which are not consistent with keeping the block in a clean and tidy fashion, and the directorate continues to take compliance action in regard to those matters.

**MR COE:** Are there any further steps that the directorate can take, other than the seemingly regular, if not frequent, issue of such notices?

**Mr Corbell:** The directorate can take the matter to the tribunal, and has on a number of occasions, and orders have been made to clean up the block. The directorate can continue to do that as and when circumstances on the block require that action to be taken. We appreciate that neighbours find this a matter of real concern. No-one likes an untidy or rubbishy block near their home. Householders put in a lot of time and effort to look after their properties and to present them well, and it is always frustrating and difficult when somebody in a street does not have the same regard for those matters. The directorate will take every feasible course of action to undertake compliance and to require a leaseholder to keep their block in a reasonably neat and tidy condition.

**MR COE:** Still in that part of Belconnen, going across to Lawson, are you able to give an update of when construction will begin on dwellings in Lawson? Also what plans are you aware of that the federal government have for the old naval station?

**Mr Ponton:** In relation to the development of Lawson, I can advise that a controlled

action decision by the commonwealth has recently been made, and that now means that the necessary environmental assessments will commence. Following from that, I expect an estate development plan will be lodged. In terms of the exact timing, I would need to get back to you, Mr Coe.

**THE CHAIR:** So that is taken on notice?

**Mr Ponton:** In terms of the timing, yes, indeed. The future of the naval base would need to be directed to the Economic Development Directorate.

**MR COE:** In terms of the work that ESDD has done, have you considered what that parcel of land might be incorporated into or might turn into?

**Mr Ponton:** The master planning work that we have undertaken and, as a result, the structure plan that is in place, does not include that land.

**MR COE:** Yes, I remember Ms Le Couteur and I, on the planning committee, discussed this a few years ago. It seems like a long time ago. At the time we were advised that it was a federal issue and that was that. It just seems odd to me that you have this huge parcel of land which is potentially a great site for some development, whether it is housing or something else, and it seems to be in limbo at the moment. Is that so?

**Mr Corbell:** Obviously these are matters for the commonwealth to determine. It owns the site and it has to decide what it will do with the site. I understand there are significant constraints on the site as a result of the use of the site for the naval transmission station over a period of many decades. There are also issues around environmental constraints on the site. Because it has been a sealed, secure site for a very long period of time, that has actually enabled the protection of native grassland elements on the site.

**MR COE:** And kangaroos?

**Mr Corbell:** Kangaroos obviously enjoy the grass. But the value is not the kangaroos; it is in toto. It is also the ecosystem, the native grassland ecosystem, that exists on the site, which is quite rare. That is why the commonwealth would have to get necessary approvals from their own regulatory body through the EPBC legislation.

**MR COE:** Has the directorate been approached to do any testing or sampling of the soil for chemicals or any other hazardous substances?

**Mr Corbell:** Not that I am aware of.

**MS HUNTER:** The commonwealth did remediation on that site, didn't they?

**Mr Corbell:** Yes, the commonwealth did remediation on that site, and any—

**MR COE:** But the territory has not been requested—

**Mr Corbell:** responsibility for contamination of the site rests with the commonwealth

as the property owner.

**MR COE:** Sure, but the territory has not been approached to assist with any of those assessments?

**Mr Corbell:** Not that I am aware of, Mr Coe. Our EPA may have been engaged, but I would have to check the record on that.

**MR COE:** Sure; thank you.

**THE CHAIR:** Because it is almost 3.30 pm, we will break for afternoon tea for 15 minutes.

### **Meeting adjourned from 3.28 to 3.46 pm.**

**MR SESELJA:** Minister, last October we raised the issue publicly about Tony Haridemos and the issues he was having in relation to late fees for the development of his home. When we raised that publicly, the directorate said that they would talk to Mr Haridemos to see if they could help. Could you give us an update on where that issue is up to?

**Mr Corbell:** I am advised, Mr Seselja—I wrote to you on this matter, I think earlier this year, where I indicated to you that the option open to the gentleman involved was to seek a waiver from the Treasurer. Mr Papps provided that information to Mr Haridemos.

**MR SESELJA:** When this was raised, you and your department suggested that you would help Mr Haridemos. It seems that at the end of that process, which took some months I understand, you have actually come back at the end and said, “What you need to do is go to another department.” Is it acceptable that you are just going to toss him to another department rather than actually help him? This is a fellow who, I think, should not have copped these fines, given others have had them waived. What assistance is being given to him?

For instance, did you raise it with the Treasurer or did you write to the Treasurer and suggest that the fees should be waived so that he does not have to go through another process with another department in order actually not to have to pay what is a pretty significant fine? I think it is around \$18,000.

**Mr Corbell:** I will ask Mr Papps to provide some more detail, but before I do that, I just stress, Mr Seselja, that the directorate can only act in accordance with the law on these matters. Under the law the directorate does not have the discretion to waive fees that are accrued to an individual. The only person or office that has the capacity to waive a debt to the territory is the Treasurer.

It was entirely appropriate to indicate to your constituent that he should make a request to the Treasurer for the fees to be waived. So it is not a case of not wanting to assist. It is a case of what is the legal framework in which issues around debts to the territory are dealt with. My directorate has acted appropriately in that regard. I will ask Mr Papps to give some more context as he can on the matter.

**Mr Papps:** Thank you, minister. Indeed I did meet with Mr Haridemos and his wife a number of times because of the concerns that had been raised about his case and spent a number of hours with Mr Haridemos and his wife working through the situation trying to identify whether there were any options within the directorate's power to assist them.

To that end, I sought advice from within the directorate. Essentially, the response was that we had no capacity to assist Mr Haridemos in any significant way. So I then ensured that he understood what he needed to do to seek a waiver. Within the framework that the minister has already outlined, which is ensuring that I do not go beyond the bounds that I am able to as an official, as a bureaucrat, I have indicated to Mr Haridemos that I will assist him in seeking that waiver. He has to make the case but to the extent that I can within those bounds, I will assist him.

Once he has made the case to Treasury, they, as a matter of course, will come back and formally ask the directorate for advice. In providing that advice, again within the bounds of the legislative restraints that I have, I will offer whatever support I can.

**MR SESELJA:** This was raised in this context in October of last year. I am conscious, knowing that there were personal issues in relation to why there was a delay. But we have a whole department in terms of dealing with Mr Haridemos. So from October, how long was it before Mr Haridemos was given that advice by the directorate that, in fact, you could not waive the fees for him and, in fact, he would have to go to the economic directorate?

**Mr Papps:** I would have to get back to you. I would have to take that on notice in terms of the specific dates.

**MR SESELJA:** Okay.

**Mr Papps:** Just to provide you with some more context, because Mr Haridemos's case was quite complicated, there was also some involvement of the directorate in terms of our fees and charges. To the extent that we were able to relieve him of that burden, we have. That related specifically to any delays that were attributable to the directorate in terms of his development.

**MR COE:** It is also worth noting that I first raised this with the government in 2009.

**Mr Papps:** Sorry?

**MR COE:** I first raised this with the government in 2009.

**MR SESELJA:** It has been on the agenda for some time. Could I ask, minister, from your perspective then, is it fair that Mr Haridemos and his family have to go through what is quite a lengthy process and now they have been told to go to another directorate to try to seek a waiver when other large landholders—for instance, the owners of section 63 in Civic—appear to have been granted a waiver, despite not having built on that block for several years?

**Mr Corbell:** I am not familiar with the instance you are trying to cite as the comparison.

**MR SESELJA:** You are not familiar with section 63? That is the one the government sold for \$9 million.

**Mr Corbell:** I am familiar with section 63. I am not familiar with your claims about waiver of some fee or charge—

**MR SESELJA:** Have they paid any late fees for not developing that block?

**Mr Corbell:** and I would have to take it on notice, because I am not familiar with every block and section and whether or not fees have been charged in that regard. But I am happy to do that.

**THE CHAIR:** So that is taken on notice.

**Mr Corbell:** But I think, as Mr Papps has indicated, Mr Haridemos has received direct face-to-face meetings with the head of my directorate, the chief planning executive, about his circumstances. If there is one thing I can say about David Papps, amongst many things, it is that he demonstrates considerable empathy for the circumstances of individuals. I am confident that Mr Papps has given a significant amount of his personal attention to Mr Haridemos's circumstances and sought to assist him within the constraints that Mr Papps faces as a public servant.

**MR SMYTH:** You might not be aware of it, minister, but is somebody here aware of what is happening with section 63 and whether or not they have paid any fees?

**Mr Corbell:** I would have to take the question on notice.

**MR SMYTH:** Are any of your staff across the issue? It is a reasonably big block. It has been there for a long time and—

**Mr Corbell:** No, I will have to take that question on notice.

**MR SESELJA:** And when we asked the question some time ago, they had not paid any fees.

**Mr Corbell:** I am happy to take the question on notice.

**THE CHAIR:** So that is taken on notice.

**MR SMYTH:** Just further to that, and given there is an Auditor-General's report about DAs, the Rock development at Belconnen seems to have been going—the DA approval process there seems to have been going for years. When was that first put in and when was it finally approved?

**Mr Corbell:** The proposal to redevelop parts of the Belconnen markets site has been a complicated process because of the nature of the proposals that the proponents have put forward there. I have certainly received representations from the Rock

Development Group in relation to their proposal. It would be fair to say that there are a range of reasons why the approval process has been longer than would normally be the case.

A number of those instances are due to requirements on the part of the proponent to provide sufficient information to allow a development application to be assessed and those issues have been communicated to the proponent. It would also be fair to say that the proponent is seeking approval in stages for the site. So there are different applications and approvals dealt with at different points in time.

I am not quite sure which element you are asking me to talk about, Mr Smyth. But my directorate has been paying close attention to the issues at Belconnen. As minister, I think the outcomes that Rock development are seeking to achieve at Belconnen are of a very high standard in terms of the sustainability and the quality of the development. For that reason, I am very supportive of it. Nevertheless, it needs to work through the statutory process and I know that my directorate is applying every effort to assist the proponent with their proposal.

**MR SMYTH:** But groups around town are actually quoting this as the classic red tape project. They are quoting this. I have heard presentations on this where people have said, "It's taken two years to get the approval." Two years! And at the end of the day, the sticking point seems to be that some extra, I think, three-bedroom units were required. Why does it take two years from the date of lodgement to the day that it is approved in the system?

**Mr Corbell:** It is not that simple.

**MR SMYTH:** What is not simple about it? Why did it take two years?

**Mr Corbell:** It is not that simple, Mr Smyth, and it would be wrong to characterise it as that simple. Mr Ponton can give you some more context.

**Mr Ponton:** Mr Smyth, I am familiar with the most recent approvals. There was a tower building and an adjacent building around nine or 10 storeys. The issues associated with those assessments related primarily to traffic and parking. We were required to go back and ask the proponent to provide some additional information in relation to those aspects.

The directorate was also concerned in relation to height and how the proposed height of the building complied with the relevant requirements of the territory plan. It took some time to work through those particular issues. The simplest thing that we could have done to achieve a timely decision would have been to refuse the application on the basis that there was insufficient information to support the application.

But mindful of the need to provide for housing choice and to work with the proponent, the directorate chose to do just that and had a number of meetings with the proponent, went back clarifying exactly what was required and also engaged with other directorates on behalf of the proponent to ensure that the development was amended so that it could be approved.

**MR SMYTH:** But they have paid late fines because the process has taken so long. I understand that there is a late fine pending at the moment as part of the condition of the DA. Will the government, the minister or Mr Papps give an extension of time waiver, because the government's own process has taken so long? Two years is an extraordinarily long time for a DA to be in the system.

**Mr Ponton:** I could certainly provide, if it would be of assistance to you, Mr Smyth, a breakdown of exactly how long the application was with the Planning and Land Authority, with the directorate, and how long, in fact, it was with the proponent to respond. There were periods of many months between the various requests for further information.

**MR SMYTH:** All right.

**Mr Ponton:** Whilst it was two years, it is not fair to say that the assessment took two years. The assessment took a considerable period less than that.

**MR SMYTH:** So how much less than two years did the assessment take?

**Mr Ponton:** I would have thought that probably—I would need to confirm this—some 18 months was with the proponent.

**MR SMYTH:** Eighteen months; so what is the statutory—

**Mr Corbell:** With the proponent.

**Mr Ponton:** With the proponent.

**MR SMYTH:** Eighteen months with the proponent?

**Mr Ponton:** But I will certainly clarify that. We have gone through this in some detail to identify how long those particular applications were with us under assessment and how long the matters were being addressed by the proponent.

**MR SMYTH:** Have the government looked at their role in this to see how they could make the process work better?

**Mr Corbell:** We are always seeking to refine our processes based on experience in development assessment. As Mr Ponton has indicated, the authority basically had two options. One was to simply refuse the application because there was insufficient information and the proponent could have had a timely decision—but it would have been a no, it was refused—or the authority could have chosen to work proactively with the proponent to try and make sure they understood fully what the requirements were, even though that meant they went over time because, ultimately, it would save them more time than having to start again.

That is clearly what the authority has chosen to do and I support that. This is a good development concept—a sustainable and innovative proposal that should be supported as long as it meets the statutory requirements. If that means it takes more time then it does. As Mr Ponton has indicated, his assessment—and he has undertaken to provide

a chronology that would indicate the exact times—of about 18 months was a consequence of the proponent having to do further work to allow the proposal to be assessed and ultimately approved.

Clearly, the proponent's development companies make assessments as to risks associated with when they purchase land and how long they need to actually meet the commence and complete time frames in a lease. It is feasible to extend time frames. It is open to proponents to extend the commence and complete dates in their leases for a relatively low cost. Obviously if you do not do that and you then run out of time and are suddenly late for either your commencement date or your completion date then it is a more significant financial penalty.

But that is a risk that development proponents take. The government always looks closely at these issues and, where it is the fault of the regulator in contributing to delay, we certainly seek to accommodate that and to acknowledge that. But in circumstances where it is just a normal commercial risk that the developer takes, obviously if they calculate wrong then that is a risk inherent in the development business.

**MR SMYTH:** If it is the fault of the regulator for this project getting late to the market—and clearly over the last two years the market has now changed dramatically—is the government liable to compensation for having compromised the financial viability of the project?

**Mr Corbell:** I do not believe so.

**MR SMYTH:** I look forward to the chronology.

**MS LE COUTEUR:** I want to ask some questions about the Auditor-General's report, which I assume you have all read avidly—or maybe not avidly. In chapter 5, which is the environmentally sustainable development and urban design chapter, the Auditor-General makes a number of comments. For instance, in 5.13:

As a result, Case Officers do not effectively assess the impacts of proposed developments with respect to environmental sustainability.

Then in 5.21 she says:

... the majority of assessments did not include urban design considerations.

In 5.26:

In the absence of integrated urban design principles in the development assessment process, developments may be approved that are technically compliant but not necessarily consistent with successful urban design or the expectations of the Canberra community.

On my observations, I would have to say that I agree with the Auditor-General. What is the directorate going to do to address these issues?

**Mr Ponton:** In response, Ms Le Couteur, can I just point out that those comments

highlight the role of the case officers in the particular circumstances. It was acknowledged that the case officers did apply the territory plan as it exists. So the question then turns to the issue of policy: is the policy achieving what the government and the community would like to see? We have an ongoing program of reviewing policy. We are currently in the process of reviewing our commercial zones policy. You would be familiar with DV306 which is looking at residential zones and also greenfields areas.

So there are opportunities through that review process to respond to the particular issues raised by the Auditor-General in terms of looking at sustainability measures within the planning policy. Mr Simmons was talking earlier about the role of building and building approvals and construction methods in relation to achieving sustainable developments. It is both planning and building. We will continue to work with Mr Simmons and his team and also review the planning policy, as would be expected.

**MS LE COUTEUR:** One of the things that she specifically talks about is high level planning documents. She mentions the Canberra spatial plan and that it does not seem to be implemented in practice by ACTPLA. There are policies here and what actually happens is over here. Are you going to do anything to try and make the two mesh together a bit more?

**Mr Ponton:** The planning strategy, as the Auditor-General highlighted, is a very high level document. In developing the territory plan, the intention certainly is to have a document, the territory plan, that incorporates those high level principles. This is important feedback to us to go back and have a look at the spatial plan. In the planning strategy, if it is adopted by government, we will certainly be looking at that and making sure that we incorporate those high level principles.

**MS LE COUTEUR:** So you will do that by a process of internal review? Will that require any legislative changes? That is certainly one of the things that community groups have been talking about at great length. There are all these principles, but then a development is approved and they write their comments—

**Mr Corbell:** I think you see this translated through the various hierarchical planning documents. A good example is that we are undertaking master planning for a range of centres in other locations. Those master plans, once agreed to by the government, result in the development of and the placement into the territory plan of certain precinct codes that actually guide and put requirements on development proposals within those precincts.

A good example is Kingston. With Kingston we have done a master planning process about how we envisage a centre will develop over time. Specific issues such as heights and setbacks and so on and the nature of the development—that is, shop-top type development and so on—are then reflected in the precinct code, which is a statutory requirement which we have to have regard to and which development applications must comply with. There is a clear translation of strategic intent through to regulatory implementation through that mechanism.

**MS LE COUTEUR:** The Auditor-General would suggest that that does not seem to have happened.

**Mr Corbell:** I think what the Auditor-General is saying is not that it does not happen but that, in her view, elements of policy are not having regard to certain matters sufficiently. She is saying, for example, that she would like to see stronger regard had to urban design considerations. She is saying that she would like to see policy have stronger regard to certain sustainability outcomes. I find that very useful feedback from the Auditor-General. Obviously she comes from a good perspective on this given her previous roles and responsibilities both in the territory and outside the territory. I welcome those findings. They are findings that we can build on.

What is also very important to note is that the auditor has found that the planning agency has implemented almost all of the recommendations of her previous report and that there have been significant improvements as a result. Is there room for improvement? Yes. Has the planning agency implemented a great bulk of the Auditor-General's previous recommendations? Yes, it has, and the Auditor-General endorses that. There is still more work to be done and this is a very valuable piece of feedback.

**Mr Papps:** I just wanted to add a few additional points on top of what the minister has already said about this. We are exploring a number of other avenues around particularly urban design and sustainability because, as the minister has said, there is no view on our part that the system is perfect and cannot be improved. That is the whole point of these Auditor-General reports. We do not see them as punitive exercises; we see them as collaborative exercises about helping us to improve.

There are three areas I just wanted to touch on briefly. We are making greater use of the government architect in terms of urban design in major projects. We are talking to him around questions of, for example, greater use of design review panels and design guidelines. We are also looking at, in key areas, whether there is greater use we can make of design competitions to improve urban design outcomes.

The second area that we are working on with the private sector in particular, the residential development sector in particular, is how we can get them to assist in the process of lifting urban design and sustainability outcomes. There are limits, we think, to how much you can regulate for this. We are looking at changes long term to the planning system where we can encourage a ratcheting up of those outcomes over time through, for example, remission of fees and other encouragement for good design and sustainability outcomes.

The third area that we are working on is engaging very closely with community groups. We think that the improvements in community consultation will also lead to some better outcomes in both urban design and sustainability. We are undertaking a very active engagement with community councils, and community groups for that matter, and talking to them about how we can improve the planning processes from strategic all the way through to site specific. I wanted to give you a reassurance that there is a lot of effort being put into this, and will continue to be put into this, because we do accept that we can improve.

**MS LE COUTEUR:** Thank you. The Auditor-General also talks about cooperation within the government. She says that the one government approach "is not well reflected in the current development approval referral process". What work are you

going to be doing to address her issues there?

**Mr Ponton:** I might invite John Meyer to talk to you about some improvements that we are making in that space.

**Mr Meyer:** The work that we are currently proceeding with is further refinements to the new development system. That work, as I think I have mentioned to the committee previously, has been undertaken over a number of years. The system has been completed but for some refinement of a number of modules that we are just completing now.

One key part of that is an entity referral module which will be implemented literally within the next week with the TAMS directorate. That provides a system which will enable the effective transmission of referrals of development applications and other matters to TAMS so they can be effectively coordinated and tracked. I think that in itself will make a significant difference to the way in which we relate to our entities. Of course, with the other referral entities now, we have the benefit of having a number of those within the directorate itself, so that makes the process a lot easier.

**MS LE COUTEUR:** Will the proposed changes in draft territory plan variation 306 make any difference to referral entities? My memory is that when it used to be in 301 and the development stuff a lot of that was codifying what would currently be referrals. Is this part of what is happening?

**Mr Ponton:** Not specifically, no, Ms Le Couteur. The changes to DV306 are looking at standards and incorporating standards of other entities into the territory plan. The Auditor-General, though, was looking specifically at the way in which we refer applications and the nature of the advice that we receive back. Certainly, DV306 will assist insofar as a proponent may not necessarily need to go to an entity because the standards have been clearly identified.

The work that Mr Meyer has referred to goes to the heart of what the auditor was talking about with respect to referring the particular applications and the format of the advice that we receive. The Auditor-General identified that the way in which we receive advice is not always as structured as it could be and that leaves room for interpretation. We are looking at ways that we can improve that, working with the entities to ensure that we receive structured and clear advice that is easily able to be incorporated into notices of decision.

**MS LE COUTEUR:** She talked about maybe entities looking at the notices of decision before they went out. Are you going to incorporate that?

**Mr Ponton:** Not for all development applications. Certainly, at the current point in time we do that, and that is what the Auditor-General picked up. We did talk about the process that is currently in place with respect to impact track developments. For the type of application that was the subject of this audit, being the large-scale commercial or high density residential developments, there may well be some merit in that and we will certainly explore that further with the entities. But in respect of impact track DAs, that has worked quite well.

**MR SESELJA:** Whilst you might want to change the time frames, that does not change the fact that 78 working days, I think, was the average of the sample. That is not out by a little bit; that is out by a lot. Is it acceptable, minister, that for projects which have a lot of economic value they are taking, on average, 78 working days—several months? We have heard examples of some taking a couple of years to be approved. What kind of an impact, in your opinion, is this having on economic activity in the ACT in what is a very critical sector for our economy? Does it build confidence in the sector when statutory time frames are not out by a little bit; they are out by weeks or months?

**Mr Corbell:** There are a couple of things to say on that, Mr Seselja. The first is that the assertion that projects have taken years to be approved is not correct. Mr Ponton has already given you evidence as to the particulars of Belconnen which refute that claim.

**MR SESELJA:** It was two years after the application was put in that I think it was approved.

**Mr Corbell:** I do not know whether you heard Mr Ponton's evidence, but he said 18 months of that time was actually as a result of the proponent needing to do more work. It was not something—

**MR SMYTH:** I have just spoken to the proponent, and they have got an entirely different view.

**Mr Corbell:** sitting on the desk of an official in the planning agency.

**MR SESELJA:** So six months is okay?

**Mr Corbell:** We have indicated what our general view is on that matter. But, that said, I think what is useful from the Auditor-General's report is that she indicates that in her view the time frames that are set for these types of projects are not realistic and that it would be better for ESDD to reconsider those time frames so that they are more realistic, because she acknowledges in her report that these types of projects are often clearly the most complex and the most time consuming, and they are not the same as approving an extension on a single residence in a suburb; they are much more complex than that. She actually indicates that we should give consideration to adjusting the time frames to reflect that complexity, and the government will consider its response to that recommendation.

In terms of general time frames for approval, yes, these projects are of high value. It is worth highlighting the report through the COAG commission's review of planning systems, and also the Property Council's own review of the comparative performance of different planning systems in different states, which have both highlighted that the ACT actually travels pretty well in terms of approval times compared to other jurisdictions.

It is not uncommon in many local government areas in Sydney and Melbourne for approvals to regularly take upwards of a number of years to be achieved. In that context a time frame of a couple of months is a pretty good performance for quite

complex development proposals—often proposals that attract a significant level of community interest. So I think it is important to keep these matters in some perspective.

We always strive to deliver timely performance, and this report certainly gives us further advice on how we can continue to improve that. But I would reject any suggestion that the ACT is a poor performer in this area. In fact if you look at significant local government areas in big CBD areas of Sydney and Melbourne, we are streets ahead of them in terms of approval times, and that has been backed up by reports from agencies other than government.

**MR SESELJA:** The Auditor-General also finds, on page 48 of her report, that the directorate provides the government and community with only a consolidated view of all the processing times for merit track and does not discriminate between the different types of developments within the merit track. She goes on to say:

This may conceal or distort the Directorate's true performance in processing high density residential and commercial development applications.

Do you have the actual figures that would either put a lie to what the Auditor-General is finding there or that would actually reveal what are the true numbers when it comes to high density residential and commercial development applications?

**Mr Corbell:** No, I do not have that available to me at this time. Obviously the government will be having a close look at what the Auditor-General raises in relation to that recommendation.

**MR SESELJA:** Are you saying that those numbers are not available to the government?

**Mr Corbell:** I am sure they can be obtained. I have not seen any disaggregation of those figures at this time. Obviously the government will be looking at that matter as it prepares its response to the auditor's report.

**MR SESELJA:** Will you provide to the committee the disaggregated data?

**Mr Corbell:** I will have to take some advice on that as to whether it can be obtained. I will take the question on notice.

**THE CHAIR:** That is taken on notice. Ms Le Couteur, do you have anything further on this?

**MS LE COUTEUR:** Not on this. I can go on to another subject.

**THE CHAIR:** Yes.

**MS LE COUTEUR:** A year ago ACTPLA basically became part of ESDD. How has the amalgamation gone? Has it led to a better environmental emphasis on planning, which I guess was the aim?

**Mr Corbell:** I will invite Mr Papps to give his observations, but as the minister I think it has seen some considerable benefits, particularly around issues around water policy and energy policy, which previously were in DECCEW, as it then was. Given that so much of issues around energy policy and water policy in the territory, particularly energy policy, are about the management and regulation of energy use in the built environment, having a closer engagement with the relevant parts of the former ACTPLA is a very positive thing. Mr Simmons alluded to that in one of his earlier answers. So whether it is issues around energy efficiency in buildings or whether it is issues around the regulation of electrical safety in the context of the rollout of large-scale solar, the fact that we have work occurring on those issues within the one directorate is extremely beneficial.

For example, with large-scale solar, I have a great team in the energy policy area who are administering the large-scale solar auction—that very strict and complex auction process. But to facilitate timely delivery, they have been able to work with the regulatory side in the planning side of ESDD around issues such as how EIS provisions will operate so that we do not create unnecessary obstacles around the deployment of large-scale solar in terms of EIS approval or, indeed, around regulatory electrical safety matters, given that we are going to be dealing with facilities of a scale that we have never dealt with before in terms of electrical safety, in terms of generating capacity, and which will need to get approval from the relevant parts of the former ACTPLA around electrical safety matters. So there is close collaboration and sharing of information and outcomes between the two areas, which I think is to the benefit of the overall policy outcomes. Those are some good examples of what I am seeing but Mr Papps can elaborate.

**Mr Papps:** I probably only have three things to add to that, because I think the minister has given a very good summary. From my view, the practice to date—and it is still relatively early days—has confirmed the promise in the Hawke review around the benefits to be gained. Apart from the specific examples that the minister has already mentioned, another major one where we are seeing very real benefits from being within the same directorate—and it is not just the physical proximity, it is the interaction and the merging in the structure—is around transport planning and its interactions both with the strategic planning and with the climate change group from the former DECCEW.

The minister has alluded to some of the work around climate change. The interaction between our thinking and work on climate change more broadly and planning and building, because of the very major role that the built form plays in greenhouse gas emissions, has also been an area that has seen some real advantages. We have created an internal committee called the executive policy committee, which has brought together the senior executives from both of the former agencies into the one. That is playing a very useful and significant role in improving, we believe, the policy discourse. We get much great contestability of ideas, much greater coverage of issues, with a better outcome in terms of policy overall.

The final point I would make is that the changes introduced by the government after the Hawke review are not only benefiting us because of the interactions internally in a way that makes a lot more sense, but also benefiting us in terms of our interactions with other directorates. So the clarity of role, purpose and responsibility, for example,

between ESDD and the Economic Development Directorate and the improvement in terms of a greater understanding of those different roles have led to, we believe, some significant improvements. I do not think we have yet realised the full beneficial potential of the changes. I think that as the directorate continues to roll out and interact with the other directorates you will see even further improvements.

**MS LE COUTEUR:** Under the new arrangements there is obviously no longer a dedicated chief planning executive. Does this mean that adequate attention is still being paid to planning?

**Mr Corbell:** Absolutely. I would not say that there is not a dedicated chief planning executive; there is.

**MS LE COUTEUR:** I assume he does some work on other things apart from planning.

**Mr Corbell:** Yes, but so did Neil Savery. Neil Savery did not look just at planning matters. A significant part of his task was being a chief executive running a department of 300 people and all of the issues that come with that. It is no different with Mr Papps.

It would be fair to say that the scope of planning is best placed within a broader scope of the sustainability and climate change questions, because they are inextricably linked. It is not as though you can consider planning questions in the absence of questions around climate change policy, water policy, energy policy or indeed heritage policy or transport planning. So in many respects what this directorate does is a holistic planning function rather than simply a planning function that is focused on land use regulation. So I would not characterise it in the way that you suggest, Ms Le Couteur.

**MS HUNTER:** I want to follow up on that. Ms Le Couteur started by saying that by bringing planning into the sustainability directorate it would have greater focus on environmental sustainability, yet the Auditor-General's report does state that developments may be approved that are technically compliant but not necessarily consistent.

**THE CHAIR:** That has been asked.

**MS HUNTER:** I heard the first part but I did not think she actually gave the quote.

**MS LE COUTEUR:** I did.

**MS HUNTER:** Okay, we will move on. I want to find out about the Gungahlin rim development with Throsby and Kenny. Where are we up to with the commonwealth referrals? Also what impact will there be if there are going to be less blocks available in Gungahlin? What will be the impact on planning throughout the city?

**Mr Ponton:** In relation to Kenny and Throsby, my understanding is that a referral has been made to the commonwealth and a decision on whether or not there is a controlled action is pending. Once that decision has been made then the necessary

further assessments will be required. I would expect, given the ACT environmental triggers for an EIS, that a bilateral assessment would apply in that particular circumstance. As to the second part of your question in terms of the impact on the developable area, it is difficult for me to answer that at this point in time because the assessment has not yet occurred. We would need to actually go through that process.

**MS LE COUTEUR:** But you would have some idea of what it is likely to be. Certainly I have heard—

**MS HUNTER:** Have there been some preliminary discussions about what the plan might be?

**MS LE COUTEUR:** Suggestions.

**Mr Ponton:** I think it is safe to say that there will certainly be a reduction in the developable area for those suburbs.

**MS LE COUTEUR:** I have heard the suggestion that there will be about 10,000 less blocks as a—

**Mr Ponton:** That is not a figure that we are using in our assessments. But as I said, until we—

**MR SMYTH:** What figure are you using?

**MS LE COUTEUR:** Yes.

**Mr Ponton:** We do not have an absolute figure. It would be premature to do so. The commonwealth is about to make a decision in relation to whether or not there is a controlled action. With the level of assessment, as I said, I expect that would be an ACT bilateral. Until we actually go through the process of assessing the potential impacts and we have a definitive proposal, it is difficult to answer that question.

**MR SESELJA:** How long is Throsby now delayed as a result of these processes? What is the expected time frame for all of these assessments?

**Mr Ponton:** For an assessment under the bilateral, I would expect around 12 months. But again that—

**MR SESELJA:** Once the commonwealth comes back?

**Mr Ponton:** Once the commonwealth comes back, there is a requirement for the ACT to scope the EIS and that would be done in conjunction with the commonwealth to ensure that we adequately incorporate all of their potential issues. Again it would be for the proponent, in this case the Economic Development Directorate, to engage the necessary consultants to prepare the EIS to comply with that scoping document. Once that scoping document for the EIS has been prepared, consistent with the scoping document, it would be submitted to the Planning and Land Authority within ESDD. It would be publicly notified and after that notification comments would be considered, an assessment report would be prepared and referred to the minister, depending on the

timing—

**MR SESELJA:** So how long ago was Throsby put on the forward land release program for the ACT government?

**Mr Ponton:** I would need to take that on notice as to the exact date.

**MR SESELJA:** It has been some years, though, hasn't it?

**Mr Ponton:** It has been some years.

**THE CHAIR:** So it is taken on notice.

**MR SESELJA:** Is there a reason why it seems to have been at the last minute that it was considered that there might be environmental issues and that these are then referred to the commonwealth? Why have we got to this point when we have known for years that Throsby was going to be part of the land release program? Why are we only now doing these assessments?

**Mr Corbell:** Referral for the relevant approvals is the responsibility of the proponent, which in this case is the Land Development Agency, or more broadly the Economic Development Directorate. The government has a clear separation internally between regulatory function and proponent function. The ESDD is not the proponent of land release in this regard; that is the function of EDD, so perhaps your question is best directed to the competing priorities and resource allocation decisions that the proponent makes.

**MS HUNTER:** Moving on from that, if there are fewer blocks out in Gungahlin it may well have an impact on needing to find other places to be able to release either greenfields or more infill. I note that on page 315, under output 1.3d, it does have a target there around the provision of greenfields residential land that is available and I am wondering why there is not a similar target for infill. What proportion are we at at the moment between greenfields and infill?

**Mr Corbell:** I think this reflects the fact that infill development is largely—not solely, but largely—driven by development on land that is already leased whereas a greenfields development is driven almost exclusively by the release of unleased territory land.

**MS HUNTER:** That is fair enough, yes.

**Mr Corbell:** So it is clearly a factor which is much more within the control of the planning agency in that latter respect.

**MS HUNTER:** Considering that the government has stated its desire for the fifty-fifty, I understand, between greenfields and infill, what are you doing to increase that proportion of infill, considering, yes, I agree, that a lot of that is under private control rather than government control?

**Mr Corbell:** Primarily we are doing that work through the master planning process.

The master planning process is about clarifying and facilitating the regulatory planning framework that permits higher—not high necessarily, but higher—density to occur. There is funding in the budget to support the ongoing development of both the master planning program, which we talked about earlier, and urban infill more generally. There is funding of \$430,000 this year, \$500,000 next year, in the budget to undertake further investigation analysis of sites for potential urban infill, so obviously along transport corridors, around town centres, around group centres and so on. So there is dedicated funding to continue that work and that is then translated into master plans and then into precinct codes that guide the type of yield, the type of design outcomes, we want for that urban infill activity.

**MS HUNTER:** I have one final one around East Lake that I had missed out on before. What are the government's plans around the Kingston railway station and what discussions have you had?

**Mr Corbell:** The government has been giving consideration to what should occur in relation to the siting of the railway station. The current thinking is that the railway station will relocate about a kilometre or so to the south of its current site, closer to the intersection of the Monaro Highway where it crosses the railway line. In that general vicinity is the thinking at this time, but that is subject to further analysis and will not be confirmed until structure planning work for East Lake is complete. There is certainly the potential to see a relocated station site as integrating into the future urban development area of East Lake and its potential for some commuter rail type uses. Those are issues that are currently under consideration. That is separate from the issue as to whether or not a rail corridor should be maintained in some form or indeed whether a transit corridor should be maintained in some form from the potentially relocated site through to where the line currently terminates at Kingston. Those are all issues which are under active consideration through the structure planning process for East Lake.

**THE CHAIR:** So it would stay in the ACT, the station? There would still be a station in the ACT?

**Mr Corbell:** Yes. The territory certainly envisages there will still be a station in the ACT.

**MS HUNTER:** I am sure you are aware there is also concern from the railway society, which are nearby, about what will happen to them if there is a relocation. Is that under consideration?

**Mr Corbell:** Yes. The government has already indicated that there will be a need for the Railway Historical Society to relocate, in the same way as we have indicated that the miniature railway group will also need to relocate. This comes down to questions about how much land is needed for rail infrastructure in that location. Obviously the existing site has a very large amount of land that is simply not utilised anymore for railway operations. In our view some of that land can be more effectively utilised for a redevelopment to create more dense urban accommodation in a very central location rather than have it alienated by an outdated use. That does not mean that we do not see a role for rail potentially servicing this corridor in the future. We do, and planning provision should make provision for that; but we think at the moment there is a large

amount of land that is alienated from more productive use, is not utilised for railway operations anymore and is unlikely to be in that form in the future. So in relation to ARHS the government has indicated that if they need to relocate, which we anticipate they will, it will need to be done at the territory's expense, or largely at the territory's expense. The Economic Development Directorate has been undertaking work to identify alternative sites for them; the same is the case for the miniature railway group.

**MR SMYTH:** Minister, what have you done to implement fire-rated cable ladder AS/NZS 3012:2005 standard?

**Mr Corbell:** Mr Simmons, come to the front.

**MR SMYTH:** No. I want the minister to answer.

**Mr Corbell:** If you can explain to me the intricacies of that standard, Mr Smyth, I will invite you to do so but—

**MR SMYTH:** The problem for you, minister, is that you do not get to ask the questions unless you want to swap places—and I am more than happy to do that.

**Mr Corbell:** The great pleasure I have, Mr Smyth, is in inviting my officials to assist you with the technical issues around your question, and Mr Simmons can do so.

**MR SMYTH:** We have all been waiting for Mr Simmons's dissertation this afternoon.

**Mr Simmons:** Thank you, minister. Briefly, if I may, the standard which you refer to is a reference standard under AS3000; its more common name in the electrical industry is the wiring rules. It dictates that where there is an essential safety system—in this case the fire-rated cables—in the case of a fire they must be supported by a cable, by a tray, which is similarly capable of withstanding fire. In the event that there is a fire in a building it is important that the essential safety systems continue to function for a minimum of two hours to enable the fire and emergency services to safely evacuate a building. Obviously the able-bodied people make their way out quicker. The Fire Brigade need that access. They need the electrical system to maintain its functioning.

There has been an issue with some cable tray that has been installed not being to the current version of that standard. The tray that has been used had the authorisation for the 1995 standard and not the 2005 standard. This was brought to our attention. It has been addressed. We started addressing this with the industry in February of this year. We met with the National Electrical and Communications Association ACT branch in March. I was at that meeting with the chief electrical inspector and other key inspectors. We went through those issues with the industry and have been working with building certifiers, engineers, fire engineers and the ACT Fire Brigade over the last few months to ensure that we have an appropriate standard and appropriately protected buildings that are under construction.

**MR SESELJA:** How many buildings have been working to the old standard rather than the 2005 standard, to your knowledge? This seems a pretty widespread thing from the feedback we are getting from industry.

**Mr Simmons:** At the moment there are four buildings which have an issue with them. We are working through that with the fire engineers and the building certifiers for those projects.

**Mr Seselja:** Was industry aware since 2005 in the ACT that this was the new standard?

**Mr Simmons:** All standards are updated from time to time. The obligation is on licensees to maintain themselves, to maintain their currency with standards. What happened with respect to some of this product is that there are two manufacturers. One of the manufacturers had an authorisation under the 2005 standard and withdrew that authorisation and informed its clients that in some cases they had withdrawn that. Those clients then did not act to address that issue at the point at which it was withdrawn, which is why some of them are in the situation. With full knowledge they continued to operate with equipment that they knew had the old standard. That is why—

**MR SESELJA:** So how many are in that situation that you are aware of?

**Mr Simmons:** There are two sites that we are aware of at the moment that were in that—sorry; one site in particular. It varies across the industry as to what people have done. We have been working with the fire engineers particularly and the building certifiers. This is about the way the Building Code of Australia has been shifting over the last few years in the way it treats fire. We have gone from the situation where the deemed to satisfy provisions of the code with respect to fire tend to be used less and less and there are alternative solutions. As you get into alternative solutions, you start to deal with the more complex elements of building, and that means that you have to be more cognisant of the reliance that you have on other elements which building certifiers and fire engineers do not traditionally have to work their way through. For example, if your alternative solution requires the exhaust fans to continue to operate then all the exhaust fans need to be on fire-rated cable and fire-rated tray.

**MR SESELJA:** So who bears the responsibility if the standard has not been followed?

**Mr Simmons:** It depends; ultimately if it is an electrical installation it lies with the electrician.

**MR SESELJA:** Why were certificates of occupancy given in cases where the correct standards were not followed?

**Mr Simmons:** Because authorisations are given from time to time and the standards change from time to time. As each of the issues comes up our knowledge about what we are enforcing changes over time. That is the evolution of standards. They become better and they change what you are required to do over time, in both directions.

**MR SESELJA:** So where does that leave these particular buildings? Will individuals or organisations have to go back and retrofit to the 2005 standard?

**Mr Simmons:** In some cases they will be doing retrofits. In some cases they will be augmenting the systems that are already in place. And in others they will be coming up with alternative solutions. The wiring rules, like the Building Code of Australia, allow for alternative solutions as well as the standard deemed to satisfy. In electrical work it is very rare to access what they call part 1 of the wiring rules, because part 2 is such a prescriptive standard and most people are taught with that. But it is available, and that is what we have been doing. There are a number of projects where we have taken—this is where we have had to bring fire engineers who have not traditionally worked with electrical systems into the fold and explain to them the importance of ensuring that their electrical systems are matching up with the fire-rated systems that they are doing on their fire engineering site.

There are a number of ways you can do it, and that is what we are working through. It goes from, in some cases, replacing it, where that is the easiest option, to in other cases augmentation. The issue—not wanting to dwell too long because I do not want to take up the time—

**MR HARGREAVES:** This is fascinating. You knock yourself out.

**Mr Simmons:** is that the cable tray, under certain circumstances, will buckle. That potentially means the cable will fall off the tray. Then that puts it under mechanical stress as well as the fire stress that it would be under. You can augment the joints by re-welding or putting on new brackets that actually strengthen the cable tray while it is under attack from fire. That is an augmentation. In other places there are alternative solutions that might involve other techniques with respect to possibly encapsulation of the actual tray. Does that help you out, Mr Smyth?

**MR SMYTH:** It certainly does, yes.

**MR SESELJA:** Just finally, you mentioned that there were four buildings that you are aware of, I think, where changes would have to be made, either retrofitted or otherwise. Is there an estimate as to how widespread this might be? If so, how many buildings might it apply to?

**Mr Simmons:** You indicated that some people in the industry may have made you aware of these issues from their side of things. To the extent that there are major projects where this has become an issue, I think we know most of those big jobs that are on that have this problem. They are at various stages. We had an issue which was not dissimilar to this a couple of years ago with fire collars and the control of intumescent materials where plumbing penetrations take place through slab work. We had another issue with some of the external claddings, particularly a very popular form of cladding, that experienced a couple of fire incidents indicating that there were problems. In each one of those, the industry stops and finds a solution or moves to a different product.

We are working through those. Any projects that are in the pipeline clearly know now what the issue is after the ones that we know are out there where you have got a problem. People are coming to us now and saying: “We have this problem. How can we resolve it?” There was a smaller project where there was potentially a problem but there was an alternative solution because of the type of lift systems in place. The lifts

were able to handle what would happen in the event of a fire in a different way from what the traditional approach is.

**MR SMYTH:** How did it come to your attention in February 2012 when the standard was implemented in 2005?

**Mr Simmons:** There was a particular question asked of us by one of the electrical contractors with respect to a notice. My understanding is that a notice that the contractor received from one of the manufacturers indicated that there was an issue. The contractor came to us and asked the question that took us down this pathway. One of the complexities of the modern building code, particularly, is the number of reference standards. Each of the main standards references about 100 other standards, which then internally reference other standards. It is a difficult job for everybody, and it is starting to see some specialisation of particular activities within the industry to deal with this level of complexity. But fire-rated systems are different—are something that is commonly done in large buildings. They would have all known they use fire-rated cable.

**MR SMYTH:** Is your organisation notified of the changes of the standards? And what do you do? What is your obligation to educate the industry on the changes?

**Mr Simmons:** In terms of standards updates, we do not control the update of standards.

**MR SMYTH:** No. But are you informed of the updates? I appreciate that you are not responsible for it.

**Mr Simmons:** On major standards like AS3000 and AS35—the plumbing, the gas, the building—they were all involved in those things so we know when they are coming up. But the minor attendant standards—we would not necessarily be informed of that.

**MR SMYTH:** So how do you ensure that the industry are abreast of their obligations if you are not aware? If you are not aware, what hope do the industry have?

**Mr Simmons:** One of the things that we have which other jurisdictions do not have is the fact that we still maintain a high inspection rate, so we see a lot of things happening in the industry very quickly. It is one of the things that the Canberra industry complains about.

**MR SMYTH:** But you were clearly inspecting from 2005 to 2012 and nobody noticed.

**Mr Simmons:** We were inspecting but with this particular issue the cable tray manufacturers had received from their certifying approval body an interim authorisation which said that the tray was okay. They withdrew that much later. That was not withdrawn by the manufacturer until after another matter in another jurisdiction with respect to some findings where they—then the withdrawal. The manufacturer wrote to the people that it had supplied and said: “The authorisation we had we no longer have. Over to you.” Because we do not purchase fire-rated cable

tray as part of our business, we would not have been in receipt of that letter.

**MR SMYTH:** But as the inspectorate how do you know that what you are looking at is up to date and compliant if you are not across the standards?

**Mr Simmons:** We spend a lot of time with our inspectors internally; they meet every week and go through issues that have come up that they see during the course of the week. And then on specialist activities we have them in. We had them in for two rounds of training about the photovoltaic cells, for example, because that was a very rapidly moving issue. We have recently had training on medical facilities. There is a special standard about installing electrical equipment in medical facilities, so we have had them upskilled on that. Once again, it shocked the industry a bit when we started pointing out some new standards and new issues around that.

We are in a continual area of reinforcing what we know about the standards and making sure that our inspectors are as up to date as they can be with any of the standards and any of the changes. We are actively involved in the Australian Standards Committee EL/1, which is the primary committee that deals with the head electrical standard, the wiring rules. We have got our chief electrical inspector, who is due to retire after some 45 years in the game next year. We are now sending people with him so that we capture some of his corporate knowledge before he disappears out the door. He has, fortunately, given us his retirement date. So we are working on it, if that helps.

**MR SESELJA:** Mr Simmons, can you tell me this. In terms of installation and in terms of connection for water for new projects, obviously that is something that would be done by Actew, but is there a role for ACTPLA in terms of ensuring compliance with various things when those connections are made?

**Mr Simmons:** ESDD has responsibilities on both sides of the network. We are the technical regulator of the utilities, under part 5 of the Utilities Act. On the other side, for water and sewerage under the Water and Sewerage Act, we are responsible for the installation. The network boundary, for all intents and purposes, for most residential properties, is the water meter. So everything downstream, everything on the network side, is ActewAGL. And the connection point, which is the output of the meter, everything coming into the house, falls within our jurisdiction under the Water and Sewerage Act.

**MR SESELJA:** Okay. I have had feedback from some in the building industry in regard to multi-unit developments where—I do not know the technical terms—effectively the size of the initial connection is insufficient, and these are being ticked off. I have had feedback from plumbers and others that they then have to come and fix that up at some point later on. Are you aware of circumstances where that is occurring?

**Mr Simmons:** That has not been raised with us, but what will happen in those circumstances is this. As a part of the development condition, one of the things that happens is that Actew are the referral agency. The developer will say to Actew: “We have this many units with this many bathrooms, this many ensuites. Do the calculations.” Actew will do the calculation and say, “That’s the size of the pipe you

need.” If they get their calculations wrong, they have the wrong size pipe.

**MR SESELJA:** It seems that that is the feedback—that they are getting those calculations wrong. Are you familiar with any circumstances where that has occurred? And if that does occur, is there any role for your area?

**Mr Simmons:** We would be interested in those issues. If you have got people who have had those circumstances, they can raise them directly with us in construction services—through me or the chief plumber in our directory. We would be interested in that from both sides—in terms of both the regulation of ActewAGL and our installation side. But it is not something that has been raised with me. When you said that, there were a number of other things I could have thought of, but that was not one of them.

**MR SESELJA:** What are some of those things?

**THE CHAIR:** No?

**MR SMYTH:** It is a reasonable question.

**MR SESELJA:** Are you aware of other issues with water connections?

**MR RATTENBURY:** Why don’t you just ask him what is on his mind?

**MR SMYTH:** What is on your mind, Mr Simmons?

**MR HARGREAVES:** I caution going down that track.

**THE CHAIR:** Yes, don’t do that.

**MR HARGREAVES:** Don’t go down that track.

**Mr Corbell:** All I would say is that it is only the minister’s prerogative to ask Mr Simmons what is on his mind.

**THE CHAIR:** That is right. Ms Le Couteur, was there anything?

**MR SESELJA:** I had other questions on Campbell, but—

**THE CHAIR:** I will go to Ms Le Couteur.

**MS LE COUTEUR:** Thank you. I have a few DA-related questions. How much does a DA have to change before the consultation is started again? I was recently told about the Narrabundah Crestwood motel site. Apparently that was originally consulted on as a 45-unit development that has materialised as a 70-unit development without additional public consultation. Clearly there are some small changes acceptable, but how do you decide when you need to go back out to the public?

**Mr Ponton:** Essentially each application is considered on a case-by-case basis. The test within the act is that for an amendment to be considered it first of all needs to be

substantially the same development. In looking at that, we would look at things such as whether the bulk and scale of the building are the same, whether the driveway access is the same or substantially the same. That is the first test. The second test is whether or not the amendment, if it is accepted by the Planning and Land Authority, needs to be notified. There are three tests, I believe, one of which comes to mind. That is whether or not those people who may have an interest would be affected. The other two do not come to mind off the top of my head, but I can certainly provide a reference to you in terms of the legislation.

In terms of the particular example that you have cited, Ms Le Couteur, I cannot say that I am familiar with that one, but if you want to send some details through the minister's office, I am more than happy to provide you with the rationale for that particular matter.

**MS LE COUTEUR:** Thank you. I have had representations from people in Narrabundah that it just was not right. Apparently, the building form stayed the same but it just nearly doubled the number of units. They felt that that actually had a traffic impact which was not then looked at.

This is another one: where do you get your information with respect to traffic movements? I am particularly looking here at aged care. Again, I have had constituents' representations with respect to the Morling Lodge development. They said that ACTPLA revealed during the ACAT hearing that the figures they were using for traffic movements per resident were 30 years old, as apparently only one or two movements per day per resident. The people who talked to me about this felt that, given today's inhabitants of aged care—we are not talking hostel or nursing home; we are just talking aged care—that was a figure that was they felt laughably inaccurate. It just could not be believed.

**Mr Ponton:** In relation to the ACAT matter, I cannot comment specifically—

**MS LE COUTEUR:** I know you cannot. I am not asking for—that is just how I know about this, how I was told about it. But, yes, you cannot obviously comment on Morling Lodge. I am not asking you to comment on that but merely about where you get your information for movements.

**Mr Ponton:** Sure. In relation to traffic movements, first of all, for major developments there is a requirement that the application include a traffic analysis. The traffic analysis needs to be prepared by a qualified person. That qualified engineer would refer to relevant standards. Because the assessment team are not experts, we then refer that to those who are, and that includes the Territory and Municipal Services Directorate. We would also refer those applications, and in particular those traffic studies, to our transport planning area where we do have in-house expertise within the directorate. We are then provided with commentary that is incorporated into the assessment.

**MS LE COUTEUR:** And do you think that 30-year-old research is still appropriate if it were—

**Mr Ponton:** Again, I am not familiar with the physical circumstances—

**MS LE COUTEUR:** But do you, in general, have any criteria as far as only using recent figures?

**Mr Ponton:** In terms of traffic movements for a particular type of development, one would hope that current figures are being utilised. But having said that, it may well be that, over a 30-year period for a particular type of development, no change has occurred. But I cannot say that that is or is not the case in the particular circumstance. I would need to go back and have a look at the particular matter that you are referring to.

**MS LE COUTEUR:** Okay. Do you have any issues with proponents doing their own research and finding figures? I have also had comments about traffic movements basically from the other direction, from the proponents, who say: “We have better figures. We have more recent figures but ACTPLA will not look at them.” Whatever way you look at it, people seem to have problems with your sourcing of traffic movements.

**Mr Ponton:** There are circumstances that I am aware of, particularly in relation to estate development plans, where traffic movements for collector roads and the like, the number of vehicle movements per day for a particular dwelling yield, have been questioned by proponents. They have undertaken individual and separate work themselves. That work has then been referred to Territory and Municipal Services, who have looked at and interrogated that data and, in fact, have come back to us and said that it is prudent in the particular circumstances to look at a change to established practice.

**MS LE COUTEUR:** Okay. Talking about changes to established practices, when are the new forms for notifications of exempt developments going to be in use?

**Mr Ponton:** Notifications of exempt development? My understanding is that they are in use; 29 May they came into effect.

**THE CHAIR:** Thank you. I have a couple of transport planning-related questions again. I want to clarify this: the developments in the new bus stations at Erindale and Barton. Is that a question I should be asking TAMS?

**Mr Corbell:** Yes.

**THE CHAIR:** That would go to TAMS. I wanted to check that. This question is in relation to an accountability indicator on modal shift. In previous budgets there had been an indicator in the ACTION section called “Increase in modal share”. It was not showing a particularly positive result. It was discontinued last budget. The reason given at the time was that it was being transferred to the sustainable development directorate but it is not in this year’s budget. Has this indicator has been removed? If it has, why has that occurred and how will you actually be looking to increase modal share given we have not got this indicator there?

**Mr Corbell:** We have a reporting framework and an accountability measure through the transport for Canberra strategy. So the transport for Canberra strategy has targets

and also has reporting requirements against those targets. We will be utilising that framework rather than what is—

**THE CHAIR:** So it will not be reported in the budget?

**Mr Corbell:** No, it will not be reported in the budget, because those time frames are, if I recall correctly, over a period of years. So they are not an annual figure; they are a milestone figure at a particular point in time. So they are reported in that manner rather than on a financial year basis.

**THE CHAIR:** Okay, so now—

**Mr Corbell:** That is driven by when data is available. With modal shift in particular, the only reliable reporting of that is achieved through the census question on journeys to work. So we rely on the census reporting dates for measuring modal shift. That is the same for all transport planning authorities around the country.

**THE CHAIR:** Is that what they would have been recording previously—ACTION—for that indicator? Are you aware of—

**Mr Corbell:** I am not quite sure what the previous ACTION indicator was.

**THE CHAIR:** It was increase in modal share.

**Mr Corbell:** But that might be patronage numbers, which is a different question to modal shift.

**THE CHAIR:** Okay; it is actually modal share.

**Mr Corbell:** Modal share?

**THE CHAIR:** Yes.

**Mr Corbell:** Again, I am not sure why or what the specifics of that were. I am happy to get some advice on that.

**THE CHAIR:** That would be good, yes.

**Mr Corbell:** But in terms of the targets in transport for Canberra, they are based on modal shift on journeys to work, which is measured through the census question.

**THE CHAIR:** So the modal share, it would be good if we could get some information back on that. I appreciate that modal shift and modal share are difficult things.

**Mr Corbell:** Yes.

**THE CHAIR:** If that is actually being recorded, will it be recorded in the transport for Canberra plan? It would be good to get some information on that.

**Mr Corbell:** Yes, sure.

**THE CHAIR:** And do you have any idea of what the modal share is actually now? We have not got that figure here.

**Mr Corbell:** We will know the modal share very soon because I think the first census data arrives this week from the most recent census. Whether we get that journey-to-work data this week or at some later point, I am not sure, because the ABS does not release it all at once. They are released in tranches. Certainly, we are very keen to see the results of the most recent census, as are all government agencies, given the broader range of data that it reveals. But we will be looking at the census results when it comes to journeys to work.

**THE CHAIR:** But you will take on notice just finding out what happened with that table.

**Mr Corbell:** Yes, I am happy to do that.

**THE CHAIR:** Mr Hargreaves? No. I will go to Ms Hunter.

**MS HUNTER:** I wanted to pick up on accountability indicators, budget paper 4, page 314, c and d. It is about formal complaints received and being acknowledged within 10 working days. If you look at c, the target was 90 per cent. You achieved 100 per cent—well, that is your estimated outcome. So I was wondering if you are achieving 100 per cent are you planning to move the target to be 100 per cent, or are you going to keep it at 90 per cent or 95 per cent.

**Mr Corbell:** Mr Simmons can help us with that question.

**Mr Simmons:** Thank you, minister. We will be leaving it at 90 per cent. While we put new systems in place to ensure that we get some acknowledgement, we have also had a fairly rapid increase in the number of complaints being taken. So one does not like to shoot for perfection every time.

**MS HUNTER:** Okay.

**MR SMYTH:** So where have you been perfect, Mr Simmons?

**Mr Simmons:** I do not know. You would probably have to ask my wife.

**THE CHAIR:** Sorry, Ms Hunter.

**MS HUNTER:** Just to get some idea, what would stop you from acknowledging a complaint within 10 days?

**Mr Simmons:** Only that we would not have somebody in place to actually find the complaint and acknowledge it. Sometimes a complaint can come in and what we have—one of the things that we have done is change our forms to make sure that the information we get from people when they lodge a complaint in fact relates to us. What was happening in the past was that people were not necessarily given sufficient

direction about what we could or could not deal with.

A complaint might come in and it would take a few days to realise that it was in fact not a complaint about a planning and development matter or a building matter, that it was in fact about roads and public places. So somebody might have been complaining about something happening on the verge that looked like it was one of ours. We have done a lot of work to get those around. There are still some—when a complaint comes in, it still has to be looked at now. We have put more senior people in to look at them in their initial phase to see—

**MS HUNTER:** For them to decide whether it is yours, whether it is TAMS or someone else's and to redirect it?

**Mr Simmons:** Yes, whether it sits with somebody else in the directorate. They could be making a complaint about a DA in fact, not a matter which is a complaint that we would necessarily deal with. If something goes wrong in that system—well, we might miss some in there—we have certainly been working very hard on making sure that people are given an indication as early as possible of whether we have got a legitimate complaint from them and whether or not we can do something with it so that people do not waste their time and we can direct them to people who can actually appropriately deal with their issues.

**MS HUNTER:** And why has there been this change to sending it to more senior people? We did have this discussion in the Assembly about this. There was an Ombudsman's report about improving complaints mechanisms across the ACT government.

**Mr Simmons:** There are different types of complaints that we get. Sometimes the complaints that you are talking about are complaints about how the department—how we might have handled a matter. Somebody says, "I don't like what the department did," whereas we are dealing with complaints about people saying something has happened "which I am unhappy with" out there that somebody else has done. So somebody has done building work—

**MS HUNTER:** "A development going on next door to me," or something like that.

**Mr Simmons:** So those sorts of matters.

**MS HUNTER:** Yes.

**Mr Simmons:** Why we have changed the form—we used to have separate forms; one about Building Act matters and one about planning act matters. We combined them together because often times people—it can be quite a finessed argument about where we would look at it. Some matters can be taken under both acts. It up to us to make a decision about that.

Because people are not aware of the subtleties of how those two pieces of legislation interact with each other, we have put more senior people in there and more experienced people to actually look at that rather than having somebody look at it—what was happening before is that they were looking at it and it was coming into the

system so that it would get to senior people. They were saying, “What? This isn’t us. You’ve misread what the question was.” So we put more senior people in and more experienced people in to actually make that decision at first instance so that we were only dealing with matters that we could actually do something about.

**MS HUNTER:** You have got a target here about acknowledging those complaints coming in. What about the clearance rate, if you like, of those complaints?

**Mr Simmons:** Clearance rate is highly variable. There was a big case that we had with respect to a multi-unit development. The complaint came in to us. The work to get to the rectification order we ended up doing took nine months. It took nine months to put together the actual case.

We put the rectification orders to the developer and the builder, who then disputed us, strangely enough. It was another three months to get it into the tribunal. So all up it was 12 months before we actually got to the tribunal to hear the substantive matters. That was, I think, the beginning of May, for five days.

For something like that, a big case, where there is a lot at stake and a lot of issues being tested, the additional resources that came through last year really enhanced our capacity to do that. Prior to that we would have struggled quite significantly to get the kind of information you need to be able to satisfy the tribunal with our cases.

**MS HUNTER:** So you are feeling now that you have the resources for the different categories to meet a reasonable sort of time frame so far as resolving or finalising in some way.

**Mr Simmons:** Yes. The other thing that we will do, particularly because a lot of these are—if it is a body corporate, we will get them in, we will sit them down at the beginning and say: “Look, typically, these will take this long. The discovery could take us six months to get all the documents that we will need to be able to establish the case and decide whether we are going to do to the ACAT, whether we are going to try and prosecute, whether we will go to a Magistrates Court matter, whether we will go to DPP.”

There is a range of options that we did not have available. We always had the options. What we did not have was the capacity to utilise the options as effectively as we might and we have spent the best part of the year testing. We have become very familiar—some of my officers are very familiar—with the presidential members of the tribunal. I would not say they are on a first-name basis, but they are pretty close because we have been able to test all the minor elements so that the tribunal is much more aware of what the issues are.

Then those bigger cases can actually happen a bit faster because a lot of the underpinning knowledge has been built up over the last 12 months as we have spent a lot more time going into the tribunal and testing what our law actually means. That has been informing the work that we are doing around the rewrite of the Building Act. The Building Act rewrite is being strongly influenced by the practicalities of trying to take matters through.

So the clearance rate is highly variable. Most of my investigating officers are sitting on around 40-odd cases each as complaints come in because the other thing is that we become more known to the body corporate managers. They know to get in contact with us earlier now, not later. So we have seen a bit of an increase in the rate at which people are becoming aware of what we do.

**MS HUNTER:** Okay.

**THE CHAIR:** Mr Smyth.

**MR SMYTH:** I have a couple of questions while you are here. The issue of landscapers connecting to Actew pipes: I believe we are the only jurisdiction in the country where you have got to use a licensed plumber; the landscapers themselves cannot do it. What would need to have to change to allow that to happen?

**Mr Simmons:** The creation of a restricted plumbing licence for landscapers. ActewAGL is always very concerned about the protection of its network. It has a significant risk where anything gets connected to its network. One of the issues about landscaping and irrigation systems is that the network becomes susceptible to back flow; that is, water going back into the network when the pressure in the network drops. So summer, when more water gets used, is the point in time at which you are more susceptible to back flow and that is when irrigation systems potentially have the problem; they will suck dirt through. If there are not proper filters and proper back flowing in place, they have the capacity to take material which is in the ground into their network, and Actew get pretty narked about that.

**MR SMYTH:** So who would be responsible for creating the restricted licence?

**Mr Simmons:** That would have to be under the Construction Occupations (Licensing) Act. There would need to be a new regulation to create a new occupational class, in the same way we have got restricted electrical licences that allow plumbers to replace hot water services if they are like for like replacements.

**MR SMYTH:** Minister, are you interested in creating a regulation to allow for a restricted plumbing licence for landscapers?

**Mr Corbell:** Mr Smyth, the issue has not been raised with me. I would have to consider the issues around the matter.

**MR SMYTH:** In regard to master plans, you mentioned earlier Tharwa, Hall and Pialligo. What is the status of Kambah, Erindale and Cooleman Court?

**Mr Corbell:** Kambah: the master plan is currently before government for its consideration. Tharwa, I think, is in a similar status; I think it is before government for its consideration. And Cooleman Court—the Weston group centre, as it is more properly known—is still under development and consultation with the community.

**MR SMYTH:** All right. So when will a decision be made on Kambah and Erindale?

**Mr Corbell:** Soon.

**MR SMYTH:** Is that a Mr Quinlan soon or just a general soon?

**Mr Corbell:** It is soon, Mr Smyth.

**MR SMYTH:** A Kambah residents group has raised significant concerns with the master plan at Kambah. Are you aware of them and will their issues be addressed before the government declares the master plan?

**Mr Corbell:** Yes, I am aware of the issues that have been raised by the west Kambah residents group. I understand that the community engagement team that is assisting the master planning team has had detailed conversations with the Kambah west group and I understand those issues have been taken into account.

**MR SMYTH:** All right. How much is there in the budget this year for future master plans?

**Mr Corbell:** I do not think there is anything additional. It is an ongoing program that was appropriated in previous budgets.

**MR SMYTH:** So how much is to be financed in the 2012-13 year?

**Mr Corbell:** Let me see if I can get that figure for you. I am sure we can provide it.

**THE CHAIR:** Do you want to take that on notice?

**Mr Corbell:** I will take it on notice, Mr Smyth.

**MR SMYTH:** All right. And the list of master plans that are to be commenced this year?

**Mr Corbell:** They are yet to be announced, Mr Smyth. I have not been formally briefed yet on the program for this year.

**MR SMYTH:** So how do we appropriate money for something that has not been decided?

**Mr Corbell:** What has been decided is that there will be master plans implemented, developed each year. But the exact priority areas are determined on a year by year basis by me.

**MR SMYTH:** So when will that be announced?

**Mr Corbell:** Early in the financial year.

**MS LE COUTEUR:** While we are talking about master plans, where is Oaks Estate up to?

**Mr Corbell:** Oaks Estate is currently going through a public consultation process in the development of a draft.

**MS LE COUTEUR:** And any idea when it is likely to be finalised?

**Mr Corbell:** No. I do not have that information to hand. I would expect it to be later this year.

**THE CHAIR:** Just on Erindale, a number of things have been progressed. The government is not suggesting you would wait until the master plan is approved before you can actually start progressing some of the work around the bus station, various walkways and the like?

**Mr Corbell:** Generally speaking, it would be the government's preference to have an agreed master plan in place before work commences on other elements, simply because I think that is important to maintain community confidence in the master planning process. People see things that are happening consistent with what the master plan says.

**THE CHAIR:** I just thought there were a number of things that probably could have already been progressed. I appreciate the consultation—there has been quite a bit—but I think there are some things the community agree need to be progressed. That is my understanding anyway.

**THE CHAIR:** Mr Smyth, anything further? No? Mr Coe? Final question.

**MR COE:** I will defer to Mr Seselja.

**MR SESELJA:** Thank you. How many of the directorate's staff are currently in other than A-grade office accommodation?

**Mr Corbell:** I will take it on notice, Mr Seselja.

**MR SESELJA:** So where are they located now? Are most of the planning staff still in Dame Pattie Menzies House?

**Mr Papps:** We have imported staff from the former DECCEW into that to get a better match, but most of the former ACTPLA is still in Dame Pattie Menzies House. We occupy Macarthur House. We are out at Mitchell with the construction services. We have got a small group in Telstra House and then another small group at Crace in the CSIRO facility.

**MR SESELJA:** Given the government's canning of the office block, what is happening for those staff particularly in places like Macarthur House who are in what the government has termed substandard accommodation? When will they be getting better accommodation?

**Mr Corbell:** These decisions are contingent on the government's future decisions around new government office accommodation. As the Treasurer has indicated, the government is testing the market in relation to fit-for-purpose government accommodation.

**MR SESELJA:** So ESDD staff will just indefinitely be in that accommodation which the government has deemed to be unsuitable?

**Mr Corbell:** Not indefinitely. The government's preference is to achieve a better standard of accommodation for all of its staff. We remain committed to an improvement in government accommodation. That will be driven by decisions about the future government accommodation strategy, which is the responsibility of my colleague Mr Barr.

**MR SESELJA:** Has the government's canning of the government office project affected any of the decisions relating to the accommodation of the directorate's staff? Have any of the decisions around future leasing arrangements been changed as a result of that decision not to proceed with the office block?

**Mr Corbell:** I do not think you are characterising the decision around the government office building correctly.

**MR SESELJA:** Maybe you can enlighten us, minister?

**MR SMYTH:** How was it being characterised?

**Mr Corbell:** What Minister Barr has indicated is that, rather than the government developing such a project itself, it is looking at options for the private sector to deliver that project. That is subject to a market testing exercise which the Economic Development Directorate is responsible for and which the government will subsequently make decisions on. Given that, decisions about long-term accommodation are contingent on decisions around that process that EDD is responsible for.

**MR SESELJA:** Given the government said there was going to be \$34 million in savings, presumably some of those savings would have been for your directorate. How much is the delay in this project or the canning of this project costing your directorate in future years?

**Mr Corbell:** I find it ironic that you are asking these questions, given your strident opposition to the project, Mr Seselja.

**MR SESELJA:** I just want to know how much it will cost you now, because you were going to save 34 million bucks a year.

**Mr Corbell:** Mr Seselja, issues about the overall government accommodation strategy are best answered by my colleague Mr Barr.

**MR SESELJA:** So you as a directorate have not done any work to determine how much it will actually cost you? Given the government said it was going to save you a lot of money to go down that path there must now be a cost in not proceeding.

**Mr Corbell:** No. What you have is a business as usual arrangement. It is not an additional cost; it is business as usual compared to a potential efficiency in the future.

**MR SMYTH:** So you are operating inefficiently.

**THE CHAIR:** We are out of time, so I would like, on behalf of the committee, to thank you, Minister Corbell, and officials from the Environment and Sustainable Development Directorate for appearing before the committee today. As mentioned at the commencement of the hearing today, there is a time frame of five working days for the return of answers to questions taken on notice at this hearing.

Proceedings will resume at 9 am tomorrow, commencing with the committee's examination of the Justice and Community Safety portfolio output class 1, justice services. This will include an examination of the following outputs: 1.1, policy advice and justice programs; 1.2, legal services to government; 1.3, legislative drafting and publishing services; 1.4, public prosecutions; 1.5, protection of rights; 1.6, electoral services; 1.7, regulatory services; and 1.8, transport regulation.

**The committee adjourned at 5.28 pm.**