



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

WEDNESDAY, 20 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 9.07 am.

Appearances:

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

Justice and Community Safety Directorate

Leigh, Ms Kathy, Director-General

Crowhurst, Ms Moira, Chief Finance Officer, Strategic Finance

Field, Ms Julie, Executive Director, Legislation and Policy Branch

Greenland, Ms Karen, Director, Transport Regulation, Transport and Road Safety Policy

Roy, Mr Alasdair, Children and Young People Commissioner, Human Rights Commission

Watchirs, Dr Helen, Human Rights and Discrimination Commissioner, Human Rights Commission

Phillips, Ms Anita, ACT Public Advocate, Public Advocate of the ACT

Taylor, Mr Andrew, Public Trustee, Public Trustee for the ACT

White, Mr Jon, Director of Public Prosecutions

McCabe, Mr Mark, Work Safety Commissioner/Senior Director, WorkSafe ACT

Phillips, Mr Brett, Executive Director, Office of Regulatory Services

Garrisson, Mr Peter, Solicitor-General for the ACT, ACT Government Solicitor

Crockett, Mr Andrew, Chief Executive Officer, Legal Aid Commission ACT

THE CHAIR: Good morning and welcome to this fourth day of public hearings of the Select Committee on Estimates 2012-2013. Welcome again, Minister Corbell, to the committee.

The Legislative Assembly has referred to the committee for examination expenditure proposals in 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.

The proceedings this morning will commence with an examination of the expenditure proposals and revenue estimates for output class 1, justice services—specifically 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. That will be followed by the Legal Aid Commission ACT and statement of intent, and the Public Trustee for the ACT and statement of intent. I will just note that we will go

with 1.1, 1.2 and 1.3 first off; then we will go from 1.4 on. That is because 1.4 to 1.8 are particularly separate areas. Outputs 1.1, 1.2 and 1.3 will cross over a bit, so I will allow questions across all three of those.

The privilege statement is on the blue card in front of you. Can you just indicate you are aware of the information and implications in that. And, just so everyone is aware, the proceedings are being broadcast.

Before we go to questions I will make the usual invitation: minister, would you like to make an opening statement?

Mr Corbell: Good morning, Madam Chair, and good morning to you, members of the committee. I do not intend to make an opening statement this morning. I and my officials will endeavour to answer your questions.

THE CHAIR: Fantastic; thank you, minister. I will go to my first question. It is in relation to the new court fees. I would like to ask about the policy that is behind the new court fees. There has been, I think, some confusion from the legal profession about them. First off, what is the problem that these new fees are trying to solve? Some of the reasons talked about so far include the need to keep out interstate litigants, to encourage lawyers to act with more haste and to bring us into line with interstate courts. I would like to know what the problem is there. And can we hear from you, attorney, on the objective of the new fees.

Mr Corbell: I welcome the opportunity to provide some better information around this issue. I have to remind the committee that the Auditor-General, in her report in November 2010, recommended that the Law Courts and Tribunals Administration review the setting of court fees with a particular focus on civil fees and their impact on the operation and administration of the courts. The government agreed with that recommendation of the Auditor-General in May last year.

Since that time the Law Courts and Tribunals Administration has been reviewing the operation and the level of fees in the civil jurisdiction. As a result the government has introduced a new fee structure. This new fee structure seeks to address fundamentally the issue of efficiency and effective case management and to support those objectives in the operations of the courts.

As members of the committee would be aware, the government has, in cooperation with the courts and the broader profession, put in place a range of reforms to improve case management in the courts. The fee structure is designed to send some price signals around the value of the court's time and the need to ensure that matters are heard not only in a timely manner but also in an efficient manner—that is, that appropriate assessments are made about how much time needs to be set aside for a matter to be heard. Having a price around the cost of a matter, particularly a matter that may extend over an extended period of time, is an accepted and well-established mechanism in other jurisdictions to focus the parties in a civil matter on the key issues in dispute and the use of their time efficiently.

The issue of cross-jurisdiction shopping, if you like, is also a consideration. It is not a major consideration, but it is a consideration. All jurisdictions have agreed, through

what was the Standing Committee of Attorneys-General, now the ministerial council on law and justice, to ensure that court fee structures, particularly in the civil jurisdiction, are broadly consistent, to prevent movements between different jurisdictions. Both of those issues were the key issues for concern for the government.

THE CHAIR: My original question was about the problem that is to be solved. Are you saying that it is more about achieving consistency across jurisdictions? There has been a whole range of reasons that you have put forward.

Mr Corbell: No, it is about supporting an effective case management regime and supporting timely use of court time.

THE CHAIR: I think it has been—

Mr Corbell: And efficient use of court time.

THE CHAIR: It has been, I think, relatively well accepted in some quarters that the ACT legal profession needs to embark on some cultural change in how it runs cases. Did you actually ask the profession for their views on the best way to achieve that cultural change?

Mr Corbell: The government has been closely engaged with the profession in a whole series of reforms around the operation of the Supreme Court, particularly in relation to its civil jurisdiction and the implementation of the docket system and the progress that has been made through the blitz. The changes to the court rules and procedures and legislative changes that the Assembly has supported to facilitate a number of those changes to court rules and procedures have all been the subject of discussion with the profession.

THE CHAIR: On that issue of cultural change, was that something that was discussed with them? Is that included in those issues you have just talked about?

Mr Corbell: The issue of change in the way the court conducts its business has been a matter of ongoing discussion between me, my directorate, the courts and the broader profession.

THE CHAIR: You did just mention the court blitz. The consultative process that led to that delivered a good result and has been well received. I am wondering why—I appreciate you have just said there has been consultation throughout—you did not follow the proven path and talk with the profession before finalising the fees.

Mr Corbell: You have to appreciate that the fees are a budget measure. They are a revenue measure. The government does not, as a matter of course, consult on the specifics of revenue measures in advance of budget release.

THE CHAIR: But given that this is something that would have an impact—

Mr Corbell: It is no different from any other fee in that regard.

THE CHAIR: Has the directorate calculated how much the new fees will rise?

Mr Corbell: Yes; it is just over \$200,000 per annum.

THE CHAIR: Has that been broken down by ACAT, Magistrates Court and Supreme Court?

Mr Corbell: The figure, I am advised, is \$227,000 per annum. So it is not a significant level of fees.

THE CHAIR: Has that been broken down, as I just said, by ACAT, Magistrates Court and Supreme Court?

Mr Corbell: I would have to take that on notice. That would require some disaggregation that we do not have immediately to hand.

THE CHAIR: Okay; that has been taken on notice.

Mr Corbell: Yes.

THE CHAIR: Will the revenue be hypothecated for any particular purpose or will it just go into consolidated revenue?

Mr Corbell: The revenue is retained by the Law Courts and Tribunals Administration. Why don't you clarify that, Ms Leigh?

Ms Leigh: The budget papers show the revenue from this item as contributing to the funding the government has provided in this budget to support the blitz. You will see it is actually in the budget item. That is where it appears as offsetting that. It does not fully cover that cost but it contributes to it.

THE CHAIR: You say it is going towards the blitz?

Ms Leigh: That is right. It is shown as a contribution to that cost.

Ms Crowhurst: The revenue is actually territorial revenue, so it goes into consolidated revenue. As Ms Leigh explained, it is shown in the budget papers.

MRS DUNNE: That is on page 123 of BP3 in the initiatives; is that right?

Ms Crowhurst: A revenue initiative associated with this proposal. The revenue is actually territorial revenue so it goes, as part of court fees, to the territory.

THE CHAIR: That was my question: does it go into consolidated revenue. Is that what will happen?

Ms Crowhurst: That is right.

MR HARGREAVES: Attorney, on that question of court fees, can you give us an indication of what you are doing to exempt not-for-profit corporations and small business from the corporate court fees?

Mr Corbell: Following some of the comments that have been made by the profession over the last week since the budget was released, I have had close regard to issues around not-for-profit corporations and corporations with low levels of turnover. Today I have made an amendment to the fee determination to exempt not-for-profit corporations and small businesses from paying the corporate court fees. This will mean that they will be exempt from those corporate fees and, instead, will pay the same fees as an individual will, which are significantly lower than the corporate fees.

This reflects the concerns that the government has taken on board in relation to not-for-profit corporate entities—so organisations such as residents' organisations, charities or indeed body corporates and so on, simply small businesses that might have a relatively low level of turnover. We certainly acknowledge that that is in issue that can be easily addressed. I am pleased to have been able to address that. The exemption I have put in place is similar to an exemption that exists in other jurisdictions such as New South Wales.

MR HARGREAVES: Does that have any budgetary implication?

Mr Corbell: That is yet to be determined, but we do not expect it will have any significant budgetary implication.

MR HARGREAVES: You were saying that it was \$227,000 and that was not a large amount in the grand scheme of things. How much do we actually collect in the way of court fees?

Mr Corbell: In the past 12 months?

MR HARGREAVES: Yes.

Mr Corbell: I would need to seek some advice on that, Mr Hargreaves. Perhaps I can come back to you on that.

MR HARGREAVES: Sure; happy to come back. I just wanted to see the relativity because I suspect that \$227,000 is going to be a very low figure. We need to make sure it is not blown up out of proportion. Thank you for that.

THE CHAIR: I imagine there are follow-ups on this. Mr Rattenbury, and then I will go to Mrs Dunne.

MR RATTENBURY: Given the decision you have taken today, attorney, why did you not consult with stakeholder groups prior to making the decision? I know you have said it is a revenue measure, but there have been significant discussions going on about reforms in the justice system. There is clearly a policy implication of this decision, so why was there no discussion beforehand?

Mr Corbell: I will just refer you to my previous answer, Mr Rattenbury. Decisions about fees and revenue are decisions made in the context of budget cabinet. You would appreciate that the considerations of budget cabinet are confidential.

MR RATTENBURY: Do you have any data on how many interstate people are currently making use of the ACT courts in what you have suggested might be some sort of forum shopping manner?

Mr Corbell: Again, I do not have any specific data to hand. I am happy to see whether further information can be provided to you. I would simply reiterate the comments that I made in response to Ms Bresnan's question: the primary concern in relation to the fee structure is to send some better price signals around the value of the court's time and the need for parties to make realistic assessments about how much time they need to set aside to see that a matter is dealt with.

Obviously, the longer a matter goes the more costly it is both to the parties and to the community as a whole because it has implications for the use of the court's time. Whilst forum shopping is a consideration, as I said to Ms Bresnan, it has never been the primary consideration. The primary consideration is about supporting effective case management and efficient use of the court's time. This, of course, I would reiterate, is the matter that the Auditor-General raised in her report of 2010.

MRS DUNNE: Minister, what thinking went into imposing sitting fees in the ACAT, which is a somewhat surprising departure?

Mr Corbell: The ACAT issues we have considered carefully. It is the case that the ACAT, in many areas, is a low cost jurisdiction and indeed, generally speaking, it is meant to be a low cost jurisdiction. For that reason the government has not put in place fees for matters such as mental health, guardianship, management of property, housing assistance, rates and discrimination. Recognising that there are a large number of people that go through the ACAT who are dealing with those types of matters, there is no fee proposed there.

MRS DUNNE: What about small claims?

Ms Leigh: I think the key point to make in relation to the small claims jurisdiction is that the daily hearing fees only apply to matters that run for longer than one day. The majority of those types of matters would not run past one day. The ACAT jurisdiction is quite a diverse jurisdiction. There are quite complex matters in ACAT where people invest considerably in their legal expenses to run those matters. Where there are those more complex matters then it would be inconsistent if across the court system we did not have those daily hearing fees. But the way they will operate in practice means that, either because matters run for only one day or because, as the minister has said, they are a no fee jurisdiction, they will not actually apply.

MRS DUNNE: So who in the ACAT will pay? Most small claims matters are probably dealt with in an hour or less.

Mr Corbell: More complex and more lengthy matters—for example, unit title or planning applications—will attract a fee. It is important that we put in place this step because we have identified that currently there has been a loophole where litigants commence a proceeding in the ACAT at no charge and then transfer it to the Supreme Court and that flows through at no charge to the Supreme Court. There has been a need to address that anomaly. That has been recognised in the new fee arrangement.

The fee increases are relatively small, even for unit title and planning reviews—from \$46 to \$123 for unit title matters and from \$190 to \$273 for planning matters.

MRS DUNNE: What has been done to communicate these fees and the changes of fees to the users? I have had representations from debt collectors who use the small claims jurisdiction a lot—daily—and they were, as I was, unaware that the daily fee would not apply to most small claims matters. What has been done to get the information out about the operation of the fees?

Mr Corbell: The new fees will be advised by the Law Courts and Tribunals Administration through the normal processes.

MRS DUNNE: They come into operation in two weeks time. Come 1 July, they will be in operation for all sorts of people. When is that information going to get out to them? Are they going to learn about it on 1 July when they lodge or, for regular users, will there be some means of communicating this to them beforehand?

Mr Corbell: My expectation is that the Law Courts and Tribunals Administration will be promulgating information about the new fee structure in advance of the commencement date.

MS HUNTER: I want to get an idea of how you are going to make your budget savings. It is in the budget papers that JACS has to save about \$22.7 million over the budget and in the three forward estimates years. We know that in the budget papers it talks about travel and accommodation, printing and stationery, consultants, contractors, recruiting, training, advertising, marketing and fleet leasing. But if you look at JACS for 2012-13 and the three forward estimates years, supplies and services are increasing—sometimes not by terribly much, but supplies and services are continuing to go up. If you look at budget paper 4, page 587, where it talks about whole-of-government staffing, it does not appear as though you are dropping staff either. I just wanted to get a better idea of where you are going to make those savings.

Mr Corbell: Ms Leigh can assist you with that question.

Ms Leigh: In relation to the last comment about the staffing, there are new staff that relate to new budget initiatives and then, against that, the net savings that we will make in the staffing. So that is the explanation for why staff can increase, despite savings.

In terms of the overall question of savings and how we will go about that, as you have said, the savings that have been announced in this budget relate to matters such as travel and accommodation, printing, publications and stationery, contractors and consultants, staff training, development and recruitment and staff savings generally. We will be making the savings in those areas. Of course, the budget has only just been announced so we are in the process of going through those details. People will be working on exactly the detail of how those savings are made. As you can see, they relate to support, back office, areas. We will be able to make those savings.

MS HUNTER: So will that result in taking out jobs? As you said, there are new jobs that are pinned to new initiatives. How many jobs?

Ms Leigh: It is a constant process at any time of ensuring that resources are allocated to today's priorities. That is a responsible way to manage public resources, so it really is an ongoing application of that approach. We will be constantly ensuring that we are focusing the resources on the current priorities.

MS HUNTER: How will you be going about that process of identifying where and how much in those areas that will be covered?

Ms Leigh: The specific savings have been identified relating to those categories. They appear at the highest level in the budget papers. We will flow those through to each of the business units. Each business unit is best placed to know how it can operate efficiently with those savings taken into account.

MS HUNTER: I wanted to go to budget paper 4, page 259. At dot point 3 it talks about further criminal law reform and development of justice reinvestment strategies. I just wanted to get a better idea about what the directorate had planned in this area.

Mr Corbell: Are you asking about criminal law reform or are you asking about the other elements in that dot point?

MS HUNTER: I particularly wanted to know about justice reinvestment and what work the directorate was doing around those issues. Is it the case that there was a working group established to examine a pilot project? Is that being looked at? If you could give a run down on what you are looking at that would be good.

Mr Corbell: If I can just preface this by saying—and Ms Leigh and Ms Field can provide you with some more details on what work is occurring—that the government has recently released its property crime reduction strategy. A key element of that strategy is to focus strongly on issues around diversion, opportunities for rehabilitation and particularly younger offenders being moved away from the criminal justice system conventional processes.

We recognise that, whilst we have seen some excellent reductions—in the order of over 30 per cent in crimes like motor vehicle theft and burglary over the past 12 to 18 months—we need to maintain that effort in terms of arrest and prosecution. We also need to do further work on diversion, rehabilitation and education—basically breaking the cycle of reoffending that is driven by factors other than matters that the police deal with directly. A range of programs and policies are proposed and outlined in the property crime reduction strategy. I might ask Ms Leigh or Ms Field if they can assist you just on that detail.

Ms Field: Justice reinvestment is getting a lot of traction more broadly. We are looking at justice reinvestment across government. We are doing some work with the Chief Minister's directorate to look at what we can do from a whole-of-government perspective around justice reinvestment. It is also a particularly valuable tool in relation to Aboriginal and Torres Strait Islander people, so we are also looking at what we can progress by way of justice reinvestment that would meet the action items and progress the aims and goals of the Aboriginal and Torres Strait Islander justice agreement.

MS HUNTER: Are you also having discussions with the Community Services Directorate? Are they part of this conversation? We have a whole youth justice blueprint being put together and I am wondering about the intersection there.

Ms Field: Yes, we are involved on the working group developing the blueprint. What we are trying to do is not to treat justice reinvestment as a new and shiny thing; we are trying to treat it as core business and implement it across pretty much everything we do. It is much more sensible to put in resources up front and look at diversion and prevention instead of dealing with downstream consequences of crime.

MS HUNTER: So this is work for the next year—to really get in there, identify and work out what the strategies are going to be, and then to look at budget allocations in the next budget. Is that the plan?

Ms Field: We actually already do a lot of justice reinvestment programs. Things like our high density housing program is justice reinvestment. We ran a pilot in prisons around justice reinvestment. It is not a “this year” thing; it is something we have been working towards and looking for opportunities around. You asked if it is this year; we have already been acting in this space and we will continue. The thing about justice reinvestment is that, to get results from it, it really needs to be a long-term thing and the results are not immediate. I guess I see it being five, 10, 20 years.

Mr Corbell: An example of this work which is ongoing is the program Ms Field alluded to, the high density housing safety and security project, which is providing a range of interventions for seven higher density public housing sites along Ainslie Avenue in the city. That program is funded at \$120,000 per annum. It is delivered by ReLink Australia and it provides a range of programs to help residents in those complexes to improve their personal safety, improve their physical environment—obviously develop ownership of and pride in their physical environment—improve their access to government and non-government programs, and promote their health and wellbeing.

ReLink delivers a range of recreational programs and physical fitness programs which are low impact and good for socialisation as much as for physical fitness, to help to develop and build a sense of community in those precincts. That has been very successful. ACT Policing advise that, with respect to total incidents at all of these sites, requirements for police attendance have decreased from 310 in September 2008 to 258 in March 2012, or a 17 per cent decrease, and total offences at all sites have decreased from 120 in September 2008 to just 68 in March 2012, or a 43 per cent decrease in the number of offences being committed at those sites.

It is a really good example of a relatively low cost program which is engaging with residents in a vulnerable community, and often a very transient community in those public housing complexes, and delivering real results in terms of safety, security and reductions in crime.

MS HUNTER: You mentioned the Aboriginal justice agreement. I welcome hearing that some work is being put into rolling out that agreement in real programs. We know that we have still got an overrepresentation of Aboriginal and Torres Strait

Islander people in our adult system and in our juvenile justice system. How have you been engaging with the community? The Indigenous elected body are feeling that government is not engaging as well with them as it could. Have you, as part of this work, been engaging with the Indigenous elected body?

Ms Field: Yes. With justice reinvestment, the cross-government forum that I have been attending, Rod Little is on that, and he has been engaging with us. We have been doing work around getting data because the thing about justice reinvestment is that you need to see results in data, and for data you need a baseline. It is early days but we are looking at ways to get data that will assist with the justice reinvestment process. We do a quarterly criminal justice statistical profile, and members of my team have been engaging with the elected body to adjust that to better meet the needs of the elected body. I talked to Rod last week and he was “chuffed”, to use a technical term.

Mr Corbell: The government has provided funding in a previous budget to implement a range of measures that have been identified as a result of the justice agreement and other supporting policy frameworks. \$607,000 is being spent over four years—that commenced last year—to create a new Aboriginal and Torres Strait Islander position to support Aboriginal and Torres Strait Islander youth participating in the restorative justice program. That is about improving the participation rate of Indigenous young people in that program, and that has proven to be very successful.

MS HUNTER: Do we have someone in that position?

Mr Corbell: Yes. We are also improving support with victim support. Victim support is now actively promoting its services to the local Indigenous community and we are seeing a slow increase in the number of Indigenous people accessing victim support services. That is very important and is often an area that is overlooked. Obviously there are many Indigenous people who are victims of crimes themselves and who need appropriate support, in the same way that other victims of crime do.

Legal Aid ACT has established a part-time Indigenous liaison officer with funding provided in last year’s budget. This is about providing support and advice to Indigenous people on information on the legal services available to them through Legal Aid and other services. Because the ACT government has funded that position, the commonwealth has provided funding to increase the position to full time for a period of six months, which is a welcome development. There is also work in Corrective Services but I will leave that to my colleague Minister Bourke to talk about.

MR SMYTH: I want to traverse some of the areas that both Ms Hunter and Mrs Dunne have looked at. On the staffing, it has gone up 33 for the current year and it goes up 17 for the budget year. How many jobs will be lost in the budget year?

Mr Corbell: It is probably worth prefacing that the increase in positions is largely increases in front-line positions. Particularly in Emergency Services, in ambulance, there is a specific increase in the number of ambulance officers and associated personnel. There are also some smaller increases in other front-line areas of the department. That would account for most of those position increases. In terms of—

MR SMYTH: But 17 is the net, isn’t it? So what is the loss and what is the gain?

Mr Corbell: Are you able to answer that?

Ms Leigh: Yes. There is a gain of about 44 FTE and a decrease of about 26.

MR SMYTH: So where will the 26 come from?

Ms Leigh: As I indicated earlier, we will be looking across the portfolio and I do not expect there to be any dramatic changes. There is ongoing attrition in turnover in the department. We will be ensuring that we continue to focus the resources on the highest priorities, as we always do.

MR SMYTH: With the 44, could we have a breakdown on where they are coming from?

Mr Corbell: The other variable this year that I should identify is the conduct of the 2012 Legislative Assembly election. There was a significant increase in the staffing of the Electoral Commission for the conduct of the election itself. But that is a one-off.

MR SMYTH: Are they included in the net 17 increase?

Ms Leigh: I included that.

Mr Corbell: Yes, Elections ACT was included.

MR SMYTH: With the 44, what is the breakdown there?

Ms Leigh: There are 33 from other budget initiatives, leaving aside the election.

MR SMYTH: So 11 for the election?

MRS DUNNE: The 11 for the election: is that just for this financial year?

Mr Corbell: Yes, just for this financial year.

MR SMYTH: And the 33 break down into what areas?

Mr Corbell: Sorry, I should clarify that. I think there is an ongoing increase for a further year to allow Elections to implement the new campaign finance arrangements. So there is a slight increase there.

Ms Leigh: That is correct. I am not including the campaign finance reform in that. I have included that in the other number.

MRS DUNNE: What is the number for the campaign finance reform?

Ms Leigh: There are two FTEs for that. We have FTE across a range of initiatives. There are the inspectors for R18, the additional—

MR SMYTH: Sorry, that was unclear. Eighteen inspectors?

Ms Leigh: Sorry, the inspectors for the R18+ classification.

MRS DUNNE: It is about one. Is that right? One and a bit?

Ms Leigh: For?

MRS DUNNE: R18.

Ms Leigh: That is correct, one. There is staff to support the new ICT case management system that is being funded for the court. There was funding for that; total funding of 9.8 over four years. Included in that, or to support that, are 2.2 FTEs. Some of the FTEs carry across areas that we are dealing with on other days before this committee. There are FTEs for ambulance, for Emergency Services—

MR SMYTH: Sorry, can we have those now?

Ms Leigh: The detail?

MR SMYTH: Yes.

Ms Leigh: For sustainable front-line resourcing there are eight FTE; for the Emergency Services station upgrade 7.9; for the cardiac monitor defibrillator replacement there is one. We also have FTEs in the correctional area. Do you want me to address those?

MR SMYTH: You might as well.

Ms Leigh: We have a total of 5.2 in the correctional area. We have 2.2 for the new sentencing database for the court. I have already mentioned the 2.2 for the ICT system for the court. In addition there is another 2.9 to support the moves to the docket and the work that is being done in relation to the court backlog.

MRS DUNNE: What was the last one?

Ms Leigh: 2.9.

MRS DUNNE: 2.9 to address the waiting time—

Ms Leigh: The backlog.

MRS DUNNE: So it is only 2.9.

Mr Corbell: It is additional registry capacity.

MRS DUNNE: I had a different figure.

MR SMYTH: In the current year it has gone up 33 staff and it says there is 10.5 for the waiting times in the Supreme Court. Are all of the rest in the ACT Ambulance Service?

Ms Leigh: No. There are staff for ambulance, there are staff for Government Solicitor, there are staff for WorkSafe and for ESA.

MR SMYTH: Could we have a reconciliation of both of those?

Ms Leigh: And the Public Advocate.

MR SMYTH: You might take on notice giving us a reconciliation of both years—the ins and outs and what the net effect is.

Mr Corbell: I will take the question on notice.

THE CHAIR: Can we take that question on notice.

Mr Corbell: I will take that question on notice.

MR SMYTH: The ins and outs and what the net effect is.

MRS DUNNE: I am now utterly confused because it says in the notes, which is where I got the figure from, that there are 10.5 FTE for addressing waiting times in the Supreme Court. That was in this financial year, this current financial year.

Ms Leigh: In 2011-12, that is right.

MRS DUNNE: 2011-12, and there is another two on top of that? So that would make it 12½ FTE overall?

Ms Leigh: The 10.5 FTE for 2011-12 relate not only to the courts themselves but also to the DPP for running all the additional cases and to Corrective Services to provide the support for those additional cases.

MRS DUNNE: So when we are doing a breakdown, could we have a breakdown of where those staff are as well? Are they ongoing staff?

THE CHAIR: So that is taken on notice?

MRS DUNNE: Sorry, when you nodded then, Ms Leigh, was that in answer to—

Ms Leigh: Sorry, yes, I can get that breakdown for you.

MRS DUNNE: That was a yes to your being able to do a breakdown, and which are ongoing and which are non-ongoing.

Mr Corbell: Yes, we can provide that. Some staff are non-ongoing because they are supplementation only for purposes of facilitating the blitz and are therefore non-ongoing, but others are. So we will provide a reconciliation. We are happy to provide that.

MRS DUNNE: Okay. And the two in this coming financial year, are they ongoing or

non-ongoing?

Mr Corbell: I think they are funded [for a two-year period](#) to allow the management of the docket system to be bedded in and working smoothly.

MR COE: I have a question on the broad issue of waiting times. The total cost of all the measures to address the issues is probably more than the cost of a fifth judge. Would that be right?

Ms Leigh: No, that would not be right.

Mr Corbell: No, that is not correct.

MRS DUNNE: So you have got 10 FTE. That is \$1 million.

Ms Leigh: A judge of the Supreme Court is somewhere between \$800,000 and \$1 million per year. You have to take into account all of the related costs that come with appointing a judge. Pension is significant. In any given year, the cost of the future pension for a judge is more than 50 per cent of the remuneration of the judge per year. Each year you have to add that on to the cost of the judge and there are a number of other significant on-costs with appointing judicial officers.

In addition, of course, when you appoint a judicial officer you are appointing them until age 70. That is part of the key plank of the independence of our judicial system. To appoint a permanent judicial officer without first identifying whether in fact the issues in the court are of a permanent nature but can be addressed through changing the way the court operates would not be a responsible use of public money.

All of the work that the government has been doing in partnership with the court and the legal profession has been aimed at identifying what is the underlying cause of the backlog in time frames in the court and reorganising how the court operates to address those causes. As has always been demonstrated in the blitz, there is no inherent workload pressure. It is about the way the cases are managed. As we saw in the blitz, more than 50 per cent of cases that fill our lists never run. That is not a very efficient use of the court's time. If we pulled those out we would halve our court waiting lists.

MR COE: Does the government have any thinking about when a fifth judge might be required? Are we talking 10 to 20 years?

Mr Corbell: The government keeps these matters under review. As Ms Leigh has indicated, the government's position is that it is incumbent on the court, as much as it is on any other part of the territory's public administration, to ensure that it is able to utilise its resources as efficiently as possible. There is well established practice in other jurisdictions that we are now drawing upon in terms of case management, docket system and so on to improve that efficiency. The government keeps the issue of a fifth judge under review but there is no specific time frame or projected time frame around if and when a fifth resident judge is required.

MR COE: Would you please take on notice a request for the costs of the appointment of a judge, the yearly costs of a judge, the yearly costs of a pension for a judge and

also the time for an average appointment a judge would serve or would be drawing that cost.

Mr Corbell: We could do that.

THE CHAIR: That is taken on notice.

MRS DUNNE: That is my question.

THE CHAIR: Okay.

MRS DUNNE: We are as one.

MR COE: Yes, and I guess in those costs the on-costs to be incorporated as a separate line item.

MRS DUNNE: The costs of an associate.

Mr Corbell: Yes, we are happy to provide that.

THE CHAIR: Okay, that is taken on notice. Mr Rattenbury?

MR RATTENBURY: Thank you. I want to ask about the relocation of the Women's Legal Centre that has been identified in the budget. Of course, that will split them away from the tenancy and welfare rights legal centre at Havelock House. I want to ask about the policy thinking behind that funding decision and what you understand the consequences of that will be.

Mr Corbell: Thank you, Mr Rattenbury. The government has provided \$900,000 over three years—I beg your pardon; that is the wrong one. It is not that much. It has provided \$666,000 over three years to allow the Women's Legal Centre to move to more appropriate accommodation. This option was the most cost-efficient option identified in the report that I provided to the Assembly on 27 March this year.

You will recall, Mr Rattenbury, that the Assembly resolved that the government provide a report on options and the feasibility of a community legal centre hub. I tabled that report in March. The report identified that there were a range of options. Those included: all the CLCs remaining at Havelock House and facilitating more space on the second floor of the building, moving all the CLCs to a government-owned building, moving one CLC out of Havelock and into other government-owned premises, looking at locations outside the city centre and potentially also moving the CLCs into the proposed new Supreme Court building or ACT government building.

Of those options, the most cost-efficient option was to provide specific assistance to the largest of the CLCs, which is the Women's Legal Centre in terms of staff, allow them to relocate to more suitable accommodation and in doing so freeing up a significant amount of space within Havelock House for the other CLCs. The government, as you know, has always been of the view that in this particular area of the law it is desirable to see as much of the government's funding as possible going towards the provision of legal support and legal aid services to the individuals these

groups assist.

The prospect of spending quite a large amount of money on rent or a building for all of the CLCs is one that the government does not believe is either appropriate or can be afforded in any event at this point in time. Therefore the best option is to provide the Women's Legal Centre with fit-for-purpose accommodation which will allow them to expand and provide the services that they are very keen to provide, particularly in relation to pro bono staff and so on. At the same time, that frees up significant space for the other CLCs in Havelock.

MRS DUNNE: So where is the fit-for-purpose site?

Mr Corbell: That will be determined over the next 12 months. That is why the government has indicated that the funding is being made available in the 2013-14 financial year. It will take some time to identify a site. From my reading of it, it is most likely to be in a private tenancy somewhere. There is not a lot of vacant government-owned property in the city centre. We will review that further, but our initial scan indicates that there is not really a lot around in the city centre and it is the preference of the CLCs to be in a central location. They prefer to be somewhere in the vicinity of Civic. So that may necessitate exploring private tenancy arrangements in a private building.

MR RATTENBURY: That feasibility study around the hub, was that authored within JACS internally?

Mr Corbell: Yes, it was.

MR RATTENBURY: You have talked about this being the most cost-efficient option. What other factors are taken into account? There are also efficiencies around having the organisations located together. How have you weighed up those different considerations?

Mr Corbell: Look, it is a luxury but not a necessity, Mr Rattenbury. That is the way I would put it.

MRS DUNNE: Sorry, that is still not an answer to Mr Rattenbury's question. When you made an assessment about what was the most cost-efficient approach, did you weigh up the cost efficiencies of co-locating the community legal centres and the current efficiencies that are provided by having the Women's Legal Centre and the other CLCs co-located? Did you weigh that up against the costs associated with co-locating?

Mr Corbell: Certainly, we took those issues into account. It is difficult to put a tangible financial value around that issue that you raise, Mrs Dunne.

MRS DUNNE: I think there are mechanisms for doing so.

Mr Corbell: I would be interested in your recommendations on that. But I think from the government's perspective it is a "nice to have" but it is not a "need to have". What we are dealing with here is a very tight budget in terms of provision of additional

services for legal aid type functions.

Again, I just reiterate my view—my strong view—that it is not desirable to spend large amounts of money on rent and buildings at the expense of providing money for legal aid services more generally that actually help people with their legal problems. So a cost-efficient outcome is to relocate WLC from Havelock to another location and therefore give more space for everybody.

MR RATTENBURY: I recall the feasibility study anticipates that if such a splitting up were to take place, it would only be a short-term solution which will allow a hub to be fully explored. On that basis what is the long-term plan for CLC accommodation?

Mr Corbell: Again, as I have indicated previously, the government does not view it to be its primary responsibility to provide accommodation for CLCs.

MR RATTENBURY: So—

Mr Corbell: That is not the way CLCs are supported in other jurisdictions. Again, we will be continuing to encourage CLCs, particularly in relation to the grants they receive from the commonwealth, to factor in accommodation needs as part of their requests for additional funding. Regrettably, it has not always been the case that those issues have been fully taken account of. Whether that is by the commonwealth or by the CLCs, I am not sure.

It certainly is the case that when expansion of services has been sought through grants, particularly grants from the commonwealth community legal budget, consideration of what that means in terms of accommodation and infrastructure does not seem to have been taken account of. We think that fundamentally is how the issue needs to be addressed in the future.

MR RATTENBURY: I do recall you saying that and you have said it in previous years. I am interested that the government has taken a decision to spend \$666,000-odd over the next three years. The feasibility study identified that a hub could be costed at around \$2 million, which would provide a long-term solution. It seems that we are spending quite a substantial amount of money for a short-term solution. For a bit more money, we could have achieved a long-term solution. What is the thinking there?

Mr Corbell: I think, Mr Rattenbury, \$2 million is an ongoing cost.

MR RATTENBURY: An annual ongoing cost?

Mr Corbell: Yes, for rent, and then much more expensive for the government to capital fund a purpose-built building.

MRS DUNNE: In the options for the feasibility study, what methodology was used for calculating the costs of the various options, and can the workings out be provided to the committee?

Mr Corbell: I think they are outlined in the report, so I am not quite sure what more we can add. It was outlined in the report what the basis of the calculations were.

MRS DUNNE: There is nothing more that can be added?

Mr Corbell: I am not quite clear what you are seeking, Mrs Dunne. The government outlined in the report what the basis of the calculations was in terms of recurrent and capital cost.

MRS DUNNE: What I am asking for is the methodology that underpinned that and the workings out. I am asking: is there more information than what is contained in this 25-page document?

Mr Corbell: I am happy to take the question on notice and see whether there is anything further we can add.

THE CHAIR: So that is taken on notice.

MRS DUNNE: What impact does the government envisage there will be on the operation of the women's legal service in relation to the interaction with other legal centres? The *raison d'être* for a community legal centre is that they should all be co-located, and we are now fragmenting them even more. What impact do you envisage that will have on the operation of community legal centres?

Mr Corbell: The feedback I have had from the Women's Legal Centre is that they do not consider this to be a major issue. Certainly they have welcomed the funding, and they are very excited by the prospect of having better accommodation for their activities. So, clearly, they do not consider it to be a fundamental issue. The CLCs, I am sure, will continue to facilitate a range of arrangements to ensure their contact and cross-referral as needed with other CLCs and the clients they serve.

MR SMYTH: Just in the broad for the department, on page 280 there are a number of rollovers. You might take on notice and provide a reason for each of the rollovers, please.

MRS DUNNE: I wanted to ask about the sentencing database. I am not quite sure where the best place is. Who is ultimately responsible for it? Is it the Attorney-General or is it the Minister for Corrections?

Mr Corbell: No, it is the Attorney-General.

MRS DUNNE: Okay.

THE CHAIR: Mr Smyth, can you repeat what you are wanting taken on notice?

MR SMYTH: In the budget for the department, there are a number of rollovers. Could we have a reason for the delay on each of those rollovers?

Mr Corbell: Yes, we can provide that.

THE CHAIR: So that is to be provided on notice?

Mr Corbell: It will be taken on notice.

MRS DUNNE: I am wondering about the cost of the sentencing database and the staff associated with it. Who has responsibility for it? Who has responsibility for entering data and maintaining the sentencing database? It seems a little unclear. There are issues for courts, there are issues for the directorate as a whole, there are issues for corrections. I want to find out how you envisage it will be operating and who does what to whom.

Mr Corbell: The sentencing database project is the implementation of a government election commitment around improving consistency in sentencing and having a better knowledge base to support sentencing decisions. The implementation of this initiative will be driven by support from the New South Wales Judicial Commission. The New South Wales Judicial Commission over the last two decades have developed a leading-edge best-practice sentencing information system that is now available to judicial officers across all jurisdictions in the New South Wales system. They have kindly agreed to develop a similar framework for the territory, drawing on their expertise and knowledge.

The management of the system, in terms of data entry, will involve data entry by court staff, I am advised. So court staff will enter requisite data into the system and the system will be able to be interrogated by a range of justice stakeholders—obviously, first and foremost, by judicial officers themselves, in drawing down relevant sentencing decisions, case notes and other relevant material to assist them in their work. But it will also be able to be interrogated by staff of the Justice and Community Safety Directorate for the purposes of policy development and analysing trends.

MRS DUNNE: There are a couple of things about the expenses. The depreciation rate is fairly high. I presume it is because it is an IT system. So it is going to be written off over about five years; is that right?

Mr Corbell: Yes.

MRS DUNNE: And there is half a million dollars in ongoing expenses. What are they?

Mr Corbell: There is—

MRS DUNNE: Could we get a breakdown of what those are?

Mr Corbell: Yes. Recurrent funding for 2.2 FTE to configure and support the database and oversee statistical operations in the law courts and tribunals. So that is one senior officer grade B, one ASO6 and 0.2 of an FTE of a JACS ICT specialist. There are also payments to New South Wales for modifications to the database, hosting costs, training of staff and other support costs.

MRS DUNNE: Could we get a breakdown of what they are—what is going to New South Wales and what is going to staff?

Mr Corbell: Yes, we can provide that.

THE CHAIR: That will be provided to the committee.

MR SMYTH: In the operating statement on page 284 of budget paper 4, employee expenses from the budget to the outcome for this year have gone up about \$10 million, which I assume is reflective of the 33 extra staff and the EBAs et cetera. It goes up about \$1.2 million from the end of this year to the end of next year, but then it drops in 2013-14 by almost \$6 million, \$5½ million. Is that an indication that you will shed staff in 2013-14?

Ms Crowhurst: There are a number of initiatives in 2012-13 that cease in 2013-14, including the election. There is additional election funding. We have an ESA initiative which, in total, is \$3.7 million. A proportion of that relates to employee expenses. That also ceases in 2013-14. It is one-off funding. A workers comp premium increase was provided in last year's budget; we received two years worth of funding. That ceases in 2013-14, in the current forward estimates. There is also another step up in the savings. They are the main contributors.

MR SMYTH: So you lose the 11 Elections ACT staff because the election is over.

Ms Crowhurst: Yes.

MR SMYTH: How many ESA staff do you lose?

Ms Crowhurst: It is not staff. There are further savings—another step up in savings in 2013-14. But the ESA initiative that I am talking about was a one-off initiative in this financial year.

MR SMYTH: But it does say \$3.7 million in the ESA line to maintain operational capability. The largest cost in your operational capability is staff.

Ms Crowhurst: Yes.

MR SMYTH: How many staff will be lost in ESA when that funding does not continue? Or is it subject to a bid for 2013-14?

Ms Crowhurst: The funding for that initiative was to provide an increase of about \$2.2 million in the wages area and also a top-up of the workers compensation premium. That has been a one-off initiative at this stage and it will be subject to further review in future budget processes.

MR SMYTH: \$2.2 million is about 22 staff. Are you suggesting ESA will shed 22 staff?

Mr Corbell: No, we are not.

Ms Crowhurst: No.

MR SMYTH: With respect to the deficit between \$166 million and \$160 million, you will bid for and fund that in the outyears to retain those staff?

Mr Corbell: As Ms Crowhurst is indicating, the budget position of ESA is subject to further review in the coming financial year.

MR SMYTH: That is about \$3.3 million, and the other \$2.3 million is workers comp premiums. Are you expecting the workers comp premium to go down?

Ms Crowhurst: The 2010-11 budget initiative provided two years worth of funding for the directorate's workers comp premium. That is then subject to further review of how the premium is trending and of future budget consideration. So that is—

Mr Corbell: The government is applying a range of tasks across government to manage workers compensation premiums across government. The workers compensation premiums in the justice portfolio are particularly challenging because of the nature of the work that a large number of our staff undertake. Front-line emergency response work, corrections and so on do see more difficult workers compensation matters needing to be managed. So the government is keeping a close eye on the need to manage the premium costs and send appropriate signals about the need to continue to manage those in a rigorous and fair manner to manage costs.

MR SMYTH: So you may have to come back for supplementation?

Mr Corbell: As we have indicated in previous budgets, it is a matter of ongoing review. We are captured by the commonwealth compensation arrangements, which are more costly to the territory than arrangements that other jurisdictions face. We are basically a price taker from the commonwealth in relation to workers compensation. We do not have a lot of control over the premiums.

Ms Crowhurst: Mr Smyth, when we were talking about the ESA initiatives, I have just mentioned the ones that were reducing. But the ACTAS initiative also increases in the outyears, so that partially offsets that. It is about \$1.2 million as you get the full-year impact of the additional ambulance resourcing that is introduced this financial year.

THE CHAIR: We will now move on to the Human Rights Commission. Have we got the Human Rights Commission here? Would someone like to help the commissioners? That would be good.

MR HARGREAVES: You have got a good pair of legs between you! You have been putting your foot in your mouth again, Alasdair!

Mr Corbell: Maybe you should have asked them how the client satisfaction is.

MR HARGREAVES: They have got one pair of legs between them!

MR SMYTH: It is a shame that *Hansard* does not pick up the laughter because two of the witnesses—one has appeared on crutches and the other has appeared with a walking stick. It must be very rough working for Simon Corbell!

THE CHAIR: Thank you, Mr Smyth. I will go straight to Mr Rattenbury for a

question.

MR RATTENBURY: I want to ask about victims of crime. Perhaps the commissioners have been in that situation! There was a report issued by the Ombudsman which highlighted delays faced by victims of crime in accessing financial compensation under the scheme. One recommendation was that the directorate, the Victims of Crime Commissioner, the ACT Government Solicitor and the Magistrates Court all get together and carry out a review of arrangements. Attorney, can you give us an update on what the government's response has been to that recommendation?

Mr Corbell: The government has not yet finalised a formal response, but I have already written to the Ombudsman and thanked her for her report and for the issue that she has raised. I have indicated to the Ombudsman that I have directed my officials to work with the victims of crime coordinator, the Government Solicitor and the Magistrates Court to provide options to me on alternative models for the administration of the scheme to address the concerns that have been raised in her report; in particular, advice on the criteria for eligibility to the scheme and the scope for an administrative rather than a court-based process for determining applications. I think the Ombudsman's report has raised a number of matters which need to be addressed and that work is now actively being undertaken.

MR RATTENBURY: The Ombudsman also raised the issue of the \$650 cap on legal fees imposed by the law and the fact that this stops many lawyers working in this area and assisting victims. Is that something that you have formulated a response on yet?

Mr Corbell: Those issues will be considered in the development of options for the government.

MR RATTENBURY: I am also interested to hear about payments made to victims and where that is reflected in the budget papers. Is there any way of determining the amount paid out to victims compared to the amount brought in by the crime levy and restitution orders?

Mr Corbell: I am sorry, the amount brought in by what?

MR RATTENBURY: Restitution orders.

Mr Corbell: I am not sure whether it is in the budget papers. I would have to take the question on notice.

THE CHAIR: That has been taken on notice. Mrs Dunne.

MRS DUNNE: When you take that on notice can you also advise how much is brought in by restitution orders and proceeds of crime?

Mr Corbell: Yes, I can take that on notice.

MR RATTENBURY: The Ombudsman was previously part of this output group in the budget papers, but I understand that has now been transferred to the Chief

Minister's Directorate. While the payment for outputs appears to have gone down, I understand that is because that bucket of money has been transferred. Can you confirm that my understanding on that is correct, I suppose, in the first instance?

Mr Corbell: Yes, that is correct. The principal reason for the change in the payment is the transfer of the Ombudsman function from Justice and Community Safety to Chief Minister and Cabinet. That has resulted in a reduction of \$327,000.

MR RATTENBURY: What was the allocation for the Ombudsman in the 2011-12 financial year? If it is \$327,000 this year, what was the equivalent amount in the previous year?

Mr Corbell: I would refer you to the previous year's budget papers, Mr Rattenbury.

MR RATTENBURY: Except that it was not delineated in the previous year, of course, because it was part of the one output.

Mr Corbell: Indeed. I would have to seek some advice.

MR RATTENBURY: You can take that on notice.

THE CHAIR: That is taken on notice.

MR RATTENBURY: Thank you. I note that the Human Rights Commission—I have lost the page number in the budget papers, but the accountability indicators are in there—are struggling to meet their time limit indicators, with only 54 per cent of complaints concluded within target. What is the government's intention when it comes to addressing this?

Mr Corbell: These are matters for the commission to determine how they prioritise and manage their work. The government has provided additional funding to the commission in recent years, including for the conduct of their inquiry into the youth justice system of \$195,000. The government has also provided funding to the commission through COAG arrangements for the introduction of national practitioner registration in relation to the health complaints commissioner of \$135,000 each year for two years to 2011-12.

MR RATTENBURY: Perhaps I can ask one of the commissioners: can you give us some indication as to why the time limits issue is only 54 per cent? Can you explain why that is significantly lower than the target you had anticipated?

Mr Roy: The simple answer to that is that the complaint numbers we are receiving continue to increase.

MR RATTENBURY: Do you have any sense of why those complaint numbers are increasing?

Mr Roy: The commission had a reasonably concerted community education campaign to draw the community's awareness to our functions. We have been in operation now as an entity for about six years. I think the marketing and promotion of

us as the commission is paying off. More people are aware that we exist and are contacting us.

Mr Corbell: In relation to the accountability targets, it is worth highlighting that the commission has improved its performance compared to the previous year. In 2011-12, the target set for percentage of complaints concluded within commission standards and targets was achieved at a 54 per cent level rather than the target of 75 per cent. In 2010-11 the commission only met this same target 49 per cent of the time. So we have seen an improvement in the commission's percentage of matters that are being met within that target time. It is also worth noting that the commission has exceeded the accountability indicator for the number of clients who considered its processes fair, accessible and understandable at 79 per cent rather than the 75 per cent target that has been set.

MR RATTENBURY: With that increase in the number of complaints, is it volume or is it also complexity?

Mr Roy: It is certainly volume. Since 2007-08 the total number of complaints received by the commission has been about 356. Last year in the annual report we reported 728, which is obviously a 104 per cent increase. So certainly the volume is increasing. The complexity of complaints is probably increasing as well, but I cannot provide details of X per cent of complaints being more complex.

MRS DUNNE: I want to look at a couple of issues. I am not sure who has responsibility for the strategic objective. Is it within the commission or is it within the government? It is about the percentage and number of new government laws that are compatible with the Human Rights Act at the time of introduction and the objective. The target is 100 per cent. Who is responsible for that objective?

Mr Corbell: The directorate is.

MRS DUNNE: The directorate is. This is not recent history, but we made amendments to the Bail Act which were subsequently found to be wanting by Justice Penfold. I just want to find out how you actually measure this measure and how effective it is. Is it the directorate that says it gets the tick? How do we take into account that we now have a finding of incompatibility in a piece of legislation that was passed recently?

Mr Corbell: I think the measure relates to compatibility with the act at the time of the introduction of the legislation. That is clearly driven by the constraints and the obligations the dialogue model imposes on the government and its agencies in the development of legislation and the requirement to achieve a statement of compatibility from me prior to the bill being introduced to the Assembly.

MRS DUNNE: In the case of the changes to the Bail Act, was there any internal discussion at the time—and this is probably something that you will have to take on notice—about whether or not there were problems of compatibility? Were they addressed?

Mr Corbell: I will check the record, but my understanding is that the relevant

provision of the Bail Act that Justice Penfold found to be incompatible with the Human Rights Act was a provision that was inserted into the Bail Act prior to the passage of the human rights legislation.

MRS DUNNE: My understanding was that it was subsequent to 2004, but I will stand corrected on that.

Mr Corbell: It was introduced, I think, in 2002, this change to the Bail Act. I could stand corrected on that, but it was quite early in the term of the first Labor government, if I recall.

MRS DUNNE: Thank you.

MS HUNTER: Could I ask one around the accountability indicators. Budget paper 4, page 272, says that the Human Rights Commission is respected as an agent of rights protection and service. The target in 2011-12 was 12 projects and your estimated outcome is going to be eight. What projects could not proceed?

Mr Roy: The projects that did not proceed? I would have to take that on notice. I have only got the projects for this year.

Dr Watchirs: I have got them.

Mr Roy: Okay. Progress the introduction of the child impact assessments, assist to develop internal complaints handling mechanisms, a submission to LRAC on the review of the ACT Discrimination Act and human rights statutes.

MS HUNTER: There was one there about assisting agencies with complaints mechanisms?

Mr Roy: That is correct.

MS HUNTER: Could you give a little bit more detail about what that project was intending to do?

Mr Roy: The commission divides its projects up according to, in a sense, jurisdiction. So the Children and Young People Commissioner gets some, the human rights commissioner gets some, the Health Services Commissioner gets some and some fall across the commission. That particular project to assist agencies to develop internal complaints handling mechanisms falls within Mary Durkin's portfolio as Health Services Commissioner. Unfortunately, Mary is not here today, so we will perhaps take that one on notice.

MS HUNTER: Okay. There has been debate in the Assembly about directorates improving their complaints handling.

Mr Roy: Yes.

MS HUNTER: It is an important area that does need work. That is one of the projects that could not go ahead?

Mr Roy: Yes.

THE CHAIR: That detail has been taken on notice.

MS HUNTER: I note that you have said that these projects could not go ahead because you had limited capacity in this year. Is that also due, as you said before, to that rise in complaints; you are spending more time looking at complaints rather than the project side?

Mr Roy: That is correct. As complaints go up, obviously the other functions that we can undertake have to go down, and projects is one of those.

Meeting adjourned from 10.31 to 10.54 am.

THE CHAIR: We will go back to 1.5, protection of rights. Do you have a question, Ms Hunter? Then we will go to Mrs Dunne.

MS HUNTER: I wanted to ask about a letter that Dr Watchirs sent to Katy Gallagher. Mr Corbell, you and I were cc'd into the letter and it was about the exercise of shareholding voting rights on behalf of the territory. I was wondering, attorney, what follow-up had happened from that letter from Dr Watchirs.

Mr Corbell: That is a matter for Ms Gallagher as the responsible minister, I believe.

MS HUNTER: So that was not handed on to you? Mr Barr the other day said it would be best to follow up with you; but it is still sitting with the Chief Minister?

Mr Corbell: As far as I am aware, yes.

THE CHAIR: Anything further on that? Mrs Dunne?

MRS DUNNE: Could I go to the human rights amendments that are before the Assembly at the moment. I want to explore how they might be implemented and what the commission thought its role would be in implementing a right to education?

Dr Watchirs: Certainly we support the inclusion of the right to education in the Human Rights Act. We have not obtained additional funding to do work in that area. Our situation has worsened in relation to our ability to do non-complaints work so I am unsure how much work we can do. We have had two race roundtables where bullying of children on the basis of race has been raised, and recently, in May, a report was released on the treatment of Jewish children in different schools around Canberra. The schools are not identified. They were from different age groups.

MRS DUNNE: I would like to come back to that, please.

Dr Watchirs: Sure. We have raised the issue with the Education and Training Directorate. Alasdair Roy has been working with the directorate, not just on racism; there is also a project on bullying on the ground of disability. Homophobia is something that has come from a one-year project that Alasdair and Mary Durkin have

been working on.

MRS DUNNE: Getting back to the question—

Mr Corbell: Sorry, if I may just add, Mrs Dunne, it is of course a function of the commission to provide training, if it sees fit, and education around these rights, and insofar as training or education need to be provided to government staff or directorates there is the capacity for the commission to charge for those services.

MRS DUNNE: What I want to get to is what are the practical implications for people in the ACT if we legislate within the Human Rights Act a right to education. What does it mean for people? What will it mean?

Dr Watchirs: I think it has a direct impact on public schooling because they are public authorities and subject to the Human Rights Act, although the right to education has a different mechanism. It is like the original Human Rights Act, whereas other human rights have been amended so you have a direct right of action to the court and there is a direct obligation on public authorities. It will have an impact, certainly in any discrimination cases involving education. I would have thought it would increase the obligations about the kind of education provided, particularly for children with disabilities, if there are problems in relation to bullying of children with disabilities or homophobia or racism or religion.

MRS DUNNE: Do we currently not have a right to education?

Dr Watchirs: Not a legislative right, but certainly we have a legislative basis for providing education to all children under the age of 17. That is what the UN obligation is for free primary education so we certainly comply with that.

MRS DUNNE: But we also have a legislative responsibility for people to attend school until they are 17?

Dr Watchirs: Correct.

MRS DUNNE: There is the discussion, fortuitously as it would seem, in today's *Canberra Times* of a young person who has been excluded from school for a number of months because of an incidence of violence at the school. How is that exclusion affecting that young person's right or perhaps even responsibility to obtain education?

Dr Watchirs: As the *Canberra Times* reported, that is a Bimberi recommendation about that being a direct indicator. Failing to be integrated into the school system will mean that that child may have a future criminal career long term, which is extremely concerning.

MRS DUNNE: And, minister, how will the passing of this legislation materially affect incidents like this where there is someone who has been excluded for extensive periods from school?

Mr Corbell: I am not privy to the particular circumstances of the case in question.

MRS DUNNE: I would like you to speak in generalities; I think it would be inappropriate to do otherwise.

Mr Corbell: In relation to the more general question, the implementation of the right in the first instance is a right that engages government agencies in ensuring that their practices and procedures are consistent with the right as proposed. As Dr Watchirs indicates, at this point in time there is no proposal for a right to action, unlike the civil and political rights that are incorporated into the act. This reflects the government's decision to take an incremental approach to the implementation of economic, cultural and social rights, in the same way as we initially did not propose a right of action for civil and political rights when the act was first implemented.

So, in relation to the right to education in these types of circumstances, the right would impose obligations on the relevant government agencies to ensure that the manner in which they are handling these types of circumstances pays appropriate respect to and adheres to the right as outlined in the act and they would have to demonstrate that their actions in relation to protecting the rights of others, which would be an important consideration—the rights of other children, teachers and so on to a safe environment—were appropriately balanced and that any response was proportionate to the risk presented.

MRS DUNNE: Could I, Madam Chair, go on to the other issue that was raised by Dr Watchirs earlier in the piece—the issues about the roundtables on racial and, I gather, religious harassment? Could you tell us more about the genesis of those roundtables and the outcomes?

Dr Watchirs: The ACT commission hosted a federal roundtable—they are held annually—and following that we decided to do a local one in order to engage with the community about what the extent of racism was and how we could assist in addressing that and just sharing ideas. We had one last year and one in May this year.

The substantive work between that time was the report on the Jewish children which is funded by the government through the community. We had done a lot of work under the reconciliation and action plan that was launched on 1 July last year. We have conducted training, under the UN declaration, on the rights of Indigenous people. We have celebrated by having a film showing our generations, and on the anniversary of the UN declaration for reconciliation week we showed a film on Mabo, the 20th anniversary of that decision. In NAIDOC week we regularly attend events and we had a close the gap event. We have also been involved with an IATSIS project on justice reinvestment and that is continuing through JACS and CMD and now the Australian National University.

MRS DUNNE: Could I get back to the roundtable?

Dr Watchirs: Sure.

MRS DUNNE: It was reported that you indicated that racial and religious harassment was emerging as a serious problem in some of Canberra's upmarket private schools.

Dr Watchirs: The media reporting is not exactly accurate on that issue. The study

was of 14 children. They were in age groups of 9 to 11 and 12 to 14-year-olds and they attend a mix of schools. There was one allegation of a child being held during chapel time in a room normally used for detention, and I am aware which school that is. I did meet with the director of the Association of Independent Schools. The content of the report is my reaction to that. I do not have the resources to do an own motion discrimination complaint but we are drafting a letter to those schools and the Catholic Education Office about what the policies are in faith schools for children with different faiths, about whether they are required to attend whatever the main religion is of that school.

MRS DUNNE: So what did you say if you did not say that racial and religious harassment was emerging as a serious problem in some of Canberra's upmarket private schools? If you did not say that, what did you say?

Dr Watchirs: I said that the report had shown problems. There were examples of children having Nazi swastikas written on their desk, graffiti in posters, being told the Nazis would come to get them to finish off the job they had not completed—quite shocking examples. But they are all unidentified. It is not said which school. The only one I know about is the child being put in detention; I know the name of that school.

MRS DUNNE: And so at this roundtable who were the attendees?

Dr Watchirs: Very widespread. It was about 30 people from the community—Jewish community, Sikh community, Islamic community, women's ethnic groups—so very widespread.

MRS DUNNE: School communities? Were school bodies represented at that—

Dr Watchirs: No, it was the actual primary—

MRS DUNNE: It was a seeking of information rather than—

Dr Watchirs: Yes.

MRS DUNNE: Right. Thank you.

THE CHAIR: We are running out of time. Are there any final questions for the commissioner? This is also the place to ask questions of the Public Advocate, so would we like to perhaps move—

MRS DUNNE: Yes. I would like to ask some questions about the Public Advocate.

THE CHAIR: Okay. Thank you, Dr Watchirs and Mr Roy.

We welcome Anita Phillips, the Public Advocate. I should have said this when the commissioners came up. I know you are probably very familiar with the privilege statement, Ms Phillips, but I just draw your attention to the privilege statement on the blue card in front of you. Mrs Dunne, do you want to go to questions?

MRS DUNNE: Ms Phillips, could I take you back to your two reports in relation to

the care and protection system—not to dwell on the reports as such but to ask what you see as the way forward and what role you see for the Public Advocate in participating in the way forward? Overseeing it? What do you see as the next step?

Ms Phillips: As you realise, the Public Advocate was engaged to conduct a review of the emergency responses that were occurring in the Office for Children, Youth and Family Support. As a result of that review we produced a report which made recommendations largely in relation to systemic changes that we believed were obvious in the practice reports that we reviewed from case workers and others in the directorate.

I guess our main recommendation is that there be significant cultural change within the directorate, and I would see that the Public Advocate in an advocacy role has a role to supervise and ensure that that change is effected and that the changes are implemented.

MR HARGREAVES: A supplementary, if I may?

THE CHAIR: Yes, Mr Hargreaves.

MR HARGREAVES: Ms Phillips, after your 2011 report the government made a response agreeing with all of your recommendations. If I remember correctly, you were quite pleased with that; it was a bit unprecedented that a government would actually do the whole lot. What is your position in regard to the government's response to the 2012 report?

Ms Phillips: Again I am very pleased with the response from the directorate and from the government and in particular the allocation of funding so that these changes can be implemented. However, the recommendations that we came up with in the interim report were really quite practical responses to issues that we saw occurring, like the provision of a reception house and other similar recommendations.

However, even in that interim report we were aware that there were systemic issues, that there were issues that were endemic to the way that the directorate was operating. They were the subject of our investigations in the second report and we found that it was general across the directorate that there were lacks in organisational structure, in organisational performance, in support for the front-line workers, in lack of training. Those kinds of recommendations we came up with in the second report.

I am very pleased that the government has made a positive response to those. I guess my only qualification would be that it is very important, I believe, that an external agent has the role of monitoring that those changes are in fact implemented.

MR HARGREAVES: On the question of the systemic nature, am I correct in understanding that, in terms of systemic, we are talking about structural procedures, processes and ways of doing things—not the culture underlying the individuals actually providing the services and providing support to them? Am I correct in assuming that we have a very strong will to change coming out of the directorate and that what you see as getting in the way is actually the way in which they go about their business?

Ms Phillips: I agree with what you are saying. There is a very strong will. People would not go to work in a directorate that is so stressful and so fraught and so confronting of vulnerable clients without a real will to do that kind of work and to stay there and do it. What has happened over time is that there has emerged a reactive culture because of the stresses, because of the maybe reduced resources at some times, because of the lack of support and supervision—so that people are operating in a knee-jerk response and doing things when it comes to a crisis. So it is crisis-driven. That tends to develop, if you like, a chaotic culture and environment rather than a measured approach, a strategic approach, one that looks at the overall issues that are inherent in this area of practice.

MR HARGREAVES: My last one on this one is this: are you confident that the additional resources which have been put in place now, plus the executive management's will to have these processes addressed in the context of those resources, will end up with the right outcome?

Ms Phillips: I would like to be involved in monitoring that that does happen before I could make any optimistic assessments of whether it is happening.

THE CHAIR: Mrs Dunne.

MRS DUNNE: Could I just follow up from that if I could, Madam Chair—to ask Ms Phillips about how, practically, you would envisage such involvement.

Ms Phillips: In one of our recommendations we recommended that the Public Advocate be involved in three-monthly reviews of the directorate in relation to specific objectives and specific guidelines. That recommendation has not been agreed to in full by the directorate. I believe, and this is something that I have said strongly for some time, that the government needs to have a children's guardian appointed, a position in all other jurisdictions, that monitors not only the children in care but also the provision of services to those children in care—and that it be the monitoring and accrediting of places of care.

THE CHAIR: We will have to move on shortly.

MRS DUNNE: Sorry. I just wanted to—

THE CHAIR: Ms Hunter, did you have a question?

MS HUNTER: It is in the same vein so we will keep going. You did recommend that role of children's guardian. What has been the response? I have heard from government that they will, I think, keep doing those. There will be reviews at three, six and 12 months, I think, and they will be making them publicly available. What has been the response to your recommendation around the children's guardian, that external monitoring role?

Ms Phillips: I think that at this stage the directorate are awaiting the report from the Auditor-General's review and they are anticipating that the Auditor-General's review which is being undertaken at the moment might come up with some recommendations

in relation to that. It was our recommendation that three, six, nine and 12 month reports be done. The directorate has agreed to those reports but they are going to be done internally. I believe that it really does need external monitoring.

THE CHAIR: Perhaps just a final question by Mrs Dunne.

MRS DUNNE: Just if I could. Ms Phillips, in your inquiry you looked at 100-odd cases in the emergency response. Did that highlight for you concerns about the more routine work? These were all emergency responses. You speak about the culture of chaos. What proportion, do you believe, of the children who come into care come in through that non-planned, or relatively non-planned, emergency response and how many come into care through a more staged process?

Ms Phillips: I can only report what we found. Of the 100 cases, every one of them was the result of what is called an emergency action, which means that somebody else precipitated that child's coming into care—maybe the police; maybe the hospital, a medical referral. I would have liked to have found that there were instances where families were referred for early intervention and worked with the directorate for some time prior to, if it was the case, a final decision being made that the children were at sufficient risk that they needed to be removed from their family situation—maybe only for a time while services and responses were put into the family. I did not find any instances of that at all.

MRS DUNNE: Just to clarify, is that because you were only looking at emergency responses? Are there other means that you did not look at where we might see that sort of pattern?

Ms Phillips: We looked at 100 children who had come into care.

MRS DUNNE: So they were 100 children who came into care, not 100 children who came into care through an emergency process?

Ms Phillips: No.

MRS DUNNE: Thank you for that clarification.

THE CHAIR: And just one very final question.

MR HARGREAVES: Just one point of clarification. Mrs Dunne used the phrase “culture of chaos”, which is a pretty dramatic phrase. Do you believe that that is so—that it is a culture of chaos?

Ms Phillips: In my response to a previous question I did not use the term “culture of chaos”; however, I do believe that the reactive environment that has been a response to a whole lot of previous environmental issues has meant that the staff are not working in a strategic, planned and measured manner.

THE CHAIR: Thank you, Ms Phillips. Members, are there questions for the Electoral Commissioner?

MR HARGREAVES: Yes: who is going to win?

THE CHAIR: Sorry, Mr Green; there are no questions. Do we have the DPP here? Fantastic. I do apologise to Mr Green for not having any questions. Mr White, I want to draw your attention to the privilege statement that is on the card. You are aware of that? Great. I will go to Mr Rattenbury.

MR RATTENBURY: Thank you. Budget paper 4, on page 272, identifies that only 36 per cent of cases the DPP participates in meet the court's timetable. And that is down from 55 per cent last year. It is obviously quite a low figure and one of concern. The footnote identifies four reasons. Would you elaborate on those four reasons for the committee's benefit?

Mr White: Yes. I apologise to the committee for not being available earlier when called on.

I suppose the essential issue is an issue of pressure of workload in my office. Honourable members will appreciate that the last couple of years have been particularly busy, particularly in relation to Supreme Court practice, and the reality is that other areas of the practice have suffered.

This figure does relate to the compliance with both Magistrates Court time lines and also Supreme Court time lines, but I think it is fair to say that the biggest problem is in relation to the Magistrates Court time lines, which require the DPP to serve briefs within a particular period of time. The reasons are, simply, that resources have had to be disposed elsewhere to meet the Supreme Court workload. Honourable members will be aware of the blitz this year, but I remind everybody that last year my office also conducted a record number of trials in the Supreme Court, far in excess of the average.

That is the essential reason. We have continuing issues with receiving the full brief from the Australian Federal Police. That is an issue that waxes and wanes. We are in constant contact with the police about that. They have their own issues in relation to that. There are some specific issues in relation to results from forensic procedures and forensic examinations and so on that are particular, persistent issues. Essentially those are the main reasons.

MR RATTENBURY: You have identified the blitz as one of the resource pressures. My understanding was that you were given additional resources to meet the blitz.

Mr White: We were, and, if I might say so, the office has reacted remarkably well and efficiently to coping with the great amount of extra work that has been caused by that within the extra resources that we were granted. But there is still an issue of assigning work and giving priority to work—and giving priority to Supreme Court matters which now have deadlines and time lines. I should also say that, although that outcome is by no means a satisfactory one, we do meet the target much more fully if one extends the time frames out by a few days. Generally we meet the time lines within a week of the time line passing. I do not think I can really say anything more than that.

MR RATTENBURY: I see from the budget that there has been an increase in your budget from last year. Do you think this is going to assist with these court time lines?

Mr White: I think it will. To a large degree, the increase in the budget is a response to the work value for prosecutors that came through, so it does not of itself presage additional resources for the office. But having said that, there is an expectation that things will settle down after the blitz period is over and we will be able to get on a more even footing.

MRS DUNNE: So what you are saying is that the increase in the budget is for increased pay rather than increased resources?

Mr White: Yes.

Mr Corbell: There is a slight increase in the budget to supplement the capacity of the director's office to assist with the blitz.

MRS DUNNE: How much is that? How much is there?

Mr Corbell: There is \$52,000 in the coming financial year for the ongoing employment of a number of legal staff who were engaged this financial year for the blitz.

MRS DUNNE: The legal staff who were engaged for the blitz—what sort of categories of staff were they?

Mr White: They were lawyers, paralegals and administrative staff. Obviously we required an across-the-board response.

MRS DUNNE: You need the full profile.

Mr White: Yes, we do. A lot of the work in preparing cases is in booking witness conferences, issuing subpoenas, arranging for accommodation, arranging for translators and so on and so forth. Those are matters of an administrative or paralegal character, but of course there is also a requirement for additional lawyers.

MRS DUNNE: Overall, how many extra staff did you get for the blitz?

Mr White: I think it was around six. I apologise for not having the exact figure, but it was of that magnitude.

MRS DUNNE: Could we get a breakdown of that?

THE CHAIR: We will take that on notice.

Mr White: Yes, I will take that on notice.

THE CHAIR: Mr Hargreaves has a follow-up.

MR HARGREAVES: Just a very quick one. Thanks very much, Madam Chair. We

are talking about the percentage of cases in the court timetables being met. I note the note on page 272 of budget paper 4, and thank you for that. Can you tell me, Mr White, whether or not the complexity of cases has contributed to that figure? Have the cases become more complex in recent times, which would create a bigger workload?

Mr White: Certainly in one area we have noticed an increase, and that is the area of sexual assaults. It is not to say that matters are more complex in themselves, but there seems to be a greater mix of sexual assault matters in our workload. They are always among the more difficult cases. And there are a number of special measures that now attach, particularly to sexual assault matters, which increase the number of hearing days—for example, the taking of pre-trial evidence from complainants and so on and so forth. All of those measures are very welcome, and I have to say they are working very well. I think I can say that the experience particularly of sexual assault victims in the system has been greatly enhanced by those measures. But they do add somewhat to the complexity of the work.

MRS DUNNE: Could I take you back to a matter reported in the paper, I think it might have been on the weekend, about a reference appeal in a murder case. Mr White, my reading of it, and I am only going on what I read in the paper at this stage—has that effectively ruled out the possibility of reference appeals in the future?

Mr White: I do not believe so. Without trying to make it too complex, the issue of reference appeals is quite a complex one, because in the territory the Crown does not have a right of appeal and may only effectively raise issues of law. The result of the matter is not disturbed by the result of the reference appeal. What happened in this case was that the court identified what they thought were a number of issues of law, but they did not think that those had sufficiently been in contest for the court to give an opinion by a reference appeal on those issues. I do not believe that there has been any fundamental change to the jurisdiction of the reference appeal. It is something that we use very sparingly. We have used it to good effect on a number of occasions, and on a couple of occasions, as with this matter, the court has effectively declined to become involved in the matter.

MRS DUNNE: That adds a lot more clarity. On a similar topic—

THE CHAIR: Just quickly, and then one final quick question.

MRS DUNNE: There was a discussion paper last year on appeals—

Mr Corbell: Double jeopardy.

MRS DUNNE: Double jeopardy. Where are we with that? Has any progress been made?

Mr Corbell: The director has kindly given his agreement to allow the summary he produced on the various options around double jeopardy reform to be provided to other justice stakeholders. My directorate has now circulated that as, in effect, a discussion paper seeking comment from justice stakeholders. That commenced earlier this year, I think. Consultation with stakeholders at this point in time is ongoing.

MRS DUNNE: Wasn't that paper distributed last year some time? Or was there another version of it?

Mr Corbell: It was either late last year or early this year, Mrs Dunne. I would have to check the record.

MRS DUNNE: Has it—

Mr Corbell: No, there has been no change.

MRS DUNNE: There has been no change. So the paper that was distributed last year is the same paper?

Mr Corbell: The paper is the paper.

THE CHAIR: All right, just one final question.

MRS DUNNE: Just to follow up, what is the timetable on that consultation?

Mr Corbell: That is a matter that I do not think will be concluded this side of October. It is a complex area of law reform. It will be subject to consideration by government, I would imagine, following October.

MRS DUNNE: Thank you.

THE CHAIR: And just one final question.

MS HUNTER: I want to go back to the sexual assault cases, Mr White. When you were saying that the victims were finding it easier to go through the system because of a number of changes, that was around the sexual project or initiative that has been going on for a few years now. Has there been an increase in sexual assaults, or is it about an increase in the number of those who have been sexually assaulted taking cases through the courts?

Mr White: The latter, we believe.

MS HUNTER: And you believe that those reforms have assisted that?

Mr White: One would hope that there would be a trickle-down effect. Obviously there are a lot of steps in between, but it certainly is important—often these matters arise through a reference to a counsellor—for example, the Rape Crisis Centre. And, of course, the Rape Crisis Centre can and does advise victims on what the options are for them and what lies before them. Some of those options have now been made more attractive in terms of court outcomes. So in that sense there will be a trickle-down effect.

THE CHAIR: Thank you, Mr White, for appearing before the committee. We will now move to the Office of Regulatory Services.

Mr Corbell: Madam Chair, while that occurs, can I just clarify something. In my answer to Mrs Dunne, I indicated that paper was circulated late last year or early this year. It was actually circulated in April last year but we are still awaiting submissions from a number of stakeholders.

THE CHAIR: Thank you. I have a question for Mr McCabe. Mr Phillips and Mr McCabe, the privilege statement is on the card in front of you. I am sure you will be familiar with it. But I just want to make sure you are aware of that. Fantastic.

My first question—this is probably to Mr McCabe—is in relation to some OH&S issues. On budget paper 4, page 264, it shows that 40 per cent of ACT workplaces inspected by WorkSafe complied with OH&S legislation. I see from note 2 that the figure is lower because WorkSafe focused on typical areas of non-compliance, such as construction. I think that is still quite a startling figure when you think of the 40 per cent. We have had a number of incidents recently. I am just wondering why there is such a low level of compliance and what kinds of issues are causing that.

Mr McCabe: There are some problems with this indicator. The indicator itself is a good thing, a measure of compliance in ACT workplaces. The difficulty is that we measure that by the level of compliance when our inspectors attend a site. A very large percentage of attendances by an inspector are in relation to an issue that has been identified, so we already know there is a problem before we go out. It might be a dob-in, as we would call it, from a member of the public or it might be a formal report from the workplace that there has been an incident. So in a large number of cases we know there is going to be a problem before we go out, so it is not a true measure of the level of compliance across ACT workplaces. A better measure might be if we just measured random visits—did a sample group and just went out at random. Most of our activity is directed to places where there are already problems. We are reviewing the indicator and the best way to measure it; it is appropriate that we have some measure of what is the level of compliance.

THE CHAIR: So that is something that we can expect to see?

Mr McCabe: That is right.

THE CHAIR: So that we are getting a better picture of what the compliance level is.

Mr McCabe: That is right. At the moment our staff are looking at what options we could have for a better way of giving that measure, or giving an accurate measure, to the Assembly and to the community about what the level of compliance is.

THE CHAIR: Note 2 says that the figure is lower because it focused on typical errors and non-compliance in construction. That is probably not a very accurate note either, would you say?

Mr McCabe: That is probably incomplete as an explanation. We have considered whether it would be better if we just measured proactive audits rather than our reactive work, but even with proactive audits we tend to target them in areas where we suspect there might be some, so they are skewed as well.

THE CHAIR: You are going into these areas that have been reported. What sort of follow-up action is taken? Are there improvement notices? What actually happens to address the situation?

Mr McCabe: That brings into mind a very interesting point. If we measured the level of compliance on our second visit, we would be close to 100 per cent, but that would not be very useful to anyone either. What does happen is that we take whatever action is appropriate to the circumstances that we find. It could be educative. It could be the issuing of notices. It could even be prosecution. But basically we will keep going back to that workplace until we are satisfied that there is compliance.

MR SMYTH: Just following up on that, how do you establish whether or not you should go and visit a site? When you call them the dob-ins, how do you work out which are the vexatious and which are not? Or is it that once you get a dob-in you go to every site?

Mr McCabe: Pretty much when we get a dob-in we go to every site. We really cannot take the risk—depending on the nature of it, of course. In some cases people will give us very little to go on. But really pretty much every dob-in we will go to. If we got a dob-in and did not go and something happened, of course there would be extreme criticism of us.

MR SMYTH: When you get a site that you have never been to and they have never been issued with a warning and you find something that is untoward, is there a warning system or do you just issue a prohibition notice?

Mr McCabe: It is a judgement call for the inspector based on the issues. Generally we would expect, if this is a first instance, that it would be more educative than jumping to notices. But that would depend on the seriousness of the issue that was found. We have a system for what we call a record of inspection. It is almost an unofficial notice. If we go to a site and we agree with the employer that they are going to fix the issue by doing X, Y or Z, we might issue a record of inspection which is signed by the employer and signed by our inspector. It is almost a gentlemen's agreement: "This is what we agreed would be done." A formal notice would be issued where we are concerned that there is a serious safety matter that has to be dealt with and we cannot take the risk that it will not be dealt with, so we move to that more formal step—even though it might be a first visit, if it was that serious.

MR SMYTH: Once the formal notice is given, is there a right of appeal? And do inspectors inform the people they have visited of their rights?

Mr McCabe: They certainly do. The notices themselves have the appeal provisions printed on them, and we do get occasional appeals. Depending on the particular issue, there is either an appeal internally or an appeal directly to ACAT. That does happen from time to time. And there have been occasions when the internal appeal has resulted in a change in the finding.

MR SMYTH: You may or may not be aware that my office is looking at an issue concerning a quarry in the ACT at the moment. The gentleman involved in effect is now going out of business, a business that has operated for 40 or 50 years in the same

manner. I am not downplaying and not making judgement on what the issue might be. How do we keep businesses like that operating should they need a period of time to improve their OH&S?

Mr McCabe: Without going into the details of that case—and I do not have all the details of that case in my head—we are certainly cognisant of the possible impact on businesses. Where possible, we will bend as much as we can, without compromising safety, to allow businesses that kind of leeway. There are some issues where there is just no way we can compromise, but there is usually some way of showing a business how they could move to compliance. We are not bloody-minded. We do not just think, “Look, that is a safety issue and it is your problem.” We do take into account factors such as the impact on the business as much as we can.

MR SMYTH: My understanding is that the ability of this gentleman to return to work is now dependent on providing other government organisations with non-OH&S related documents. In a case like that, will you leave the prohibition notice in place until those other things have been reached when they are not strictly an OH&S related issue?

Mr McCabe: It is hard to answer that without knowing the details of that case.

MR SMYTH: You might go and review it. I think you are aware of the case.

Mr McCabe: Yes.

MR SMYTH: The gentleman now has to do a business plan, which is clearly not an OH&S related issue, and is still not allowed to work on his site.

Mr McCabe: I am happy to look into the details of it and get back to you.

MR COE: Following on from that, in general is there any lenience or is there a different set of rules for people who are sole traders, sole operators?

Mr McCabe: No, only inasmuch as we will take into account the circumstances of the business and we will try and form a reasonable view of what could be expected of the business in question, taking into account a whole range of factors, and they can be very complex. But the law is the same for all businesses.

MR COE: I have heard of situations whereby a sole trader has to put together a procedure manual where they sign it as the author and then have to sign it as they are implementing it. It just seems to me to be a lot of red tape, a lot of bureaucracy, that perhaps is in need of review.

Mr McCabe: I would be happy to consider that. We certainly try not to stick to the letter of the law as opposed to the outcome of the law. We are very conscious at all times of what the law is trying to achieve rather than be caught up in the red tape or the detail.

MS HUNTER: In budget paper 4 on page 274 under indicator b it says that the directorate will achieve a target of 80 per cent of workplaces compliant with workers

compensation policy. I find it rather interesting that 20 per cent of workplaces would not have workers compensation policies. Can you give us a bit of a rundown on why it is only 80 per cent? Is that what you are finding out there—that 20 per cent of workplaces do not have any policies in place, which is rather alarming?

Mr McCabe: I would have to take that question on notice to delve into the detail of it. Once again what it is measuring is the particular workplaces that we have looked at in the year and once again that is skewed by the number of workplaces that are referred to us as opposed to just where we go out and do cold audits. This is an area where we could just measure the cold audits and get, I think, an effective measure back to the Assembly which would be a more accurate measure because if you include the complaints into it it skews the result downwards. That is something I would be happy to take under review as well.

THE CHAIR: But you will take on notice just to check that?

Mr McCabe: Yes. I can certainly give you the assurance that from my knowledge there are not 20 per cent of ACT businesses that are noncompliant with their workers comp policies.

THE CHAIR: That is a relief.

Mr McCabe: If there were we would be out there very actively doing something about that.

MR COE: I have a question about plastic bags. I was wondering about the inspection regime and how ORS is enforcing the legislation.

Mr Phillips: The plastic bag enforcement legislation came into operation last year. We conducted a very wide, extensive education process after the legislation was passed by the Assembly. We went out and actively talked to over 2,000 businesses in the ACT about the plastic bag ban. We provided significant materials to people. We purchased equipment that enabled businesses to measure the thickness of their bags and we had a number of businesses undertake that measurement. We still undertake random, proactive inspections of areas to ensure that the ban is being complied with. To date we have received three complaints only from the public in relation to bags being provided outside the law, so—

MR COE: Did you investigate those three complaints?

Mr Phillips: We did investigate those three complaints. No enforcement action per se has been taken. We have been in an educative phase. We ask people to desist and people desist.

MR COE: Sure. So no fines have been issued?

Mr Phillips: No.

MR COE: If somebody did persist and you went and said, “You shouldn’t be doing this,” and then you got another complaint and you went back, what is your next step?

Mr Phillips: Mr Coe, we would try to work with a particular trader who is providing bags outside the provisions of the law. If we had a persistent complaint in relation to a trader and we believed that the trader was simply thumbing their nose at the law we would issue an infringement notice.

MR COE: Do you receive many complaints about the new legislation? You visited those 2,000 businesses. I assume you are in communication with a fair few businesses on a regular basis about other issues as well. Do you receive much feedback about how the plastic bag ban is affecting their business?

Mr Phillips: We initially went out to see businesses and talk to them. It is fair to say that with any new regulation that is put into place you get a variety of opinions and sometimes you get a variety of colourful opinions expressed to you in relation to implementation. Largely those things have desisted since the legislation has become operative. As I said we have received only three complaints. A large number of businesses had moved to providing what are now compliant bags before the Assembly passed its law. A number of businesses have moved to providing biodegradable bags which comply with the law. A number of businesses have moved to charging for bags, which complies with the law.

MR COE: Are there any businesses or industries that were using the traditional plastic bags for which the new bags do not suit their needs?

Mr Phillips: Not that I am aware of, Mr Coe. It has not been raised with me.

THE CHAIR: I have one question in relation to JACS's quite significant budget savings over the next four years. Will these have any impact on WorkSafe's ability to do the significant job that you do?

Mr Phillips: Ms Bresnan, there will not be any cuts to WorkSafe staff.

THE CHAIR: So in terms of efficiencies or savings applied—

Mr Phillips: There will not be any reductions to the WorkSafe numbers. There will not be any reductions to the way they can operate their business. In fact the reverse is true in relation to WorkSafe. It has received a significant amount of money from the Australian government to undertake a healthy work campaign and so the numbers have actually increased there.

THE CHAIR: What is the current number of inspectors at WorkSafe?

Mr Phillips: I believe it is 22.

THE CHAIR: So there will not be any impacts on the number of-

Mr Phillips: No.

MS HUNTER: One of the areas that have been identified as a savings area is advertising material and so forth. Obviously a part of WorkSafe is to get out there and

to educate people and inform people. Is that going to be quarantined?

Mr Phillips: Across the board, Ms Hunter, we do not spend an enormous amount of money on advertising. The materials that we undertake and we prepare are largely done in-house. They are largely published on our websites and also we have the benefit, in relation to areas such as WorkSafe and fair trading, of being part of national campaigns so that a number of the materials are actually developed outside what you would call your normal advertising campaigns.

MR SMYTH: How do your inspectors coordinate or liaise with the health inspectors, particularly in this recent round of inspection of eating houses?

Mr McCabe: The WorkSafe inspectors?

MR SMYTH: Yes.

Mr McCabe: Simply on an issue by issue basis. If our inspectors come across issues that they believe are health issues, we will contact ACT Health and refer it to their inspectors. We have no hesitation in doing that and vice versa is sometimes the case. So they might be out doing a health inspection of a kitchen in a workplace and they will alert us to a work safety issue. We have a good dialogue with them.

MR SMYTH: Do you have any powers under the Health Act and vice versa?

Mr McCabe: No.

MR SMYTH: In, say, the last 12 months, how many referrals would have been made across to the health inspectors?

Mr McCabe: I would have to take that on notice. It would be a very small number, but I am conscious that when we did an audit last year of takeaway food outlets there were a number of referrals across to ACT Health. When we do an audit where that is a possible outcome—where we can anticipate that might be a possible outcome—we will usually have a discussion with Health beforehand so that there is a protocol worked out and we can get a fairly quick response if we do identify issues in the field.

THE CHAIR: So that has been taken on notice.

Mr Phillips: Mr Smyth, the other thing I would inform the committee about is that the Health Protection Service is in fact the policy developer for a number of matters that the Office of Regulatory Services regulates. So there is a very close working relationship across those issues and across most issues between the Health Protection Service and ORS.

MR SMYTH: In the course of, say, the last year have you had many complaints about the way your officers have applied the law and gone about their business?

Mr McCabe: Certainly not many. I am trying to work out whether there were any. I am sure there have been some. I could not tell you the figure off the top of my head—a very small number—but where they are made we do deal with them.

MR SMYTH: All right. I am just interested in the number. If you can take that on notice that will be fine.

THE CHAIR: That is taken on notice. Are there any further quick questions to ORS?

MR COE: Yes. Just quickly, in a similar vein to what I asked about the plastic bags, I was wondering about poultry eggs, please, in retail outlets. How many complaints have you had—fines, enforcement issues, that sort of thing?

Mr Phillips: We have done about 240 inspections of retail sales premises over the last 12 months about eggs. We do find a level of noncompliance but again we put in the same philosophy: if the trader is prepared to work with us, and I think exclusively they have been, to rectify any issues that we have then we thank the traders for that and we consider them to be compliant.

MR COE: Have you received any complaints?

Mr Phillips: We received a few complaints from a single person.

MR COE: Right. And nobody has been fined or prosecuted?

Mr Phillips: Nobody has been prosecuted.

Mr Corbell: There is no provision for infringement notices under the legislation.

MR COE: Sure.

THE CHAIR: Okay. Thank you very much. Are there any questions in relation to transport regulation?

MR COE: Yes.

THE CHAIR: Okay. I will go straight to Mr Coe.

MR COE: Firstly, how is the move to the new directorate going for transport regulation and what difficulty is being posed to the area of government in having to deal with TAMS and sustainable development with regard to transport planning?

Mr Corbell: I think it is going very well, Mr Coe.

MR COE: Are there any hurdles that were unanticipated?

Mr Corbell: No.

MR COE: Has transport regulation actually relocated or is it still in the same space?

Mr Phillips: Mr Coe, those road transport staff in Lyneham, in Macarthur House, will relocate to Dickson and to 12 Moore Street. The staff that are in road user services, about 80 to 90 staff at Dickson, will remain there.

MR COE: So it would be fair to say that the staff in transport regulation would deal with areas of TAMS far more than they would deal with areas of JACS?

Mr Corbell: No.

MR COE: No?

Mr Corbell: No. A lot of the interaction is around issues to do with policing and the operation of the broader Criminal Code. There are significant synergies between this area of regulation and other areas of regulation and policy that are the responsibility of the Justice and Community Safety Directorate.

MR COE: I understand that as of 15 January when the Road Transport (Safety and Traffic Management) Act 1999 was amended camera detection devices are now used for taking photos from the rear in the vast majority of circumstances. What are the circumstances in which a mobile speed camera operator can take a photograph of an oncoming vehicle?

Mr Corbell: This matter was dealt with during the debate on the legislation, as you probably recall, Mr Coe. I remind you that it has always been the practice and procedure of the government in relation to the operation of mobile speed cameras—and indeed fixed speed cameras and red light cameras—that they take a photograph of the vehicle from the rear unless it is impracticable to do so. There is only one fixed speed camera that operates by taking a photograph of the vehicle forward facing and that is a fixed speed camera on the Tuggeranong Parkway at the Hindmarsh Drive overpass. The reason for that camera operating in that fashion is that it is not practicable to take a photograph from the rear due to the terrain and the configuration of the road at that point.

When it comes to mobile camera vans the same provisions apply and photographs are only taken of vehicles forward facing where it is impracticable and in particular unsafe for the camera to operate taking photographs from the rear. I just want to stress that the provisions that have been now placed in the law mirror the operational procedures that were already being implemented by government and had been in place for an extended period of time.

MR COE: Are you confident that the forward-facing fixed speed camera is actually consistent with the law?

Mr Corbell: I have no advice to the contrary.

Ms Greenland: There is no reason to believe that it is contrary to the law. As the minister has explained, the provisions of the legislation provide that the cameras should be rear facing unless it is not reasonably practicable to place them in that way.

MR COE: But the premise of whether it is not possible is for safety reasons, is it not?

Ms Greenland: The legislation does not specify what the issues go to in terms of determining practicality, but obviously safety is one consideration.

MR COE: So why is it that it is okay for some speed cameras to take a photo of someone's face while it is not okay for others, if it is simply an issue of practicality?

Ms Greenland: I should clarify that the cameras do not have a resolution that enables a face to be identified, so even for a forward-facing camera the camera is not going to take a photo that would be able to identify an individual. There may be a number of other issues around engineering factors, about the placement of the camera in the road if electrical connections are required for a fixed camera. We would have to look at a particular site and advise you in relation to what the issues were around practicality for any particular site where they were being used in a forward-facing way.

MR COE: Can you please take on notice a request for the revenue collected from mobile speed cameras for each month for the last two years?

THE CHAIR: That is taken on notice. Thank you.

Mr Corbell: You have asked a series of questions like that, I think, Mr Coe. I do not know whether the government has already supplied you with that information, but-

MR COE: In which case it would be very easy to compile it again then.

Mr Phillips: Mr Coe, I can give you—

Mr Corbell: In that case there would be no need for you to ask the question, but I will take it on notice and if we have not provided that information previously we can provide that.

Mr Phillips: I can give you the yearly figures, but not the monthly if you want those.

THE CHAIR: Given the time, perhaps you can provide those figures to the committee.

MR COE: On a monthly basis I am keen to see what impact the new laws might have had. Minister, in your speech last year you said that the new legislation would not restrict the current operations of the mobile speed camera vans. Is that true?

Mr Corbell: Mr Coe, I will not take at face value that what you say I said is what I said. I will check the record. But I would simply reiterate what I said to you earlier, which is that when it comes to decision making on forward facing or rear facing the provisions that are now in the legislation are the same considerations that were already being applied to the operation of speed and red light cameras in the territory.

MR COE: So were there any unintended consequences as a result of the legislation which was passed last year?

Mr Corbell: Not that I am aware of.

MR SMYTH: On page 274 of budget paper 4 the number of random vehicle inspections was meant to be 56,000 but you achieved eight per cent less at 52,000. Is

there a reason for that and if that is what was achieved in the current year how do you expect to get back to 56,000 in the coming year?

Mr Phillips: Random on-road vehicle inspections, Mr Smyth, are dependent upon the number of staff available per year, so if there are times where there are staff declines then the number of inspections will decline. They also rely quite heavily on a joint enforcement operation with the police, so there are a number of targeted operations that the road user services inspectors undertake with ACT Policing and one example of that would be the recent truck operations that they held on Monaro Highway.

MR SMYTH: So was there a lack of staff throughout the year that caused the decline?

Mr Phillips: There has been a significant recruitment exercise towards the end of the last year in relation to filling some vacant positions, Mr Smyth.

MR SMYTH: So you are confident you will get to the 56,000?

Mr Phillips: Those positions, to my understanding, are almost filled now.

MR SMYTH: And on page 278 under “Road Transport Authority System (Rego.act) Stability and Enhancement”, what is the lack of stability and how will it be enhanced?

Mr Phillips: Mr Smyth, funding has been given in last year’s budget and this year’s budget for the additional work that needs to be done to maintain the rego.act system. What I mean by maintain is to implement the new policy directions that are set by government for the forthcoming years. The \$550,000 represents an additional amount; there is \$275 million in recurrent; \$275 million in capital. They represent the increased implementation of policy initiatives over the next 12 months.

MS HUNTER: Does that include payment of fines by instalments?

Mr Phillips: Yes.

MR SMYTH: What are the other policy issues?

Mr Phillips: There are, as I said, time to pay arrangements for parking and traffic infringement notices. There are some COAG reforms for a national heavy vehicle regulator implementation. Then there is the time to pay infringements. There is a process around deceased client verification with births, deaths and marriages. There is work going on around developing an email functionality for the system so that people can be emailed registrations and there is some other enhancement work going on around modernising the business systems.

MS HUNTER: So that is to take out the rego stickers? Is there work to do there?

Mr Phillips: That is a separate process.

THE CHAIR: Before we move on could I get an indication of whether there are any questions for the Public Trustee? I am sorry, Public Trustee; we do not have any

questions for you. That is to give us an indication of how much time we have got. Mr Hargreaves?

MR HARGREAVES: I have two very quick questions. I am interested in the registration regime for vehicles, particularly two issues. One is what the government's intention is around registration stickers, if you could expand on that. Also, as we are going to apply a regime now of how much money you pay to register your vehicle depending on your green vehicle rating, what would be, for example, the differences between electric cars, small, medium and large sedan vehicles and large SUVs like Jeeps?

Mr Corbell: In relation to rego stickers, Mr Hargreaves, I have asked the directorate to provide me with some further advice on options around whether or not we should continue to issue rego stickers in the territory. Obviously with the implementation of the number plate identification camera technology that is now used by police—a very efficient way of checking whether or not a vehicle is registered and indeed whether the nominated driver is licensed and whether there are outstanding fines or fees and so on—it is timely to consider whether or not rego stickers should continue to be required. It is actually one of the largest volume transactions at Canberra Connect shopfronts. People will often only attend the shopfront in person to get their rego sticker and obviously if there is no longer a demonstrated need for the sticker we could save people time and effort and also save the resources of the shopfront in addressing that large number of transactions.

The government is giving consideration to whether we should follow the lead of other jurisdictions, particularly South Australia—obviously New South Wales has just announced it now—and Western Australia and we will be looking closely at the pros and cons before making a decision.

In relation to vehicle type maybe Ms Greenland or Mr Phillips can help you with that question.

Mr Phillips: Mr Hargreaves, I was just trying to find reference to it in budget paper 3 but the green vehicle type concessions are available in relation to the transfer of vehicles, so it is a Treasury issue, yes.

MR HARGREAVES: Okay. Thank you.

THE CHAIR: We are going to have to move on to the Legal Aid Commission. Thank you very much, officials. I will go straight to Mr Rattenbury.

MR RATTENBURY: In previous years we have discussed the Australia wide survey of unmet legal need which has been delayed a number of times. Are you able to update us on the timing and possibly the outcomes of that?

Mr Crockett: The current expectation is that it will be available in August. It keeps slipping and national Legal Aid is most unhappy about the delay in the release of the report. But there is little we can do about it; it is the resources that the Law and Justice Foundation of New South Wales are prepared to put into it at this stage. The directors of the legal aid commissions are expecting to receive a confidential draft in about July,

with the launch of the published version in August.

MR RATTENBURY: Thank you. I would like to quickly move on to issues around the Supreme Court backlog and resources for the Legal Aid Commission. There has been a backlog in the court system and the Legal Aid Commission has now had a reduction of full-time equivalent staff in the 2012-13 budget, as I understand it. The government's payments for outputs in 2013-14 to 2015-16 only move by approximately one per cent a year. So that sort of sets a context. There was a one-off allocation of \$200,000 in 2012-13 as part of the blitz program, I believe. But given that history of backlogs and the constraints that have been placed on the future budget, can you give us an indication of what you think is going to happen in the coming years?

Mr Crockett: Just a correction there if I may: the \$200,000 is an allowance for expensive criminal cases.

MR RATTENBURY: Okay. Thank you.

Mr Crockett: That is those cases which are costing us more than \$40,000. I believe the amount we got for the blitz in the current financial year was about \$89,000 and there is a figure of, I think, \$33,000 in next year's budget to assist with the second tranche of the blitz.

MR RATTENBURY: Thank you. And my broader question relates to what appears to be a squeeze on resources. Historically there has been a backlog and a pressure building up.

Mr Crockett: We have got adequate resources to meet the timetable that the Supreme Court has for hearing matters so I do not anticipate any difficulty at all in the second tranche of the blitz, or indeed going forward in having cases prepared in readiness for trial dates.

MR SMYTH: Just a follow-up on the \$200,000 for expensive cases, it is one-off. Will you need to come back in the outyears for further funds?

Mr Crockett: I would expect so, yes.

MR SMYTH: It seems to be a bit of a characteristic, minister, in this budget that there are a number of initiatives where it is just one-off funding—come back next year. I think we all know that they will be back next year for funding. Why has the department or the government chosen not to fund the three outyears?

Mr Corbell: As you would appreciate, Mr Smyth, this budget is a very tight budget in straitened financial circumstances and the government has to cut its cloth to suit the particular circumstances that we face. That said, the issue of expensive legal cases has to be put in the context of the commission's reserves. The commission does retain a level of reserves in its accounts which can also be applied where necessary to some of these matters, particularly unanticipated more expensive legal trials. The additional \$200,000 is seen very much as a supplement to the commission's own reserves to allow it to deal with expensive matters. These matters vary in terms of their regularity

and frequency overall and the government believes at this point in time that a one-off supplementation of \$200,000 will assist the commission significantly, in combination with its own reserves, to manage these matters.

MR SMYTH: So you do expect them to come back, though, for more money?

Mr Corbell: I expect all of my agencies to come back with a range of requests in coming budgets. That is normal.

MR SMYTH: Yes. But it is not normal to just give one-off grants like this—\$3.7 million for ESA capabilities, \$200,000—

Mr Corbell: I simply make the point in relation to legal aid, in relation to expensive trials, that over the last couple of years Legal Aid has seen an increase in the number of complex, expensive trials where legally aided persons have had to be assisted. It is difficult to predict whether or not that will continue. It is difficult to predict whether or not there will be another two or three murder trials in the next year or so. It is difficult to predict whether other more serious criminal matters will come on of that nature. So it is very hard to predict the frequency, and I think the government's course of action is prudent in the circumstances.

MR SMYTH: It does leave a hole for the funding in the outyears, though.

Mr Corbell: It does not leave a hole. There has been no reduction in funding. This is supplementation.

THE CHAIR: Okay. Are there any further questions on legal aid?

MR RATTENBURY: I did want to ask about street law, which is legal services provided by the commission. It has appeared as a budget item under Legal Aid but this year appears to move into the JACS budget. I just want to seek some clarification on the significance of this move. I am not sure who answers that question.

Mr Crockett: It was funded for the initial period, when it was still in pilot phase, through the Legal Aid Commission because we, in conjunction with other community legal centres in the territory, put up a funding submission initially to establish street law. In that initial period, as I say, the funding was channelled through the commission. We paid it straight to Welfare Rights and Legal Centre that auspices the street law project and it provided reports to us on a quarterly basis. From next year, as you say, it will be funded directly by JACS for the next period.

MR RATTENBURY: So there is no change to services. It is broadly administrative? Thank you. That is very clear.

THE CHAIR: Thank you. Are there any further Legal Aid questions? No? Thank you, Mr Crockett, for appearing before the committee. Sorry it was a short time. We have got questions for the Public Trustee. Mr Smyth, you have questions for the Public Trustee?

MR SMYTH: I do indeed. On page 547 under your priorities, dot point 2 says

“promoting efficiency by utilising new technologies, systems, processes and procedures”. What are the new technologies that you will be using and how will you use them?

Mr Taylor: There are a number of projects that the Public Trustee needed to complete during the year and partly into the next financial year. These included the completion of a precedent letter database to handle some 500 precedent letters that the Public Trustee uses in all of its business areas. We have the foundation work for an imaging database. Last year you may recall we achieved amendment of legislation that would allow us to produce wills to the court as a certified copy rather than the original document. Another piece of software called Tactics allows us to manipulate data in our trust business accounting system to produce a variety of custom reports and appearances that we were looking for.

Chameleon is an electronic piece of will writing software that we acquired from the UK. It is being used by other public trustees around Australia. We had two versions of upgrades that we had to implement to that system. During the year our UniVerse database, which was the underlying management system for our TACT database, failed. It was the wrong version. We upgraded that during the year as well. And we are presently scoping a new unclaimed money system. It is proposed that during the next 12 months we may make a proposition to ACT Treasury that we would manage all ACT unclaimed money rather than just that relating to legal practitioners, the Unclaimed Money Act and the Agents Act.

MR SMYTH: Where does the funding come from for those pieces of equipment and software?

Mr Taylor: The funding for the UniVerse update was not planned; it was a result of a failure. It was not an expensive item. I think it was probably about \$20,000 to \$30,000 to upgrade. Tactics again was not an expensive piece of software. There is probably more work involved in putting them in place than there is in acquiring them. We have an ongoing relationship with DPL in London that supplies us with Chameleon and we pay a contract fee for that. So there was no extra expense in that.

The precedent letter database has cost us \$20,000 in programming costs so far. We do not expect there to be too much else. With the unclaimed money system, section 38 of the Financial Management Act says that a person managing trust moneys may deduct fees as well as reasonable expenses. Since the system is self-funding we have proposed to the ACT Treasurer that we deduct reasonable expenses from the interest that would normally be payable to Treasury, being the cost of building the unclaimed money system, and that is being scoped at the moment.

MR SMYTH: So all of those upgrades and activities cost how much?

Mr Taylor: I would have to take that on notice. I do not have the exact—

THE CHAIR: Okay. That is taken on notice.

MR SMYTH: Where will we find that in your statements? Is it just in the supplies and services?

Mr Taylor: Yes. You will note that our expenses have gone up compared to the previous year. There are a number of reasons for that and that was one of those. We invested in a project officer for 12 months at what we call trust officer level 2, trained that person and that person has pretty well been working on those projects all the way through.

MR SMYTH: The other priority on page 547 is “developing new clients and charitable initiatives through GreaterGood”. Could you please tell the committee how GreaterGood is proceeding and what the outcomes are so far?

Mr Taylor: We expect in the next 12 months to hit \$10 million in accumulated funds, which has taken place since 2003. The amount of money that has been distributed out of yield on investment of that money in the seven, eight or nine years now is \$1.8 million, largely to ACT charities. They are not charities that we choose. They have to be deductible gift recipients and they have been elected by the person who settled the fund in the first place. In the next several months we propose to add two more ACT directorates to workplace giving. That would be ACT Health and Education and Training. ESA will probably be joining us as well in workplace giving.

MR SMYTH: How many directorates are involved?

Mr Taylor: How many directorates now?

MR SMYTH: Currently involved, yes.

Mr Taylor: We have Justice, which has been running now probably for two years; we have an accumulation of around \$60,000 in that fund. We are meeting this morning with ACT Health to implement their scheme. We are probably meeting in another month with Education to get their scheme in place. I think that was held up by a change in director-general in that directorate. I had an email this morning from ESA to say that they are ready to move.

MR SMYTH: You might contact the Speaker of the Assembly.

Mr Taylor: I would like to do that.

THE CHAIR: Thank you, Mr Taylor. I believe there are a couple of questions for the Government Solicitor. Mr Garrisson, there was a misunderstanding earlier, in that I thought there were not any questions for you. I do apologise for that.

MR RATTENBURY: I have a brief set of questions. I understand that in the recent High Court case on plain packaging, which, of course, had a lot of media coverage, the ACT joined that case; is that correct?

Mr Garrisson: Yes, that is correct, Mr Rattenbury. On behalf of the Attorney-General I appeared to support the commonwealth.

MR RATTENBURY: I understand Queensland and the Northern Territory are the only other two jurisdictions that joined the case?

Mr Garrison: Correct.

MR RATTENBURY: I am interested in why the ACT joined that case and what unique contribution you felt we could make that the commonwealth could not perhaps handle on its own part.

Mr Garrison: Taking it in order, one of the key issues in the proceeding was the issue of whether the proposed commonwealth laws amounted to an acquisition of property other than on just terms. The Northern Territory and the Australian Capital Territory both have analogous provisions in their respective self-government acts. Therefore any litigation in relation to that particular principle is always of interest to the territories. Submissions were filed on behalf of the Northern Territory and the ACT. In the event, it was unnecessary for me to address substantive submissions to the court other than to rely upon our written submissions and to adopt the submissions of the Solicitor-General for the commonwealth.

MR RATTENBURY: Did the ACT hire counsel as part of our engagement in this case?

Mr Garrison: I appeared, but I also appeared with another counsel.

MR RATTENBURY: So, yes.

Mr Garrison: Yes.

MR RATTENBURY: The ACT engaged that person to assist us?

Mr Garrison: Yes, to appear with me.

MR RATTENBURY: What was the cost of hiring that additional counsel?

Mr Garrison: I would have to take that on notice, but it would be in the vicinity of \$30,000 for the entire case.

THE CHAIR: That has been taken on notice, just to clarify.

MR RATTENBURY: Have you quantified the costs for the ACT Solicitor-General's office of engaging in that matter? Is that something you cost—your own contribution?

Mr Garrison: That information is recorded so that the nominal cost of my appearance, for example, is recorded against the matter. But the only out-of-pocket expense for the territory is the cost of external counsel. That in fact is met through the legal expenses vote.

MR COE: How are issues referred to you? Are members of the public able to refer issues they have with the government to you or does it have to go through an agency?

Mr Garrison: As the legal adviser to the government, I receive instructions from the government and from government agencies.

MR COE: In the event that somebody does contact you about a legal issue with the ACT government, what advice do you give them, or where do you refer them to?

Mr Garrison: It would depend upon which agency is involved. It would depend upon the nature of the matter that is brought to my attention.

MR COE: If it was an issue about whether the government was in compliance with a particular issue, would you refer them to the minister's office or would you respond directly?

Mr Garrison: If it is compliance by a government agency with the law then that is a matter that should be addressed to that agency in the first instance.

MR RATTENBURY: On reflection, do you think it was necessary for the ACT to participate in that case, the earlier one I was asking you about?

Mr Garrison: It was a critical case. The law in relation to the issue of acquisition of property other than on just terms is uncertain. There have been several authorities over the last decade which led to a lack of clarity about how that law precisely operates. There have been some different decisions. Accordingly, any opportunity to clarify that law and, in particular, a law that directly affects the ACT and the legislature in terms of the laws that it makes is an important matter to be involved in.

Mr Corbell: I took the view that it was important for the territory to be represented. I listened carefully to the advice from the Solicitor-General, and I can only reiterate that the interpretation of this constitutional safeguard is of direct relevance to the territory. Unlike the states, the application of this particular constitutional protection has direct implications on the operation of the territory's statutes. It is important that we ensure that when that matter is directly in question, which it was in this case—one of the principal arguments of the applicants was about how this constitutional provision is interpreted—the territory's interests are appropriately protected and represented because of its direct and immediate implications for the operation of the territory's statutes.

THE CHAIR: Thank you, Mr Garrison. On behalf of the committee, I would like to thank the Attorney-General and officials from the Justice and Community Safety Directorate, the Legal Aid Commission and the Public Trustee for appearing 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 1.45 pm commencing with the committee's examination of the Economic Development portfolio.

Meeting adjourned from 12.31 to 1.46 pm.

Appearances:

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

Economic Development Directorate

Dawes, Mr David, Coordinator General; Director-General, Economic Development Directorate; Chief Executive Officer, Land Development Agency

Hudson, Ms Cathy, Deputy Director-General, Policy and Governance Division

Gilding, Ms Louise, Acting Executive Director, Ministerial, Cabinet and Policy

Stewart, Mr Dan, Executive Director, Land Strategy and Finance Division

Walsh, Mr Dermot, Chief Finance Officer, Strategic Finance, Land Strategy and Finance Division

Corrigan, Mr Jim, Director, Office of the Coordinator General

McNulty, Mr Hamish, Executive Director, Infrastructure and Capital Works Branch

Clarke, Ms Liz, General Manager, Exhibition Park Corporation, Tourism, Events and Sport Division

Guthrie, Mr Neale, General Manager, Venue and Event Services, Tourism, Events and Sport Division

Cox, Mr Ian, Executive Director, Business Development, Economic Development, Policy and Governance Division

Reynolds, Mr Chris, Executive Director, Land Development, Land Development Agency

THE CHAIR: Good afternoon, minister, and welcome to this fourth day of public hearings of the Select Committee on Estimates 2012-2013. The Legislative Assembly has referred to the committee for examination the expenditure proposals for the 2012-2013 Appropriation Bill and the revenue estimates in the 2011-2012 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 receipt 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 afternoon will commence with an examination of the expenditure proposals and revenue estimates for output 1.1, economic development policy; output 1.2, business development followed by Exhibition Park Corporation; output 1.5, venues and events; output 1.6, land strategy infrastructure delivery followed by the Land Development Agency. For the first two, outputs 1.1 and 1.2, as per other days, there has been a bit of a crossover. So we will deal with those when we come to venues and events and Exhibition Park.

There will be an afternoon tea break at approximately 3.30 and I will work to that. I

remind witnesses of the blue privilege statement. I am sure you are very familiar with it but can you indicate that you are aware of that? So that everyone is aware, the proceedings are being broadcast. Minister, I will give the usual invite if you would like to make an opening statement.

Mr Barr: Thank you, Madam Chair. I will not make an opening statement but in yesterday's hearings, a question in relation to the Australia forum and a rollover amount was flagged. I too had a recollection that that number seemed a little large. That is indeed correct. What I am advised has happened is that two rollovers have rolled into one. The two rollovers are the Australia forum—there is an element of that—and there is also Clarrie Hermes Drive.

MS HUNTER: Clarrie Hermes Drive?

Mr Barr: How that happened, I do not know. I apologise to the committee but I am advised that the amount in terms of the total of the rollover figure should in fact be two items: the Australia forum and Clarrie Hermes Drive. So we will issue an addendum.

MR SMYTH: It is going to be a hell of a building or a very long part of it.

Mr Barr: Yes, indeed. I apologise to the committee for that. We will ensure that there is a corrected page.

MR SMYTH: Just on the Australia forum, how much is left of the \$1 million that was going into the development work on West Basin?

Mr Dawes: We have actually rolled the \$1 million.

MR SMYTH: You have rolled the whole \$1 million over?

Mr Dawes: Yes, we have. We have actually done a lot of the work to date in-house. We are now starting the community consultation but we can talk to you about that a little later if you want.

MR SMYTH: All right. But just on the number—

Mr Dawes: It is \$1 million for the forum and 3.5 is for the Clarrie Hermes.

MR SMYTH: And the 3.5 for Clarrie Hermes is over two years?

Mr Dawes: That is a rollover from this year to next year. That particular project is just about completed. Sorry, yes, it is the rollover over the two years.

MR SMYTH: Clarrie Hermes will be \$2.5 million in 2012-13 and \$1 million in 2013-14?

Mr Dawes: No. It is the \$3.5 million.

MR SMYTH: And \$1 million that you have got in 2013-14 will also be expended in

2012-13?

Mr Dawes: That is right, yes.

MR SMYTH: Good.

THE CHAIR: I will go to my first question. This is in relation to resource management plans. I am well aware that the LDA has a resource management plan but is there actually a plan for the whole of the directorate? This goes to the whole issue of carbon neutrality.

Ms Hudson: It is being looked at as part of the governance area to work across. We are developing that.

THE CHAIR: So you do not currently have a plan for the whole of the directorate?

Ms Hudson: I think it is in draft stage and we are—

THE CHAIR: Would you be able to confirm that?

Ms Hudson: Yes. We are aware of our requirements in terms of the annual reporting and how to do it. That is one of the many things as part of establishing the directorate.

THE CHAIR: I know that when I asked this question yesterday, ESDD said there is a central executive committee that looks at this issue. Are you part of that?

Ms Hudson: Yes. We have a senior executive committee and we look at workforce, governance and finance as regular items. It comes under the governance aspect of bringing in all the various policies that we need to have. That will be brought to that committee.

THE CHAIR: Do you have any idea when, in light of the budget and given it is a fairly crucial issue as well, that would be? If it is in draft form, when will it be completed?

Ms Hudson: We have one but then someone came up with new ways—that perhaps we could do it better by taking it out of the policy area and putting it into governance. So I am not exactly sure on the time frame but they were looking at all of the carbon neutrality framework and suggesting different ways that we could do things to also access funds, I think, that are available. So we are relooking at that and I have not been briefed on when that will happen. But it needs to happen in the next little bit.

THE CHAIR: Will it be something that you publish—make publicly available on your website?

Ms Hudson: I do not have any difficulty with that. We would be doing that internally and promoting it across the directorate anyway. So I am happy to do it. I can take it on notice if you would like me to but—

THE CHAIR: That would be great if you could take it on notice, and the time frame

when you expect it will be complete and if it will be publicly available.

Ms Hudson: Yes.

Mr Barr: Two months.

Ms Hudson: Two months.

THE CHAIR: So that is when it will be complete?

Ms Gilding: I hope so, yes. I was just speaking to the office the other day about that and the interface between policy and bringing some of those elements into that document. There is a little bit of work to go, but I expect that in the next couple of months we will have that finalised.

THE CHAIR: Great; thank you. And I have just a quick question before I go to Mr Hargreaves. It is in relation to an issue of interest to me. There is a technical adjustment, I think on page 242. Sorry; I should have actually got the page. It is just in relation to the multi-use facility at Tuggeranong where the men's shed will be going. What recurrent funding will there be for that in terms of some of the ongoing management of that site?

Mr Barr: I think you will find the technical adjustment would be that the government will not own the facilities.

THE CHAIR: Right.

Mr Barr: So it would have moved from being a capital project to being a grant to the end users, so it is expensed as a recurrent expenditure.

THE CHAIR: So it will be recurrent expenditure?

Mr Barr: Yes, so we cannot capitalise that project.

THE CHAIR: That answers my question. Mr Hargreaves.

MR HARGREAVES: I have got two questions on budget paper 4, page 239. The first one talks about the 600 grand over two years—the affordable action plan phase III. What are you going to use the money for, minister, and how is it going to affect the cost of living for Canberra?

Mr Barr: Thank you, Mr Hargreaves. You would be aware that last week the third phase of the housing affordability strategy was released. This builds on the first two phases in 2007 and a subsequent update. These pieces of work have combined to more than 80 individual initiatives aimed at supporting the increased supply of affordable housing and—

MR HARGREAVES: Before you go on, is there a list of those?

Mr Barr: Certainly.

MR HARGREAVES: Can we get hold of it?

Mr Barr: We can provide the committee with—and there are implementation reports available on the directorate’s website.

MR HARGREAVES: Yes, great.

THE CHAIR: So that has been taken on notice?

Mr Barr: Yes.

MR HARGREAVES: Thank you.

Mr Barr: I think the points to make, particularly in the context of this allocation, are around the implementation of this new phase of the work, which involves some policy changes, particularly in relation to the thresholds under which our affordable housing targets can be met by industry, and it also goes to some further work identified in this strategy, particularly around the attraction of institutional investors into long-term rental accommodation. This particular issue was canvassed previously but, due to the global financial crisis, there was not a particular availability of funds from institutional investors. The advice is that that situation is improving somewhat, particularly in the context of some recent federal policy changes around expansion of superannuation. The increase in superannuation from nine to 12 per cent certainly increases the pool of national savings and provides, I think, some interesting opportunities for us.

MR HARGREAVES: How is it going to affect the cost of living for people, though? This is aimed at the very bottom end or the poverty line?

Mr Barr: There is really a suite of policy responses across the income quintiles within this city. The particular focus, the context of this strategy, is on the bottom two quintiles in particular, through a combination of public housing, community housing provision, affordable rental, affordable purchase and then a desire, as I say, to work with institutional investors around providing long-term properties that will remain in the rental market. The Defence Housing model, for example, is one that I think would be worthy of further exploration.

We have sought, through the combination of housing affordability policy, land release strategy and the changes in taxation, to put downward pressure on rents and house prices by way of the combination of those policies to encourage new institutional and mum and dad investors in the affordable end of the market through the changes in land tax, for example. There is a definite focus on that end of the marketplace. The feedback from industry has been very positive in relation to the signals we are sending around new construction, in particular.

Supply-side solutions are what is required here. You do not need to fuel the demand side and just put more money in people’s pockets, pursuing the same number of properties. That will just lead to price inflation, and we have seen that. We have seen a decade of that in Australian public policy. All it has done is push up prices rather

than putting downward pressure on prices. That is the difference in this policy approach: it is a supply-side one.

MR HARGREAVES: Thank you. I was concerned about that supply side. The other one I was interested in is the rollovers, on the same page: “Civic revitalisation—development of Civic master plan (feasibility)”, \$181,000. It is on page 239 of BP4, the sixth line down.

Mr Barr: Yes.

MR HARGREAVES: I am interested in what the money was to be used for. And how does it intersect with the \$500,000 from the commonwealth government’s liveable cities program? There is 750 grand for the revitalisation of Civic and Braddon and the realisation of the Australia forum that we talked about, which has got the revised funding profile of \$4½ million. Is there some additional info on that?

Mr Barr: Yes. I will seek some advice about additional information, but the context of this obviously is the city rejuvenation program. People would have observed that just outside this door here and in other parts of the city.

MR HARGREAVES: That was a barrel of fun, wasn’t it?

Mr Barr: Indeed.

MR SMYTH: It did take a little while.

Mr Barr: It did, yes. The inclement weather certainly did not help. But in the context of a \$20 million rejuvenation program occurring around the city—it is significant. The further work goes to those parts that have not already had some attention, particularly pushing into the Braddon district. As people would be aware, the planning changes that occurred a few years back in Braddon have allowed for significant urban renewal in that commercial precinct. I think the first major building there will be finished in the not-too-distant future and there is significantly more work to occur. That \$750,000 allocation will enable the planning for that additional work. Mr McNulty, do you wish to add anything further?

Mr McNulty: Yes. The \$181,000 was actually for the development of the Civic master plan, which is completed. We are still awaiting invoices for some of that work; that is why it has been rolled over.

MR HARGREAVES: What are those invoices for?

MR SMYTH: If the Civic master plan is being finalised, what is the federal government funding for?

MR HARGREAVES: I had not finished the question. I asked what it was—

THE CHAIR: One person at a time.

MR HARGREAVES: What were those invoices for?

Mr McNulty: Invoices from consultants who were involved in the preparation of the master plan. We have not received the invoices.

MR HARGREAVES: From?

Mr McNulty: My understanding is that the consultant invoices go to Shared Services Procurement and then to us. We have not received the invoices for payment.

MR HARGREAVES: How long have they been in the making?

Mr McNulty: For some time.

MR HARGREAVES: Somebody is not in a hurry to get their money then?

Mr McNulty: Apparently not.

MR HARGREAVES: Is that so?

MR SMYTH: It must be a good life. The development of a Civic master plan—is this just the feasibility of the master plan or is this the actual master plan?

Mr McNulty: It is the development of the city area action plan, which was completed in 2010.

MR SMYTH: How does the federal money interact with that? If you are already doing it, why are we getting federal money for it? I am happy to take federal money, but—

Mr Barr: They are different.

Mr McNulty: They are different funding as well.

MR SMYTH: They are different?

Mr Dawes: One of the things that the government has recognised is that there are a number of different projects as well. We have had a number of different directorates doing different projects. We have moved to coordinate that far more cohesively than has been done in the past. We have put a number of these initiatives under the Office of the Coordinator General as well to ensure that we are getting economies of scale and are not redoing work that has been done in the past or replicating work currently. There has been greater cooperation.

Jim Corrigan, who operates in the Office of the Coordinator General, runs that particular element of it and will just go through how we are utilising that commonwealth funding. That will link in with the money that we have for the national forum project, the city basin project that we discussed just a few minutes ago.

MS HUNTER: Could we also get an understanding of how the Canberra city area action plan 2010-16 interacts with the Civic master plan and also with the

revitalisation of Civic and Braddon. Could we just get an overall idea of how all this fits together.

Mr Corrigan: The liveable cities grant of \$500,000 is a commonwealth program that was available to all states and territories to look at revitalisation and the like. We were successful in securing half a million dollars. When I say “we”, that is the ACT government. It was a project sponsored by the head of service. Our Environment and Sustainable Development Directorate colleagues put the proposal up and were successful. The idea behind that is that it is a high level strategy for the city to bring these projects together. That is probably the simplest way of putting it. The Civic area action plan alluded to is a plan to guide capital works investments in Civic improvements. That is an important part of the city.

With the liveable cities program of half a million dollars, the intention—and it has not commenced yet—is to have a high level strategy that looks at not only the capital works but also how the city can grow and develop. As the population of the city grows, or Canberra overall, if we have got a city of half a million people, what sort of city do we want to have? What are the facilities that should be in it? Where should the facilities be? How do we look at these things? In terms of facilities, it is things like the theatre, for example. What sort of theatre do we want to grow? That is the thinking behind the project.

I will try and jump now to the Australia forum and those issues. The \$1 million that was rolled over is specific to investigating the Australia forum. I do not know how much of the history you know, but the Australia forum was a good bit of work that the government assisted the Canberra Business Council to develop. They came up with a proposal to put the Australia forum, a new convention facility, in the centre of dialogue on the shores of Lake Burley Griffin at West Basin quite near to the futsal slab. If you think of that sort of location, that is what they put forward.

This is all well and good. In taking it further, we looked at it and said: “If that’s the proposal, how does that link back to the city? How do we make all this work in that space?” Hence we are talking about a project linking the city to the lake. For the Australia forum to work, it needs to link back into the city from a practical point of view—how people get to it and those sorts of things. That means we have to look at things around Parkes Way and all of that. When we do that it opens up a whole range of opportunities. We are talking about quite a significant part of land to the west and the south of us here. We are looking at those things.

On top of that, other projects are coming in that we are also investigating. We know that the Civic pool is ageing infrastructure. What is an adequate future for the Civic pool? How can we manage that in the same area? Minister Barr has made announcements about the state of the Canberra Stadium. It is ageing infrastructure as well. It works fine—it is not falling to pieces or anything—but over the next 20 to 30 years investigations have to be done around the stadium. If a serious upgrade is being looked at for that we would say, “Is it possible even to look at a new stadium location?”

These are things we are investigating as part of the \$1 million under the Australia forum banner. We are not losing sight of the importance of the Australia forum and

the good work that has come forward from the Business Council and the need to look at our convention facilities and how Canberra works in the convention market in Australia. We are bringing that together in that project.

The project consists of two elements. A large element is an engineering investigation: what is actually possible, what is in the ground, what are the opportunities we have, what do we do with Parkes Way—those sorts of things. The second component is looking at those facilities and how they could come together. We are in the very early stages of this. That is why the \$1 million was rolled over. We have only just recently appointed a consultant team to assist. We do not have any firm proposals to give you or put on the table. That is a fairly brief narrative of how these projects hang together. I know it is potentially confusing but you can see what we are trying to do.

One other thing I should add is that with the liveable cities grant, the half a million dollars, the high level strategic plan sits over this. What we investigate in terms of the linking of the city to the lake and the Australia forum and all these good things will come underneath the strategy. It contributes to that strategy of how the city can grow and develop.

MR SESELJA: When do you expect that you will actually have concrete proposals coming out that? You said that there is nothing yet in terms of those investigations. What is the estimated time frame for that?

Mr Corrigan: Regarding the Australia forum and the investigation we are doing now, we are looking towards early 2013 to move the project forward to a point where we will have some more firm proposals. We are going through a process of looking at these facilities now internally. There is also a consultation element—the public consultation. Obviously we need to take these proposals and start consulting with the community and the relevant stakeholders. We will start to do that later in the year. We have established a project reference group of relevant stakeholders to give us feedback to help us and the consultant team work through this and look at the opportunities that are there.

MR SESELJA: That is the Australia forum. What about West Basin in terms of the time frame?

Mr Corrigan: No, that is it.

MR SESELJA: That is combined, is it?

Mr Corrigan: The \$1 million, yes.

MR SESELJA: And when you talked about 2013, that was for both in terms of proposals for a way forward?

Mr Corrigan: Yes. The linking the city to the lake project looks at the forum, the pool, the stadium and all those options.

MR SESELJA: So the whole lot altogether.

Mr Corrigan: That is early 2013. Regarding the liveable cities grant, that money comes from the commonwealth in stages. They are looking at completion by June 2013 on that project.

MS HUNTER: Is there any link to the Civic master plan and the revitalisation?

Mr Barr: The capital works plan?

MS HUNTER: Yes.

Mr Barr: I think yes.

Mr Corrigan: I just want to clarify: there is a city area action plan, the one that Hamish spoke about, in terms of guiding the capital work investment in the city. The city master plan—I think that is right—is what I am referring to as this high level strategy that we will use the money that has come from the commonwealth to prepare.

MS HUNTER: Budget paper 4, page 225, mentions, in your priorities, the affordable housing action plan phase 3. I am just wondering about hostel accommodation. I am interested in whether that is something you are pursuing or not pursuing in regard to the affordable housing action plan. There was a recent question on notice. Your response to that question on notice was that in 2012 some work was undertaken on trying to attract interest in the development of low cost accommodation for construction workers and this proposal may have taken the form of hostel accommodation. However, this did not eventuate due to lack of interest. You spoke just then around superannuation investment and institutional investors and so forth. Can we just get a bit of an idea as to whether hostel accommodation is still on the table and the sorts of models around the investment.

Mr Dawes: We obviously were pursuing that because there was a great interest in it, but when we actually started talking to the key stakeholders about delivering that particular project there was no take-up. We have not pursued that option at all because, obviously, if there was no-one to take up and run that facility there was no point. We worked quite closely with the HIA and the MBA, and also ActewAGL, at the time because there was a lot of talk about the construction of the dam and transient subcontractors coming into the territory. But no-one actually wanted to own that particular project.

I might have mentioned the other day some of the things that we had been doing on the lower cost accommodation. You would have seen the announcement where, after going through some EPBC clearances and so on, at EPIC we now have a preferred tenderer, which we can cover a little bit later on. That will have some lower cost accommodation but also student accommodation. It will enhance our caravan park facilities within the territory to attract those visitors that wish to camp as well. We are pursuing the Stromlo option, again, for lower cost accommodation. That is certainly part and parcel of some work we are doing there. Obviously we need to—

MS HUNTER: How are you pursuing that? You tried to get commonwealth money, didn't you, for this?

Mr Dawes: We did. We were looking for a bit of commonwealth money to bring forward some of the requirements to do some of the infrastructure. As we are now moving into the next stages and over the next 12 to 18 months will be putting some capital works into the new suburbs of Molonglo, we will have some of that key infrastructure there. We will be able to pursue that with a little more vigour over the next 12 to 18 months as well because that infrastructure will be there. The idea of some of that federal funding was to try and get the infrastructure in a little earlier than we had planned.

We looked at the land release as well. Recently we sold the Watson site, which is aimed, again, at that lower cost accommodation. We are looking at bringing on land available in and around the tennis arena as well for that accommodation.

MS HUNTER: The tennis—

Mr Barr: The tennis centre in Lyneham.

MS HUNTER: The tennis centre in Lyneham, yes.

Mr Dawes: Yes. Recently we provided a direct sale for the expansion of the hotel-motel facilities at Tuggeranong where they can build up to another 100 units. As part and parcel of one of our project facilitation projects we have been assisting the ElvinGroup who have a site at Federation Square. They are looking at putting a hotel there. That is going through the planning stages. For that lower cost accommodation there are a few projects in the planning stages.

MS HUNTER: So this is a mix of hotel and regular housing?

Mr Dawes: That is right.

Mr Barr: Self-catering accommodation and those sorts of—

Mr Dawes: Yes.

MS HUNTER: It is 3½ star at Federation Square, is it, or less?

Mr Dawes: Probably even lower than that.

Mr Barr: It may be even lower than 3½ stars.

THE CHAIR: Can I ask a quick follow-up question, still on the affordable housing action plan. Action 3 in the plan talks about how in 2008 some government housing was transferred to CHC.

Mr Barr: Transferred to CHC, yes.

THE CHAIR: Is that something that is going to continue to happen? I am not aware of us having a surplus of public housing stocks. Is that something that is going to continue to happen? What is the actual plan around that?

Mr Dawes: With CHC, they were originally transferred approximately 131 dwellings to kick-start that project.

THE CHAIR: I am aware of that, yes.

Mr Dawes: There are no plans to further increase that particular stock.

THE CHAIR: Okay.

Mr Dawes: That was the first phase of the affordable housing action plan. Part and parcel of what Community Housing Canberra have been doing—we have an MOU with Community Housing Canberra, which you would be aware of.

THE CHAIR: Yes, I am aware of that.

Mr Dawes: We provide a number of sites to them to develop housing, and they have quite a number of projects that are coming out of the ground. And there is something that is a follow-on which might also be of interest to the committee around affordable housing: in the project that they are conducting out at Bruce, they are trialling a similar project to Defence Housing, where they are providing accommodation—

MS HUNTER: This is a private rental leasing model.

Mr Dawes: A private rental leasing model as well. They will sell and then manage that stock. That is part of the NRAS arrangement that they have with the commonwealth where they have been quite successful. They took 32 properties to the market in that and were overwhelmed with the amount of interest. I think it is fair to say that the Defence Housing product has got quite expensive. You are looking at 550,000-plus to get into that market. They are providing some opportunities for a different type and style of investor for around \$300,000 to \$350,000. There are a number of people that wish to enter into that market. That will again see some additional rental product coming on board from Community Housing.

THE CHAIR: So there will not be any other further public housing properties?

Mr Dawes: No. To my knowledge—

Ms Hudson: Not to the public.

THE CHAIR: Not to Community Housing?

Mr Dawes: there are no plans afoot to transfer any more public housing to Community Housing Canberra.

Mr Barr: The strategy points out that the capital we are talking about is surplus government properties that could be suitable for refurbishment or redevelopment.

THE CHAIR: I was just going to ask about that. When you say “surplus,” is that something like converting an office building? Is that what the plan would be?

Mr Dawes: It could be. Or it could be, dare I say, an old school that is in Tuggeranong. We know that Urambi primary school is an appropriate site for affordable accommodation.

THE CHAIR: So using those community facility sites?

Mr Dawes: Some of those community facilities we might make available to Community Housing Canberra to enhance some affordable older persons accommodation in some key areas where people want to stay within their localities.

MR COE: Would it be only CHC or other community housing providers?

Mr Dawes: It will be open to other community housing providers. At the present time, I think it is fair to say that Community Housing Canberra is the dominant player in that particular market. The government has invested quite a bit in providing them with a large revolving line of credit to build up their mass. They were targeted back in 2007 to provide 1,000 dwellings over a 10-year period. While it is on the way, it has been quite a successful story. A lot of other states and territories are looking at Community Housing Canberra in this style of market and how that can be replicated around the rest of Australia.

MR COE: Have any dwellings been transferred to any other community housing providers?

Mr Dawes: Not to my knowledge.

Ms Hudson: And not to my knowledge. My understanding—we liaise and meet with CSD regarding this—is that they are aware, I think, at Ainslie Village of other providers that are coming into the market and would be able to be involved with this in the future.

Mr Dawes: Under the building revolution, Housing did work collaboratively, I think, with another housing institution from interstate. You might like to pursue that next week.

MR COE: Sure.

MS HUNTER: With Community Housing Canberra developing more in this area, and also the private rental leasing model that they will be pursuing, are they going to still be staying with the 74.9 per cent of market rent? We have identified that there is that gap between the public housing rental—74.9. Some of that, as you have said, minister, is around putting in the levers and setting the scene for downward pressure on rents in the private rental market, but I am wondering whether there is discussion with CHC about providing some housing in that space as well.

Mr Barr: Yes. I think utilising the land rent scheme with the concessional rate gives them some capacity.

MR SMYTH: There were allegations earlier in the hearings that the land rent scheme is actually being rorted by savvy investors. Do you have an opinion on that, minister?

Mr Barr: In polite terms, BS.

MR SMYTH: Right.

MR HARGREAVES: Before Smyth.

Mr Barr: Unbelievable allegations that have no basis in fact. The access to the concessional rate is indeed income contingent.

MR SMYTH: Sure.

Mr Barr: The other rate is available for all, but delivers no particular benefit of a concessional nature because there is no capital gain achieved by someone accessing the program on that basis: capital gains stay with the territory. So in fact, when you look at the costs associated with the four per cent scheme and what the current marketplace is providing, excluding capital gains, there is no particular basis for someone to seek a benefit in that context because it is not there.

MR SMYTH: So is the land rent scheme distorting the market?

Mr Barr: No. That is the whole point.

MR COE: In which case, what would be the maximum number of blocks a single person might have control of under land rent?

Mr Dawes: As people would be well aware—I think it was well documented in the *Canberra Times* some time ago—it is like anything: people will try and seize an opportunity. We did have a developer that was pursuing and paying people money to stand in line and book in—an incentive of \$1,000 as well. They got \$500 up front and then, if they secured a block, they got another \$500 as well. We put in place a stat dec where people who were actually registering on the ballot signed the stat dec to say that they were not acting for a third party. The first time we did that, that actually did blow a number of people out that were in line. Since then, that sort of activity has not occurred.

The other thing is that we have restricted the number of blocks to a builder to a maximum of five under the land rent scheme. What we also do, as we enter into the ballots for blocks in the future, is go through it and scrutinise to make sure that—this happened many years ago, probably five or six years ago, where people were registering several times in a ballot—we have a system in place and we work with our lawyers that act for us on these ballots these days to ensure that there is only one person. There might be the occasional one that slipped through the net, but we believe some of the more robust systems that we have in place are curtailing any of that activity.

MR SESELJA: If there is no benefit, minister, why would a builder or developer be paying people \$500 or \$1,000?

Mr Barr: Very good question.

Mr Dawes: That is a very good question.

MR SESELJA: Why did you have to outlaw the practice if there is no benefit? Clearly, industry and others are seeing some sort of benefit in accessing the scheme.

Mr Barr: There is no capital gain and they are paying rent to the government for the land.

MR SESELJA: Would they not see it as cheap finance?

Mr Barr: In the current environment, if you thought that, given that there is no capital gain, you would be—

MR SESELJA: They might look at land prices at the moment and say land prices maybe are not doing anything at the moment, in which case it does become an equation of cheap finance, doesn't it, and that seems to be how parts of industry view it?

Mr Barr: They may. I am not necessarily sure that that is a rational assessment but then parts of industry are not always rational.

MR SESELJA: So you think they are doing themselves in by—

Mr Barr: Look, are you out there doing it?

MR SESELJA: Sorry?

Mr Barr: You're not out there doing it?

MR SESELJA: No.

Mr Barr: You do not think there is any particular benefit?

MR SESELJA: I am not much of a speculator myself.

Mr Barr: No, indeed; there you go.

MR HARGREAVES: I would not say that.

Mr Barr: They are—

MR SESELJA: You do have to ask that fundamental question though, don't you? If you have had to outlaw a practice because it was being rorted—although if there is no rort because they are not getting any benefit, something does not quite add up there. Clearly large parts of industry do see it as a benefit. I guess there is minimal risk and there are cash flow positives for them in being able to get that land. That, in and of itself, may be a worthy thing but I assume that is not what the land rent scheme was designed for, to assist builders in that way. I am not against builders getting assistance if it is the right kind of assistance, if that is some sort of targeted approach, but the

question is: is that the purpose of the scheme? Do you see that as a reasonable flow-on that you help first homebuyers or you help low income earners but you also help builders?

Mr Barr: With that logic, the entire housing system works on that basis, doesn't it?

MR SESELJA: In what sense?

Mr Barr: Builders build homes for first homebuyers; that helps builders and it helps first homebuyers. The entire construct of our society is based on there being some profit made. I do not think anyone in the construction industry is out there altruistically not seeking to make any money at all out of contributing their labour, their capital and the risk that they undertake. That is a normal commercial transaction.

MR SESELJA: Yes.

Mr Barr: In this context—

MR SESELJA: I do not think you are quite answering the question. You are taking a very wide approach.

Mr Barr: You have presented a philosophical question in relation to—

MR SESELJA: No, it is a very specific question. You have sort of said at one level that you are concerned about builders utilising it, which is why you have had to introduce statutory declarations, so that people are not acting on someone else's behalf, but at another level you are happy if they are benefiting from it and using it in that way. What is the government's approach to how builders can use this scheme?

Mr Barr: There may be a difference in perception around the rationality of that decision making and the level of a perceived benefit versus an actual benefit. I think there could be circumstances prevailing in the economy whereby, depending on the rates that you set in the context of the land rent scheme, if that was massively out of kilter with, for example, access to private finance, then yes, that may well be an issue. But in the current context, and given the circumstances of the scheme, the circumstances of the territory and the national economy right at this point, I think it would be a pretty hard stretch to say that people are making any sort of windfall gain out of this process. If they were then you would presume there would be rampant use of this.

MR COE: Why did you make legislative changes then?

Mr Barr: To introduce the scheme?

MR COE: No, to—

Mr Barr: To undertake some control over the process in order to guide particular outcomes. But that is not to say—you could have measured and proportionate responses to particular issues. The measured and proportionate response is what has happened—not to, for example, abandon the scheme. It is to look at an appropriate

response.

MR COE: Do you acknowledge that there are some builders or developers in town that are homing in on land rent blocks over other products?

Mr Barr: Everyone has the option of homing in, if you like, and I think there are more builders who will be homing in on aspects of land release or of the affordable housing strategy or homing in on particular markets. That is business, isn't it? To the extent that there is any government involvement, which there is, in the context of setting tax rates, land release involvement et cetera, there is always going to be a homing in to take advantage of different policy settings.

MR COE: Do you accept that the more regulation you have and the more that you try and treat a symptom, the more potential loopholes there could be?

Mr Barr: I certainly accept that any level of government intervention in a market is going to create a degree of distortion. But sometimes you must also recognise that in a pure market there is market failure, and that there is therefore a need for government intervention. There will never be—

MR COE: Where was the market failure in the ACT property market?

Mr Barr: Where was the market failure in the ACT property market? Failure to supply at the affordable end of—

MR COE: So it was land release, was it?

Mr Barr: No, it was a failure to supply—

MR SMYTH: But what actually failed to cause the failure? What led to the disequilibrium in the market?

Mr Barr: A number of different factors.

MR SESELJA: I think he just said “supply”.

MR COE: The fact that a block is \$350,000 in Gungahlin? How is that?

THE CHAIR: One person speaking at a time, thanks.

Mr Barr: Most obviously, though, because we have higher average incomes and a greater proportion of households who have the capacity to expend at the top end, it is no surprise that the market went to that end, and that is a market failure, Mr Coe; hence there is a need for intervention. This is not a question of the last decade. In fact some could argue that the policy settings that were put in place around the time that the GST was introduced, whereby the demand side was fuelled and more and more money was pushed into that area, chasing the same number of houses, and guess what—

MR SESELJA: You control supply.

Mr Barr: We do not completely control supply. And—

MR SESELJA: A fair amount.

MR SMYTH: Who does then?

THE CHAIR: Just one person speaking, please.

Mr Barr: I would make the observation that if this was just an issue in the ACT, I could possibly accept your analysis, but this is occurring right across the country.

MR COE: There were dodgy Labor governments across the country.

Mr Barr: Hilarious! Led by a federal Liberal administration who pursued this particular policy objective. There were state Liberal governments around at that time, too, and there were state administrations that did not have the same level of control, if you like, over land release as we have here, where these sorts of issues arose as well. All of the policy analysis of this question shows ultimately that Australia, jurisdiction by jurisdiction, added up, did not build enough houses over that last decade. All of the analysis is showing now that, of all the jurisdictions seeking to respond to this challenge, guess who is performing the best? The ACT.

MR COE: But you do accept that the portion of a house and land package which is the land is pretty much the highest today that it has ever been?

Mr Barr: Across the country, yes, that is correct.

MR COE: And as a monopoly land supplier in the ACT—

Mr Barr: We are not a monopoly land supplier in the ACT.

MR COE: You are, as you said earlier, the predominant player; therefore do you not accept that the government is responsible for contributing to those huge costs?

Mr Barr: No. I accept that there is a role on the supply side, and that is what we are seeking to address, and have been addressing, with 17,000 blocks released in the last few years and the 19,000 program over the coming years. But you cannot just look at the supply side in isolation. You must have a look at the other side of the equation, and you must also have a look at a range of other prevailing economic factors.

MR COE: You just said there was excess demand.

THE CHAIR: Can I just get everyone to direct questions through me, please.

Mr Barr: Sorry?

MR COE: You just said there was excess demand.

Mr Barr: Yes, indeed; that is right. And that pushes up prices, because the price,

Mr Coe, is the interaction of supply and demand. If the demand curve is moving and there is more income—

MR COE: Does that not mean you have not released enough land?

THE CHAIR: Mr Coe!

Mr Barr: pushed into that side of the equation, then assuming supply is growing but not growing at the same rate, you are going to see prices increase. And that is what has happened in every jurisdiction across the country. It is very simple economics.

MR SESELJA: On the land rent scheme, Mr Barr, you said—

THE CHAIR: Sorry, can I get members to direct questions through me. I will come to you, Mr Seselja. I was going to go to Mr Smyth and to Ms Le Couteur. She has not actually had a question yet.

MR SESELJA: Sorry, I thought we were still on land rent.

THE CHAIR: I will come back to you. It is just that Ms Le Couteur has not actually had a question yet. I am allowing people to get questions. I will go to Mr Smyth and then come back to you.

MR SMYTH: Minister, on page 248 of budget paper 4, relating to employee expenses, and also on page 226 in your estimated employment level, the outcome was meant to be 179 staff. It got to 221 and the note says that it was mainly due to an underestimation of the staffing level in the 2011-12 budget, which is a statement of the bleeding obvious, to quote Mr Quinlan. What led to the underestimation? If we then go to page 248 your employee expenses seem to dip extraordinarily over the next three or four years. The outcome for this year is \$20½ million, next year it is only \$19.3 million, the year after that it is \$19.2 million and then it is \$18.8 million and \$18.1 million. Is there a downsizing coming of the Economic Development Directorate, or have you just understated the employee expenses in the outyears?

Ms Hudson: I will provide the background regarding all of the FTE. What happens with the preparation of the budget papers is that you get asked—last year it was in late March, early April; it depends on the timing of the budget—for your estimated outcome for June and you need to estimate where you are going to be with your staffing numbers for the end of June. I was not in EDD but those numbers were provided. At the same time, the government was deciding the final formation of the directorate as well. Essentially at that time there had been limitations put on recruitment, so there were significant staff vacancies. When those numbers were actually put together they were the actual FTE on the payroll at the time you get asked from Treasury. So part of the underestimation was from that.

When the EDD was established, we then went and looked at all the structures from the various components that were coming in to EDD and as part of that review of the existing structural arrangements there were on establishment 260 staffing positions within those areas that were forming EDD.

As a senior executive team we looked at the existing staffing and structural arrangements and said that we obviously needed to review that. We have gone through a process of integrating functions where we can and essentially a big change process. Between about May and July we also went through a strategic planning process to ensure that we were able to deliver for the government in terms of the priorities that the government had—not just the government priorities but also the cultural reform priorities across the portfolio. So we looked at all of that.

Then, in order to deliver on all of those priorities and to structurally do what was correct, we brought down from 260 to 220 positions. That involved a lot of staff consultation and union consultation, looking at old structures, new structures, where will the functions be, where your position that you are currently in might be in the new structures, how various positions have changed. As part of that, 42 staff were identified as potentially excess, 10 staff are currently potentially excess and seven staff have been provided with or approved for voluntary redundancies.

My colleague Dermot Walsh, who is CFO, will talk a little bit more about your question to do with page 248, but at the moment we are two-thirds, three-quarters, of the way through this process. So some of the staff who may be part of the redeployment process are actually on our books, though, and we pay their salaries until they are redeployed within their own agency, which was the priority that first happens, and then they go to a Shared Services redeployment panel. While they are on that redeployment panel they are still part of our employees and we pay for them out of EDD. So that explains some of it. I hope I have explained the difference between the 179 and the future with 221.

Mr Barr: The transfer of some functions from EDD to other agencies.

Ms Hudson: That is true. We have also got a few small MOG changes as part of the EDD-ESDD MOU arrangements. There will be a couple more staff coming into EDD as well.

MR SMYTH: Could you give us a reconciliation of that brief summary, a written reconciliation of the ins and the outs?

Ms Hudson: We can provide that information, but when we go old structure, new structure, there are areas that it is easy to determine; for example, business or sport or those areas. But the areas that are newly created—it is old; there was not an area—

Mr Barr: Where we can do a like with like comparison, we can; otherwise it is a new function.

MR SMYTH: That is okay. New function is fine. I understand the concept of new functions.

Ms Hudson: I just want to say one more thing in terms of integrated functions; David mentioned some of this yesterday. Workforce and governance are provided in one area across LDA, EDD and the directorate. Finance is the same. Communications and community engagement and business engagement are now in one. Events is one and ministerial cabinet and policy. So where those interface there have been changes in

people's jobs. That is a narrative that we need to be mindful of, of the way we have done it, but I will do it to the best of my ability.

Mr Barr: I think the context for this is that staff came from six different agencies across ACT government into this directorate. So it has been bringing in a range of different functions from across government.

MR SMYTH: We did not know what we transferring in; until we got it we could not work with it? So the government was not in control of its staff?

Mr Barr: No. And there are of course administrative changes in relation to ministerial responsibilities that occurred when a fifth minister was added. For example, the Chief Minister took responsibility for the arboretum, and staff were transferred from EDD into TAMS. So there have been some movements between budget cycles and that is of course reflected in those operating statements.

Ms Hudson: I would like to say that a lot of people are enjoying coming to work in EDD. Change is not always something that is seen as a negative. A lot of people have clearer career paths, where they might go, by grouping areas together and some people are really relishing that opportunity.

THE CHAIR: Anything further on that, Mr Smyth?

MR SMYTH: Are we going to have a reconciliation of the ever declining employee expenses?

Mr Walsh: In terms of the increase in costs and the estimated outcome for 2011-12 there is a range of factors, and Ms Hudson has touched on some of those in terms of the restructure and the costs of carrying excess staff. There is also the impact of indexation and discount rates on the long service leave liability, which has not gone in the government's favour this year because of economic conditions.

In terms of the reduction into the outyears, that is factoring the impact of the savings initiatives over the forward estimates, plus the ons and offs through indexation and changes there and factoring in the cost of the restructured organisation.

MR SMYTH: So what staff losses do they represent?

Mr Walsh: At this stage the directorate has not worked through what that impact might be. While there are some indicative numbers in BP3 in terms of where those savings will be met, the directorate will look across the directorate at where those efficiencies can be made, so we have not made any decisions in that area.

Mr Dawes: If I could just add to that, Mr Smyth, one of the key things that we will be doing in the beginning of the new financial year is sitting down with our senior executive to finalise working out those budget constraints and how we manage not only our resources but within our financial delegations. That is work in progress.

MR SMYTH: Employee expenses across the government grow six per cent this year. They grew seven per cent last year. They grew five per cent the year before that. But

there is not even WPI factored into this.

Mr Barr: In terms of?

MR SMYTH: In terms of your employee expenses.

Mr Barr: Go from budget to budget as opposed to the 2011-12 estimated outcome, given the points Ms Hudson has made around—

MR SMYTH: In the outyears, assuming your staff numbers stay stable at 221—

Mr Barr: They will not be.

MR SMYTH: All right. So can we get a reconciliation of the job losses. There are more job losses in the outyears?

Mr Barr: Yes. That was clear in the budget papers. But then that is offset in some instances by new spending initiatives contained within the budget. But, yes, I was actually surprised none of these questions came in the Treasury hearings. What you are seeing are—

MR SMYTH: Ran out of time, didn't we? There is always a recall day on 1 July.

Mr Barr: Clearly there is a shift away from administrative positions and there is growth in health employees. There is growth in education employees and growth in a number of other—

MR SMYTH: Health and education are the only two departments that show growth in the outyears.

Mr Barr: Obviously, that is how you maintain a degree of fiscal discipline in relation to the total expenses of the territory because 50 per cent of the costs relate to employee costs. But then, as I think we have discussed before and as other committee members would be aware, average salary and on-costs per FTE are about \$100,000, so you can do some quick maths and get a sense of the number of positions. But it is simply not possible to continue to add 150 new positions in health every year and not expect that there will be reductions across other areas of government.

MR SMYTH: So what functions won't EDD be doing in the outyears?

Mr Barr: We will make those decisions in the context of our policy agenda. A number of pieces of work will be complete, will no longer require attention, and staff can be redeployed to other areas. We will not, for example, need to be developing new affordable housing policy, business development policy, for example, for—

MR SMYTH: You have solved affordable housing, have you?

Mr Barr: We have got a plan in place for the next few years. So we will not need to be developing a new policy in that context, because we have just delivered one. So tasks change. New pieces of work will be required and you see funding for some of

those in new initiatives. It is all about priorities and you see that this is particularly going to impact on areas outside of health.

MR SMYTH: Will you take that on notice and, if you can, determine what the job losses are in the outyears according to this budget?

Mr Barr: Forward for this directorate or across government? For across government it is in the budget papers.

MR SMYTH: For the directorate.

Mr Barr: Sure. We can do that. Those decisions will not be made by the time this committee finishes its hearings. But they will—

MR SMYTH: You have constructed the budget. You must have some idea of what is going on.

Mr Barr: We will provide what information we can. But, yes, there will be fewer people working in this directorate.

THE CHAIR: Thank you, Mr Smyth. Mr Coe?

MR COE: Yes. I have some specific questions about the land rent scheme. Firstly, what percentage of new blocks which the government releases this year and for the forward years is going to be released under the land rent scheme?

Mr Dawes: At the present time we have got to remember that there is currently a land rent review going on. Treasury, because they actually own this part of the legislation because they administer the land rent scheme under revenue, are looking at the effectiveness of it. Having talked to some of the other states and territories, might I just add that Western Australia and South Australia are looking at implementing a land rent strategy because of the success that we have had here.

We are actually in the process of working through that at this point in time. When we get back to normality of the market and we have blocks available over the counter, the land rent scheme will be there forever and a day. There is no restriction at all from a government perspective. We have a number that will go into the land rent scheme, but it is not going to be restricted at this point in time.

MR COE: For 2011-12 what portion are land rent?

Mr Dawes: In 2011-12? I can get those numbers as well. Dan, did you just want to provide those land rent numbers?

Mr Stewart: I can give you the total quantum of take-up but I do not have a number for this particular year. So, since the implementation of the scheme in July 2008, as at the beginning of this month 1,745 land rent contracts have been entered into.

MR COE: How many blocks in total will be released this financial year?

Mr Stewart: I beg your pardon?

MR COE: How many blocks will be released this financial year in total, not just land rent?

Mr Barr: Just short of 3,000.

MR COE: So we do have a ballpark figure of that 1,700 that are through land rent in total. How many of those are in the last 12 months, just a ballpark figure?

Mr Barr: We will get that for you.

THE CHAIR: That is taken on notice.

MR COE: Would you also, please, be able to say what the forgone revenue is for those blocks? Had they been sold through another method—

Mr Barr: There is no forgone revenue.

MR COE: You can at least—

Mr Barr: In fact, there is a revenue stream—

MR COE: Please give us the value of those blocks, had they been sold.

THE CHAIR: So has that been taken on notice?

MR HARGREAVES: The answer was no revenue loss.

Mr Barr: There is no—

THE CHAIR: No, we actually have not had an answer.

Mr Barr: There is no revenue loss.

MR COE: But I did revise the question to what is the value of those blocks had they been sold.

Mr Barr: Yes.

MR COE: Do you know roughly what the average value of a block is that has been sold—which has been pushed through land rent?

Mr Barr: It will vary by estate.

Mr Stewart: Land rent has been available in a number of releases that have taken place this year across a variety of estates in Molonglo and Gungahlin. So price varies by estate.

MR COE: Okay. How many participants in the scheme qualified for the discount

land rent rate of two per cent of unimproved value?

Mr Stewart: I will have to take that one on notice. I do not have the breakdown.

THE CHAIR: That is taken on notice.

MR COE: Also, how many pay the standard four per cent rate? Would you also please advise how many blocks were returned, or non-completions, to the government?

Mr Stewart: Out of the 1,745, 411 have been rescinded. But they will then have been re-released as part of additional ballots.

MR COE: Okay; so that the figure of 1,700—

Mr Stewart: Four hundred and eleven land rent blocks have been rescinded. However, each of those blocks will have then been re-released through subsequent ballots.

MR COE: Through land rent?

Mr Stewart: Through the ballot process and may have been taken up at land rent blocks.

Mr Barr: There is not a formal policy that these blocks are land rent and these ones are not. Any block that is a single dwelling block sold by the LDA is available.

MR COE: That is right.

Mr Barr: Yes. It is up to the purchaser to make that—

MR COE: Sure. Could you give a breakdown of those returns—

Mr Stewart: Sorry, a breakdown in what way?

MR COE: By year and suburb.

Mr Barr: I think by estate might be—

MR COE: That is more refined, actually. That is okay.

THE CHAIR: Is there anything else on that? If not, we will move to Ms Le Couteur to ask a question?

MR COE: Yes. You said earlier that Treasury have carriage of legislation. How do you work with Treasury and what specifically is Treasury's role in this process?

Mr Barr: Treasury provide policy advice to me as Treasurer now that I hold the dual roles in relation to Economic Development and Treasury. In this instance, it is easy in that I simply convene the relevant officials from both agencies to brief me in relation to the on-the-ground implementation of the program as well as the economic policy

that underpins it. That review the Treasury has undertaken I anticipate being briefed on very shortly. They have given me a headline view that overall the scheme is working very effectively and that from a Treasury perspective they are very happy with it.

MR COE: Who is doing the review from UNSW on the scheme?

Mr Barr: I will need to take that on notice. That will be part of my briefing pack that I will get in the near future.

MR COE: And how much is that review costing?

Mr Barr: Again, I will take that on notice.

MR SESELJA: Just quickly, Mr Barr, is—

THE CHAIR: Hang on—

MR SESELJA: Mr Barr, remind me, on the two per cent discount rate, is there a means test on that in terms of asset value as well as income, or is it just income that it is based on?

Mr Barr: I will check that. Certainly, there is an income test, and I will check the rest as to whether—

MR SESELJA: Obviously that is the other area. If concerns are being raised about people getting windfalls or otherwise, we can have people who are very asset rich, obviously, accessing a discount rate. That is one of the things that is being tossed around at the moment in terms of how the scheme is working. So you are not aware of an assets test?

Mr Barr: I am just checking the detail now. It is available on the Revenue Office website and I am Googling it.

THE CHAIR: While you are doing that, I am going to go to Ms Le Couteur's question, because she has been waiting. Then perhaps you can provide that information after Ms Le Couteur has asked her question.

MS LE COUTEUR: Thank you, Ms Bresnan. I want to go first to a very local project as a Downer resident. As you would be aware, the Downer old primary school site is being redeveloped. I do not want to talk about the design of that. There is a consultation process. My question relates to why has the site effectively, it seems, been given to CHC. Are there any requirements on CHC in delivering this project?

Mr Dawes: As part and parcel of the MOU that we have with CHC, we provide X number of dwelling sites to them each year. The Downer one was a site that we felt covered that particular need. I think what we also wanted to ensure was that there was affordable accommodation for the residents of the inner north. That is part and parcel of what CHC's mandate is. Also, because Downer, as you are well aware, has been discussed for many years, we wanted to try and get resolution with that. We have had

some very, very constructive community consultations with that particular group. I know they are keen now for us to get underway.

Obviously the community had some concerns and issues around Community Housing Canberra. They have attended a number of the meetings with us. They have worked with us to further refine the appropriateness of design and the construction of it. As you are also aware, there is a policy around providing affordable aged accommodation for older women in the inner north, because there is a large population of older women in the inner north. We wanted to ensure that that was delivered. Part and parcel of the agreement that we had with Community Housing Canberra was that they tick all those boxes. They will deliver on those key objectives as well.

It is to be finalised whether they will develop the whole site, but, for the initial part of it, it will be a staged development so that it does not have an impact on the residents. We also have to decant over time a number of people that have offices in the old Downer school. We actually have to work with those tenants as well to move them out.

The bottom line is that it is part and parcel of the government's commitment to work with Community Housing Canberra—the fact that they would deliver on all of the initiatives that were required. We had the MOU to deliver X number of dwelling sites per annum to them.

MS LE COUTEUR: Can I recap? You are saying that they have got a specific commitment in terms of affordable accommodation for older women and affordable accommodation in respect of the general mandated amounts. Could you give to me—

Mr Dawes: No, no—

MS LE COUTEUR: in writing what those commitments are? It would be of interest.

Mr Dawes: No, what I am saying here is that in the negotiations and discussions with them there were some clear objectives that we wanted to achieve out of Downer. They agreed to all of those particular commitments as well as part and parcel of our actually supplying a number of dwelling sites to them. They were some of the critical criteria that government wanted out of that particular project.

MS LE COUTEUR: But there is not an actual specific requirement for them to deliver any of those things, because if there is it would be very interesting if you could let the Downer community know what it was.

Mr Dawes: I have actually told the Downer community when I have been there on a couple of occasions. That has been discussed with the consultants as well. I am more than happy to go back and reiterate it as well—

MS LE COUTEUR: Could you could take it on notice and reiterate it? We have not all managed to get the message, I am afraid.

THE CHAIR: Sorry, was that being taken on notice? I am not quite sure.

Mr Dawes: I do not know what I have got on notice there.

MS LE COUTEUR: You either discuss it now or take it on notice.

Mr Barr: The question appears to be that Ms Le Couteur wants a more public written confirmation of what has been said in community consultation meetings in the context that—

MS LE COUTEUR: Yes, we would like the actual commitment—would like clearly what is the commitment that CHC has to deliver on this site rather than that there have been some general discussions about great things, but what was the commitment?

Mr Barr: Sure.

MS LE COUTEUR: That is what I am looking for.

Mr Barr: Yes, fine.

MS LE COUTEUR: Because it appears that there is a commitment, which is great. I just want to know what it is.

Mr Barr: Madam Chair, I can answer Mr Seselja's earlier question? The [eligibility criteria](#) for the discount rate are as follows: the lessee must have an annual gross income of \$75,000 or under, may not own any other property in any state or territory in Australia and must reside in the dwelling on the rented land once it has been built as their primary place of residence. The \$75,000 income limit is increased by \$3,330 for each dependant child up to a maximum of \$91,650 for five or more children. So the circumstance that you speculated could happen would not under those criteria.

MR SESELJA: Why not?

Mr Barr: You could not—

MR SESELJA: People can sell their house and have a million dollars and then utilise land rent, presumably.

Mr Barr: But you would have owned other property, and you would need to—

MR SESELJA: So it is previously owned? They cannot have previously owned?

Mr Barr: And you would then need to reside in the dwelling. So you cannot speculate—

MR COE: Can you read that—

MR SESELJA: That is not how it is read, sorry.

THE CHAIR: One person speaking at a time.

MR COE: Can you read the second dot point again about the housing?

Mr Barr: It says: “not own any other property in any State or Territory in Australia”.

MR COE: Is it “owned” or “own”?

Mr Barr: It is “own”.

MR SMYTH: So you can previously own?

MS LE COUTEUR: So you could have assets, as long as they are not houses, basically? You could own shares?

MR SESELJA: Or cash.

MS LE COUTEUR: Or cash. It is just houses that are excluded?

Mr Barr: You have got an income test then, so you would have to be earning very little or have no employment. You also need to be able to meet your repayments. It would be an interesting combination of circumstances where you were so income poor as to—you still have to pay a mortgage and your land rent on the property. But certainly you cannot speculate on it in that sense; you do not get the capital gain.

MS LE COUTEUR: I want to continue on to some more interesting subjects—

MR SMYTH: More interesting than land rent?

MS LE COUTEUR: Much more interesting. I want to go to the Woden bus interchange. I recently attended a Woden Valley Community Council meeting in which that project was very briefly introduced. I was wondering if we could discuss it some more. Specifically, it appeared that the idea was that there would be no government financial involvement in it; it would be entirely funded by moneys from Westfield. There was nothing in the budget. That was certainly the impression I got.

Mr Barr: Certainly with the similar Belconnen project the government made some allocations for some associated roadworks.

MS LE COUTEUR: About \$2 million, I gather, was the net cost at Belco.

Mr Barr: But we were not required to finance Westfield’s expansion in the context of the Woden issue. It is entirely possible that a similar arrangement will be used. The government is not paying for this, no. But there might be extra development rights, and access to parcels of land potentially, that could be constructed to achieve an outcome in Woden similar to what has been achieved in Belconnen.

MS LE COUTEUR: Is the government looking at any options to do this apart from a deal with Westfield or is it purely doing it on the basis “We are not going to put any money in; therefore Westfield, as the shopping centre next door, is the”—

Mr Barr: We have got to work with the adjacent lessees in order to incorporate the public transport provision into the shopping precinct. To try and do it in isolation of

that would be an odd outcome and would not represent value for taxpayer dollars. Certainly we would not want the two projects, if you like—Westfield expansion and enhancement to the public transport infrastructure—to be occurring in isolation of each other and not be interrelated. Otherwise, you would have a perverse outcome, I would think. Is there a particular problem with what happened in Belconnen that causes this line of questioning?

MS LE COUTEUR: I personally think that the development of Belconnen could have been a lot better. It was purely predicated, presumably, on the real-time information centre. As that does not exist, you have to wait outside in the cold. You cannot wait inside because you do not know when the bus is going to come because there is not an interchange. But that is a minor thing. And you get a real chance you might get run over because there are not very good pedestrian facilities in it. But that is not what I am on about. I assume you will do a better design in Woden. That is not the point. The point of my question really is around the fact that it appears that the development is predicated in time largely on Westfield's expansion rather than the bus interchange being significant ACT government infrastructure. I think the ACT government should at least be leading the project rather than—

Mr Barr: We are actively involved in the project and there will not be an outcome without our approval. But, as I say, the idea that we would pursue this in isolation of what is occurring in the precinct is just crazy.

MS LE COUTEUR: I do not think anyone is—

Mr Barr: The problem I have—

THE CHAIR: One person at a time, please.

Mr Barr: The problem I have ultimately with the position that has been put by some in the Woden community council, which is obviously the basis for the line of questioning you are pursuing, is that the government will, off its own budget, undertake all future development in the Woden town centre, effectively, and that unless the government funds it off the budget the government is not involved or the government does not have a particular involvement. I find this a fascinating line of argument. It is possible to undertake urban renewal in partnership with the private sector. In fact, I think that is probably a very good thing, and can lead to much better outcomes than government trotting off and doing things in isolation from what is occurring in the precinct. What concerns me is that there is some sort of presentation that “Money is not being spent on Woden because you will pursue a different sort of development outcome”—which is, I think, just a crazy argument. You are welcome to pursue it. I disagree.

THE CHAIR: This will have to be the final question because we do have to move to Exhibition Park. This is a final question from Mr Seselja—a quick question if possible.

MR SESELJA: The government office block—we had an answer to a question on notice saying that \$4 million had been spent to date on that project. Could you provide a further breakdown as to what makes up that \$4 million. Then I might ask a couple of follow-ups on that.

Mr Barr: Sure; we will take that on notice.

THE CHAIR: So that is taken on notice?

MR SESELJA: Surely you would have that.

Mr Barr: I will take that on notice.

MR SESELJA: You are not going to share it with us now?

Mr Barr: I will take it on notice.

MR SESELJA: The question has obviously been asked, so the work has been done. Is there anyone here who can answer what makes up that \$4 million?

Mr Barr: I will take that on notice.

MR SESELJA: Where is that project up to now? You have said in your answer that the priority is going to be Gungahlin. What is happening with Gungahlin and what is happening with the other part of the project, which is looking at alternative accommodation in and around the city?

Mr Barr: Gungahlin is in the final stages of selecting a preferred tenderer. There are, I think, five. Are we going out to the five?

Mr Dawes: Yes.

Mr Barr: There are five, some of whom are putting forward a proposal on their own land, with others seeking to utilise land identified and owned by the territory government. There will be an announcement on that in the near future. Once that process is complete, a similar process to the one that has been followed in Gungahlin will be applied to the next phase of government office accommodation.

MR SESELJA: How much has been spent on that project to date for the Gungahlin aspect?

Mr Barr: I will provide that information in the context of my answer to your earlier question.

MR SESELJA: So the government does not have a final position yet on how many staff? From memory, it was initially 500 and then you were looking at 1,000. Are we—

Mr Barr: No; I think 500 is the—

MR SESELJA: So 500 is still the—

Mr Barr: I do not know where you got the 1,000 from; 500 is the—

MR SESELJA: So 500 is the current estimate.

Mr Barr: That is the estimate.

MR SESELJA: But you do not know yet which agencies would be—

Mr Barr: No; we have announced that.

MR SESELJA: Okay.

THE CHAIR: Just one final question, because we are going to have to move on.

MR SESELJA: This is my first line, so—

THE CHAIR: No. I have to move on to EPIC. I am sorry.

MR SESELJA: That is fine, but this is my first line of questioning. I will just make that point. In relation to—

Mr Barr: It is not actually going to a series of questions.

MR SESELJA: I asked follow-ups on land revenue. In relation to the office, you have said that you were going ahead with it initially for two main reasons: (1) substandard office accommodation for public servants; and (2) \$34 million in annual savings. What are the implications now in having abandoned one aspect of that project and put it on hold in terms of going forward with a centralised office project in the city? What are the implications for public servants who you believe were in substandard accommodation? How much longer will they now be waiting in order to have the accommodation you believe that they deserve?

Mr Barr: As I have indicated, we will be testing the market in the near future on a range of different outcomes to achieve both improved accommodation and some savings across our accommodation costs.

MR SESELJA: So how much longer will they now be waiting?

Mr Barr: Not necessarily any longer than they would have been under previous procurement models.

MR SESELJA: So you think that they will be in upgraded accommodation in the next couple of years then? Is that the likely outcome?

Mr Barr: I think you will find that the previous procurement model talks about 2017. On that basis, it is not unreasonable to anticipate that—when we test the market the time frame for delivery of new accommodation will be a factor, but 2017 is five years away; I imagine the private sector could respond within that time frame.

MR SESELJA: Presumably, given the \$34 million that you claimed was going to be saved by building the project yourself, any other project done by the private sector will deliver a greater than \$34 million a year annual saving?

Mr Barr: That will remain to be seen in the context of the market testing.

MR SESELJA: So you would potentially do something that actually cost you significantly more than your other project; is that right?

Mr Barr: We will see. That will be one of the elements of the market testing.

MR SESELJA: You are open to that possibility?

Mr Barr: No. What I am saying is that we will see what the market returns. There was argument put that even higher benefits could be delivered across the different criteria that the government adopted in the context of this project. Opportunity will be there for the private sector to put their money and performance where their mouth has been.

THE CHAIR: Thank you, officials, for appearing before the committee. We will now move on to the Exhibition Park Corporation. We will go straight to questions. Ms Hunter.

MS HUNTER: Budget paper 4, page 509, talks about your 2012-13 priorities. One of those priorities is ensuring continuous improvement in environmentally sustainable measures. Ms Clarke, I was wondering how the Exhibition Park Corporation facilitates recycling at Exhibition Park at the moment.

Ms Clarke: At the moment we are working with ACT OfficeSmart to work with our clients in recycling. One of the challenges we have is that we do not hold the events, so we need to work with and educate our clients to ensure that they recycle. Obviously at events such as the folk festival they do a really good job. This year the agricultural society teamed up with the ACT Business Group and put in place a recycling program for the Canberra show. I have not seen the data from that, but I hope to report that in the annual report. Certainly, the feedback that I got from the chief executive was that it was a real success. We are also working with the farmers market to put in place more recycling there. Additionally, we are looking at using vegetables, the organic matter, as well to recycle. But for the organisation, we are a very small office so we just do the basic recycling of paper.

MS HUNTER: As you said, you are a small office. Something that has been raised is whether it should not be left to organisers of events to do because some do better than others and some do not necessarily want to participate in a way that would be desirable. Has there been some discussion in the organisation about whether there should be a larger role or a way to make it mandatory for event organisers, whether it is Summernats, the farmers market or the folk festival, to actually recycle their waste?

Ms Clarke: I would say that, from the corporation's view, to make something mandatory would probably be a concern because we need to ensure our commercial viability, I suppose. Our clients have been embracing recycling. Even with our dinners that we hold, or conferences, we are able to ensure there is recycling there. Summernats, for example, last year had a huge amount of leftover publications that were left all over the venue. We met with them and asked that this year they did not

provide that sort of material that was just going to waste. They agreed to that. I think it has a lot to do with education as well as the relationship that we have with our clients. I think it is going okay.

MR SMYTH: Looking at page 10 of the statement of intent or BP4, I was just wondering what the other current asset of \$9,000 is. It is consistently \$9,000 through all of the years.

Mr Barr: There is a very good question.

MR SMYTH: It is certainly very current.

Ms Clarke: I am sorry, Mr Smyth, where is that?

MR SMYTH: I have got it at page 10 of the statement of intent. It would be page 513 of the budget paper.

Ms Clarke: I will take that on notice.

MR SMYTH: All right.

Mr Barr: Something is holding its value at \$9,000.

MR SMYTH: Something is very consistent. In the cash and cash equivalents, you will finish the year with \$1.4 million but in the outyears it deteriorates or decreases to just \$96,000. Is there a strategy there or is there a reason for that?

Ms Clarke: Yes, there is. What we do not do in the statement of intent is put in a lot of potential revenue—for example, with the low cost tourist accommodation development, the financial return that we will be getting. We are basing the reduction in the cash because we have not included any additional revenue—

MR SMYTH: So that is a change in the way you do this, is it?

Ms Clarke: No, it has always been—

MR SMYTH: Because the balance sheet in last year's paper has \$1.3 million, \$1.1 million and \$960,000 in it. It has significant revenues projected.

Ms Clarke: Yes. We do not usually predict a large increase in revenue because we are basing it on what events we have already confirmed.

MR SMYTH: So is that a change in practice? In the current year's budget the cash and cash equivalents is \$1.5 million, \$1.3 million, \$1.1 million and \$960,000. For instance, the \$960,000 relates to 2014-15. You have dropped that down to \$466,000. There is obviously a change in the way you are reporting or what you are estimating.

Ms Clarke: No, there is not. If we start eating into that cash return, it is going to reduce unless we increase our revenue streams, which is what, as part of our strategic plan, we are doing.

MR SMYTH: Okay. Under non-current assets you have got an investment property at \$2.5 million and it is also consistent through the years. What is that?

Ms Clarke: What page are you on, Mr Smyth?

MR SMYTH: I am using page 10 of your statement of intent, but it is page 513 of the—

Ms Clarke: Could you repeat that question, please?

MR SMYTH: In your non-current assets you have got an item called “investment property” at \$2.5 million from 2011-12 all the way through to 2015-16.

Ms Clarke: That is just the current valuation of the investment property.

MR SMYTH: What is the investment property?

Ms Clarke: That is the service station.

MR SMYTH: Is the service station complete?

Ms Clarke: Yes, it is, and it is operating.

MR SMYTH: Sorry, I am thinking of next door. I turn then to page 509. The second dot point talks about—we have discussed this before—the proposed development of a strategic management plan, including a land use master plan. When will the strategic management plan and the land use master plan be available?

Ms Clarke: The timing for that is that the draft plan should be presented to the EPIC board in September this year. It will be available after it has been endorsed by the board.

MR SMYTH: Sorry, in September, did you say?

Ms Clarke: Yes; that is the plan.

MR SMYTH: Noting the minister’s press release of yesterday, what is the status for the planning for the low budget tourist accommodation on site?

Mr Barr: The answer is in my press release yesterday. I think that would be the answer to that.

MR SMYTH: Why am I not shocked that there would be a press release just before this hearing? What is the timing on that?

Mr Barr: Why not? I think they got their DA in and they will get on and build it. They have indicated they want it open next year.

Mr Dawes: They want it open by the back end of 2013. That is their goal and

objective. I do not think they have quite lodged their DA—

Mr Barr: No, they intend to.

Mr Dawes: but they are actually in the process. We were actually having some discussion with them. We are in the process of finalising the offset because, as you know, one of the things that delayed this project was EPBC. That is the story of my life. But in saying that, we have identified the land and we have had to provide around 50 hectares as an offset for the 14 hectares. We have provided that. We are just going through with the final discussions with the commonwealth to confirm that that land we have identified will be acceptable.

MS LE COUTEUR: Where is it? Where are the 50 hectares?

Mr Dawes: It is at the back of Palmerston and Crace. That is the land that we have put as an offset.

MR HARGREAVES: Follow the lizards, Caroline.

MS LE COUTEUR: And the sun moths.

MR HARGREAVES: And the sun moths.

MR SMYTH: Then, on the first dot point in the 2012-13 priorities, it refers to:

identifying and implementing investment and commercial opportunities at EPIC including leasing land along Morisset Street and the leasing of the Service Station site.

Surely the service station site is already leased?

Ms Clarke: Yes, it is.

MR SMYTH: Yes. So what is going to happen on Morisset Street? What are you looking to do there? Are there any limitations on the land use, particularly given the proximity to Bimberi?

Ms Clarke: The proximity of?

MR SMYTH: The proximity of Bimberi?

Ms Clarke: What we have identified are some short-term leasing opportunities along Morisset Road near the car park at the back of the venue. We have got about 10 lots that we are short-term subleasing to businesses—for example, the caravan and trailer business. That can also provide an opportunity to rent caravans to patrons that are coming to the venue.

MR SMYTH: When you say “short term”—

Ms Clarke: Short term, up to five years and no permanent structure. It just is another

opportunity for us to find alternate revenue streams.

MR COE: I am wondering what communication EPIC has had with other areas of government about the Gungahlin-to-Civic transit plans?

Ms Clarke: Mr Coe, as part of the strategic management plan the consultant will be sort of doing a sweep of what sort of studies are around to ensure that we are not doing something that is going to interfere with such major work as, for example, that study.

Mr Dawes: Can I just add something, if I may, Liz? In relation to that project, Purdon Associates are the ones that have been engaged by EPIC to do that strategic bit of work. They will be actually working with our office to look at those opportunities and to ensure that that is covered, that it is part and parcel and one of the key things that we need to incorporate.

MR COE: Was that study commissioned by EPIC?

Mr Dawes: That is correct.

MR COE: How is that going to interact with the other work being done by ESD?

Mr Dawes: I think that under the one government model we have today it is important for EPIC to actually work with EDD. Obviously, we have portfolio responsibility for EPIC. So I think it is a matter of actually working cohesively and cooperatively with EPIC to make sure that all of those opportunities are explored.

MR COE: But this is all quite separate to the office which has been established by ESD?

Mr Barr: No, the office is in the LDA, which is part of EDD.

MR COE: Okay. Has EPIC had any plans on the table for a while which have not been executed about what the future of the site could be light rail or rapid bus transit?

Ms Clarke: We have not looked per se at transport, apart from the fact that we believe for a venue it is really important to have high frequency going past the venue to encourage more patrons to use public transport and not to drive. But that is why it is important as part of our planning for the management of our venue that we link into studies such as that one.

MR COE: Are there any plans for a residential development on site?

Ms Clarke: Are there any plans for?

MR COE: Residential development on site?

Ms Clarke: Not at the moment. Obviously, we have a large area of land. For example, in Queensland the showground there has a joint venture with a developer for residential and a hotel as well as having the showground. For Queensland it has been

a great success and they are in the process of implementing that. It means that it takes a lot of financial pressure off the venue and provides a very sound return.

But it is very early days on what we are actually looking at for our venue. The most important thing for us is to ensure that we are financially viable and that we are looking at alternate revenue streams. For example, apart from the subleasing of the back lot, we are looking at things like whether we could lease our roofs for solar panelling. There is a whole lot of different areas that we are looking at.

THE CHAIR: We will go to Ms Le Couteur for a final question.

MS LE COUTEUR: Thank you. As you have just said, money is very important. I note that the estimates have \$412,000 compensation for EPIC charging for low market rates as a result of ministerial direction or agreement entered into by the ACT government. Can you tell us a bit more about why you charge less than market rate and who actually gets the benefit of this?

Ms Clarke: One of our objectives is to ensure that we can provide the venue for not-for-profit and community groups. One of the criteria that we look at is availability, really, of the venue. We need to ensure that we can get a good financial return for the majority of the use of our venue. But then, of course, we do provide—last year, I think we provided over \$750,000 worth of in-kind or reduced support for different organisations. So we will continue to do that as long as, obviously, it is not sort of compromising our financial situation.

MS LE COUTEUR: How do you balance what criteria you use to determine whether a group is going to get concessional rents?

Ms Clarke: I am not talking of rent. It is more venue hire.

MS LE COUTEUR: Sorry, I am using the word “rent” but—

Ms Clarke: Okay.

MS LE COUTEUR: You use “venue hire”, but the payment for the use of the facilities.

Ms Clarke: Yes. It is mainly just whether it is available and also the type of event. Some events that are with community groups may need a lot of our staff to help set up. So there would be a higher cost for us. It is not just saying, “Here’s a room, and you can go in there.” We are also looking to ensure that the workplace health and safety is included in there as well. If you are talking about the reduction of tenants that are on site—

MS LE COUTEUR: I was not, actually. It is a good question but it is not actually the one I was thinking of.

Ms Clarke: Sorry, yes.

MS LE COUTEUR: I tend to forget that there are other tenants on the site.

Ms Clarke: Yes. For example, Lifeline—we have their book fair.

MS LE COUTEUR: Yes.

Ms Clarke: We provide the venue free of charge. They have about 10,000 people that go to one of the book fairs.

MS LE COUTEUR: Possibly more.

Ms Clarke: Yes, there probably is, you know. It is their major, major fund raiser; so that is really important for them.

MS LE COUTEUR: So do you just—

THE CHAIR: A final question, sorry.

MS LE COUTEUR: Is this only available to non-profits or do any groups that are for profit get a concessional venue hire?

Ms Clarke: It would depend on what the event is, on the availability of the venue and what return it is, not just for EPIC. We also look at what the return is for the territory. For example, for tourism it may not be as commercially as good a return for us but if we know that the event that is being held at the venue is going to book out all the accommodation or help us with our camping accommodation, we would drop the commercial rate.

MS HUNTER: Are we able to have a list of the organisations who have received some sort of discount or some sort of benefit over, say, the last couple of years?

Ms Clarke: Yes, we put it in the annual report, but we are more than happy to provide that.

THE CHAIR: That is taken on notice. Thank you very much, Ms Clarke. We will return at about 3.45 and we will start with venues and events.

Meeting adjourned from 3.30 to 3.47 pm.

THE CHAIR: My first question—and I think I asked it yesterday—is about Floriade. I believe we have got the right people here now. The cost of staging it was \$10 million more than anticipated in 2011-12.

Mr Barr: I am sorry?

THE CHAIR: \$10 million more.

Mr Barr: \$10 million more?

THE CHAIR: That is according to what I have got here.

MR SMYTH: What page are you on?

THE CHAIR: It is page 238.

Mr Barr: I think the whole budget for the event is not even a third of that.

THE CHAIR: Unless I am looking at it incorrectly.

Mr Barr: It is on page 238?

THE CHAIR: Yes.

Mr Barr: Direct expenditure as a result of staging Floriade—that is the economic contribution that the visitors make to our economy when they attend.

THE CHAIR: So I am just reading that incorrectly; is that right?

Mr Barr: Yes. What happens is that the 470,000, or whatever the number was—I cannot remember off the top of my head now—in terms of people who attended made a direct economic distribution of \$30 million to the territory economy.

THE CHAIR: I apologise; I was reading it incorrectly. That clarifies that. Further on Floriade, I think there have been discussions in some quarters about it being established permanently at the arboretum. Is that something that has been considered at all?

Mr Barr: We undertook some work on a range of different options for a permanent home and a number of different sites were examined. The arboretum was one, along with Commonwealth Park and around the East Lake precinct. They were the three main ones that were investigated. The recommendations of that were to stick with Commonwealth Park in the short to medium term and see how the arboretum develops over that short to medium term. I think the more likely outcome—although this will obviously need to be tested—to allow for expansion of the event would be to run it on multiple sites and have an element of activity occur at the event terrace at the arboretum whilst also maintaining a Commonwealth Park presence. I am talking 10 years into the future.

The event has got to continue to develop and evolve. It cannot stay the same. I think it would begin to lose some of its appeal if it were to be static. It needs to evolve. In the short term we have been focusing on working with the NCA to improve the infrastructure in Commonwealth Park. One of the challenges is that a lot of the cost associated with staging Floriade is the installation of the temporary infrastructure. The more that the feds do in Commonwealth Park—because they own the asset and, to their credit, they have been upgrading not necessarily the sexiest bits of equipment within the park but things like the electricity supply, the sewerage et cetera. You do not necessarily see it. They knocked down the ugliest of the toilet blocks and put in a new facility. There is more permanent infrastructure. We will continue to work with the NCA on that. They are a willing partner, which is good to see.

THE CHAIR: As you said, there are all those set-up costs. Would there be any

potential savings if you were to have a permanent site?

Mr Barr: Clearly. With more permanent infrastructure, you have the initial cost of establishing that infrastructure but then you do not have to do as much temporary work. There are some advantages in—

THE CHAIR: As you said, going to the future, that is something that is seriously being looked at?

Mr Barr: Yes. But, as I say, the time frames are really for the rest of this decade Commonwealth Park and then have a look at how the arboretum is developing. You could potentially look to expand.

THE CHAIR: Why is the Enlighten festival not included in the accountability indicators on page 238?

MR SMYTH: Good question for a hallmark, stand-alone event.

THE CHAIR: It is, actually.

MR SMYTH: It is a good question.

Mr Barr: It is not yet at a stage where it is making a \$20 million or \$30 million economic contribution.

THE CHAIR: That might be the case, but it is being promoted as a major event. Will it be included then?

Mr Barr: You could ask the same question about the Canberra Festival around a number of—

THE CHAIR: Actually, I was going to ask—

Mr Barr: You were going to ask the same question about the Canberra Festival!

THE CHAIR: You pre-empted my question!

MR SMYTH: If I could interrupt, I direct you back to page 234 and output class 1.5. It actually describes it as a major and significant event such as Floriade, Nightfest, Enlighten, New Year's Eve, Australia Day and the Nara Candle Festival.

THE CHAIR: Hence my question.

Mr Barr: If the committee would like to make a recommendation around further accountability indicators, if you want every single event that is run by the ACT government to have an accountability indicator, make that recommendation.

THE CHAIR: I think it is just the point that it is being promoted as a major event and it is listed there as a major event. It is about whether it will start to be measured against—

Mr Barr: Sure. It just becomes a case of how many events you wish to have listed with accountability indicators. If the committee wants to make a recommendation, the government will consider it.

THE CHAIR: Thank you. Mr Smyth.

MR SMYTH: Staying on page 238 for a moment, minister, Canberra Stadium has 23 major events. It achieved that this year and it is the same target next year. We are not able to find further major events, or is it at capacity in terms of the events that it can stage given the other commitments for football games et cetera?

Mr Barr: Mr Guthrie can deal with this. Obviously in some years we attract international level fixtures. We have had the Wallabies and the Socceroos, for example. We are not permanently on the calendar. It depends on who is touring. There is the odd other event that we have been able to attract.

MR SMYTH: For the stadium, what is a major event? It is not a Raiders or a Brumbies game.

Mr Guthrie: There is certainly more capacity for more events at Canberra Stadium than what is here. What is here reflects our contracted events with the Brumbies and Raiders, as they are major hirers. And then other major events inside that 23 would be two events, such as the Rugby League and Rugby Union junior grand final weekends, which between them have attendances in the 15,000-plus when you group the two events together. And then there are other events that we may attract, such as the recent Wales versus Brumbies tour match and, already announced by the minister, the British Lions playing next year against the Brumbies.

MR SMYTH: So there is plenty of capacity for further events?

Mr Guthrie: Yes, there is. Part of our work is to continually have discussions with all the major codes about bringing their national teams to Canberra—and also with promoters, to encourage promoters to consider Canberra Stadium when they are looking at their tour dates for different acts, but remembering that at a venue like Canberra Stadium it is quite a large event. It has got a cost to fire it up, so to speak; therefore, it is not just any small event that would come there. You would need a significant event that would consider it for its capacity, because it is also costly to start up.

MR SMYTH: Notwithstanding the wonderful expose by Mr Corrigan earlier, the future of the stadium and the potential for it to move into Civic—how real is it that it might go to West Basin?

Mr Barr: Sorry? How—

MR SMYTH: How real is it a prospect that the stadium might go to West Basin or, indeed, on the pool site?

Mr Barr: Sorry, on either of those sites?

MR SMYTH: Yes.

Mr Barr: I think it is the preferred option of the stakeholders. The users, both the Raiders and the Brumbies, have indicated a preference to have a central location.

MR SMYTH: In Civic?

Mr Barr: They have also both indicated a very strong preference for an enclosed stadium. The Raiders guys were down in Melbourne for the State of Origin match at Etihad and were fairly impressed. And, of course, the Rugby Union guys have been to the Forsyth Barr Stadium in Dunedin.

MR SMYTH: Yes.

Mr Barr: I think, of the two, that one is a better model than Etihad, in that it fits into its environment better and provides better spectator amenity at a lower cost. So yes, it is a serious prospect; but, as I think we discussed yesterday, you can get efficiencies in terms of back-of-house operations by linking it to another piece of infrastructure, and you can also get efficiencies around your hotel accommodation et cetera by having these facilities co-located within a precinct—and public transport, obviously.

MR SMYTH: Which specific back-of-house facilities can they share?

Mr Barr: Well, catering. If you think conceptually, in providing food to all of the corporate suites it is a large-scale commercial kitchen that is required. Delivering 1,500 meals to a convention dinner is very similar to delivering 1,500 meals to a dinner within a stadium context. In fact, you see stadia being utilised for conventions all of the time. The experience in Dunedin, with the flexibility of their space, is also to be able to utilise the hard stand areas at either end of the ground, and the playing surface itself, because of the technology they have used there, as an additional display area. Because it is indoors, because it has got the roof, it has that year-round weather protection so it lends itself as an exhibition space.

There are obviously the various cleaning, maintenance and administration aspects of facilities management that can be shared. And then, depending on the configuration of the commercial side and the corporate side of the stadium, the spaces that are contained there can be break-out rooms in a convention context. There are a number of synergies, but it is largely a challenge—a design challenge as well, given the available footprint.

MR SMYTH: Sure. The three major events at Manuka each year—what are you classifying as a major event there?

Mr Guthrie: Effectively in each year at the moment we have got two of the three AFL games in one financial year, and one drops into the second financial year so I suppose in any financial year you have got three. We also have the major cricket event. So we will exceed that.

MR SMYTH: So it—

Mr Guthrie: We exceed it already in this coming year.

MR SMYTH: Won't you have five in the coming year? You will have the two AFL—

Mr Barr: Three AFL and two cricket.

Mr Guthrie: Yes, that is correct.

Mr Barr: I think at the time of printing these budget papers the cricket was not confirmed. But it is now.

MR SMYTH: Right. And the six events at Stromlo forest park—again you had six this year, but you have only got six for next year?

Mr Guthrie: Stromlo is an interesting one. Most of the people that hire that have much shorter time lines in terms of their planning. The six events—I will try and go off the top of my head as to what they would be—relate to the Scott 24; the under 14 and under 16 national road cycling championships; the ACT schools cross-country championships; and the mountain bike Australia national marathon championships. Events that regularly book I would confirm as the target of six. And then, off the top of my head, over recent years we have always exceeded those as events come in—as those national bodies plan and book the venue for their national championships.

MR SMYTH: Just on the venues themselves, we have got \$2.5 million for the lights at Manuka?

Mr Barr: It is \$2.5 million from the commonwealth; that is correct.

MR SMYTH: Do you feel duded given that Tasmania got \$15 million to upgrade Bellerive; \$50 million went to the Sydney Cricket Ground; South Australia got \$30 million for Adelaide Oval; Queensland got \$36 million for a Gold Coast stadium; and apparently funding is underway or negotiations are underway for upgrades to the MCG, the stadium in Perth and the Gabba in Brisbane? Why is it that we attract so little federal funding for these things?

Mr Barr: I think, if you look at the relative populations of the different jurisdictions—

MR SMYTH: \$15 million for Bellerive Oval? How many people live in Hobart?

Mr Barr: Tasmania is about 40 per cent bigger than the ACT. They have about 520,000 people.

MR SMYTH: And they got six times the funding.

Mr Barr: We put a project forward, the commonwealth funded it and it is more money than we have got from the commonwealth government for Manuka Oval, I think, ever.

MR SMYTH: The Bradman stand?

Mr Barr: One million from the commonwealth for that.

MR SMYTH: There you go. Yes, 10 years later.

Mr Barr: One million out of eight million. I think it was an eight million project—one million from the commonwealth, seven million from the territory government. This one is fifty-fifty, so I think we have done better.

THE CHAIR: Just to follow up on that, in terms of the improvements that are being made to Manuka Oval, have you looked at what number of events would increase or what you think would be there and the revenue associated with that?

Mr Barr: Yes. Certainly the lights will facilitate extra scheduling possibilities—for cricket in particular, but AFL as well, although we and the Giants are conscious of the preference for night games, if they are to be held in the AFL season, to be held prior to Anzac Day, as it starts to get fairly cold at night after that.

THE CHAIR: So it will mainly be summer events—cricket?

Mr Barr: Some are autumn and spring events. Not mid-winter events. I think that commonsense will prevail there. And a regular feature of the scheduling for the Giants will be that their Sydney home ground, Skoda Stadium, which is in the showgrounds, will be unavailable to them over the Easter show period in Sydney every year. That will always be the case, I understand, so we will always have matches scheduled, which suits us perfectly, around that Easter period. That is a significant advantage to us.

MS LE COUTEUR: Have you done a cost-benefit analysis of the lights and the subsequent other upgrades? I went to a presentation on Monday in the inner south community council and someone said there were likely to be only five nights of games. That did not seem enough to possibly pay for these lights or the other changes.

Mr Barr: Obviously the opportunities are there longer term for a franchise in the big bash league, which is a domestic 20-20 cricket competition, and Cricket ACT are beginning the work in relation to that. That would significantly increase the number of events over the summer period. In the short term, though, yes, you are looking at AFL and the Prime Minister's XI match. We have a contract with Cricket NSW for the Ryobi cup domestic one-day competition; that would potentially be a day-night arrangement. In speaking with James Sutherland at Cricket Australia—his view was that the Prime Minister's XI should shift to a day-night match as well. That facilitates greater attendance, because often—and this, I think, will continue to be the case—these matches are scheduled on workdays. Having the event go into the evening gives greater capacity for those in the workforce to attend.

MR COE: Will local AFL in the north-east conference have night games as well?

Mr Barr: It would be open to them, I imagine—perhaps more for the finals than for

regular season matches. Clearly there will be a cost associated with turning the lights on, so you would need to have that offset by reasonable crowd attendance. But for finals that is probably a question that they may wish to pursue.

MS LE COUTEUR: How is it that you made a decision to put the lights in—which clearly, I assume, economically requires additional attendance—without actually doing the work to do the redesign of the stadium and the parking and traffic arrangements?

Mr Barr: The master planning work began in 2009. That work in large part put forward a number of different options for the government to consider. We have formalised the position of going with a two-stadium model, so an oval for AFL and cricket and a rectangular facility for the codes that utilise and need a rectangular facility.

Having made that decision, we indicated that in the short term, following the success with securing a long-term arrangement with the AFL and the success with securing long-term or medium-term arrangements with Cricket NSW and with Cricket Australia, the facilities at Manuka would need upgrading because they are substandard by any comparison with equivalent facilities in every other major city in the country and so require some investment to bring them into the 21st century. Manuka, from a hirer's perspective, lacks corporate facilities and lacks sufficient seating, and so requires a significant operational subsidy to bring any events to the venue. The rationale for capital investment is that it reduces the need for operational subsidy to be able to bring events to the city.

Ultimately, Ms Le Couteur, as a government you are faced with a decision: you either have these facilities or you do not. We can either be a participant in the major national sporting codes or not. We have determined that we will be a participant. The benefits of that are clear in terms of sport and recreation, in terms of tourism, and in terms of economic development. We have made those commitments and we are in the process of delivering on them.

MS LE COUTEUR: So have you got some costings for how much it is going to take to actually finalise all the developments in the Manuka Oval precinct and the traffic? Clearly it will be a lot more money than just the lights?

Mr Barr: Indeed, yes. We have indicated an expectation that the staged redevelopment will be in the order of \$30 million to \$40 million over a period of potentially around five years. There are commercial development opportunities that can be pursued, and I believe should be, as part of the redevelopment. In other like facilities elsewhere in the world there is a strong level of investor interest, for example, in co-locating hotel facilities and club and other facilities on site as well as some of the associated sports-related industries, so sports medicine, physiotherapy et cetera, as well as providing the administrative base; at the moment both Cricket ACT and ACT AFL have administrative functions within the Manuka precinct. It is also a major training facility for cricket with the nets that are associated with Manuka Oval.

Over time, the work that is being undertaken is demonstrating a range of commercial opportunities around the concession outlets as well. So you can look at, if you like,

returning the oval to the people a little more. At the moment it is pretty well fenced in. Outside of major event days there is not a huge amount of community access. The options that are being developed involve having some of the concession outlets having year-round operations because they will be part of a connected precinct that brings Telopea Park and the Manuka shopping precinct together. If you look at the original drawings for this oval, going back to the 1920s, you see that north-south alignment. That is part of the design intent that is being considered. We certainly look forward to some of that work being completed. I have been saying for years that this would be a staged upgrade, and this is just a further step in that process.

On the transport issues, though—this is an interesting question—a lot of these inner urban facilities in other cities have undergone the transformation from everyone arriving by car to arriving on public transport. The best example is Lang Park in Brisbane. I understand that 80 per cent used to arrive by car. Now more than 80 per cent access the facility on public transport. The key to that appears to be if the ticket price incorporates free transport to the ground. If you go to Melbourne, no-one drives to the MCG or to Docklands to watch football. They all arrive by public transport and that is the cultural change.

MR SMYTH: So are you promising a train to the stadium as well then?

Mr Barr: And a lot of people walk. That was the other experience in Dunedin; the location of the stadium lent itself to people parking in existing car parks and then walking 500 metres or a kilometre to the ground. That creates quite an atmosphere pre and post event. Manuka is perfectly located within that precinct to allow people to walk up Telopea Park from the structured car parking that will be in the Kingston precinct or walk down through the structured car parking that is in Manuka. They are perfect ways to access that event and events in Manuka, as well as providing public transport like you see at Canberra Stadium.

THE CHAIR: If there are no further questions on venues and events, thank you very much, officials. You are free to go. Mr Smyth just came up with a good suggestion. We will go to business development now and spend about 20 minutes on that and then spend the rest of the time on land strategy, infrastructure and LDA together. I will go straight to Mr Smyth.

MR SMYTH: I am quite happy to put most of my business development questions on notice.

THE CHAIR: But you had one urgent one?

MR SMYTH: The review of red tape which you have announced, minister: when does it start and how will it operate?

Mr Barr: I will be chairing the red tape reduction panel. Mr Dawes will be the deputy chair. The membership comprises Canberra Business Council, the chamber of commerce and the council of small business associations. So I have written to Mr Strong, Mr Peters and Chris Faulks and invited them, or their representative, onto the committee. I have also invited Mr Brett Phillips from the Office of Regulatory Services to join the committee. We will have our first meeting once we can coordinate

the diaries, but my expectation is that that will be in the next couple of weeks.

MR SMYTH: What will the review cost?

Mr Barr: There is a funding allocation associated with this task. I imagine that initially there will be very little cost, as a lot of the work can be done in-house, but we are certainly going to provide resources through the business development strategy towards the implementation of recommendations.

MR SMYTH: So that is in the \$1.5 million?

Mr Barr: Yes. The notional allocation at this stage over two fiscal years is \$360,000.

MR SMYTH: So \$360,000; is that \$180,000 each?

Mr Barr: \$180,000, yes.

MR SMYTH: And that is a new initiative in the budget, so it is budget funded?

Mr Barr: Yes.

MR SMYTH: When do you expect to get the first results from that?

Mr Barr: In my preliminary discussions with the chamber and at a roundtable with the Canberra Business Council about a month ago I certainly flagged the formation of this group and its membership and invited those organisations to quickly survey their membership and to identify particular concerns that they may have. Both Mr Peters and Ms Faulks indicated that they would be able to do that and bring their top priorities to initial meetings of the panel. We have all agreed that some short-term, as in the next few months, outcomes would be beneficial.

I do note, for example, just this afternoon, Mr Smyth, that one element of legislative reform that I will acknowledge all parties supported and has been very warmly embraced by the Property Council is that amendment to the duties bill. I will just quote:

The Property Council have indicated that the ACT government's simple and intelligent approach has solved a raft of problems that were holding back investment. ... The new landholder rules will allow unit trusts to invest on a level playing field ...

And Catherine Carter said:

This is a striking example of government and industry working together to boost prosperity in the ACT.

So there is an early dividend from this particular approach. I acknowledge that the Duties (Landholder) Amendment Bill was supported by all parties and I also acknowledge, in the context of people's initial commentary on the business development strategy, the Greens and thank them for their support on this matter. Everyone has adopted an open mind in relation to regulation overhaul and red tape

reduction. Clearly there will be some issues that the Assembly will be required to deal with and there will be others that can be dealt with at a regulation level, either by me or by one of my ministerial colleagues. Let me assure you—

MR SMYTH: So what is the government's commitment to action in response to the review? Is it democratic? Is it majority rules inside the committee or is it ministerial led and the rest are less equal?

Mr Barr: No. We are very keen to have a constructive engagement. I would hope where there are identified issues that consensus quickly emerges and that we can move quickly on those. As I said, from some preliminary conversations I have had with Mr Strong, Mr Peters and Ms Faulks on these matters, there are some issues that they best described to me as being a little bit about the “vibe” of the thing, or the attitude, that we understand we will possibly need to explore more deeply in the context of specific areas of regulatory reform.

What we have agreed on, though, is that the initial focus should be on the municipal. We have a particular, obviously unique, role in this level of government, looking after both state and municipal level functions, but the municipal level has been of greatest interest to date. But you will certainly hear more as this process unfolds.

MR SMYTH: No doubt. We could spend all afternoon just on this output alone but I think we want to get the LDA as well. I am happy to put the rest of my questions on notice.

THE CHAIR: I will just see if the other members have questions on 1.2.

MR COE: I am happy to open on LDA.

THE CHAIR: Okay. I will just see if Ms Le Couteur has a specific question that she would like to ask and then we can move on to LDA.

MS LE COUTEUR: I would like to ask quickly about page 236. You specifically talk about clean tech sector new client connections and successful grant applications. Which sectors do you define as clean tech? What is the—

Mr Barr: I cannot let you appear without saying something, Ian.

MR SMYTH: That was his hope. You dashed his great hope. He almost got away with a clean sheet.

Mr Cox: It is my seventh year and I have not escaped the other seven. Clean tech or green economies are a notoriously hard area to define. Is it a company that operates in photovoltaics? Is it a company that operates in a traditional business set that just happens to pursue energy or resource reduction practices? It is impossible to define. These companies come through our program area through a range of areas. They come through the discovery translation fund, they come through EDF, they come through Lighthouse, they come through Canberra BusinessPoint. They come through at very different stages of their journey as a company. I cannot say that we will be focusing on photovoltaic and solar. I cannot say we will be focusing on wind. There

are myriad companies coming through.

MS LE COUTEUR: I guess the other way of putting it is: are there other companies that you find not being clean tech?

Mr Cox: It is something we do not explore. Companies come through—

MS LE COUTEUR: It makes the accountability indicators a bit hard to understand if we do not know what a clean tech company is.

Mr Cox: We do. When they come and present their business proposition or what they are seeking in terms of venture capital, grant, advisory, it becomes abundantly clear who they are and what they are doing and what the value proposition is as a business going forward. At that point it is quite easy to identify who they are and what they are. I could run through a list of programs now and identify companies that I would regard as operating in a clean tech or a sustainability space, but I think if you knew the names and their business focus it would be abundantly clear to all of us who or what they are.

MS LE COUTEUR: Maybe, given the time, you could take that on notice. That actually would be very useful but I suspect we do not have enough time.

Mr Cox: Sure.

MS HUNTER: I would also like to understand how you might be working across directorates, say, in this area. There is the thing about cutting business red tape and maybe looking at some tax issues and so forth. If you have a company that is producing something, there could be some other program that could be a market for that. For instance, if someone is making insulation then you have an energy efficiency program. Are you looking at it more holistically across other programs in government? It is early days.

Mr Barr: The other observation to make is that the companies themselves usually have a fairly good eye for—

MS HUNTER: Their market.

Mr Barr: Yes, and for the possibility of extracting benefit from policy settings. We have seen some fairly interesting examples of that across the country in recent times. The policy challenge, though, is to not create those boom-bust cycles by having policy settings that are seemingly so favourable to a particular outcome.

MS HUNTER: So that if you changed it, it would all fall apart.

Mr Barr: Indeed, yes. If you look at the context of the business development strategies, it goes to the heart of the right business environment and policy settings that apply across the board. In my view a lot of the heavy lifting context of the clean tech sector is done within an economy changing the price on carbon. That ultimately is going to shake out, across the entire economy, a different response, because you are now pricing the negative externality—that is, the pollution caused by carbon intensive

production. That is certainly going to tip the balance in favour of economies like ours that are less carbon intensive.

If we have the right policy settings by way of our commercial and industrial land release, our taxation settings, so with a very clear focus on encouraging small and medium sized enterprises through the payroll tax threshold increase, having available land, having an educated and skilled workforce—all of those factors combine to create the right business environment. One of the areas that the business community have identified is that they want to work more closely with us around the regulatory environment; hence the red tape reduction focus. That can often just be around simplifying some of our processes too, and moving online.

Perhaps the most exciting element within the business development strategy—and you touched on this in your broader question around involvement of other directorates—is the fact that the government is the first purchaser of a technology that might have utilisation across other municipalities. We use it first and off it goes elsewhere.

The TRIM software that Tower developed for electronic records management is a great example of that. We were, I understand, one of the first to utilise that system. It is now part of what we do and it has been exported elsewhere. There are the digital city opportunities—the my digital city prize. There is the development of those sorts of technologies, including in administering your parking systems. All of those interactions with government are common across almost every government in the Western world and elsewhere.

MS HUNTER: That is what I was getting at, yes.

Mr Barr: Yes. An area of comparative advantage that we have is exporting government services and services to government. We have a lot of companies who are active in this space with the ACT, with the Australian government and increasingly overseas. With respect to the trade delegation that I led to Washington last year, there are companies who have secured contracts with NASA, with the US Defence Department and others through that process. So, yes, first stop Canberra; next stop the world.

THE CHAIR: Thank you very much, Mr Cox, for coming up to the table, albeit briefly. We will now move on to questions in relation to land strategy, infrastructure delivery and the LDA. I draw the attention of officials to the privilege statement, although I am sure you are all aware of it. Can you indicate that you are aware of it? Excellent.

I will go to my first question. It is in relation to page 238 of budget paper 4, the accountability indicators for land strategy and infrastructure delivery. This is in relation to the amount of affordable dwellings in greenfield releases. It states that the estimated outcome for 2011-12 is 15.2 per cent and that the reason for this was that the current 20 per cent rate was introduced in May and there was an earlier 15 per cent requirement. Given that that was the case, why in the budget paper did you set the target at 20 per cent for the 2011-12 financial year when you knew the target would not be met? What was the thinking behind that?

Mr Dawes: One of the key things that we need to remember is that back in 2007, when the 15 per cent was set, there were a number of developments that had been sold. A couple of things had already been set at that point in time. So there are a number of those that are subject to that 15 per cent, even today, as well as finalising the development. So it was about any new estates. I think that is where you are getting to. So any new estates that we took in after that particular date were then subject to the 20 per cent.

THE CHAIR: It says: “The amount of affordable residential dwellings in greenfield releases.” And it notes the percentage there.

Mr Barr: Point taken. Either the descriptor needs to more accurately reflect a change of policy and be back-cast to that effect, or the target should have been set at 15 per cent for dwellings released up to that point, and then whatever on top. So I understand. Someone did not expect the forensic level of questioning that we have just got there. But the reason for the difference is there. There is obviously a question as to when a particular site was sold, to the point that it arrives in the actual development and the availability of the houses.

THE CHAIR: For 2012-13 will we actually reach the 20 per cent target?

Mr Barr: Will we get to 20 per cent?

THE CHAIR: Do you expect that you will do that?

Mr Barr: Obviously everything that was sold post 25 May 2010 will be subject to that requirement. Presumably there will be some lag from a smaller proportion that had the 15 per cent requirement that can then be offset under a further element of the housing affordability strategy, which is to consider some englobo releases that have an amount greater than 20 per cent. I will have a look at that in the context of achieving that 20 per cent target.

THE CHAIR: You have got the target there in the budget papers.

Mr Barr: Indeed, yes; that is a fair point to raise, and we will look at what would be required in terms of some special englobo releases that would be above 20 per cent that would offset anything that is below 20 per cent.

THE CHAIR: Is that what you will need to do to actually reach the target?

Mr Barr: Yes. The intent is to look at, as I say, some englobo releases that would be well above 20 per cent, but we need to monitor market conditions and work with the private sector on the different delivery models that would facilitate such an estate. But the flexibility we have now given with the different thresholds based on dwelling size enables a greater mix of development. The concerns that have been expressed by some are that if you create entire communities with all housing priced at the old single threshold, you would not get the diversity of housing mix that we see in most other Canberra suburbs.

With the different thresholds we have now, you will get a mix of one, two and three-bedroom properties, and you will also have capacity outside whatever your affordable threshold is for products further up the income range or the housing range to be provided, so that you have a mix. Plus we have recognised the need—you will see it again in the affordable housing policy—to reserve some land for community and public housing. Although there is, if you like, a notional—

THE CHAIR: But that is all about the mix, isn't it?

Mr Barr: Yes, but there is a notional allocation and a desire in a policy sense to salt and pepper public housing and social housing throughout the city. What we have found is that there are some older, more established parts of the city that have a much higher proportion of public and social housing, and some of the newer estates developed in the last 10 or 15 years that have significantly lower. So it becomes a question then of the extent to which you are making provision in each of these new estates for that complete housing mix. If you do not do that then all of your public and social housing is concentrated in older areas.

MS HUNTER: Older parts of the city.

Mr Barr: Yes. Given the new greenfield estates, particularly in Molonglo, are not what you would call on the urban fringe, there is no desire from the government's perspective to create a community that is the Molonglo valley that has a complete absence of public and social housing. So we have to be deliberate in our policy intervention here to ensure there is that wide mix of housing choice.

THE CHAIR: You have given Molonglo as an example. It is important to have these targets and be deliberate; otherwise you are going to get these developments without—

Mr Barr: Indeed, that is right.

THE CHAIR: Are you confident that you will be able to meet that—

Mr Barr: Yes.

MS HUNTER: I want to go to the Gungahlin strategic offsets package. I know this is an issue that is very close to Mr Dawes's heart, because he made a comment about EPBC earlier and how dear the whole thing is to him. You prepared the EPBC referral for the Throsby school. It refers to the Gungahlin strategic offsets package that is being finalised by the government. Likewise, the referral for Kenny and Throsby relies on a draft report, *Environment protection and biodiversity conservation in Gungahlin: strategic measures to avoid, mitigate and offset impacts of development*.

That was prepared by Umwelt and SMEC. Although it seems this document has been provided to the commonwealth, it has not been the subject of any sort of public independent peer review. Could you give us a bit of a rundown? What is the status of the Gungahlin strategic offsets package? Has it been provided to the commonwealth? Will it be publicly released?

Mr Dawes: One of the key things we have to remember with this particular document is that it has not gone before government as yet.

MS HUNTER: The ACT government?

Mr Dawes: ACT government. That is due to go to government over the course of the next few weeks. Jim has been actively working and has engaged very much with the commonwealth here. One of the key things that we have done in Gungahlin is that we have lodged all our referrals to the commonwealth. So they are all in, and they have been lodged with the commonwealth.

With the offset package, sometimes it is a bit of a chicken and egg. Sometimes we have to be careful regarding whatever we give up. If you look at when the government announced central Molonglo some years ago, the commonwealth will not consider that as an offset at all, because that has been given up. One of the key things that we are being very careful and prudent on is that we do not give up prior to having some agreement with the commonwealth; otherwise, if we do give up too early, I may then have to go and find additional offsets.

One of the key things that this package has been doing is identifying where we can develop and where we know that there are some issues. If you look at Throsby, we do know there are some major issues there that we need to put aside and not develop. Jim, do you want to go into that finer detail? Even though we talk a bit about that frustration, I think it is fair to say that the working relationship we have with the commonwealth is quite good and we are working quite well at officer level.

We are seeing a number of things that are coming through. We are hoping that, for example, Lawson has been referred. We were a little concerned when we received some correspondence about Lawson. We thought that would then actually delay it for another 12 months. Again, in discussion and in dialogue, once we clarified a few points, we are expecting something on Lawson in the next month. So we hope to have that by July. That means we will be able to get Lawson to the market. As you know, part of our land release program this year was to have 500 dwelling sites out in Lawson, and they have actually been put forward to the next financial year.

Mr Corrigan: The primary purpose of the Gungahlin avoidance, mitigation and offset package referred to, Ms Hunter, is to guide ACT government agencies in the conservation strategy that we take for the remaining developable areas of Gungahlin. It is still being worked through. It has not been taken to government as a final proposition to say, "Can we adopt this?" We are talking it through with various directorates. Obviously our colleagues in the Environment and Sustainable Development Directorate are critical in this and they are assisting in the development of that. That is why it is not a public document at this stage. A copy was provided to the commonwealth to assist them.

As Mr Dawes was alluding to, all the referrals for the remaining parts of Gungahlin under part 9 of the EPBC Act have been lodged. It is to assist them to understand the Australian perspective of what the ACT government is seeking to do. As you can understand, the conservation record in Gungahlin and the way it has been developed is very good in terms of land development comparable to other parts of the country.

We want to keep that going. Obviously we need to establish that strategy and how we manage it in future so we get a yield and can keep that critical mass in Gungahlin growing to justify the infrastructure that is invested in that new development area, plus seeking good conservation outcomes as well. Once the government endorses that document, we will need to engage with the relevant stakeholders on that as well. That is our intention.

MS HUNTER: These companies that prepared the report—they did engage with other experts and stakeholders to do that?

Mr Corrigan: I am not sure there was a complete range. They engaged with our ecological colleagues in ESDD to a great degree; they talked to them. Their data comes from a whole range of sources. In terms of exactly who Umwelt consulted with, I would have to come back and confirm that. I am not actually sure of the detail there.

MS HUNTER: That would be good, if you could.

Mr Corrigan: It was not done in isolation—

THE CHAIR: That has been taken on notice.

Mr Corrigan: in terms of the companies that they looked at.

MS LE COUTEUR: Have you any idea what impact, in terms of the number of blocks in Gungahlin, there will be from the various environmental studies and bits that you can no longer develop?

Mr Barr: From which starting point?

MR SESELJA: Let us take Throsby as an example.

Mr Barr: We will look at Throsby. If you take the context of Gungahlin from its original planning intent—

MS LE COUTEUR: That is really the question, yes.

Mr Barr: It would be quite a large number, wouldn't it, now?

Mr Corrigan: Again we can confirm that number, but it is significant. It is probably around 1,000 hectares.

THE CHAIR: So you will look to confirm that number?

Mr Corrigan: We will confirm that, yes. It is significant. Like I say, it has a good conservation record.

MR SESELJA: Just to clarify, Mr Corrigan, the 1,000 hectares—again, what starting point are you talking about? Is it from the original planning of Gungahlin to—

Mr Corrigan: Yes.

Mr Barr: From the very first blob of Gungahlin.

Mr Corrigan: The National Capital Development Commission did the original planning for Gungahlin—Newtown, as it was called—and if you look at that original plan of all the area that could be developed—

Mr Barr: They had very innovative names.

Mr Corrigan: to where we are now, it is a significant reduction.

MR SESELJA: In terms of what you are taking on notice, you will give us a breakdown in terms of the number of blocks. I am interested, as a corollary to what Ms Le Couteur is asking, in how many will no longer be developed in Throsby as to what was originally planned.

Mr Corrigan: In Throsby, we can break it down. We talk in terms of hectares. When I say “number of blocks”, it is hard to predict that. Obviously, in 1989 all of that developable area and how many dwellings per hectare—

MS HUNTER: It depends if it is medium density, high density or detached.

Mr Barr: We will provide the answer in hectares, yes.

Mr Corrigan: Hectares is much easier.

Mr Barr: It is easier, yes.

MS HUNTER: I am assuming that, because that is not available, you look at other parts of the city as to where you are going to pick that up?

Mr Barr: That is right.

MR SMYTH: Minister, on pages 6 and 7 of the statement of intent it looks at things like profit before tax and profit after tax and a review of performance against the objectives. It says that these risks are highlighted by the difficulties that have been encountered in 2011-12. The expected outcome of approximately 3,000 dwellings is well short of the original target of 5,500. The dividend is down and the revenue from land sales, on page 526 of budget paper 4, plummets this year, plummets further next year and then suddenly it miraculously recovers. How can we have any confidence in any of the numbers against the LDA’s performance given your inability to deliver?

Mr Barr: If you read the next sentence, Mr Smyth, in the statement of intent, you would see that this is largely the result of longer than anticipated environmental clearance approval processes. Prolonged wet weather has also impacted on the provision of infrastructure.

MR SMYTH: So how much land have you got on the shelf to sell immediately?

Mr Barr: Those estates that are planned for release, some of which were planned for

release in the current fiscal year, will be released after 30 June and need to be accounted for in the subsequent financial year. There are, of course, some other estates that subsequently are shifted into subsequent financial years as a result of those changes. It is not realistic to simply say that you can make up the 2,000 or 2,500 shortfall from this fiscal year, push them all into 2012-13 and think that you could release to market your 2012-13 intent plus 2,500 on top of that. The program has to be smoothed out over the balance of the outyears of the budget papers. That is effectively what you have seen. This has been a push into the outyears of the release of the land and the associated dividend and revenue stream.

MR SMYTH: I go back to the question: how much land have you got on the shelf that is ready to release?

Mr Dawes: We have to put this in context, Mr Smyth. If you look at our land release program and some of the issues that we had around the EPBC clearances in Molonglo, we have actually had 1,500 blocks in Molonglo stage 2 that we have not been able to take to the market and are planning to take to the market in the early part of 2013. We have got through that final lot of hurdles that we needed to get through with the commonwealth. The documentation is being finalised. There have been a couple of other little issues that we have had to deal with as part of the Molonglo environmental offsets.

We also had Moncrieff which set down 400 or 500 this year. That has ended up being referred to the commonwealth. All of that has been lodged. That is where the ACT and the commonwealth are entering into a bilateral. It will take somewhere between 15 and 18 months, we suspect, to get through those hurdles. We have 560 dwellings in Lawson which I think I previously mentioned. I said there were about 500 that we have moved. We have ranked that up to 1,100 next year.

If you look at the blocks that we have on the market, we are already taking to the market Coombs. We have some land available in Coombs. All of Coombs is DA approved. There are 2,461 that we have approved. We are taking the first 180 blocks to the market over the course of the next week. Out of those single residential blocks we had about 900 registrations. We are going through the ballot process. We also have land available as unit sites which we have taken to the market and we are already advertising those.

If you look at land that we have available over the counter today, if someone wanted to walk in and buy a block of land we have around 201 blocks of land available and they are made up in a couple of different estates. We have some in Bonner, Harrison and Wright. We have some sites in Franklin and a multi-development site in Wright as well. At the present time we have not got many blocks. Out of all of the blocks that we had that you could build a dwelling on today, it is 199.

MR SMYTH: 199 blocks are not going to deliver you the dividend that you are looking for in this year's budget.

Mr Dawes: No. That is actually one of the reasons why you have got to look at the process. As to the land that we are selling, we are not going to offset all of that in the next financial year. Any land, like the englobo that we sell, will settle in that

particular financial year. The others will not. As to the land that we are selling in Coombs, we are in the process of finalising the documentation and then we will be letting a tender on that. Based on what we have experienced in this financial year, what we did to ensure that we got some settlements through was to divide up the right package, which was quite prudent to do. We actually had the contractor focused and concentrating on 1B2 as well, which would allow us to get some settlements.

You have to look at it in the context that the highest delivery of revenue to the government overall from the LDA was back in 2007-08. That was about \$472 million. We have \$100 million worth of settlements between now and 29 June. They will come through between now and next Friday, and that is \$479 million. The LDA has still had quite a large year in settlements compared to what it was. Back in 2007-08 you have got to look at two major sales that configured it. That was \$92 million for section 63—Casey and the Macquarie Bank—and Delfin Lend Lease, \$42 million.

When you look at the number of blocks that the LDA has delivered this year, it is still quite strong compared to where the market is. It is quite interesting that a couple of blocks that did not sell recently at auction and that we have had available over the counter have sold. There are still unit development sites, one on Flemington Road and one out in Belconnen. Obviously the whole intent is to ensure that we get ahead of the game and have blocks of land on the shelf.

MR SMYTH: But we have not got ahead of the game. You have sat here for many estimates now. The minister, Minister Corbell, Chief Minister Stanhope—

Mr Dawes: Unless you want me to break the law, Mr Smyth, I cannot, like I said—

MR SMYTH: have constantly said that we are going to have blocks on the shelf. We do not have blocks on the shelf.

Mr Dawes: Unless you want me to break the law, unless you are asking me to break the law, I have constraints that I have to deal with when it comes to legislation. I cannot simply go and put a bulldozer into Moncrieff and start producing blocks of land. We would end up in the Federal Court.

MR SMYTH: But we have known about these concerns for a long time.

Mr Dawes: We are not in control of some of these issues with the commonwealth. I think you will find that most state and territory jurisdictions at the present time are having a degree of frustration around environmental clearances as well.

Mr Barr: Hence the bipartisan support at COAG recently for some reform in this area.

MR SESELJA: But why was there referral in Throsby? Why did that happen so late? It is not clear to me. The referral in Throsby was some time last year, was it not? It was sometime in this financial year, I think it was. Throsby clearly has been on the forward land release program for some time. Why was that not referred to the commonwealth, if it was going to need to be referred to the commonwealth, years ago?

Mr Dawes: I think it is fair to say that Throsby really, going back, was seen as the next development area as well. One of the things that you—what we have got to have a look at is that in the last five years we have delivered nearly 20,000 blocks. If you look at Bonner, for example, that was a seven-year estate. That has been delivered in under three years.

One of the key activities as well has been demand. There have been a number of things that have fuelled that demand. But overall, we are constrained, as I said.

I remember talking about Molonglo back in 2007 when I joined the government. We have only just got that through the commonwealth prior to Christmas this year. One would not anticipate four years of delays and we have quite a large—I just forget the number of initiatives under the NES plan there; there are 80 issues that we have to comply with with the commonwealth in Molonglo. These take time and we are working through those and we are getting on with them.

MR SESELJA On Molonglo, we were hearing, I think yesterday, about delays from, say, ACTPLA's point of view in terms of some of their infrastructure projects—the design studies for bridges and sewers and the like in Molonglo. If they are being delayed at a governmental level significantly—in some cases we are talking 12 and 15 months beyond what was planned—surely that must be feeding into your ability to get land out in Molonglo as well.

Mr Dawes: I think that Mr McNulty can go to the nub of some of those items that we mentioned yesterday. One of those particular projects is not required for 10 years. So we have not actually started on any plan. The others are not dependent on actually getting—they are not the critical ones.

MS HUNTER: Mr Dawes, just while Mr McNulty is looking for that, are you still involved with the new site that has been identified for the Catholic high school?

Mr Dawes: Yes, and they are actually moving to Nicholls.

MS HUNTER: Yes, that is right. You had to do some investigation on fill that was on part of the site. Has that been completed?

Mr Dawes: That has all been completed.

MS HUNTER: And what has been the outcome of that?

Mr Dawes: It was just uncontrolled fill. There were no contaminants or anything on the site.

MS HUNTER: So that is good news.

Mr Dawes: That is good news and the Catholic Education Office are getting on with the job of getting the designs and all of that. We are in the process of finalising that but they are quite pleased that they can get on with the job.

MS HUNTER: Thanks for that update. I have been in contact with them but not

recently.

Mr McNulty: There were four projects that I understand were mentioned in yesterday's hearings. The first was the north-south arterial road bridging pedestrian bridge. The feasibility study for the pedestrian bridge is complete. Design tenders have been called, the assessment is complete and the project is about to be awarded.

The north-south arterial bridge is unlikely to be built for at least five years and will not delay the land release program. Work is under way to determine the alignment of the bridge as part of the Molonglo roads feasibility study being undertaken by a consultant. The feasibility study for this project was delayed pending the outcome of the Molonglo group centre concept study, which is being undertaken by ESDD.

This study has resulted in the alignment of the road being moved to accommodate the preferred planning outcome for the group centre. Work on the preliminary technical investigation for the north-south arterial road is part of the pedestrian bridge work which is currently being undertaken.

In terms of the Molonglo Valley sewer vent outlet study, ActewAGL are actually undertaking that work with some joint funding from EDD. The project is about six per cent complete. Preliminary results from ActewAGL show that in no way did odour plumes affect the initial land release areas in Molonglo stage 2.

In terms of the water, sewer and storm water infrastructure stage 2, design development was initially delayed due to the requirements of the NES plan not being known until late last year, as Mr Dawes said. As a result, a construction and environmental management plan for geotech investigations was subsequently required, further delaying the project. The geotech investigation is now complete and the project is progressing.

Cravens Creek pond, which is essentially what this project is all about, is not required for the first Molonglo stage 2 land release but will be required for later land releases. So it is not holding that up. The pond is currently scheduled for completion approximately nine months before it is actually required for land releases.

In terms of the east-west arterial road and the extension of John Gorton Drive to Molonglo River, the east-west arterial road and the extensions of John Gorton Drive to Molonglo River are unlikely to be built for at least five years and will not delay the land release program. Once again, studies are underway to determine the alignments of these roads which once again have hinged on the group centre concept study which is currently under way.

THE CHAIR: Mr Smyth, do you have anything further?

MR SMYTH: I will defer to Mr Seselja.

THE CHAIR: We will go to Mr Coe first.

MR COE: I refer first to the development of the old Jamison Inn site. The government had a fair bit of involvement in some of the facilitation of the discussions

and formatting changes for traffic and other measures. Where is that project up to?

Mr Dawes: The only time that we had some involvement in it was when we did a little bit of earlier community consultation because that necessitated a direct sale of some contiguous land for that site. But that is a matter completely with ESDD. As far as I know, I thought ESDD had approved that site and it was just up to the developer to finalise his financial arrangements and get underway. That is the last I know of that project.

MR COE: When was the last time that the agency would have had dealings on this subject?

Mr Dawes: I would have to defer to Mr Stewart but it would be only a matter of the direct sale component of that.

Mr Stewart: Processing the direct sale; that is right.

MR COE: The next thing I wanted to ask about is Woden 9 and in particular what consultations the LDA has had with the community about it.

Mr Dawes: There has been quite a bit of consultation on that particular project at Woden 9. As you would be aware, there has been a DA lodged for Woden 9. That is currently before ESDD for approval. We actually had that land release of the Woden 9—we had 200 at that particular development of the land release this year. That is not going to be achieved this year because, obviously, there is no approval at this point in time.

We are just waiting for the outcome there. Obviously, there has been quite a bit of media there. I agreed as well from our perspective to lengthen the community consultation on that particular project. But then ESDD, obviously with their regulatory hat on, extended the notification period independently of the commitment that I had given to the Woden Community Council.

So we are just waiting on that. We will obviously learn if we have to tweak that particular development. If that is the case then we will go back and obviously work with the Woden community to get a satisfactory outcome for all concerned. There is quite a bit of work going on as well. We have actually continued to do a bit of work there. We know that there are a couple of issues that are bubbling along in Woden. Obviously, Westfield want to do something there as well.

One of the key things that I think we need to resolve is car parking. We are actually doing some quite extensive work now on some car parking. Once we have got some more detail on that, we will be going back to the Woden Community Council to talk to them about that, because that is quite crucial. That is one of the issues and concerns that was coming out of the community consultation.

MR COE: On that, what do you think is driving the unease expressed by some people about the project?

Mr Dawes: I think—

MR COE: Like, is it height or scale?

Mr Dawes: I think it probably comes back to scale and height. There are some things there. But I think, actually, one of the key things that we need to be able to look at doing is seeing how we can intensify these town centres as well. You need to get some scale. That will also lead to, I think, people being able to live closer. It will actually assist in our transport—provide transport nodes. It certainly takes the pressure off developing the back streets of the suburbs by being able to intensify. It actually would also provide certainty and security for the long-term prospects of those town centres.

MR COE: One of the traits of the development is a common area on every third floor. How is that actually going to work and what is the nature of a common area?

Mr Reynolds: There were three applications that have been put in the project that you are referring to, Mr Coe. There is the one associated with the EDP. That affects the street layouts, the intended uses and the subdivisional type activities. The other two that you are referring to relate to the build form.

Those buildings are anticipating an opportunity. They give a representation of, and we are seeking approval for, a certain height, a certain yield. The community has expressed some views about some of the issues you refer to, some concerns, through the natural DA consultation process or notification period. At this point in time we need to receive that feedback from ESDD about what those issues are. We will consider those and respond accordingly.

With regard to the common open areas in a vertical situation rather than the traditional horizontal layout that we experience with our developments, there would be a range of mechanisms. You would be familiar with train stations, for example, in Sydney, where there are multiple uses on top of each other. They can be dealt with under what is called a stratum subdivision approach through the normal titles act or the Unit Titles Act. You could also have common areas. So much as you would have in a normal unit apartment, you would have common areas for parking or other shared facilities. You can also allocate those vertically through a stratum arrangement.

MR COE: Do you propose that they will be fully enclosed, or will they be in effect like balconies in the same footprint of the building?

Mr Reynolds: From the diagrams that I have seen, they are a form of atrium within a broader building envelope.

MR COE: Okay. I have a couple of other questions on the project. If it does go ahead as a joint venture, how much will it cost taxpayers?

Mr Dawes: We are not actually proposing to do that by a joint venture. One of the things we were looking at doing is getting the approved DAs. Then we would take that to the market and sell those particular sites. They would be then developed by the private sector. There is no desire for us to do those via a joint venture. Obviously that is all subject to commercial-in-confidence. We have some valuations with that.

What we have tried to do is de-risk that particular project. What we are finding these days, with developers, is that they are looking at projects that are de-risked, because it comes back to financing arrangements. Finance is difficult to get. No doubt you have been talking to the industry about that. So the further we can de-risk projects that have an approved DA—it means that they can access finance. What the banks are also keen to be able to do is turn the money over so they can get it in and out in that development and then use it for the next project. That site was not going to be sold holus-bolus; it would be sold in stages. That was one of the key things that we wanted to be able to do for the community, because there is some infrastructure that has to be done as well.

MR COE: So in terms of getting it to a construction-ready phase, what do you anticipate the cost to the taxpayer will be?

Mr Dawes: In the first phase there would be little cost at all to the taxpayer, because that would be all on the—

MR COE: In which case the whole project should be minimal—the cost to the taxpayer? Is that correct?

Mr Dawes: What we are looking at doing—and that is some of the work that we are doing—is realigning some of the street layouts. That will be subject to capital works.

MR COE: So they will not be off-site works as part of the development?

Mr Dawes: That is to be determined as well. They could be whole-site works or they could actually be funded through a capital works program. But that is for latter stages.

MR COE: Sure. And just finally on this development, how many parking spots do you propose to be included, and are you seeking any exemption from the parking code with the development?

Mr Dawes: With that particular development we did not seek any exemption from car parking spaces. I think Mr Reynolds will be able to tell you exactly the numbers.

Mr Reynolds: Certainly. I might just refer back to the discussion and what Mr Dawes said earlier about looking at the broader Woden area and the implications of the broader town centre. Approximately, on the analysis that we have done, we believe that there is a need for a structured car park that could contain up to approximately 600 to 850 car parking spaces. We are now looking more broadly, as David said, at the town centre, including what is referred to as section 3 and what role that site might play in terms of providing that car parking provision. It is early days in being able to consolidate all of that and give you a definitive number on the car parking spaces, but we are talking in that order of magnitude.

MR COE: So that section 3 that you just mentioned—would that be part of this actual project or would it be separate? And would it be a mixed development or would it be just structured car parking alone?

Mr Dawes: It would be the intent—we are obviously in the early days of this particular analysis, but we see that as a structured car park. We would take it to the market as a structured car park. Obviously, to ensure that we have got the right streetscape and that, there would be some commercial opportunities on the ground space as well.

MR COE: Sure.

MS HUNTER: And we did also ensure that they built the infrastructure for electric vehicles into the future, with the rollout of—

Mr Dawes: I think the industry adopted that in some of the new unit development proposals, and even in one of the ones that we are involved in, a joint venture with Hindmarsh, we are looking at actually providing electric cars as part of the option for the development.

MR COE: Similarly to Woden 9, would section 3 be prepared to be construction ready and then you would go to market with that?

Mr Dawes: That is something that we are looking at. I think the car park is a bit more straightforward, because we have got a definitive area where that could be placed, and we would take that to the market in the—

MR COE: So you would definitely take it to market as opposed to the government constructing it?

Mr Dawes: Yes. I think with the private sector there is an appetite for parking structures around the city over time.

THE CHAIR: Ms Le Couteur.

MS LE COUTEUR: I would like to just clarify some of Mr Corrigan's evidence about the Gungahlin offset statement. If I understood it correctly, basically what is happening is this. A policy has been developed. It has been given to the commonwealth as part of the Gungahlin proposals. But this policy, although it has been given to the commonwealth, has not been seen by the ACT government or the people of the ACT. So we are going to end up binding ourselves on a policy that has not been seen by the government. Have I got this right, or what have I lost?

Mr Corrigan: I will clarify. It has passed to the commonwealth as a draft. It was still a draft document to help them understand the context of the various referrals that we have made for the main development areas of Gungahlin. There are referrals of various suburbs left. One of the queries, I understand—a clarification is that I was not involved in this part of the negotiation—was that they were seeking clarification about the entire approach to the conservation that the ACT would take for those developable areas. As I was saying before, that strategy we are developing is to assist ACT government agencies in that. In terms of these various referrals made, it gave them a context within which to consider them.

MS LE COUTEUR: It still does not seem to make sense that it is going to the

commonwealth before it goes to the ACT. This is guiding everything we are doing. For instance, earlier today we talked about EPIC. There was going to be—what was it?—a 40 hectare offset.

Mr Dawes: Yes, that is something that was completely separate.

MS LE COUTEUR: Is this using the same policy or do we have two offset policies? It does not seem to make sense.

Mr Corrigan: No, sorry. That Gungahlin avoidance mitigation offset—GAMO for short; that is the acronym for it—is based on the offset policies that the commonwealth has. So the commonwealth government has offset policies. So it looks to meet those. We are not talking about lots of different approaches to offsets. That is one thing it does.

The first part of your question—I have lost my train of thought. I was thinking of something you said that I thought it might help to clarify. It does sound confusing; I appreciate that. Sorry, I have lost my train of thought. It was something you said.

MS LE COUTEUR: I guess there are two things. One, have we got one offset policy? I know that we are doing more than Gungahlin. We have talked about EPIC today. Are we using the same policy for EPIC as we are using for Gungahlin?

Mr Dawes: In a sense, yes.

Mr Corrigan: Yes.

MS LE COUTEUR: Whatever the policy is, I am still not clear why it goes to the commonwealth for their understanding when it does not go to the ACT government, who presumably would be even more interested in understanding that policy.

Mr Corrigan: Yes. The commonwealth has the offset policy. The ACT government does not have an offset policy.

Mr Barr: We have to meet their policy. That is right?

Mr Corrigan: That is correct.

MS LE COUTEUR: I thought we did, but we just—

Mr Barr: They give the approval.

MR SMYTH: Perhaps a briefing might be—

Mr Barr: How about we give you a briefing offline?

MS LE COUTEUR: Okay.

Mr Barr: The concept, as I understand it, is that you do not get a commonwealth approval unless you meet their offset policy, and that's that. So there is no point our

having different policies. We have got to meet theirs and we have to demonstrate to them how we are meeting their policy. That is what we are providing.

Mr Dawes: And we wanted to provide them with comfort as well that we are taking into account their policies. That was the reason why it has been given to them in draft as well. One of the key things that we want to try and do, once it is endorsed et cetera, is hopefully speed up the process. This is all about, hopefully, getting those approvals through in a timely fashion. So that was the intent of the document.

Mr Barr: Yes, and I think that where this has become a national policy debate is that I think that they are—Queensland is the example of where they wish to apply their own separate policy for approval, I think on the Barrier Reef. I have not followed this in detail. As I understand it, the federal position has been they are happy for states and territories to undertake assessments against the commonwealth policy framework, but they will not accept states and territories adopting their own separate policy frameworks. I think that might be the simplest way to encapsulate where the debate is going. But let us organise a briefing.

MS LE COUTEUR: Okay. Can I ask a question on a totally different subject? Am I correct in believing that the newly announced project office for city to Gungahlin is in LDA?

Mr Barr: You are correct, yes.

MS LE COUTEUR: Good. How is this all going to work, because clearly the proposal has a lot of different directorates involved in it?

Mr Barr: In broad terms, we went into this in some detail in the budget day press conference because, as you can imagine, there was some interest. It is bringing together, essentially, three different strands of policy work. There is the transport corridor work. You would be aware also that Minister Burch's directorate has undertaken work in relation to public housing renewal. Ultimately, this project will be the most significant infrastructure project in the territory.

It requires, if you excuse the pun, a development vehicle in order for it to be undertaken. What you will see is a transition in this project over time as it moves out of the planning phase into the delivery phase. There is the actual rejuvenation of the public housing stock, the transport corridor improvements and the public realm improvements. Of course, the government itself has significant land holdings and infrastructure in the corridor outside of the public housing stock.

So what we are doing here is moving the project to the next phase, indicating that, whilst we have recognised there are some pieces of planning work that still need to be completed, this needs to be integrated in a whole-of-government approach, led within the LDA, having major project status.

Ultimately, I think the project will grow to such a scale that it will require its own development authority, but for the next period of time I think it is appropriately housed as a division within the LDA as it scales up. But if we are to achieve the sort of transformational change that I believe is the desire of many stakeholders in the

context of transport solutions, commensurate with that is massive—and I mean massive—development uplift along the corridor on a scale that this city has never seen before. That will require significant project management skills and will be a major, major development project.

In other cities—the Docklands project in Melbourne, Barangaroo in Sydney—there is a separate team tasked with delivery. You must bring all of these strands together. There is no point trying to do the transport planning and come up with multibillion dollar transport schemes if there is no way of financing the project and you are not able to capture the uplift in land value.

Although this has perhaps not got the level of attention that I believe it was due in the context of the budget announcement, it marks a significant turning point in the on-the-ground delivery of the public housing renewal, the transport renewal and the development uplift in the corridor. We are not ready to bring in the bulldozers yet but it is heading towards that stage. That is clearly when you need a development vehicle and it moves beyond the realm of the planners. Dan, do you want to add anything to that?

Mr Stewart: I think that is a pretty comprehensive summary of where things are at. Initially, we are looking at resourcing the office with three to five individuals from within EDD-LDA, but with the agreement of a number of other directorates to second senior officers who have been working on a number of these projects within the corridor to this point already.

We have had preliminary discussions with ESDD around the transport operatives and then, similarly, I would imagine, with individuals from CSD. Expertise from Treasury would be critical in analysing some of the financial models and delivery models for these sorts of projects. It will build very nicely on the work that has been done around the city task force already, and we discussed that earlier in today's hearing.

I think the minister highlighted the key points. This is a model that has been used across a number of jurisdictions in the last six to nine months. I think four or five states have announced the creation of similar urban renewal or metropolitan redevelopment offices bolted onto their existing land agencies or, I guess, as a re-badging of existing facilities in those jurisdictions. It is an exciting opportunity and I think it draws together a number of threads that have already got underway.

MS LE COUTEUR: Does that mean the government is committed, basically, to the plan that has been outlined for Northbourne Avenue regardless of, as you said, the actual vehicle that goes down the middle of it? Clearly, there is no decision on that—

Mr Barr: Yes, certainly.

MS LE COUTEUR: but the rest of it?

Mr Barr: It is the principle of upgrading the transport corridor, the urban renewal of the public housing estate and the uplift of some of the development controls on the privately held land along the corridor, together with the planning changes that have been in place in Braddon for a number of years. The beginning of that transformation

was linked to the Dickson master plan work and all of the joyous controversy that came around that particular project. Continuing along the corridor seems much easier in the context of Flemington Road because a lot of these provisions were made at the time of the design. That end of the project is less challenging, obviously, than the retrofit of Northbourne Avenue.

But, yes, there has been some call for “we have had enough planning studies; let’s just get on and do it”. I suppose I have a foot in either camp in that context in that I do not believe that we have got final answers on a number of important pieces of the puzzle. But I do recognise that there are other elements where we are ready to proceed.

The public housing renewal, for example, is a project that will take a number of years. You would need to stage that and we should, in the context of the overall strategy for the corridor, be able to progress some pieces of work there, noting that there are other parts of the corridor where there are still heritage issues related to the public housing assets. Then in the context of our broader decision making on our own non-housing assets—for example, the motor vehicle registry site, Macarthur House et cetera—

MS LE COUTEUR: Tourism.

Mr Barr: Yes. There are a number of facilities that we own there that we need to make decisions on in the short and medium term for their use or adaptive reuse as part of building up the density within the precinct. But I suppose as some starting points, yes, improved transport; yes, more people living in the corridor; yes, upgrading of the public housing stock; yes, maintaining a social mix to ensure that the benefits of the uplift are shared broadly throughout the community; and, yes, it needs to connect into the other work that is occurring within the CBD because at the end of this corridor clearly is—

MS LE COUTEUR: The civic master plan.

Mr Barr: Yes, exactly.

THE CHAIR: Mr Smyth had a follow up.

MR SMYTH: No, it is a new question.

MS LE COUTEUR: Very briefly, will the government be committing to retain at least the same amount of public housing in approximately the same sort of location?

Mr Barr: I think—

MS LE COUTEUR: Approximately.

Mr Barr: Approximately, yes, sure.

MS LE COUTEUR: I mean, it can only be approximately.

Mr Barr: Absolutely. The commitment we can give is that we want, in the urban renewal, for there to be an appropriate mix of public, community, affordable and other

housing.

MS LE COUTEUR: Unaffordable, yes.

Mr Barr: Obviously, ultimately, it will not be unaffordable because someone will be able to afford it, but housing across the spectrum, yes.

MR SMYTH: Just to go back to the land release program, is it possible to get a reconciliation of all the projects that are outstanding—for instance, when they were started, their original due date and when the delivery date is now expected—so that we have got a reconciliation of what is coming?

Mr Barr: Yes; that is not a problem—sorry: the four-year land release program is published, so if you wanted to spend five minutes you could do it yourself at the moment. But I am happy to—

MR SMYTH: No. I have seen the four-year land release, but I am intrigued as to—

Mr Barr: I just want to understand exactly what you—

MR SMYTH: But an explanation of what has delayed each of the projects.

Mr Barr: Why they have been delayed? Certainly. Yes, that is fine.

MR SMYTH: And if it can indicate what is available at what time, that would be useful.

Mr Barr: Yes.

MR SMYTH: The Campbell 5 consultation—where is that at and when do you expect to release that?

Mr Dawes: Campbell 5 was set down to be released this financial year. It is a site where we did not need to go back, in a sense, and consult with the residents because, under the national capital plan, that site is already zoned for residential. We could have just lodged DAs.

One of the key things that we wanted to do with Campbell is this. When you looked at Campbell, if you looked at that particular block of land, it was a straight line right across the park where we would develop. Where we could potentially develop was opposite some residential housing as well, so we wanted to be sympathetic with that.

What we have asked the NCA, and it is subject to a national capital plan variation, is to go away from the straight line to allow us to develop a little further up behind Anzac Park or Anzac Parade area. And we would give up some land opposite the residential and include that in the park.

We have had some constructive consultation with the Campbell residents. Obviously there has not been complete agreement in some of those consultations, but I think there is an acceptance. It was very unfortunate that the National Capital Authority had

another meeting this week and spoke of different numbers from what we had been talking to the community about and that were not reflective of what we have been promoting on the website.

I have had some discussions with the National Capital Authority. They are going to amend the record from their perspective. They took higher numbers than what we had. We have always talked around 500 dwelling sites on that site and a hotel for that site as well—and that is about 5,500 square metres, but that would incorporate a hotel and some other commercial activities in it. You would have your coffee shops, restaurants and that sort of thing.

MR SMYTH: So the 500 is the correct number?

Mr Dawes: Yes; it is around that: 500 is the correct number, not the number of 746 or 736. I think where the NCA might have got caught up is that when the National Capital Authority did some traffic studies that is what it said it could generate, something along those lines. But we are honouring what we had actually agreed with the community right back.

MR SMYTH: And the hotel will be what calibre and how many rooms?

Mr Dawes: It will be something in the order of four to 4.5 stars. There is little appetite—I think I mentioned this yesterday—for five stars. It will be in that order. It will be left to the market to determine. When you look at some of the boutique hotels that have been built around Canberra in recent times, and that is quite an attractive position, I would say it would be on a par with what has been delivered at Macquarie and the conversion over at the Diamant at Acton. I would say it would be in that class.

THE CHAIR: Ms Hunter, you had a question?

MR SMYTH: I have a last one. The Greenway—Mr Dawes has been a regular visitor to the Tuggeranong Community Council.

Mr Dawes: Yes.

THE CHAIR: He has indeed.

MR SMYTH: I like seeing him down there. What is the progress on the area opposite Bunnings and around the lake?

Mr Dawes: What we are looking at doing—that is scheduled for land release. The first sites of that will be going to the market in the new financial year. As well, we are moving to get that underway. We are also seeking a territory plan variation through ESDD for the eastern side of the lake. But we are planning to get that underway. As you know, overall, when that whole development is on both sides of the lake, it will be about 1,000 dwellings and about 3,300 commercial spaces. As you know, you will probably get that last—

MR SMYTH: Commercial spaces or metres?

Mr Barr: It is 3,300 metres.

Mr Dawes: Yes, 3,300 square metres. What did I say?

Mr Barr: You said 3,300 spaces.

Mr Dawes: Sorry.

Mr Barr: It is Frank Lowy's dream.

Mr Dawes: I apologise for that: 3,300 square metres of commercial space.

MR SMYTH: Maybe you will not be welcome back in Tuggeranong.

Mr Dawes: What we outlined at the last Tuggeranong Community Council meeting is that we do have a couple of higher elements there, the three buildings. We will be going through and getting the territory plan variation changed for that too.

MR SMYTH: Is the master plan complete?

Mr Dawes: It is. As we presented—

MR SMYTH: Is the final.

Mr Dawes: is the final version.

MR SMYTH: On Campbell, you said it was due for release in the coming year. Will it be released in the coming year?

Mr Dawes: Yes. We hope to be able to get that out in the new financial year.

MR SMYTH: So 2012-13.

Mr Dawes: We were hoping to get that out in this financial year. I understand that the NCA process is that—we put in our application to vary the boundaries, and that will be subject to their board deliberations, I think, in August.

THE CHAIR: One final question to you, Ms Hunter.

MS HUNTER: The question is around the completion of the north Weston pond and the asbestos removal. There is \$15 million for completion. I was wondering how much of that is around the asbestos removal, how much is design, how much is for the pond—

Mr Barr: You can put that question to the Minister for Territory and Municipal Services. It is TAMS who are looking after that.

MS HUNTER: So you do not have anything to do with it? Gosh; very interesting.

THE CHAIR: We are out of time. On behalf of the committee, thank you, minister,

and officials from the Economic Development Directorate and Land Development Agency, for appearing before the committee. 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. Proceedings will resume at 9.15 am tomorrow morning, commencing with the committee's examination of the Health portfolio.

The committee adjourned at 5.29 pm.