



LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY

SELECT COMMITTEE ON ESTIMATES 2012-2013

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

Members:

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

TRANSCRIPT OF EVIDENCE

CANBERRA

TUESDAY, 26 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.

APPEARANCES

ACT Public Cemeteries Board	852
Chief Minister and Cabinet Directorate	852
Education and Training Directorate	935
Territory and Municipal Services Directorate	852

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Amended 9 August 2011

The committee met at 9.01 am.

Appearances:

Gallagher, Ms Katy, Chief Minister, Minister for Health and Minister for Territory and Municipal Services

Chief Minister and Cabinet Directorate

Cappie-Wood, Mr Andrew, Head of Service and Director-General
Davoren, Ms Pam, Deputy Director-General, Policy and Cabinet Division
Lasek, Mr Jeremy, Executive Director, Culture and Communications Division
Kefford, Mr Andrew, Deputy Director-General, Workforce Capability and Governance Division and Commissioner for Public Administration
Ogden, Mr Paul, Director, Strategic Finance, Policy and Cabinet Division

Territory and Municipal Services Directorate

Byles, Mr Gary, Director- General
Perram, Mr Phillip, Executive Director, Business Enterprise Division
Peters, Mr Paul, Executive Director, Roads and Public Transport Division
Roncon, Mr James, Director, ACTION, Roads and Public Transport Division
Bailey, Mr Daniel, Director, ACT Property Group, Business Enterprise Division

ACT Public Cemeteries Board

Kargas, Ms Diane, Chair
Horne, Mr Hamish, Manager

THE CHAIR: Good morning, Chief Minister. Welcome to the eighth public hearing of the Select Committee on Estimates 2012-2013. The Legislative Assembly has referred to the committee for examination the expenditure proposals for the 2012-2013 Appropriation Bill and the revenue estimates for 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 receiving the questions, with day one being the first business day after the transcript is received. Answers to questions taken on notice will be returned five business days after the hearing at which questions were taken, with day one being the first business day after the question was taken.

Proceedings this morning will commence with the examination of the Chief Minister and Cabinet Directorate's expenditure proposals and revenue estimates for output class 1, cabinet strategy, specifically output 1.1, government policy and strategy; output 1.2, public sector management; and output 1.4, coordinated communications community engagement.

I was going to suggest, because there is quite a bit of crossover in each of those outputs, that we allow questions across all three. It will probably be easier to handle it that way. I realise it might require a change of some personnel, but it is probably the

easiest way to go through.

This will be followed by examination of the expenditure proposals and revenue estimates for the ACT executive. At a later stage this morning the committee will then move on to an examination of the Territory and Municipal Services expenditure proposals and revenue estimates for the ACT Public Cemeteries Authority. This will be followed by the Territory and Municipal Services Directorate's output class 2, enterprise services, specifically output 2.1, government services, and we will conclude with ACTION's output 1.1, public transport.

You are very familiar with it, I am sure, but first off I draw your attention to the privilege statement, which is on the blue card in front of you. Could you all indicate that you have read that and are aware of the information on that?

Chief Minister, before we go to questions I would invite you to make an opening statement if you wish.

Ms Gallagher: Thank you, chair, and I will just make a few brief comments. For a relatively small directorate, Chief Minister and Cabinet has a very broad range of responsibilities. In this past year, and certainly in the time that I have taken over the Chief Minister's portfolio, the Chief Minister's directorate, in addition to some of the work that they are already doing, have been focusing on implementing the one government model that came out of the Hawke review. This is also the directorate that has responsibility for the centenary program. So obviously its responsibilities are ramping up in the lead-up to 2013.

It is also the directorate that has taken on responsibility for improving and increasing our regional engagement and some of the work that we have been doing with the local councils but also implementing the MOU that I and Premier O'Farrell signed on cross-border or regional collaboration.

It is also, importantly, the area where the Commissioner for Public Administration has responsibilities. In the past year I have agreed with the Commissioner, and he is more than able to speak for himself, that the focus, or his priorities, should be on the area of integrity, conduct and standards within the ACT public service.

So there is much more to this, of course. But in terms of my priorities across the central agency, in addition to their other work in being the head of service and having a much broader oversight role across the entire public service, they would be the priorities that I would say have focused the energies and minds of the directorate over the past 12 months. Of course, we are all here and very happy to take any questions the committee might have.

THE CHAIR: Thank you, Chief Minister. I will go to my first question. It relates to the performance and accountability framework. It is mentioned on page 33 of budget paper 4. I wonder whether we can get an update on what the status of the framework is. How is it being implemented and is it at the point of the government translating strategic objectives into directorate objectives?

Mr Cappie-Wood: The performance accountability framework is a broad framework

covering the across-government expectations in this area. It has had a number of builds over the last few years. There was a major piece of work undertaken by Allan's consulting in terms of assessing our overall framework. That then broke down into a variety of different sub-elements.

Some of those that have been put in place over the last, approximately, 12 months were the evaluation framework—looking at the evaluation framework that could be utilised across the public service to evaluate program effectiveness. That has been trialled in a number of instances and has now been adopted as the standard methodology for evaluative purposes. That was a major component associated with that, and those policies and guidelines have gone out.

We have set up a performance and accountability share point to share resources and build capacity across the government along four dimensions of the framework plan: plan, deliver, report and review. That evaluation part was the review part. We have also, during the course of the year, developed a strategic service planning framework. This is a major piece of work which went up through the strategic board and has recently been approved by cabinet for implementation across the public service.

The intention of this framework, as part of the accountability and performance framework, is to ensure that each directorate can look at its medium-term positioning to understand how it will deliver services in the medium term, not just on an annualised basis, and in so doing focus on asking, "What will change over the medium term?" That is that four, five, six-year period. In so doing, they ask things such as: how will the demographic demands change? How will your services respond to that? What demand profiles are you seeing coming into play in terms of how your services are being shaped to meet the medium-term demand?

Apart from making sure those assumptions are built in, you also have something coming from that, which is greater clarity around how your asset base might have to change as well. If you are looking at education, for example, what increase demand will there be for schools? Where is that shift coming from? How is that new demand being taken on board? Each directorate has this framework to be able to build on. Many of them are doing this organically anyway, but it gives a broader frame across the government.

THE CHAIR: Are they at the point of actually translating that into the objectives for each directorate?

Mr Cappie-Wood: It certainly is now the expectation of government that this framework would be applied by each directorate in terms of being able to articulate their medium-term service planning.

THE CHAIR: How are you measuring that directorates are actually implementing this as part of their work?

Mr Cappie-Wood: This will come up annually for discussion at the strategic board. I imagine it would also play a part in informing advice to cabinet.

THE CHAIR: So there will not be any sort of measurement applied?

Mr Cappie-Wood: In terms of metrics, the metric would be that this service planning framework has been undertaken and it is being used to input to not only their medium-term strategic planning but also their asset planning, their budgeting, their staffing and other requirements. In other words, if you know what your business is in the medium term, you can start to be more strategic about how you position your resourcing, both personnel resources and asset resources, as well as making sure you can understand where your demand pressures are coming from.

THE CHAIR: Directors-general are responsible, either formally or informally, for making sure these strategic objectives are implemented?

Mr Cappie-Wood: That they undertake this strategic planning process?

THE CHAIR: Yes. Will they be—

Mr Cappie-Wood: The strategic planning process—

THE CHAIR: responsible for that?

Mr Cappie-Wood: The framework does not deliver an automatic answer. It says, “If you go through this framework, you will be better informed to understand how you position your directorate to meet demands into the future.”

THE CHAIR: Is that more of an informal rather than a formal process?

Mr Cappie-Wood: It will be a formal expectation that they undertake the strategic planning framework annually, update it annually, because it is a medium-term one. In so doing, it is expected that that will be reported through to cabinet.

THE CHAIR: Just on that, too, from what we were looking at, only one directorate at the moment has actually stated in the budget that it has been guided by the framework.

Mr Cappie-Wood: Yes.

THE CHAIR: That was ESDD.

Mr Cappie-Wood: Yes.

THE CHAIR: Should that be something all directorates are actually—I appreciate you are saying that this is a process which is underway.

Mr Cappie-Wood: Yes.

THE CHAIR: But should that be something we are seeing from all the directorates actually now saying, “This will be what we are pursuing”?

Mr Cappie-Wood: Yes, indeed, because it has only recently been adopted; so most directorates have not brought it in in terms of their annual planning cycle yet. You will see this more next year because it is reasonably new.

THE CHAIR: Are you satisfied with the way ESDD has been guided by the framework?

Mr Cappie-Wood: To the extent that they are reporting back up the line, we have not formally seen that yet, but it is encouraging that they are building it into their corporate planning review and delivery framework in terms of how they do that.

THE CHAIR: Are you happy with the way that is going?

Mr Cappie-Wood: I am very happy with the input that all the directorates have had in terms of forming this framework and, hence, the advice that went to cabinet around that.

THE CHAIR: One last question: how does Chief Minister and Cabinet facilitate implementation of government priorities like weathering the change and the Canberra plan? How do you actually make sure those things are actually being implemented?

Mr Cappie-Wood: How we report on those? We have an annual reporting cycle under the Canberra plan, which we can go into. In terms of weathering the change et cetera, that is a responsibility of the particular directorate to report on. There are reporting cycles that go up to cabinet. In addition, we frequently discuss some of the outcomes of the reporting cycles in the strategic board.

THE CHAIR: So that is how you make sure it is being implemented—through those processes?

Mr Cappie-Wood: Yes, in terms of weathering the change, that is a government policy. It is expected that there would be regular reporting of the progress on that through to cabinet.

THE CHAIR: And that is the same for the Canberra plan as well?

Mr Cappie-Wood: For the Canberra plan, there is a published process of reporting. We are about to complete the annual reporting against Canberra plan and that should be up and publicly released in the next few weeks. It will be coming to cabinet shortly.

MS HUNTER: With regard to weathering the change action plan I, it set out that ACT government agencies would have a resource management plan in place by the end of 2009. What is the status of your resource management plan?

Mr Cappie-Wood: In terms of the resource management plan, each agency undertakes, if you like, an environmental assessment of their impacts, and we have undertaken that audit of the performance of the organisation in terms of its consumption of resources. The audit has shown where there are improvements to be made; hence we have signed up to SmartOffice, we have engaged with a variety of our suppliers as well as the individual owner of our building to make environmental improvements et cetera. All of this comes through from that audit, which has its heart in the weathering the change intentions.

MS HUNTER: Going back to page 33 and the statement of purpose, the second paragraph of that statement of purpose talks about the provision of direction and coordination across the public service on policy and strategy, including a specific role in areas such as sustainability policy alignment. What exactly does that mean and what are you doing in regard to that?

Mr Cappie-Wood: In terms of the sustainability policy alignment, because it is such a broad remit, one of the things which we keep impressing upon our colleagues and peers is that sustainability is not merely environmental; it is social and economic. When we look at this for ourselves—things such as being able to move on triple bottom line reporting in this regard, the climate change impact on infrastructure—these are, if you like, demonstrable efforts in this area of sustainable policy alignment.

MS HUNTER: If we go to the triple bottom line assessment, I understand that one of the six initiatives that were listed was a TBL assessment framework. Where exactly is it up to now? Given that the administrative arrangements set out that CMCD's role is, as I said, around that TBL and the sustainability policy alignment, where is the pilot up to?

Mr Cappie-Wood: There has been an evaluation of the pilot by the University of Canberra, and the results of that and the way forward will be shortly taken to cabinet for potential release. So we are—

Ms Gallagher: In the final stages.

Mr Cappie-Wood: In the very final stages.

Ms Gallagher: Yes.

MS HUNTER: So you are hoping to have that out when—what sort of timing? I know you are saying soon, but I am assuming before the end of this Assembly?

Ms Gallagher: Yes.

Mr Cappie-Wood: Yes, absolutely.

MS HUNTER: There was talk about an end of June time line. Is that the time line you are still working to?

Ms Gallagher: It is unlikely, I think, only because we have missed a cabinet meeting. So it probably will be just on the other side of June.

MR SMYTH: Chief Minister, can you explain table 1.6.1 on page 27 of budget paper 3, the employee expenses across the ACT public service?

Mr Cappie-Wood: That is the savings initiatives?

MR SMYTH: Yes. How many public servants does this represent?

Ms Gallagher: It was in the order of 180, from memory, from budget day.

MR SMYTH: You seem to make a saving that goes up and then comes down. Why does the saving go up and then come down?

Mr Cappie-Wood: Sorry, in a specific line?

MR SMYTH: You save \$17 million by removing 180 public servants. The saving the following year is \$19 million. But then it comes down to \$18.8 million. How can it come down?

Ms Gallagher: It is probably a question best asked of Treasury.

MR SMYTH: I thought you were in charge of the public service.

Ms Gallagher: It is a technical question on the costings. It relates to around 180 staff.

MR SMYTH: It relates to 180 staff, that is right, whom you are responsible for.

Ms Gallagher: Thank you. Indeed.

MR SMYTH: I thought you did not understand that you, as Chief Minister, are responsible for the public service.

Ms Gallagher: Thank you, as always.

MR SMYTH: So nobody knows why the saving goes down?

Mr Cappie-Wood: It is a technical question which can be confirmed, but in other instances part of it depends on the superannuation position of staff that leave. If staff that are on higher cost schemes leave and you employ new staff or you get a turnover of staff, if you have a turnover of staff and they come in at the nine per cent superannuation as opposed to the 16 per cent, you will see a reduction in the total employment costs. And we have seen that across a number of our forward lines. That may account for it, but it would be best if we take that on notice.

MR SMYTH: You may have an answer over here.

Mr Kefford: As the Head of Service said, we are going to confirm with Treasury, but Mr Cappie-Wood's answer is, I am sure, part of the explanation.

THE CHAIR: That is taken on notice to confirm.

MR SMYTH: How will these 180 public servants be chosen?

Ms Gallagher: That will be over to individual directorates to identify areas where staff or positions will be made excess to requirements. It is a voluntary redundancy process that will be worked through around realigning with the government's priorities. I think in a workforce of 18,000-odd, this will be more than easily accommodated within directorates' responsibilities to live within budget.

MR SMYTH: They have not managed to live within budget in the past, and we had a staff freeze that saw public service numbers grow. How can we have any faith that you will deliver this?

Ms Gallagher: I would think that this would not be an abnormal series of events for a public service, to go through and find jobs or positions excess to requirement of this order.

MR SMYTH: It does go to whether or not you can trust the figures. And given we have had difficulties in Health where figures that were unreliable were given to all sorts of places—

Ms Gallagher: Pardon? I do not know what you refer to there.

MR SMYTH: You are not aware of the discrepancy in Health figures?

Ms Gallagher: Are you talking about financial figures here or are you talking about data in the emergency department?

MR SMYTH: No, I am asking how we can trust this, given that in your other portfolio responsibility—

Ms Gallagher: So no data in government can be trusted now because of the emergency department data?

MR SMYTH: Are you saying that no government data can be trusted?

Ms Gallagher: No, I am not. I am asking you whether that is what you are saying.

MR SMYTH: No, I am asking how we can trust this data, given that we have had some difficulties before.

Ms Gallagher: It does not even warrant an answer, I am afraid.

MR SMYTH: So all of this data is accurate?

Ms Gallagher: Of course this data is accurate.

MR SMYTH: It is accurate like all the data—

Ms Gallagher: So you are now insulting the entire budget papers, are you?

MR SMYTH: No, I am asking you a question. You can draw whatever inference you want from it, but I am asking you a question about the accuracy of the data presented.

Ms Gallagher: And I have answered it.

MR SMYTH: On page 34, the top dot point, Mr Cappie-Wood, says that supporting pre-election processes is one of the priorities this year for CMCD. What support do you provide to pre-election processes?

Mr Cappie-Wood: There are incoming government briefs as well as caretaker conventions.

MR SMYTH: What burden does that put on the public service and how do you cope with it?

Mr Cappie-Wood: I am sorry?

MR SMYTH: Does that put a burden on the public service, and does it come at a cost? And how much does it come out at?

Ms Gallagher: It is a normal part of a public service responsibility that is experienced every four years, and it will be done so accordingly this year.

MR SMYTH: But the question is: what burden does it place? Is there a financial burden or is it just absorbed within the recurrent funding?

Mr Cappie-Wood: It is absorbed within normal operating—

Ms Gallagher: It is a core responsibility of the central directorate.

MR SMYTH: So it is just the incoming government's brief and the caretaker administration?

Ms Gallagher: Caretaker guidelines, which I think are available now.

Mr Cappie-Wood: Yes.

THE CHAIR: Anything further on that, Mr Smyth?

Mr Cappie-Wood: It is included in our accountability indicators as a significant output. And we are there to help coordinate across government. This is the normal course and cycle of government. All we are doing is—

MR SMYTH: I appreciate that. It is not a trick question. Very defensive.

MR COE: I have some questions about the government's open government initiatives. Firstly, I was wondering what sort of response you are getting to the cabinet outcome reports.

Ms Gallagher: Pretty good.

MR COE: Are you getting many views online?

Ms Gallagher: I think it started off a lot stronger than it continued, but it is not really a factor in whether or not we keep them going. I understand that the first months had much more hits than now. We have got obviously a core group of followers that look for them every week; if they are not up there, they put in a request about why they are not.

MR COE: You said in your blog:

Now once you take politicians and the media out of that 18, I'm not certain anyone else is visiting.

What do you mean by that?

Ms Gallagher: That was what I meant. What don't you understand about that, Mr Coe?

MR COE: If you are getting 18 people visiting—

Ms Gallagher: So is it not worth doing then?

MR COE: I just wonder if perhaps you are not putting in all the information or perhaps the information is not particularly relevant. You would think that if it was relevant, given that you have got 17 members of the Assembly, a handful of journalists in the building and 22,000 public servants, you would get more than 18 people clicking the link.

Ms Gallagher: As I said, it is not a factor in my consideration about whether or not it is the right thing to do, Mr Coe.

MR COE: Is it a possibility that there is actually not very much information on there and it is not really open government?

Ms Gallagher: No.

MR COE: So what information is published on open government?

Ms Gallagher: Go and have a look, Mr Coe. It is all online. I presumed you were one of the 18.

MR COE: The information that is on there, I think, is pretty menial. That is why—

Ms Gallagher: But is it more than you were getting before, Mr Coe?

MR COE: It is interesting—

Ms Gallagher: Before you had no idea.

MR COE: It is interesting that we should talk about what was happening before. On that, I would like to ask what the government's policy is towards releasing internal audit reports.

Ms Gallagher: Internal audit reports of directorates?

MR COE: Yes.

Ms Gallagher: These are usually matters that are held by the directorates. I have known some internal audit reports to be released, but the idea behind internal audits is to encourage directorates to improve their own performance through identifying problems and addressing them. That is why they are called internal audits. Then you have a series of external audits which can be done. Those, more often than not, are public. But you do have to find a balance, Mr Coe, in relation to encouraging self-assessment and continuous improvement within agencies without perhaps the pressure of that information being public. That is a standard and quite reasonable condition for agencies.

MR COE: There are a lot of documents which are prepared within a department that are for the department's internal use which are made public through freedom of information.

Ms Gallagher: Yes, there are.

MR COE: I am just wondering why the government is refusing to release information such as internal audit reports.

Ms Gallagher: I do not know what you are talking about when you say refusing to release internal audits. I am sure you have got a line of questioning here and you will let me in at the right moment. But as I just said, the whole idea around internal audit and audit processes—each directorate has an audit committee. They work with the director-general and, in terms of the ministers, provide ministers with advice, when they seek it, on those internal audit processes. It is not that usual for those internal audit processes to be subject to public scrutiny.

There are plenty of external audit processes—this is one of them; the Auditor-General is another; the annual report is another—where you report against your audit processes and you subject yourself to the highest level of scrutiny and transparency of any organisation. If you look at any business anywhere, they will have internal audit processes. Those internal audit processes are there to ensure that agencies are constantly looking inwards around how they can improve their service and identifying problems early. I would believe that one of the fundamental reasons why those internal audit processes work is that they are not public.

MR COE: Why is it that the commonwealth government releases internal audit reports?

Ms Gallagher: That is a matter for the commonwealth government, Mr Coe.

MR COE: Why is it that two years ago when I asked for an internal audit report—I put in an FOI for internal audit reports—I got all these internal audit reports back and there was no exclusion given. Yet a year later, when I put in the same FOI asking for the same information under this new era of open government, I get a knock-back from the same department—TAMS, in fact—saying that they were no longer going to release internal audit reports.

MR SESELJA: What has changed in that time?

Ms Gallagher: As you know—sorry, Mr Seselja?

MR SESELJA: I think the minister is the only change in the department in that time.

Ms Gallagher: Right; okay. Unless you have got any proof to substantiate that, what I can tell you is that if you are alleging that ministers are involving themselves in FOI determinations, prove it. FOI applications have nothing to do with ministers. They are not consulted over—

MR SESELJA: So open government has got nothing to do with ministers?

THE CHAIR: If we can just have one person speaking at a time.

Ms Gallagher: That is not what I just said, Mr Seselja, and do not verbal me.

MR COE: How can it be—

Ms Gallagher: What I am saying, Mr Coe—

MR COE: that a government internal audit report—

Ms Gallagher: If you are unhappy with your—

THE CHAIR: Members, one person speaking. Chief Minister and members, one person at a time.

Ms Gallagher: What I am saying is that if you are unhappy with your FOI determination, which has nothing to do with the minister—appeal that FOI determination. That is what the legislation is there for.

MR COE: Do you accept that it seems quite odd that the same FOI one year would retrieve all the internal audit reports, yet the following year they are all exempt?

MR SESELJA: I wonder what is in them.

Ms Gallagher: I am sorry, Mr Coe; I did not hear your question.

MR COE: Do you think it is odd that one year, when I put in the same FOI, I get a dozen internal audit reports and the next year I put in an FOI and they are all excluded: the government refuses to release them.

Ms Gallagher: I have absolutely no idea of the two different applications, Mr Coe. I would suggest that you appeal the decision, as is your right and as is set out in the legislation. It has absolutely nothing to do with me.

MR COE: Do you stand by your commitment that documents, as a default position, should be made public?

Ms Gallagher: Yes, I do. And you will see—

MR COE: So how does that reconcile with what is happening within not only your government but your directorate—

Ms Gallagher: You will see, Mr Coe, that there is more—

MR HARGREAVES: How about you wait until the end of the answer?

Ms Gallagher: That there is more information available now online—

THE CHAIR: Can members just speak one at a time.

Ms Gallagher: than there has ever been before. I would also say that, whilst my position is that, by default, documents should be made available, I have always said “where that is possible” and this is not just open slather where everything goes out the door. That is the position I have taken, that is the position I have made clear to the directors-general and that is the position of the government.

MR COE: I just find—

Ms Gallagher: Does that mean you get every single document you want, Mr Coe? No.

MR COE: I would expect to get one. Instead, all internal audit reports are now being excluded.

Ms Gallagher: Well, appeal it. Have you appealed it?

MR SESELJA: So that is open government: you have to go through the courts; you have to go through ACAT.

Ms Gallagher: Mr Seselja, if he has chosen to go through FOI—

MR COE: I do not—

Ms Gallagher: then he chooses that path. You appeal through that process. If you had come to me, Mr Coe, if you had raised this problem with me, I would have been more than happy to look at it. But you have not until now.

MR SESELJA: He is raising it with you now.

MR COE: Therefore, if you are not going to get involved in FOIs, and you have just said that you do not, will you release internal audit reports for all directorates?

Ms Gallagher: No, I will not—

MR COE: You have just said to raise it with you, and I have just done so—

Ms Gallagher: for the reasons that I have just outlined—

MR COE: That is a very good reason why we do not raise this with you.

Ms Gallagher: No, I am not going to sit here—

THE CHAIR: Members, can we have one person speaking at a time? Can we let people ask the question and the Chief Minister answer the question, please?

Ms Gallagher: I have just explained why I will not, Mr Coe. That does not mean that none should be released, but what I am not going to do is sit here and say that all of them will be released, because I think there are legitimate reasons why you should provide some protection for agencies to have internal audit processes that allow them, without the fear of being subject to a press release, frankly, to pursue continuous improvement and identify problems and rectify those through an internal process.

MR COE: Why does the federal Labor government release them?

Ms Gallagher: That is a matter for the federal Labor government, Mr Coe. I am not here to answer questions on their behalf.

MR COE: So you accept that the federal Labor government disagrees with your view and thinks that there is merit in releasing this information to the taxpayers who pay for them to be commissioned?

Ms Gallagher: Mr Coe, more information than has ever been available is available through the open government initiatives—

MR COE: Except for internal audit reports and except for the 18 people who go to the cabinet submissions document.

THE CHAIR: One person at a time

Ms Gallagher: and we are building on that all the time. If you have a specific problem about a specific document you are after, I am more than happy to look at it. You have chosen to go through FOI. My advice to you, Mr Coe, is to appeal the decision.

THE CHAIR: Ms Hunter, you had a supplementary and then I will go to Mr Seselja.

MS HUNTER: You were just speaking about disclosure of documents. I am wondering how proactive the government is on disclosing documents—not just waiting for people to take the FOI route but actually looking at what level of documents on a regular basis, as I have said, rather than waiting for a catalyst like an FOI request?

Ms Gallagher: What we are doing is, where those documents support particularly cabinet decision making, including links through the cabinet outcomes summary, so you can go to those summaries and then click on a link and that will take you to the report or the data that was commissioned to facilitate that. But in work that comes to cabinet there is always a discussion about what reports can be released in conjunction with this and whether there are reports that would not be released and under what circumstances they would not and why. So there is a process there where ministers have to explain why, if something is not going to be released, that is the case.

MS HUNTER: And with the cabinet summaries—I am interested in the 18 people following it—they sometimes do tend to give information such as “we agreed to a bill to be tabled” and quite often that is after the bill has been tabled so we all—

Ms Gallagher: It is a two-week delay on the publishing of the cabinet outcomes. That has to be, to deal with the situation where you have taken the decision but you have not had time to make the announcement or, in the case of appointments, speak to people about that appointment. So it gives a reasonable period of time after the decision in order for any of that final closure of the process to be done before that information is public.

MS HUNTER: And are you looking at whether you can provide a little bit more information in some of those summaries as you go along?

Ms Gallagher: We are. This is something that is under review. This is something that we have not done before. It is not something that any other government does. So there is a process of trying to find the balance between maintaining the integrity of the cabinet process and providing information to people in a reasonable time frame. So it is new and we are always looking at ways that we can improve it.

MS HUNTER: Also on that website there does seem to be a lot of other information. I wondered whether it might be better placed on other websites. I think it talks about locations of barbecues and a whole lot of other basic information that you would expect to be sitting on someone else’s website anyway. I am just wondering why it is in here, and also the outcomes of court cases, for instance.

Mr Cappie-Wood: Just on the question of data, because a lot of those data sets are there, we are in the process, and hopefully will be finished in July this year, of establishing an ACT data portal. There is a lot of interest in gaining access to data sets so that the community can use them more effectively. A great case in point of course is allhomes, which uses ACTPLA data to establish what is a very viable and perhaps the best piece of information to homebuyers et cetera. That is on the back of availability of ACT data.

The data portal is going to be designed so that it will progressively make more of the background data sets available that government utilises in its day-to-day business. Obviously we have to make sure that privacy issues are catered for here. But the intention again is to be proactive in making data sets available: locations of barbecues, locations of toilets et cetera. What that then allows is the community, particularly some of our online community, to make their own apps or utilise the data in ways that would be useful to the community.

One of the intentions as a result of getting the data sets available is that we do work with some of the community app builders to see what can be done with the data sets available. So again it is a proactive movement to make information more available to people and allow them the capacity to utilise that to co-create or sometimes create their own value out of that.

MR SESELJA: Page 34 of BP4 talks about some of the strategic objectives of the

directorate and about the effective delivery of government policy and objectives requiring coordination, cohesion and alignment of efforts. One of those objectives I imagine is to ease cost of living pressures on Canberra families, so in what way have you as Chief Minister or has your directorate been working to ease those cost of living pressures, and how has that been reflected in results?

Ms Gallagher: The Chief Minister and Cabinet Directorate works across all major policy efforts of government. In the last year the Chief Minister and Cabinet Directorate has led the work on the targeted assistance strategy. This strategy was specifically commissioned to deal with looking at ways that the ACT government could support people who were experiencing financial hardship. Pam Davoren can speak to that. That was certainly a very significant piece of work that the Chief Minister and Cabinet Directorate undertook this year.

Ms Davoren: As you know, an expert panel was convened by the Chief Minister last year and the panel met over a period of about three months to develop a targeted assistance strategy. There is a range of initiatives coming out of that strategy, including a number of initiatives that have already been implemented or are in the process of being implemented, including budget initiatives. This includes legislation providing more flexible payment options for traffic infringements; the government's life support rebate, which allows around 600 Canberrans to access a rebate of \$120 a year to offset higher costs associated with heating and cooling their homes; providing phones for a number of organisations to supply subsidised food to community members in need; and \$60,000 to community organisations to expand the number of financial counsellors available to assist Canberrans.

The community assistance portal, which is a one-stop shop website for people needing assistance or wanting to know about help that they can get from ACT government and community organisations was also launched and sits within the Community Services Directorate, and work is ongoing in supporting that new approach. The budget has also provided \$740,000 over the next four years for establishment and ongoing operation of the no interest loan scheme in the ACT. CMCD is very active in coordinating ongoing implementation across government of the initiatives coming out of the targeted systems strategy.

MR SESELJA: Minister, the cost of living statement in the budget talks about now \$9,000 for the selected average household in ACT government taxes and fees, and that is going to be a jump of \$640. Do you think that an average family paying \$9,000 for ACT government taxes and fees is a reasonable amount of money? Do you think that that should be in some way lessened, and what are you going to do to put some downward pressure on those costs for families?

Ms Gallagher: In terms of do I think it is reasonable, I think there is a general acceptance that the cost of providing services needs to be met by the community. So every budget cabinet that meets—in fact every cabinet that meets—looks at any policy decisions that we might be taking, any increase in delivery of services that needs to be done. We are extremely mindful of the costs that those decisions potentially impose on individual households, not necessarily just families; individual households cover a whole range of different situations. That is the point we start from. And you will see in terms of the savings measures that we have included in these

budgets that the majority—in fact all—of the savings measures are being met internally in order to ensure that the impact on households is as minimal as it can be.

Do I believe that the community has to pay for the costs of delivering services? Yes, I do. I think the government's job is to make sure that those costs are reasonable and fair. Do I think that those costs will go up over time, regardless of the political colour or flavour of the government? Yes, I do. I think that would be seen in any government's budget papers.

MR SESELJA: Do you think that in your time as Chief Minister and as Treasurer the cost of living for Canberrans has become more of a problem or less of a problem? Have you seen an easing during your time or has it become worse?

Ms Gallagher: In terms of the narrative around cost of living, I would say that the narrative around cost of living has increased; that is, people's perception of the cost of living has increased. Do I think, in terms of the decisions the government has taken, have we been mindful of costs? Certainly, based on my time as Treasurer but also my time in many of my roles, has the government been mindful of making sure that those costs are kept to a minimum, I can certainly sit here and say, yes, I have.

MR SESELJA: You have just agreed to a program of pretty significant rates increases for Canberra families or Canberra households—

Ms Gallagher: Offset by a whole range of tax cuts, Mr Seselja.

MR SESELJA: Okay. But have you done an analysis of how households will be affected—they are paying \$9,000 now, on average—as they see their rates go up by hundreds if not thousands of dollars over the next few years?

Ms Gallagher: All of this is looked at in terms of finalising the tax reform package, and 24 per cent of Canberra household rate payers will get a reduction in rates, Mr Seselja. And where there are increases in rates they will be offset by the tax changes that we have agreed to as part of this budget.

MR SESELJA: But the increases will get bigger and bigger every year, won't they? Isn't that the plan?

Ms Gallagher: As we move to abolish stamp duty—which is a previous policy position of yours, Mr Seselja, which I note we are unclear about whether you now stand by—as we shift from a transaction-based revenue raising into more efficient and stable revenue, that will be the case.

MR SESELJA: But if you have done that analysis you must know. We have not been able to get any reasonable information from questions in question time to you, or to the Treasurer, about what families are facing over the next few years. There have been some vague averages for one year. But, given that you have done the analysis, given that you have looked at the implications of this reform, you must know then what families in various suburbs will be paying, not just this financial year coming but in the next few financial years as this tax reform comes in. What are those figures and will you release them to the community?

Ms Gallagher: Thank you, Mr Seselja. Some of those of course are subject to future budget decisions. We have been very clear with our tax reform package. We have been very clear about the five-year commencement of this package and we have been clear about what that means in terms of increases for individual households and also decreases in terms of some of the taxes that we are abolishing over that period. But going beyond that is subject to further budget cabinet processes.

MR SESELJA: But you would be aware that many households, particularly stand-alone homes, are already seeing large increases in their rates. For instance, I am aware that an average sized block in Page just this year is going to see an increase of likely over \$300. What analysis has been done to see whether households are able to pay that? When will you release all of the data on your projections? Clearly if you have set out a reform you must know. When the GST was brought in, a lot of work was done to know what the impact was going to be on businesses and there were tables and tables of data. There seems to be very little information about your reform. You have said you want to embark on a reform, but you have not said how it is actually going to affect households in Canberra. How much will they be paying?

Ms Gallagher: I disagree. We have.

MR SESELJA: Where is this information that families and households have as to how much they are going to be paying in the next few years?

Ms Gallagher: I would forward you to all of the information that is provided online, Mr Seselja. I imagine the Treasurer has been more than helpful in his performance.

MR SESELJA: So this is the Quinlan review, is it? Is that the main source document?

Ms Gallagher: No, there are also individual fact sheets and advice around the tax reform package. That is all there for your ease of reading.

MR SESELJA: So a family in Wanniasa on an 800-metre block could easily go to government documents and find out what their likely rates bill will be over the next few years?

Ms Gallagher: I do not know if that individual block, by suburb, is available, but certainly information about a suburb is available in terms of this first tranche of the tax reform package.

MR SESELJA: So these are the averages that were put out by the *Canberra Times*. Is that the information you are talking about?

Ms Gallagher: Yes.

MR SESELJA: But that is not a lot of use to most people, is it?

Ms Gallagher: Isn't it? Well, I have not had one request, other than from you, Mr Seselja, for any more detail than that. I would be more than happy if—

MR SESELJA: You do not think people are interested?

Ms Gallagher: They may be. If they want specifics about their block, I would be more than happy to endeavour to find that out for them. But outside of your questioning, Mr Seselja, I have not had one question on it.

MR SMYTH: The information that is in the—

Ms Gallagher: I have had people ask me about the pensioner duty concession rates deferral and all of those initiatives which people are very interested in and, again, are elements of the tax package where we have sought to provide assistance to people in different living situations, to assist them with any increases or struggles they are having financially. I think they have been largely welcomed by the people I have spoken to.

MR SMYTH: Beyond what is in the budget documents and the small packet of papers, are there other tables explaining what the effects will be on a suburb-by-suburb basis? If so, can you make them available?

Ms Gallagher: That would have to be a question that you would ask of the Treasurer.

MR SMYTH: Well, you are the Chief Minister.

Ms Gallagher: In terms of CMCD, we do not have tables of what you are seeking.

MR SMYTH: The Treasurer was not able to provide those. You have just said there is lots of information on this stuff on the web.

Ms Gallagher: There is.

MR SMYTH: Have you seen tables that show what the individual effect will be on a suburb-by-suburb basis over the years?

Ms Gallagher: I have in terms of the information that has been published in the *Canberra Times*.

MR SMYTH: So is there information beyond that?

Ms Gallagher: That is a matter for the Treasurer, Mr Smyth. It is not a matter that I have—

MR SMYTH: No, I am asking—

Ms Gallagher: I have not—

MR SMYTH: You have just told the committee—

Ms Gallagher: I have not seen it, Mr Smyth.

THE CHAIR: Members! One at a time.

MR SMYTH: So you have not seen it?

Ms Gallagher: No.

MR SMYTH: You just told the committee there was lots of information, but you have not seen it?

Ms Gallagher: There is lots of information.

MR SMYTH: So is there information on a suburb-by-suburb basis?

Ms Gallagher: I have answered your question, Mr Smyth.

MR HARGREAVES: Can we have a little bit of calm here, please? I am waiting to ask some questions.

THE CHAIR: Mr Hargreaves!

MR SMYTH: Well, that is good, Mr Hargreaves.

MR HARGREAVES: You have had a good run so far.

MR SMYTH: So is there information—have you seen information—on the effect on commercial rates for businesses—

Ms Gallagher: Yes, Mr Smyth.

MR SMYTH: beyond what is in the papers? And is there information —

Ms Gallagher: In terms of the published data, yes, I have seen it, Mr Smyth.

MR SMYTH: So is there information in the outyears beyond that?

THE CHAIR: The final question, please.

MR SMYTH: Is there information that you have seen for the outyears for commercial rates that has not been made public?

Ms Gallagher: Mr Smyth, the information that I have seen is in the public arena.

MR SMYTH: So there is no information beyond—

THE CHAIR: I am going to follow up on accountability indicators. It is in relation to budget paper 4, page 40. In 1.1, there is not a lot of information. Looking at the first one, (a), it says, “whole of government of government policy and projects”. It lists four. We know there is around \$7.6 million going towards those outputs. In the notes there it lists a couple of the projects. I am wondering if we can get a bit more information because it does not really tell us much about what is happening with that

particular indicator. In particular, there is one there listed as “service planning implementation”, which would seem to be more appropriate in output 1.2. I am just wondering if we can get a bit more information about what those four projects actually are, particularly that one—service planning implementation. It does not really tell us much.

Mr Cappie-Wood: Just on that, the last bit first, if I could. The service planning implementation is very much a strategic question in my mind rather than public sector management in terms of public sector workforce et cetera. I would seek—

THE CHAIR: Members, I cannot hear Mr Cappie-Wood answer the question. Can you start again? I do apologise.

Mr Cappie-Wood: In terms of service planning, I would see that very much as a strategic rather than necessarily public sector management in terms of workforce management et cetera. I am very comfortable in having that indicator as part of 1.1 because it is, in my mind, a very strategic framework. It is important that it is clarified as an important outcome and target. I think we have got it in the right place.

In terms of some of the whole-of-government policy and project initiatives, some of these emerged throughout the year. We have to, in a number of ways, anticipate that. For instance, the target assistance strategy could have been taken as one of the ones that were delivered. That was not necessarily perceived at the beginning of the year, but it certainly was a major piece of work during the year.

THE CHAIR: You are saying that actually was one of the four that was not perceived at the beginning as being one of the four?

Mr Cappie-Wood: Yes.

THE CHAIR: So it is actually one of the four?

Mr Cappie-Wood: The implementation of that we are forecasting for next year, and that is included there. In terms of 2011-12, it is certainly one of the ones which were not foreseen at the beginning of the year when we were looking at what our targeted outcomes were for the year. That emerged in the course of the year and it was a major piece of work.

THE CHAIR: When you list the four projects, that is your target.

Mr Cappie-Wood: Yes.

THE CHAIR: So you do not actually plan what those four are going to be? I am just trying to get a bit of understanding.

Mr Cappie-Wood: To some extent yes, and to some extent no.

THE CHAIR: Do you actually go “these are the things we are going to pursue” or do you not do that?

Ms Davoren: Each year we look at the entirety of the output—and that is a range of projects we estimate that we can do—and we then project forward and say, “Yes, we think there will be around four across-government projects.” We then say what the likely projects are and, as we have said here, we have identified some of them. Some are still in the future. We have got an idea what they would be, but they are still subject to cabinet processes. So we do not necessarily want to put them in the budget papers.

There are things, as Mr Cappie-Wood indicated, that emerge during the course of the year. We might do additional work in terms of coordinating responses to Assembly committee inquiries. A range of other things might occur during the year and we then have to defer some projects so that we can include that additional work. It is a way of managing the workload in the central agency that is largely focused around policy but also must respond to the immediate needs of the government and also issues coming out of the Assembly.

THE CHAIR: So what is the rationale behind saying that we have got four and we have got the amount of 7.6? How is that actually determined?

Ms Davoren: In terms of the ongoing workload and the kind of work that we are doing to support the government, we then plan forward about what we think we can achieve in a particular year. The auditors like us to put a little bit more detail in there, but there are some practical constraints, as I have indicated, that prevent us from just locking into the four projects that we are going to do. It is forward planning. I think here you just see a broad range of across-government initiatives that are part of ongoing policy and strategic work.

THE CHAIR: I hear what you are saying, Mr Cappie-Wood. You are comfortable having service planning implementation there but would that not be something that sits there? Would it not be worth while providing more information so that there is a bit more of an idea about what is actually being pursued? On its own, that target does not really mean a whole lot.

Mr Cappie-Wood: Yes, and to the extent that, as much as possible, we do indicate that. So it is already indicated there that oversight of service planning implementation is one of the four in the coming year. Open government and information availability initiatives, that is one of those four as well. And implementation of targeted assistance strategies is one of the four there. Whilst in the 2011-12 year we said there would be four, in fact we managed six.

Emerging priorities are always one of the things which we have to juggle. And we were fortunate enough to be able to manage, within our resources, to accommodate the emergence of the targeted assistance strategy. Originally it was four, but we did six. I appreciate what you are getting to in terms of saying greater clarity; hence note 1 there does identify as much as possible what our intentions are in that regard.

MR HARGREAVES: Can I draw your attention to budget paper 4, page 40, accountability indicators, in particular, indicator (e). It is a discontinued indicator. As I understand it, note 5 says that an issues paper on the proposed 2013 Canberra plan has been developed and released. The question will relate to putting something on the

record, which I also wish to explore a bit. When was the issues paper released? What were the significant issues outlined in the paper? What was the response to the release of it?

Mr Cappie-Wood: You are right in indicating that this is, if you like, a discontinued indicator, and it is picked up under indicator k, update of ACT strategic plan. Whilst we do an annual report on the Canberra plan implementation—and that will be coming to cabinet shortly—what we are looking at here is trying to indicate that 2013 is the end of the Canberra plan. Still we always need a high-level strategic plan.

The intention was to build on not only the Canberra plan but the outcomes of the COAG reform council report into strategic planning across capital cities. That was an objective assessment. In fact, all jurisdictions were grilled by an independent group of experts in this regard. The report found that the ACT is well positioned. There is still room for improvement but it is well positioned when you compare it to other capital cities.

It was our intention to take those learnings from that. When they call it strategic planning, it took on board the wide range of strategic plans, not just the metropolitan plan under the NCA or our urban strategy. It was a much broader range of documents, including the infrastructure plan et cetera. So this is taking up those learnings from there and building on that to produce a broad and high-level strategic plan emerging in 2013.

So we see that we have got the continuity for our indicator, that there is a clear reporting arrangement for our progress against the Canberra plan. That is not only the annual report to cabinet, which is effectively then publicly released, but the ongoing measuring our progress website, which takes some of the high-level outcomes associated with the Canberra plan and reports those on an ongoing basis.

MR HARGREAVES: And the issues paper that was released informed all of that? I assume it was publicly released?

Mr Cappie-Wood: It is in the process of finalisation and it is anticipated to be released in August, subject to cabinet approval.

MR HARGREAVES: Have you got the significant issues developed in that? And is it too early to be asking you about that?

Mr Cappie-Wood: There are significant issues in any strategic plan, and for Canberra, obviously, it is trying to balance out land use transport initiatives in particular. The government made announcements recently about the Northbourne Avenue, Gungahlin to city, project office and the importance of what is an urban renewal and transport-related program there, the likes of which has not been seen in this city in terms of the renewal that will be required. And there are a range of programs and supports in place to see one of those major initiatives underway.

All of this has to be seen as part of a raft of other supporting strategies that the government has put out and that have to be coordinated underneath that strategic plan. Weathering the change, the transport for Canberra plan, the land use plans, all of

those—and there are about 25 to 30 of them—have to be coordinated underneath that. If you have another couple of hours, I am happy to—

MR HARGREAVES: I certainly do, but we might have to move on. Could you indicate to me, please, when you actually get to the stage of putting it out, two things: what is the target audience that you are actually hoping to engage there? And we have done this sort of thing before. We had these overarching plans actually developed, and they came out of an engagement through an issues paper.

MS HUNTER: It was called the Canberra plan.

MR HARGREAVES: Yes. I was here but some of these guys were not. The point that I would like to canvass with you is: what sort of engagement happened then and is it the same target audience, or are you trying to go further out into the community to get the average guy in the street to engage?

Mr Cappie-Wood: On the Canberra plan, because it is a long-term plan, people find it quite difficult to engage because you are talking essentially up to 20 to 30 years out. We undertook a very significant engagement with the community under time to talk. That was looking at the future of Canberra in about that 20 to 30-year time frame.

It was very pleasing to see that the COAG reform council, in looking at the strategic planning of capital cities, particularly indicated that they thought that was best practice—community engagement for the purposes of looking at strategic planning. The learnings from that will be incorporated into not only looking at the long-term strategic future, in which we partly engaged in that strategic document you have already mentioned, but also the outcome of that consultation has benefited things such as the metropolitan strategy and the transport for Canberra and other more medium-term strategic documents.

When we are talking about having an engagement, yes, there will be an engagement. It is not episodic, because I think we are drawing upon some previously good practice in that regard. And it will be one that we have to try to make it real for people. When you talk 20 to 30 years out, people have difficulty in engaging. So we have to try to make it real for them. I think we have got some good practice in place in terms of trying to reach as many people as possible, and we will continue to do so.

MS HUNTER: I am just trying to understand all of that. We have a Canberra plan that will run out next year. And what you are saying is that then you will be putting in place a strategic plan?

Mr Cappie-Wood: Yes, effectively another long-term one.

MS HUNTER: So it will be another Canberra plan?

Mr Cappie-Wood: Yes, it is in that continuity of long-term strategic plans.

MS HUNTER: Are we going to call it just a strategic plan, which is not very engaging, or is it going to just be a new Canberra plan?

Ms Gallagher: That has yet to be determined.

Mr Cappie-Wood: It will be a long-term—

MS HUNTER: A plan for Canberra?

Mr Cappie-Wood: It is a generational plan. It is an outcome-based generational plan which—

MS HUNTER: But it will be based on looking at, as you said, what we had with the Canberra plan, the social elements—

Ms Gallagher: Yes.

Mr Cappie-Wood: Social, economic.

MS HUNTER: The spatial elements, the economic elements—

Ms Gallagher: Strategic plans do not vary enormously, when you look at them, right around the world.

MS HUNTER: I am just trying to understand that this will be a continuation of the strategic plan or Canberra plan or plan for Canberra. That will be then looking at the next few decades ahead?

Mr Cappie-Wood: Yes.

MS HUNTER: So you would be reporting against that, as you did with the Canberra plan?

Mr Cappie-Wood: Yes. With regard to the transparency about those outcomes, just as we have already that measuring our progress website, because it is an outcome-based plan, you can see those outcome-based indicators that are on the measuring our progress website.

MS HUNTER: I want to go to that website now. There is some good information on there, although I think there are still a couple of errors. We have a positive green arrow, because we are actually putting more waste in landfill. We probably want to have a look at that sort of thing. But I am just trying to get an idea about how the indicators under measuring our progress are going to match with the strategic and government priorities, and across directorates as well, because it does not really seem to be a match at this time.

Mr Cappie-Wood: I think one of the things with the development of the strategic plan is that you clearly want indicators that can be not only an indicator of relative progress but also can be taken as a means of effecting change to how business is done on a day-to-day basis and that inform more detailed considerations. As you know, those indicators are high-level indicators. We do not bombard people with 10,000 different indicators. We try to pick the specific one so that if you get that right, the rest will flow.

There are issues in there about obesity, there are issues in there about smoking levels. As people have indicated, if you get some of those things right, you are getting a lot of other health-related issues right as well. So it is about picking the right indicators and making sure that they can be streamed into the more short-term, specific operational planning of the individual directorates.

Ms Gallagher: Measuring the progress really should be the central one, picking-up key indicators from across directorates. If you take Health or ESDD or TAMS, they are going to have a whole range of indicators which they need to report against and will. But probably within the central one it is: how are we going as a city? I think we have got to minimise the indicators, for ease of understanding. We have to choose some of those from across directorates into a central spot.

The challenge is: what ones do you pick that most effectively describe the current situation and any targets you may set, whilst allowing individual directorates to continue to report against a whole range of criteria that are in much grainier detail? And I think that is the challenge of making strategic planning and performance reporting informative to the lay person who just wants to have a quick look.

MS HUNTER: Will choosing and pulling together those key indicators be done as part of your developing this new plan?

Ms Gallagher: Yes.

MS HUNTER: How many visits to the website do you get? Do you keep a tally?

Mr Cappie-Wood: I do not think we have done a tally recently. But we are happy to report back on that.

THE CHAIR: That is taken on notice.

Ms Gallagher: Hopefully more than 18.

MR SMYTH: Minister, on page 34 of budget paper 4, the second dot point in “Business and corporate strategies” says “attracting and retaining skilled employees”. Of course, one of the things that affects the attraction and retaining of skilled employees is the cost of living in the city. Has pressure on the cost of living eased or increased in your time as the Treasurer and Chief Minister?

Ms Gallagher: I think I have answered that. It is exactly the same question that Mr Seselja asked me. I think perceptually there is a view out there that the cost of living has increased. When you look at that in comparison to growth in the economy, growth in jobs, growth in wages and growth in income, I think there is a disconnect between what are believed to be pressures and what actually are. But having said that, I do believe that it is the job of government to look at how we alleviate pressures, particularly financial hardship, on those families and those individuals who are genuinely suffering from cost of living pressures.

MR SMYTH: You talk about perception and narrative. Do you have evidence to

indicate that your policies are leading to a decrease in pressure on the cost of living for Canberrans?

Ms Gallagher: Do I have evidence? Sorry, you have asked me this. It is the same question but asked in a different way. Do I have evidence of—

MR SMYTH: The cost of living pressure has either increased or decreased while you have been Treasurer and Chief Minister.

Ms Gallagher: I thought you said decreased just then.

MR SMYTH: Increased or decreased.

Ms Gallagher: Again, Mr Smyth, my answer is the same. The cost of providing services to the community will continue to increase. That will happen whether you are the Treasurer or Mr Barr is the Treasurer. I firmly believe that. That is the reality of a growing city with the pressures that this city is experiencing in relation to transport, in relation to health, in relation to community services. When you start there and acknowledge that, the second and perhaps most important part for the government is to look at how you manage that, and manage it fairly and equitably across the community. This budget is a clear response to that.

Yes, there are a range of initiatives in here that are to target government assistance, considerable government assistance that is paid for by all of us to those individuals and households that need increased support. And then there is a reform plan forward about how we manage our tax base more fairly and equitably. And then there is a big component of this budget about supporting jobs and growth in the economy. Next to some of those policy decisions, perhaps the single biggest job this government could do at the moment is making sure that we have jobs and growth, because that will be what impacts on the cost of living pressures.

In terms of attracting and retaining staff, which is your link on this budget paper, I think our retention rates are going very well. In fact, the last few I saw had improved. People are coming and working for the ACT public service, and they are staying longer. That is not only a credit to the executive within the ACT PS, but also, I think, recognises that the government has aimed to be very fair in terms of pay and conditions for our staff.

MR SMYTH: As the Chief Minister, have you actually asked your bureaucracy the question whether the total of your efforts as a government has eased the cost of living pressure on Canberrans?

Ms Gallagher: This is something that we discuss all the time, Mr Smyth.

MR SMYTH: Okay; you have discussed it. What answer did you get?

Ms Gallagher: It is an ongoing discussion, Mr Smyth. It is not an easy answer.

MR SMYTH: Is it an easy—

Ms Gallagher: I know you would like to reduce it to a yes or no answer. But as I have just explained, the answer is more complex than that. There are a range of competing challenges and responses that the government needs to provide.

MR SMYTH: But notwithstanding that—

Ms Gallagher: In terms of whether we are easing pressure on those households that need it most, I would say: yes, we are.

MR SMYTH: Can you prove that?

Ms Gallagher: Have a look at the budget, Mr Smyth. Have a look at all the initiatives.

MR SMYTH: The budget does not say that we are easing the pressure.

Ms Gallagher: It does.

MR SMYTH: What analysis can you table that says “we are easing the pressure”?

Ms Gallagher: It does in terms of whether you want to focus on those parts of the budget papers that go all through that. I do not think there has been one question around the concessions and the support that are provided in the targeted assistance that is provided. We have an excellent standard of living here in the ACT. For the large part, we all do very well. We all do very well. That is the starting point. Then there are people that need extra assistance. That has to be the focus of government—to provide that assistance to those households that need it most. When you look through this budget, you will see those targeted initiatives.

MR SMYTH: So you do not know whether, in your time as Treasurer and Chief Minister, your policies, of your government, have either eased or increased the pressure on cost of living in the ACT?

Ms Gallagher: As I would say, it is a more complex answer than the one you want me to give, Mr Smyth. I am not going to get suckered into your little game you are playing here.

MR SMYTH: I am talking of the people in the shopping centres on Saturday mornings—

Ms Gallagher: It requires a more considered response, Mr Smyth.

MR SMYTH: and the people door-knocking who are worried about their cost of living pressures.

THE CHAIR: One person at a time, please. Can we let the Chief Minister answer.

Ms Gallagher: We all talk to people at the shops, Mr Smyth. You are not the only person.

THE CHAIR: Mr Coe? A question?

MR COE: Yes. Chief Minister, earlier you mentioned 180 as the figure of job cuts. Will you please give some more background on that number? What comprises it?

Ms Gallagher: In relation to what?

MR COE: Earlier, you mentioned 180 as a figure for job cuts in the territory and public service. What is the background? Where are the numbers coming from and what sort of breakdown is there in terms of part time and full time?

Mr Kefford: Mr Coe, the first part of the answer is that the 180 disclosed in the budget papers is a number that is generated using an average staffing cost rather than identification of 180 particular positions that are to be removed from the service. The most important figure in that context is the overall quantum of savings to be obtained from staffing savings but, for the purposes of reporting to the budget, that needs to be broken down into a meaningful number that can be engaged with.

You would be aware that the government has already given a commitment that there will be no involuntary redundancies as part of that process. The Chief Minister this morning has already indicated that this will be done as part of a process that involves looking at the allocation of functions across the whole of the service as well as within particular directorates with a view to finding ways, perhaps, to deliver services more efficiently or deliver certain functions more efficiently or, indeed, to stop delivering particular activities as a means of achieving the savings the government is asking the service to take.

There is a process that has been in place and will continue to be in place in terms of working through the processes outlined in the industrial agreements through a central monitoring panel for those staff that are declared potentially excess. There is a centralised and coordinated consideration of redeployments across the service and priority given to potentially excess officers in the allocation of jobs. Of course, it is important also to note that, although there are 180 indicated to be reduced from the service, overall the service grows. So this 180 is part of a broader package of savings from the service which forms part of the budgets and is disclosed in the papers.

MR COE: Voluntary redundancies, is that the government's preferred way of reducing staff levels?

Ms Gallagher: Yes, and attrition would be part of that as well.

MR COE: Chief Minister, you said that 180 as a number was not significant. Why is that? Why is it not significant?

Ms Gallagher: When you think of the 180 as a percentage of our overall workforce and when you consider the turnover we experience each year, what I am saying is that it is manageable. We did see the commonwealth contracting and cabinet did look at this very carefully around our role as an employer in the region. That is why the decision has been taken to have this relatively modest reallocation of staffing, because, as Mr Kefford has explained, once the new initiatives are rolled in and some of the growth, particularly in Health, is rolled in, the service overall remains stable.

MR COE: Do you see any functions of government that are consistent in different directorates that are, I guess, going to be the target for those staff savings? Is it particularly corporate areas? Are we talking about program areas?

Ms Gallagher: The cabinet has had some early discussions on this, but in July the ministers will consider their directorates' advice in relation to achieving the savings planned. Certainly, as we move—and we have been clear from the start with one government—there are opportunities, we believe, to consolidate further functions under a one government model. That is a longer piece of work that will take time, but it is firmly there on the table.

MR COE: You mentioned the other day in TAMS that one potential area would be to make Canberra Connect a truly one-stop shop in terms of telephone numbers, payments and the like. Are there other areas that you already foresee as being ripe for consolidation?

Ms Gallagher: Yes.

MR COE: Would you like to expand on that?

Ms Gallagher: Well, one of them would be whole-of-government communications, information.

MR COE: Internal or external communications?

Ms Gallagher: It is both. Most directorates have communications units of some sort. I believe there is potential to consolidate that, but there are more discussions to have. I am just giving you an example. That is not the only one. There is a lot of more work to be done and there are mixed views about how to do that. It is a longer period of work and, indeed, we need to consult with unions around how that might be achieved.

MR SESELJA: The recent Auditor-General's report in relation to development applications noted that the one government approach is not well reflected in the current development application referral process. Why is that? Maybe Mr Cappie-Wood can tell us. Where is the model failing or the implementation of the model failing? Why is it? This is a pretty important area of government administration, the planning system. Why is the one government approach not yet well reflected in those development application referral processes?

Mr Cappie-Wood: Whilst I know this question also has, I think, been put to the people in ACTPLA, the question goes to not so much what is one government in this space but how the referral process is handled. The referral process goes to a wide variety of people. Depending on the nature of the development application, it can go to roads areas, it can go to heritage areas and it can go to environmental areas. There is a wide range of people that also exercise their own statutory responsibilities in terms of providing advice back on a particular development application.

One government would imply that that is all brought together, as opposed to saying that there is a legitimate reason for separation in this area because there are individual

statutory responsibilities being exercised. There is no doubt that there can be improvements made in how that process works. But I do not see that as a reason to say you should get rid of some of the statutory responsibilities under a one government banner.

MR SESELJA: The one government report from Dr Hawke recommended the government office block and the former Chief Minister spent a lot of time relying on that. He said:

... as you see, very clearly, rigorously, absolutely and unambiguously that the ACT government should stop delaying a decision and build a government office block.

Given that, what role did the directorate have in making the decision to not build a government office block? Did the directorate provide advice in relation to how it may affect the one government approach, and what was that advice?

Ms Gallagher: The directorate certainly provided me with advice as we were reconsidering that decision.

MR SESELJA: And what was that advice?

Ms Gallagher: It was supporting some of the discussions that we had. It was not a—

MR SESELJA: So it was supporting—

Ms Gallagher: I do not know if you understand, Mr Seselja, how it works, but when you are dealing with a decision or reconsidering a decision, it is a discussion—a discussion of the pros and cons: if we go one way, what will that mean in terms of further decisions that need to be taken? But ultimately that decision, as indeed the decision to construct the office block, was an executive decision.

MR SESELJA: How much of the directorate's time and resources have been expended on examining this government office block proposal?

Ms Gallagher: Mr Cappie-Wood can probably answer that, but the issue of government accommodation is one that exercises the minds of a number of directorates. It is an important decision to get right. I do not know if you have got a figure. It would not have been that long in the last year.

Mr Cappie-Wood: No. In the last year only a very small amount of time has been spent on this. Most of the procurement information and all the other information which you have already inquired into is available to government and, as the Chief Minister pointed out, it is an executive decision in how to progress this matter.

MR SESELJA: Chief Minister, you spent a lot of time claiming that building and owning this government office block would save taxpayers \$34 million per year. Do you still stand by that figure?

Ms Gallagher: I think that is the combination of direct and indirect savings. The

direct savings, which I think were much more rigorous, certainly remain the case. But then as the new executive has reconsidered the project we have taken some decisions on it. There will be ongoing costs that would have been saved when we proceed. That work is currently being done so we have not taken a decision on that about how to deliver this project. But there will be ongoing costs that would not have been required under the design, own, construct model.

MR SESELJA: This goes to credibility, because we were told in this place last year that this was an essential project for the ACT and that you were going to save \$34 million a year. I would just like you to explain to the committee why, if you still believe that it would save \$34 million a year in direct and indirect costs, you would not have gone ahead with it. Why would you walk away from a project unless you actually did not believe that it would deliver \$34 million in savings?

Ms Gallagher: It was around our infrastructure priorities, Mr Seselja, and the capacity to deliver the rest of those priorities.

MR SESELJA: But that \$34 million in savings you could presumably invest in other things. That would be a pot of gold, wouldn't it, to be able to save that much money and invest in other priorities?

Ms Gallagher: I think the savings that we would have been able to write in were around the direct savings.

MR SESELJA: Which was \$19 million or \$15 million?

Ms Gallagher: I do not have the bit of paper in front of me, Mr Seselja, and I would have to refresh my memory. In terms of the indirect savings, they were always flagged as estimates of what potentially could happen. It is as simple as this, Mr Seselja: the executive has reconsidered. We have weighed it up against some of the pressures on the budget and in terms of our own infrastructure priorities and we have taken another decision. We do not walk away from the idea of co-locating our staff in much improved accommodation, and that is currently subject to some further work. Those savings that we would have saved on rent will not be realised if we go down procurement in another way.

MR SESELJA: So you were telling the truth with the \$34 million. You stand by the \$34 million saving, yet you have said you are not going to do it. That defies credibility. You were so intent on it; it was going to save taxpayers a significant amount of money, in your own words. It seems that you either did not believe that the \$34 million in savings was real or you were actually prepared to go down a more expensive path. Which one is it?

Ms Gallagher: I think I have answered your questions, Mr Seselja.

MR SESELJA: So you chose the more expensive path?

Ms Gallagher: Well, there are costs and benefits to both ways of financing this project.

MR SESELJA: These were net benefits, weren't they?

Ms Gallagher: We have reconsidered and taken another decision. That is within our prerogative, and that is what we are doing.

MR SMYTH: You keep saying you have reconsidered. What drove the reconsideration?

THE CHAIR: Mr Smyth, we are breaking for morning tea. We will come back in 15 minutes.

MR SESELJA: We are just finishing a line of questioning.

THE CHAIR: Thank you for your advice, Mr Seselja.

Ms Gallagher: I do not know that I need to explain it other than to say—

THE CHAIR: Chief Minister!

MR SMYTH: I think you do need to say that there were savings, that the Chief Minister was adamant—

Ms Gallagher: No, I do not have to explain anything to you, Mr Smyth, but I will always try to be helpful.

MR SMYTH: that everybody was adamant that this was good for the public service—

THE CHAIR: Members, please!

MR SESELJA: It goes to credibility.

THE CHAIR: Order! We are breaking for morning tea.

Meeting adjourned from 10.30 to 10.48 am.

THE CHAIR: We will probably go until 10 past on this—I understand 20 minutes will be enough time—and then go on to executive.

MR SMYTH: I was just asking why—

THE CHAIR: Is it a supplementary on this?

MR SMYTH: Yes, is it a supplementary. Why was there a need to reconsider this proposal? We were told, we were sold in, that there had been more work done; it was watertight; there were more numbers that made the case; it was the most scrutinised project in the history of the Assembly; it was needed; it was going to leave public servants in accommodation they should not be in. Why did you reconsider it? If so much work had been done, if this was so airtight, if the case was so compelling and there were \$34 million worth of savings, what was the need to reconsider it?

Ms Gallagher: It was reconsidered against a reconsideration of the government's priorities going forward.

MR SMYTH: So what priority changed that did not want to see the co-location from which there was so much synergy and savings?

Ms Gallagher: There is. We have not walked away from the project. What we have done is reconsider the financing of the project, Mr Smyth.

MR SMYTH: You have not walked away from the project?

Ms Gallagher: No, and I think we have been clear about that. There is some work underway to look at how this project can be delivered but not being funded—the infrastructure being funded by the government—and that work is underway. So we are committed to co-locating public servants. We think it is a good idea. We think it will be good for the ACT public service into the future. But the new executive reconsidered against a range of competing infrastructure priorities and we took that decision and we will be measured by it, Mr Smyth.

MR SMYTH: You probably will. Mr Kefford, if I could just go back to something you said, you talked about disclosed public service cuts. Are there any undisclosed public service cuts?

Mr Kefford: No, Mr Smyth. That was just a phrase that I was using to refer to material being published in the budget papers.

MR SMYTH: Right. In regard to the savings, other than through job losses, in past years they have not been achieved. Departments like Health and Community Services did not achieve the savings. What happens—

Ms Gallagher: Sorry; in terms of?

MR SMYTH: In terms of the non-jobs savings in the package, a number of departments over the last couple of years where savings were called for were unable to find those savings. What happens this year if that is the case as well?

Ms Gallagher: The savings are taken from those agencies, so the savings are realised, but that does not discount some agencies having cost pressures that need to be managed at the end of the year, and we do that every year.

MR SMYTH: That means the savings have not been realised.

Ms Gallagher: No, it does not.

MR SMYTH: In real terms if you take some money off and you have got to put it back in—

Ms Gallagher: You take the savings from where you want the savings to come and then you assess—health is a classic example—against activity levels that you are

seeing throughout the year. That is what we do. So the savings are removed, but then if more people go to the emergency department, if more high cost patients come through the door, if Calvary is operating above budget, which it is, considerably, a responsible government assesses that against activity levels and funds an appropriate amount of that budget overrun. Again I think that is a reasonable way of managing a budget. So you do not let people off the hook. You do not just say, "Health is never going to be able to achieve it, so I am not going to do it."

We have been mindful of health in this budget and the challenges, where you have got an area of government growing rapidly, of how you manage savings. We have been cognisant of that and that is outlined in some of the decisions we have taken around our savings for those agencies. Health was one and Education was the other agency where we had a reduced target because of what we know of the work of those agencies. So the savings are removed.

MR SESELJA: So the \$45 million you have identified in other agency savings as productivity improvements, is that effectively an efficiency dividend that is over and above the identified job cuts and the like?

Ms Gallagher: Yes, it is.

MR SMYTH: Okay. What does that amount to as an efficiency dividend? Is there a percentage figure on that? Is that like a—

Ms Gallagher: Did you not attend budget estimates with the Treasurer?

MR SMYTH: No, I did not.

Ms Gallagher: Okay. I am the one privileged to be given your attendance—

MR SMYTH: You are in charge of the whole service.

Ms Gallagher: I am. I would be more than happy to provide it to you.

MR SESELJA: Sure. But will that involve job losses; the \$45 million I am interested in. You have identified 180 job losses. Will the \$45 million in productivity improvements involve job losses or will it be found in other ways?

Ms Gallagher: Again the cabinet will be taking information from their directorates around the individual approaches to managing that savings target. That will be done over the next few months.

MR SESELJA: So it could be more job losses as part of that \$45 million over four years?

Ms Gallagher: We will consider that. You could not rule it out, Mr Seselja. The worst thing you could do in some ways with these exercises is refuse to give agency heads the opportunity to come forward with what they think is a reasonable way of meeting the savings target.

MR SESELJA: So it may be additional to the 180 that you have identified? We could be talking 200-plus or over 200, depending on what—

Ms Gallagher: I am not going to go down that path. What I am saying to you—

MR SESELJA: But that is a pretty strong possibility, isn't it, out of that savings task?

Ms Gallagher: No. Mr Seselja, you can write your tweet as you see fit, and put all that in it.

MR SMYTH: You have just said you are not ruling out other job losses.

THE CHAIR: Just one person at a time.

Ms Gallagher: I am answering questions honestly, and the approach I have taken with directorates is to first seek from them, as the experts in managing their budget, their advice on their preferred way of managing the savings target that their agency has been set and then the cabinet will consider that.

MR SESELJA: Do you have a position with job losses? Wayne Swan said that if the budget got worse he would not rule out more savings, more job cuts. Do you have a position if the finances deteriorate more than expected? Will you just cop the hit and take out a larger deficit or will you be looking to make additional savings in the coming months and if re-elected—

Ms Gallagher: It is a hypothetical situation and I am operating with the finances and the figures that are outlined in this budget paper. As you know, there will be a pre-election budget update that will inform us on the latest figures and then I presume all political parties will make decisions based on that.

THE CHAIR: Ms Hunter, have you got a follow-up to the original question from Mr Seselja?

MS HUNTER: Yes. We actually started with the Hawke review and I am wondering how the implementation is going and what evaluation process you have in place to measure the success of the implementation.

Mr Cappie-Wood: The implementation of the Hawke recommendations has been a rolling process and, as you would be aware, there have been a number of substantial movements since May last year. More recently we have been putting in place some aspects I have already raised, such as enhanced strategic planning and performance and accountability frameworks, so service planning was a key part of that. We have established the Government Information Office and released the ICT strategy for the ACT. We have completed the evaluation framework. All of these were mentioned in the Hawke review.

MS HUNTER: On that evaluation framework, you mentioned earlier that it had been trialled. What trials occurred with that evaluation framework? What programs were part of that trial?

Ms Davoren: The evaluation framework is designed to build a stronger culture of evaluation across ACT government. An evaluation framework was released, I think, last financial year. Each agency identifies areas where they want to improve evaluation and particularly areas where they are going to identify evaluation activity, and we provide advice to cabinet on that. So it is a process that is internal to cabinet.

MS HUNTER: Okay. So you were listing what has been done to date?

Mr Cappie-Wood: Yes.

MS HUNTER: I am just wondering how you are keeping a track of it. Is there a time line for each of those recommendations? How are you doing it?

Mr Cappie-Wood: They have to be considered in terms of government's overall priorities and to that extent these are progressively coming up to cabinet for consideration. As I mentioned, the service planning framework, the evaluation framework et cetera have all come up through cabinet.

We are doing other more operational level improvements, such as improving cross-border data capture. We have already mentioned the nature of the work around having the hierarchy of strategic plans in place. We have mentioned the Canberra plan and what will come after that in 2013. But at the other end of that spectrum are the annualised government priorities, which have been published and updated. As to accountability for that, there is a half-yearly report and there will be a final year report on that as well.

One of the significant movements in the year has been the implementation of the values and signature behaviours across the public service to reinforce the one service approach. After extensive consultation across the public service, across those values and signature behaviours, that will lead to a new code of conduct that will relate to enhanced procedures across there and then that will flow into other performance, recruitment and other operational activities.

So you can see that across the broad spectrum of the Hawke recommendations there has been substantial progress. Some of it is at the minor operational level, but a lot of this at the strategic level obviously comes to cabinet for consideration, and reference back to the Hawke review is made in all instances.

MS HUNTER: Just going to the savings initiatives that Mr Seselja was talking about across the public service, I am wondering about CMCD. You are required to save \$2.5 million over the next four years. Having looked over the financial statements over a number of years, say in 2009-10 and 2010-11, there have been cost increases in the areas that have been identified for savings such as consultants and contractors, postage and travel; all of these went up quite substantially in the last couple of years.

Mr Cappie-Wood: Yes.

MS HUNTER: So my question is: given the increases in expenditure, how are you going to achieve the targeted savings?

Mr Cappie-Wood: I think the movement in consultants has largely been due to the centenary, and that will obviously taper off considerably after the next year. If you look back over the last few years, substantial amounts of CMCD—or CMD, as it was then—have been reallocated to other directorates. So trying to get a long time line in here is a difficult proposition.

We do still have some minor consultant budgets there which we are going to have to manage. The estimates that were used in terms of the savings initiatives were based on estimates from last financial year's expenditure, so they are really reflecting what happened last financial year. We are going to have to look at and report to government in terms of how we manage within a more constrained budget. That will be part of the reporting up to cabinet by the end of July.

MS HUNTER: Okay. One of the other recommendations in the Hawke review—I was wondering if it had been implemented or was on its way—was the government embedding workforce planning as an integrated business function in routine business activities. Has that been progressed?

Mr Cappie-Wood: It is progressing in a number of ways. We are looking at how we can improve our recruitment across the board. Hence, when I mentioned the values and behaviours, it is how we build that into our recruitment practices, how we attain people at the right level. We are very successful at our graduate recruitment processes. The number has grown from about 20; we are looking at about 50 this year. We are very proud of that, because again it indicates that people are really keen to join the ACT public service.

The number of people who apply for that competitive process has continued to grow. At the most recent intake we had over 600 people applying for a limited number of places. That to me indicates that we are building a public service which is attractive nationally, and we have people applying nationally to join that graduate program. It is one which we run centrally on behalf of the rest of the public service and I think it is just one of the indicators of success that we are gradually growing there.

On the rest of the workforce capability and planning, we are looking at how we can improve our training area. We are looking at working with UC to make sure that not only the graduate program but other training programs build to, if you like, a qualification as opposed to just having episodic training processes, so we are looking at this in a number of ways. I am happy to have Andrew Kefford provide further details if you wish.

Mr Kefford: The only thing I would add to that answer, Ms Hunter, is that you would have seen in the workforce profile an indication of my intention to bring together a series of what have customarily been separate documents around the agency survey, the workforce profile, to be a better and integrated basis. That is partly for our internal use, partly for external scrutiny purposes. So it is certainly a path that we are on. The people on the performance council that I chair with my deputy director colleagues are continuing to work on a number of projects to support the board and the directors-general in their responsibilities for their own directorates as well as for the service as a whole.

MR SMYTH: On page 44 of budget paper 4 there is an interesting line in the revised indexation parameters where for three years we save \$1,000 and then it turns into \$399,000. What is that?

Mr Ogden: There is a small adjustment to an initiative. We have had to adjust the indexation, and that is where you will see that minus \$1,000. It was a correction and then in the final year it jumps to \$399,000, which is the flow-on of the next outyears. So it is the increase of indexation; it is a minor change.

MR SMYTH: So what is the program that—

Mr Ogden: I can check through for the detail for you, if you like, and take that on notice.

MR SMYTH: All right.

THE CHAIR: That was taken on notice.

MR SMYTH: Is there a relationship between the second last and the third last lines concerning the centenary of Canberra? We seem to be taking almost \$5 million out of the centenary of Canberra program in 2014-15 and 2015-16.

Mr Ogden: It is the cessation of the program itself; it actually takes it out of the budget.

Ms Gallagher: What happened was that when it was put into the budget a couple of years ago it actually kept going.

MR SMYTH: To capitalise on the benefits gained from the year, surely?

Ms Gallagher: For the centenary celebrations it was an error, and it has been corrected in this budget. The centenary ceases at 31 December 2013. We do not believe we need to fund the centenary celebrations into 2014-15 and 2015-16.

MR SMYTH: So that money was not there to maximise and capitalise on the benefits?

Ms Gallagher: No. It was an error that was made in the original putting in of that funding.

MR HARGREAVES: So the assumption is that all of the leftover invoices from the 31st will be fixed up before 30 June?

Ms Gallagher: Yes. That is all met through the funding. This is a correction.

MR SMYTH: And the next line is the federal government paying their \$6 million contribution?

Ms Gallagher: Yes.

MR SMYTH: Are you endeavouring to get the federal government to match the contribution that the ACT government has made?

Ms Gallagher: We are continuing to discuss opportunities with the commonwealth, it is fair to say.

MR SMYTH: And what is the nature of those discussions?

Ms Gallagher: They are ongoing.

MR SMYTH: All right. Who have you spoken with? What about?

Ms Gallagher: The Prime Minister.

MR SMYTH: And what sort of reception have you had?

Ms Gallagher: Positive.

MR SMYTH: That is very good. And given that positive reception will that lead to more funds?

Ms Gallagher: The discussions remain ongoing.

MR SMYTH: So they perhaps were not as positive as you stated?

Ms Gallagher: They are ongoing, Mr Smyth. I know you would like to pour water on everything to do with the centenary—

MR SMYTH: No. I am just trying to find out why the federal government will not play its part.

Ms Gallagher: but I am doing my best, Mr Smyth. Rest assured I am doing my best to continue to promote Canberra.

MR SMYTH: So at this stage we have got \$6 million for the programs for the centenary. And the ACT—

Ms Gallagher: From the commonwealth, and then there is \$20 million to the arboretum as well.

MR SMYTH: No, to programs I am talking about.

Ms Gallagher: The programs, yes. They are largely programs that will focus on the national element of the celebrations. The commonwealth's view is that their money should be used to focus on events and publications that can be presented as Canberra's role as the national capital. The centenary still has more money in it than it would have if you had been elected, Mr Smyth.

MR SMYTH: I do not think you are in a position to say that, Chief Minister.

Ms Gallagher: You had savings in your last election—where you were going to take money out of the centenary—

THE CHAIR: Thank you, members.

MR SMYTH: You have just taken \$5 million out of it, so I am not sure how you can say that.

THE CHAIR: Thank you, Mr Smyth, Chief Minister.

Ms Gallagher: Come on, Brendan. Even you cannot stretch that one.

THE CHAIR: Mr Lasek, did you want to add anything?

Mr Lasek: No.

THE CHAIR: No. Okay.

MR SMYTH: I thought it was \$5 million for the centenary that is no longer there.

THE CHAIR: Okay, we will go to a final question.

Ms Gallagher: Because the centenary has finished.

THE CHAIR: Okay. One final question.

MR SMYTH: So you are not—

THE CHAIR: Thank you, Mr Smyth.

MR SMYTH: No, just a supp: what is your plan to maximise the benefit from the centenary after 2013? This is—

Ms Gallagher: I am sure you have discussed this with the Minister for Economic Development—

MR SMYTH: No. I am discussing it with you because it is in your budget.

Ms Gallagher: It is one of the biggest opportunities for how we brand Canberra going forward off the back of the centenary, and that is why you see considerable amount of money being invested in that.

MR SMYTH: So there could be a need for funds after 2013 but you have withdrawn them?

Ms Gallagher: Not for a centenary celebration—

MR SMYTH: But surely for maximising the benefits, though—

Ms Gallagher: which is why it has been removed in a very responsible way.

MR SESELJA: Budget paper 3, page 28, talks about the government redirecting resources from lower priority, non-essential programs, those programs no longer required or those that are returning little benefit to the community. Which programs were identified as returning little benefit to the community, and how many of those programs does the government run?

Ms Gallagher: They are outlined in the budget paper.

Mr Kefford: I think the breakdown of that figure is at page 139 of budget paper 3.

MR SESELJA: So the question then is: why? Given the need for relief for households, given the need for investment in essential services, why has the government been spending money on programs that they believe return little benefit to the community?

Ms Gallagher: These have been assessed this year as being the programs that we can discontinue. That is not to say they did not serve a purpose but we believe, against the backdrop of the current financial position and competing priorities, these are the ones that can be discontinued.

MR SESELJA: Does that not demonstrate that you have been a little wasteful in your expenditure if you have been funding things that you acknowledge do not return much benefit to the community?

Ms Gallagher: No, I would not agree with that.

MR SESELJA: That is going to come at the expense of either more investment in services or lower taxes, surely?

Ms Gallagher: No, I would not agree with that. I think the priorities for governments change year by year.

MR SESELJA: So they were of benefit and now they are of little benefit?

Ms Gallagher: Yes. In a sense, a budget every year is a reanalysis of the priorities against a backdrop of potential expenditure. It is normal budgeting. I imagine you do it at home, like I do. You stop doing things that you do not need to do, even though you might have needed to do them in the past, and you have new priorities.

MR SESELJA: Generally, taxpayers expect their government will focus on those important services rather than on things of little benefit. Is that not why they have had to pay so much more in tax? You have pursued things that have been of little benefit?

Ms Gallagher: No, I would not agree to that at all. But I would argue that we are constantly reassessing government services and programs against a backdrop of different priorities. And I would say that those services that the community finds most important, health and education, are more than adequately funded in this budget.

THE CHAIR: We are going to have to move on to the ACT executive for the final

few minutes here. I will go to my first question. It is in relation to budget paper 4, page 16. There is an item that refers to resources received free of charge. I am wondering whether you can tell us what the, I think it is about, \$184,000 is for.

Ms Gallagher: I think it is things like legal expenses.

THE CHAIR: Yes, a bit of clarification about what that is.

Mr Ogden: Resources free of charge consist of legal services provided by the Justice and Community Safety Directorate, building maintenance services provided by the Legislative Assembly and accounting services provided by Chief Minister's.

THE CHAIR: I have a quick general one too. I have not got a reference in the budget paper for it, but there is an arranged response time to letters that ministers receive.

Ms Gallagher: This is not in our performance indicators?

THE CHAIR: No. It is just a general question.

Ms Gallagher: Are you going to name names?

THE CHAIR: No. I appreciate it might depend on what the issue has been, but I am just wondering whether there are any standards or objectives that are applied to inquiries.

Ms Gallagher: There is a standard.

THE CHAIR: Whether it is from the public or other members as well?

Ms Gallagher: I think it is the same. Nobody gets priority. Obviously within those letters, you would have some priorities. When I read some of them, from the way I manage my office, I would seek urgent advice on them. Then there are others that would go through the normal process. I think the turnaround time is—is it two weeks?

Mr Cappie-Wood: It is generally—

Ms Gallagher: Two to three weeks.

Mr Cappie-Wood: It is generally about 20 days. That is the preferred—

Ms Gallagher: Maybe that is to and from my office.

Mr Cappie-Wood: Yes.

THE CHAIR: That was how long, sorry? Twenty days? You said two weeks?

Mr Cappie-Wood: I think we can provide that on the record.

THE CHAIR: That is fine.

Ms Gallagher: There is a standard. And I would say I would certainly deal with the vast majority of my correspondence within a month. There are some that are outstanding, and it may be that they are complex. I send them back four or five times for further advice. There are those ones that are subject to legal proceedings. There are a range that would fall outside that.

MR SMYTH: It is much nicer to have you back as TAMS minister. You actually do your correspondence on time, which is nice.

THE CHAIR: There you go, a positive comment from Mr Smyth.

Ms Gallagher: Can the minutes please record that Mr Smyth has just given me a compliment?

MR SMYTH: Unlike Mr Corbell, who never responds. In fact, you responded to a couple of letters I had written to Mr Corbell, and six months later there came the answers. It was quite refreshing really.

THE CHAIR: Mr Hargreaves, do you have a question?

MR HARGREAVES: Not anymore I do not. I am just sitting here absolutely gobsmacked. I can now go to my political grave knowing that Mr Smyth is one of the Chief Minister's biggest fans.

MR SMYTH: Only on the correspondence.

THE CHAIR: Ms Hunter.

MS HUNTER: I want to go to page 16, budget paper 4, expenses, depreciation and amortisation. I am wondering what the reason for the decline in this expense is in 2011-12.

Mr Ogden: It is actually amortisation associated with financing leases, with cars. And it purely is about timing, when the leases are taken up.

MS HUNTER: On page 17, property, plant and equipment?

Mr Ogden: Likewise, it is cars.

MS HUNTER: So this is all cars?

Mr Ogden: Yes.

MS HUNTER: And on page 19, it appears that you have sold some PPE. What is this?

Mr Ogden: Again, that would be the sale of cars.

MS HUNTER: All cars?

Mr Ogden: Yes.

Ms Gallagher: There is not much else. The executive does not own much else.

MR SMYTH: Just on the accounts, employee expenses go up eight per cent, yet your superannuation goes up 23 per cent. And we have asked a number of the departments why. I note in budget paper 3 the across-the-territory increase in employee expenses is only six per cent. Why is it up eight per cent and why is super up 23 per cent?

Mr Ogden: There is a mix because of the change in the notional contribution for superannuation for CSS and PSS members. That did increase. In relation to wages, it is essentially associated with the pay increase. Yes, there is some re-profiling. But I can provide you with some—

MR SMYTH: Yes, if you could. The executive is one of the few, apart from Health and education, where the employee expenses actually increase in the outyears.

THE CHAIR: Just to clarify, that was taken on notice, is that correct?

Mr Ogden: I will take that on notice, yes.

MR SMYTH: In regard to the staffing levels, minister, the budget for 2011-12 was 36 and the expected outcome was 40. There is a note that says staff numbers have fluctuated during the year due to ministerial changes but remain within the budgeted salary cap. The number of portfolios did not increase.

Ms Gallagher: Did not increase?

MR SMYTH: The number of responsibilities—

Ms Gallagher: It is about where people are being employed within the salary scale.

MR SMYTH: So the number 36 to 40 is about the salary scale?

Ms Gallagher: It is a mix of having some additional salary that is available for spending, because we were under budget with—

MR SMYTH: Which, of course, you did not have to spend.

Ms Gallagher: That is right—with the four ministers. When we moved to five ministers, it is, as I understand it, around the staff that have been selected to fit within that salary cap. So the cap is not being extended.

MR COE: Since going to five ministers, did any ministers lose staff on an equity basis?

Ms Gallagher: I would have to check that, because there have been a number of staff changes.

MR COE: If you would take that on notice, that would be good.

Ms Gallagher: Yes.

THE CHAIR: So that is taken on notice.

MR COE: And if you would let me know how many FTE each office does have?

Ms Gallagher: Yes.

MR COE: That would be good.

Ms Gallagher: You can check that out yourself, surely, on the—

MR HARGREAVES: Look at the phone book.

Ms Gallagher: Yes, look on the Assembly website.

MR COE: If you could take that on notice, that would be good. That would be more accurate, I think.

Ms Gallagher: We are within the salary allocation, as you know.

THE CHAIR: That is taken on notice.

MR COE: As what, sorry?

Ms Gallagher: Within the salary allocation. There is no exceeding of the salary allocation. So the offices are being staffed appropriately within the salary allocation.

MR SMYTH: So when do you expect to drop from 40 back to 36?

Ms Gallagher: They will be decisions taken after the election, Mr Smyth. That is when the contracts go to, I imagine, for most staff.

MR SMYTH: So you will maintain the 40 staff till the election?

Ms Gallagher: I cannot say. You know from staffing your own office that there are comings and goings that occur in the normal course of business. But the majority of staff would be on a fixed-term contract—as, indeed, your staff would be, as I understand—till the election. Then everybody is up and staffing decisions will be taken, as every member in this place will be subject to.

MR SMYTH: So you will have the extra staff working in the executive until the election?

Ms Gallagher: It is not extra staff in the sense that it is staff at lower salary levels. That is well within a minister's right—to choose the balance of skill mix for their offices. The process is that it will not be approved if it cannot be sustained.

MR SMYTH: I was just curious. Other people are losing staff, and you are keeping

staff until the election. On the rest of the accounts, what borrowings does the executive have?

Mr Ogden: Again, it is associated with the leasing.

MR SMYTH: It is the leasing, is it?

Mr Ogden: Yes.

MR SMYTH: Okay.

Mr Ogden: And motor vehicles—sorry.

MR SMYTH: And the other expenses, at \$184,000—what is incorporated in that?

Mr Ogden: That is the recognition of the resources received free of charge, so if you refer to revenue above, there is an equivalent amount.

MR SMYTH: And that is the same?

Mr Ogden: Yes.

Ms Gallagher: And I would say, Mr Smyth, just going back to your original point, that other areas are losing staff. I do not imagine that any of your offices will be subject to any savings of staff in the lead-up to the election. It is a level playing field. There is a staffing allocation; you choose your staff. And we know what the Liberals do with their staff to maximise the resources.

MR SMYTH: They work very hard.

Ms Gallagher: I am just covering off the inevitable attack that will come from you, but you are operating under the same processes.

MR SMYTH: You have gone from 31 staff in 2010-11. You have got 36 in 2011-12 and you are going to have 40 up until the election. I think people have a right to know how many staff you have and what they are being employed for.

Ms Gallagher: And that that is in accordance with the salary envelope—

MR SMYTH: If you increase the salary envelope, then yes, it is.

Ms Gallagher: and open to members. Indeed, unlike the non-executive members, we have returned significant savings from the executive back to the government through underspends. Out of everywhere in this Assembly, the executive has returned savings.

MR SMYTH: Well—

MR COE: It has spent the most.

THE CHAIR: Ms Hunter, you had a follow-up?

MR SMYTH: You should take that up with the Speaker then.

Ms Gallagher: We have the most significant responsibilities, Mr Coe. If you have a problem with how the executive is resourced, make a submission to the Remuneration Tribunal.

MR SMYTH: All right. These savings that you have returned—can you please detail what they are and how much they are?

Ms Gallagher: Yes; sure.

THE CHAIR: So that is taken on notice?

Ms Gallagher: Yes.

MR SMYTH: That is taken on notice.

MR COE: Can I have a supplementary?

THE CHAIR: Yes.

MR COE: Thank you.

Ms Gallagher: And we would gratefully receive the similar amount from the non-executive members.

MR SMYTH: You should take that up with the Speaker.

THE CHAIR: Ms Hunter, you had a supplementary?

MS HUNTER: Yes. I noticed that the deputy director-general job was advertised recently and we do not seem to have had a change. I am just wondering what that was about?

Mr Cappie-Wood: We have not gone to that appointment process, but, as part of the review across a range of senior executive positions, the grading was reviewed. The independent advice came back that at a certain grading the conventions are that a grading that moves between bands would have to go to a competitive process.

MR COE: I have a question about the mobile phone policy amongst the executive. How is it determined who gets a mobile phone?

Ms Gallagher: There is an allocation within each office's budget for certain criteria. The mobile phone would form part of that.

MR COE: What is that budget and what are the rules of that allocation?

Ms Gallagher: I might have to take that on notice. Forgive me for not understanding the fine detail of those.

MR HARGREAVES: A supplementary on that, Chief Minister—on the phones question.

THE CHAIR: Let Mr Coe finish his question.

MR COE: I got back an answer to a question on notice which pointed to some of the costs of the executive's phone bill. One month alone for one phone included \$811. Another one was \$627. There was \$610, \$405, \$321, \$196. There are some very big phone bills here. In addition to that, you also had some minimal phone bills, like 8c, 13c. So you have got some that have hardly been used; you have got some that are seemingly getting maxed out; and you have got a very high average as well. I wonder what the basis for this is. How do you get such a high average when you have some phones which are hardly being used?

Ms Gallagher: Sorry—your question?

MR COE: I said: what is the basis for these phone bills being \$811?

Ms Gallagher: There are allocations to each office. There is an allocation of budget to each office which sets out an estimate of criteria within that.

MR COE: Would you please table that allocation and the criteria?

Ms Gallagher: I am happy to provide it in a general sense, yes.

MR COE: You have just cited that as the answer to my question. I am requesting that you table—

Ms Gallagher: I do not have it to table, Mr Coe.

MR COE: Will you please take on notice—

Ms Gallagher: I have already said I would do that.

MR COE: You said in general.

Ms Gallagher: Yes, I will.

MR COE: I am asking you for the specific criteria that are given to each office.

Ms Gallagher: I will.

MR COE: Also, are you happy with the plans that you have for these mobile phones?

MR HARGREAVES: Can I have a supplementary on this?

Ms Gallagher: Across the whole of government we are having a look at our communications plans. I think there probably is room for improvements in that area.

MR COE: Because mobile phone prices have come down tremendously, and the ACT government is locked into a price set in 2004. Is that satisfactory?

Ms Gallagher: Again, this does not fall within the Chief Minister's portfolio, so I am not clear on the contract that we are locked into. What I do know is that we are examining improvements in that area.

MR COE: Have you made any representations to the Treasurer, who is responsible for Shared Services—

Ms Gallagher: We have discussed it, yes.

MR COE: about why it is that you would have a phone bill of \$811?

Ms Gallagher: Why—

MR COE: Why someone in the ACT government can have a phone bill of \$811 when you can get capped plans that should not cost more than \$80.

Ms Gallagher: We have had discussions on the plans in relation to mobile phones, yes.

THE CHAIR: Mr Hargreaves, you had a follow-up?

MR HARGREAVES: Yes. The supplementary is this: the allocation to individual ministerial offices, is it a global amount for wages and other expenses? And is it not that ministers have the right to—

Ms Gallagher: Move within.

MR HARGREAVES: move within that without having every dollar accounted for, in the same way that most senior executives have responsibility for an outcome? So ministers are responsible for the financial outcome of their office, not for every dollar within that chart of accounts contained within that?

Ms Gallagher: They are responsible in the way that every dollar is accounted for, but there is allowed to be movement within the general salary allocations that are provided within that budget. For example, I do not use a lot of travel. That is my experience. If I needed a bit extra to do something else, like staff training, I would be able to move some money within that as long as I stayed within budget.

MR HARGREAVES: The non-executive have an allocation of \$4,000 or so a year. Do you think it is reasonable, if the ministers have to account for every dollar that they spend against their phone bills, that the non-executive ought to also account for every dollar that they spend against their phone bills?

MR COE: I am afraid you do not pay for our phone bills, John.

MR HARGREAVES: I was not talking to you.

THE CHAIR: Thank you, members.

Ms Gallagher: I think that from the taxpayers' point of view the expectation is that any taxpayer funds used for anything are used appropriately and in accordance with very high standards of integrity. And I will not be taking any lessons from the Liberals on that.

MR HARGREAVES: Waste of time, that one.

THE CHAIR: Thank you, Chief Minister. We are out of time. Thank you, staff from Chief Minister and Cabinet. Questions on notice for Chief Minister and Cabinet Directorate output class 1, government strategy—output 1.1, government policy and strategy; output 1.2, public sector management; output 1.4, coordinated communications and community engagement—and the ACT executive should be lodged with the Committee Office within three business days of receipt of the uncorrected proof transcript, with day one being the first business day after the transcript is received. We will now move to the Territory and Municipal Services portfolio.

Meeting adjourned from 11.30 to 11.34 am.

THE CHAIR: I formally resume this public hearing of the 2012-13 Select Committee on Estimates. The proceedings will recommence with an examination of the expenditure proposals and revenue estimates of the ACT Public Cemeteries Authority. This will be followed by the Territory and Municipal Services Directorate, output class 2, enterprise services, specifically output 2.1, government services, and we will conclude with ACTION, output 1.1, public transport.

I will just go through the usual housekeeping. I draw your attention to the privilege statement on the blue card in front of you. If you can all indicate that you have read that and are aware of the information and implications in that. I think that is a yes.

Ms Gallagher: Yes.

THE CHAIR: So that everyone is aware, proceedings are being broadcast. Minister, did you want to make a statement at all?

Ms Gallagher: No, thank you. I see this as a continuation of the tremendous time we had on Friday.

THE CHAIR: Obviously we are starting with the Public Cemeteries Authority.

MS LE COUTEUR: Can you update us on the status of the southern cemetery? What has happened in the last year since we met?

Ms Kargas: We are in the process of a final draft of the master planning process for the southern cemetery. We hope to have that to government by the end of June, early July, and then we will take steps from there.

MS LE COUTEUR: When do you expect that will be released publicly?

Ms Kargas: That would be a decision for government.

MS LE COUTEUR: Is it likely to be before caretaker?

Ms Gallagher: I would think so. I have not seen the final thing yet. Yes.

MS LE COUTEUR: But the intention would be that it would be out?

Ms Gallagher: Yes.

MS LE COUTEUR: That is good. Previously you have said the construction was starting in 2013-14, but no money has been allocated towards the cemetery or the crematorium, as far as I can tell, in this budget. Have you any indication of what the likely cost will be?

Ms Kargas: Once this first master planning process is finished, we then have funds available to do the next bit of that, the ETS, and get some detailed costings and sketching on what the property might look like. And then it would be a matter for government to choose to fund it or not.

MS LE COUTEUR: So you do not even have an estimate at this stage as to costs?

Ms Kargas: No.

MS LE COUTEUR: Can you also give us any indication about the urgency, if there is a particular capacity of the existing cemetery and crematorium? That is obviously a driving factor?

Ms Kargas: We have plenty of room at Gungahlin for burial services. Woden has about eight years to run for burial services. And then Woden will continue with people who have set aside plots. Gungahlin has plenty of room. The main issue is that it is such a long way from the south side of town, once Woden closes, for residents on the south side to actually go to Gungahlin. So in that instance, it is something that we should seriously think about.

MS LE COUTEUR: Are there any issues with the capacity for the crematorium at Gungahlin?

MR SMYTH: Sorry, just before you get off Woden and Gungahlin, when you say “eight years supply” how many plots is that at Woden?

Ms Kargas: I will leave that to Hamish.

Mr Horne: At the moment, we have got about 2,000 allotments that we can essentially put together on the site. We are still developing the smaller areas that are left at Woden, and that is a develop-as-we-go, based on demand, for particular types of burial. But there are approximately 2,000.

MS LE COUTEUR: Could we go back to my question about capacity for the

crematorium in Gungahlin? My understanding is that it is not currently working at full capacity.

Ms Kargas: We do not get any information from Norwood Park. It is a privately run crematorium. So we do not have any knowledge of how well it is running, other than what we hear from funeral directors and users of the crematorium. But having a second one in Canberra would be a great idea.

MR SMYTH: What consideration has been given to Woden as a site for a crematorium?

Ms Kargas: We have not given any consideration to Woden. I think Woden is too close to being closed and it is in a very built-up area.

MR HARGREAVES: Can I ask a question about the potential care liability. What is it sitting at, at the moment, in dollar figures?

Mr Horne: There are two components to perpetual care liability. One is the inherited liability, the liability that had accrued prior to the fund starting, and the second part is the future liability. At the moment they are roughly around \$10 million for each component.

MR HARGREAVES: And am I correct in assuming that the future liability is catered for in the cost of the burials going forward but the inherited ones is just sitting there accruing an interest rate?

Mr Horne: That is a reasonable characterisation at this point in time. We are working on strategies, but they are not finalised yet.

MR HARGREAVES: If there was a possibility of having a second crematorium, which was not run by the private sector, would that not be the best opportunity you would have of engaging in a business activity to fund that inherited perpetual care liability?

Ms Kargas: It would certainly give us an opportunity to do something different and raise funds from that process, but it is not the only factor that would help with the inherited liability.

MR HARGREAVES: You mentioned before that you do not have any information coming out of Norwood Park, and reasonably so; it is a private business. But you would have had conversations with the funeral directors in the town and within the region. What is their view, expressed to you, in relation to having a monopoly over cremations in this city?

Ms Kargas: Anecdotally, what we hear from the funeral directors is that trying to get a time at Norwood Park is not always as easy as they would like and there is a backup of services.

MS LE COUTEUR: Have you considered the option of, rather than building a crematorium in the southern cemetery, simply building a space for services? In most

other jurisdictions, people do not expect to have the service at the same location as the crematorium. Typically they are dispersed. Have you considered that model?

Ms Kargas: Yes, we have looked at memorial halls. Certainly the southern memorial park would have ideally two halls, a large one and a small one. Yes, I agree. A lot of people do prefer to have the service and the burial, or the cremation if that were the case, all at the one place.

MS LE COUTEUR: I was actually going in the other direction. Typically, in other jurisdictions, they do not occur at the same place. You go to the church or wherever and have the service, and then if the body is to be cremated, that departs separately. There are vastly more places that services are held normally than at crematoriums. Have you looked at not having those two necessarily linked?

Mr Horne: I am not sure the premise of your question is right. My experience clearly indicates that the majority of people prefer, as Ms Kargas just said, to actually have the service and the cremation and/or the burial at the same location, if at all possible. Nearly every single cemetery of our size in other jurisdictions has memorial halls on site. They all have crematoriums as well, I might add. And for that reason, the majority of people actually avail themselves of that service.

MR HARGREAVES: Is it the view of the board that the beginning and the end of one's life is really a responsibility of the community and therefore the ownership of the infrastructure taking care of both ends of those spectrums should be within the public domain?

Ms Kargas: That is the case in Canberra. The cemeteries are owned by the government, but they are not funded by government. They are funded by the community that uses them.

MR HARGREAVES: And the crematorium, though, which is another end result, is a private concern, is it not, and not part of the public infrastructure?

Ms Kargas: And it would be something that the cemetery would fund and not request government to fund.

MR HARGREAVES: Yes, but it would be owned by?

Ms Kargas: It would be owned by the cemetery authority.

MR HARGREAVES: Which is an arm of the community itself, yes.

MR SMYTH: Could I go back to the question Mr Coe asked. Are you saying the board did consider a crematorium at Woden?

Mr Horne: It was actually considered before Ms Kargas became chair, back in—

MR SMYTH: Which was when?

Ms Kargas: I have been on the board since 2003 or 2004.

Mr Horne: Five, I think.

MR HARGREAVES: It was, in fact, in 2005. I did employ you.

MR SMYTH: When did the discussion, previous to 2005, occur?

Mr Horne: Prior to that, the notion of having the crematorium at Woden cemetery was discussed, but it was reasonably quickly dismissed because it was felt that it was right in the centre of town and it was far too close to where people lived and it just would not be publicly acceptable.

MR SMYTH: When did the work actually start on the concept of the southern cemetery?

Mr Horne: How far do you want to go back?

MR SMYTH: The work that recently occurred?

Mr Horne: 2009.

MR SMYTH: So since you have become chair, Ms Kargas, in 2005, has there been a discussion about Woden?

Ms Kargas: No, there has not been a discussion about having a crematorium in Woden, but we have considered one at Gungahlin.

MR SMYTH: An additional one at Gungahlin?

Ms Kargas: No, just one at Gungahlin.

MS LE COUTEUR: Have you got a business case for a crematorium—this might be on notice—at the southern cemetery?

Ms Kargas: It is part of the business plan and it is part of the master plan.

MS LE COUTEUR: Will that be released when the master plan is released?

Ms Kargas: Yes, it will.

MS LE COUTEUR: This may be another master plan question. What is happening in terms of provision of space for natural burials at the southern cemetery?

Ms Kargas: There is a provision of space for natural burials in the southern memorial park. In fact, from our looking at the plan, it is probably the largest space available in Australia for natural burials and if the plan goes ahead, it is a very lovely space.

THE CHAIR: Thank you very much, representatives of the Public Cemeteries Authority. I know that was a very short time, but we have not got much time for these outputs.

Ms Gallagher: Short but important. Thank you.

THE CHAIR: We will now move to output class 2, enterprise services: 2.1, government services. The first question is a general question in relation to enterprise services. On budget paper 4, pages 136 and 137, there are listed some quite large changes between the original 2011-12 budget and the estimated outcome for 2011-12. We have got “User charges—non ACT government”. The original budget was for 14.889, the revised budget for 61.171. And also there is “User charges—ACT government”—92.288, and the revised budget was 39.395. I am just wondering if we could get an explanation for the reason behind those movements in those two revenue classes from the original budget to the estimated outcome.

Mr Byles: My advice is that it relates to the transfer of property from the Economic Development Directorate in the AAO transfers.

THE CHAIR: So it is something coming from one directorate?

Mr Byles: Yes.

THE CHAIR: Is it that sort of movement? Is that what it is?

Mr Byles: That is my advice.

THE CHAIR: Is it possible to get a breakdown?

Ms Gallagher: A breakdown? Yes.

THE CHAIR: That would be good. Do you want to take that on notice?

Mr Byles: Sure. Yes; thank you.

THE CHAIR: This might also need to be taken on notice. You have probably already answered my question. What revenue is included in the “User charges—ACT government” and “User charges—non ACT government”?

Mr Byles: We could take that on notice as well.

THE CHAIR: Sure.

Mr Byles: Thank you.

THE CHAIR: Why is the total for the 2011-12 estimated outcome for user charge revenue down about six per cent from the budgeted outcome? The explanation about it is not clear in the budget.

Mr Byles: Could you give us a specific reference there, Ms Bresnan?

THE CHAIR: I have not got a specific reference, but when we look at the estimated outcome for the user charge revenue it appears to be down about six per cent from the

budgeted outcome.

Ms Gallagher: In terms of total revenue?

THE CHAIR: Yes, the total revenue. It is the estimated outcome for user charge revenue.

Ms Gallagher: We can provide you with the detail.

THE CHAIR: So it is all taken on notice?

Ms Gallagher: Yes.

MS HUNTER: I want to go to the same page, supplies and services. Expenditure decreased by 6.7 million between the original 2011-12 budget and the estimated outcome. Within 2012-13 the supplies and services expenditure will increase by 7.37 million. Why has expected expenditure for supplies and services reduced this year but we are expecting it to increase significantly next year?

Mr Perram: Exactly the same as before. It is part of the machinations of the ACT Property Group transferring from Economic Development across to TAMS.

MS HUNTER: And we are going to get some more detail as requested?

Mr Perram: Yes. We can provide that.

MS HUNTER: I also note that employee expenses are increasing by 5.7 per cent. Can you again explain—we have asked this a number of times—why superannuation expenses have reduced by 2.2 per cent?

Mr Perram: We can explain that in detail. The primary answer relates to more of the people at the higher level of superannuation traditionally within the scheme transferring out of TAMS. So it would be the mix of people that have left as well as the mix of people that have come in through the Property Group.

THE CHAIR: Mr Smyth, do you have a question?

MR SMYTH: No, I will pass and get on to ACTION.

THE CHAIR: Mr Coe?

MR COE: No, no. I am happy to go to ACTION. That is fine.

THE CHAIR: Sorry?

MR COE: I have got one that I will put on notice. That is fine.

THE CHAIR: Ms Hunter or Mr Hargreaves?

MR HARGREAVES: I noticed something in the paper the other day about the seed

records. I do not know if my colleagues have seen these records, but they are unbelievable. They are handwritten in the most beautiful handwriting of all time, going back, if my memory serves me correctly, to about 1927 or 1925—about that time—with seeds still sitting there. What worried me when I saw them was the impact of the 2003 bushfires, which could have wiped all of those records off the face of the earth but for a bit of luck. When I went out to the nursery I thought that they were still a bit in jeopardy in the case of some sort of building episode. The question is: what are we doing to maintain the protection of those records for ever and a day—and also the protection of the seeds in the jars? They are only glass; you get a bit of heat in there and they are just gone.

Mr Perram: There are two areas we are working on with this. The first one is that the Chief Minister will be launching the digitisation program for the cards and those records. So they will be permanently kept. It is 28 August, I seem to recall.

Ms Gallagher: I will be there.

MR COE: That is not caretaker work.

Ms Gallagher: We work every day, Mr Coe—every day, unlike you guys.

MR HARGREAVES: There was no policy decision announced at that time?

Mr Perram: So all of those records—

Ms Gallagher: It is a big vote winner, that one, too.

MR HARGREAVES: Keep going, Mr Perram. I am listening to you even if Mr Coe is not—the naughty boy.

Ms Gallagher: The digitisation of the seed bank.

Mr Perram: In addition to that, the other—

Ms Gallagher: That is why we have timed it.

Mr Perram: In addition to that, what we are looking at and discussing with the Heritage Library is the location of those journals and cards in that location, to do exactly the protection you are talking about.

MR HARGREAVES: So the Heritage Library will be taking custody of those particular records?

Mr Perram: That is exactly right. As you said, they are historical documents. They have been nominated for heritage listing. We consider them inordinately valuable as far as the Yarralumla Nursery is concerned. We would like to have access to them next year at the centenary and in 2014 for the centenary of the nursery, but I agree with you and we are taking steps to have those protected.

MR HARGREAVES: How are you protecting the seed stock in the jars? The jars

themselves are valuable, let alone the seeds in them.

Mr Perram: As you have seen, there is an amazing cohort of seed stock there in jars that go back many years. We have an arrangement for the rarer seeds to be split in two—that is bad wording—with half the seeds to be retained at the nursery and half to be put in a seed bank at the CSIRO. We are protecting the rarer ones by separate locations and keeping them in that manner. The other initiative that we are looking at for the nursery in the immediate future, during the next financial year, is to have harvesting banks planted in the nursery itself. We will have those plants planted and we will be able to take cuttings and get seeds off on an ongoing basis.

MR HARGREAVES: On that basis, where you are doing that sort of harvesting—and that is continuing what has been going on since 1925 really.

Mr Perram: Exactly.

MR HARGREAVES: Do you have the intention to do the same thing in the arboretum?

Mr Perram: We would like to be able to do that with them. We have had preliminary discussions with the arboretum. We would like to be the backup for the failed trees, for want of a better description, in the arboretum so that the forests are maintained on an ongoing basis.

MR HARGREAVES: You can see all of the trees that are now coming out. You can actually see the arboretum now. Now that the fence is down, I thought that there is going to be some clown who decides he is going to wreak havoc in there one of these days. How do we actually replace the trees that are taken out either naturally—they die, or you get a storm or a fire—or because some idiot has decided to take an axe to them? Do you have a propagation program as well as just having the seeds there?

Mr Perram: We certainly have a propagation plan each year. We have a propagation program that is based on what I would describe as a three-cycle program. You have your plants that come out in the 18-month or two-year time frame, the shrubs and plants that come out in the two-year to four-year time frame and the trees that come out in the five-year program. That is the continuous program of production that happens so that you have these plants coming through at any given time. We are discussing with the arboretum how to ensure that we have either cuttings available or seeds available to be able to propagate their trees and then potentially have, as I said before, a co-location of those trees at the nursery so that if something happens at one location we have still got the original stock available to us.

MR HARGREAVES: When I went out there and saw your staff lovingly doing all of that stuff—it was brilliant—I also noticed that there was a significant number of people with a disability. They would find it tough getting a job anywhere else in the place but they were able to find meaning in their life working in the nursery. Is that arrangement still on foot? Is it still going?

Mr Perram: That arrangement will continue through 2012-13. Koomarri has a long history, as you are aware, with Yarralumla Nursery. They have five of their people

working in the nursery on an ongoing basis, plus one supervisor. In addition to that, the nursery provides, through the Black Mountain school during school terms, vocational training for the children coming down once a week.

MR HARGREAVES: It is a shame the media do not know about that.

Ms Gallagher: I think they have done the odd story on—

MR HARGREAVES: Not often enough, Chief Minister. It is a good social enterprise.

THE CHAIR: Just a quick follow-up with regard to the nursery. Page 108 of budget paper 4—the accountability target for plant spoilage and an estimated outcome of 25 per cent. You had budgeted to have less than 10 per cent. I think in the notes it says that the plants have been impacted by drought conditions and that included reduced plant sales in line with market conditions. Is that correct, Mr Perram?

Mr Perram: Yes, that is correct. If you go back to my comments on that three-cycle period for plants that go through the Yarralumla Nursery, there were far fewer plantings at the nursery, as well as in the community, during the drought years. If I can give the example of trees. Because it is such a long lead time with trees, with the five years you are second-guessing when the drought is going to end. Those first plantings of trees are now at a stage where they are not viable for people to take out of the ground or plant. They are just too large, with the equipment we have, to be able to do that. So they need to be destroyed.

In addition to that, a lot of the plants that were not being sold have become root-bound in the pots because it is not economic to take them up to the next scale. This is, if you like, the result of the end of the drought. They are being cleaned out now because those stock are no longer saleable because they are dwarfed or root-bound or they are just not a saleable size or shape.

THE CHAIR: So with the wetter weather conditions, will that have an impact as well?

Mr Perram: That is exactly why we are going back to the less than 10 in 2012-13.

THE CHAIR: So that means you will be able to scale up again.

Mr Perram: Basically, we have had a significant spoilage rate—loss rate is probably a better way to describe it—as a result of the end of the drought. We will go back to the industry standard at the end of that.

MS HUNTER: I have a quick couple of questions and some others that I will put on notice around ACT property. Again, under the accountability indicators, (e) is accommodation cost per employee. It is a discontinued accountability indicator, but there is not an explanation as to why.

Mr Perram: With the transfer across of Property Group to us, a cohort of employees remained with EDD in respect of their policy functions. Part of that policy function is the assessment of costs associated with the number of employees and the costs

associated with that. We no longer have those staff with us, and that is not produced by us anymore. It is simply a factor of that being transferred away from us, for want of a better description.

MS HUNTER: The other question I had is about the status of the whole-of-government electricity contract. I believe it is about a year behind at this point.

Mr Bailey: We are fairly close to going to the market on the contract. We have gone out to everybody who has registered to actually provide electricity within the ACT government. We have shortlisted those and we will be going to those for tender very soon.

MS HUNTER: When are you expecting the process to be completed?

Mr Bailey: We expect that we will have it completed this year. We are actually just planning the negotiations for that. The new contract we are expecting to take place on 1 January. We will be negotiating prices over the spring, which is a good time to do it, with the view that the new contract will take effect on 1 January.

Mr Perram: The electricity contract specialist adviser from Melbourne has detailed experience in respect of the best time to go to market and the best time for us to negotiate. There are some peculiarities with the electricity market.

MS HUNTER: Why spring? What is special about spring?

Mr Bailey: Spring or autumn is the best time to do it. You have got a winter cold snap in terms of increased loads on electricity and in summer, as a result of the heat, increased loads there. So spring and autumn are the best times to negotiate.

MR COE: What impact is the carbon tax likely to have on the overall cost of electricity provided to the government?

Mr Perram: We do not have that information. It is being handled by Treasury as a whole-of-government approach. In respect of one of the delays with the electricity contract, the specialist adviser has said not to negotiate now and leave it for later, the spring negotiations, so that if there is a jolt in prices of electricity just after the process, we are beyond that.

THE CHAIR: Thank you very much, officials.

We will now move on to ACTION, output class 1, public transport. Thank you, Mr Peters and Mr Roncon, for joining us. I know you are very familiar with it but I just draw your attention to the privilege statement on the blue card in front of you. If you can both indicate that you have read that and are aware of the implications of that. Thank you.

I will go to my first question. It is in relation to the references on page 114 of budget paper 3. There is additional funding for ACTION operations over the next four years, including \$7.7 million in 2012-13. Can you give us a breakdown of what this will pay for? For example, will there be new routes or increased coverage and frequency? If

that is one of the things that are included, where are the changes to the network?

Ms Gallagher: This has a range of different elements in it. It is the cost of the EBA and the growing increase in workers compensation and it is also to compensate for fare revenues being lower than forecast. I think that forms the majority of that breakdown.

THE CHAIR: Is it possible to get a breakdown of that?

Ms Gallagher: Yes.

THE CHAIR: What you are saying is that the 7.7 primarily seems to involve work-related expenses; is that correct?

Ms Gallagher: That is right.

Mr Peters: Mainly fares.

Ms Gallagher: Yes, mainly fares.

MS HUNTER: Could you just explain the lower fares than forecast?

Mr Peters: There are a couple of components to this. I guess the first is that we have not had a fare rise since, I think, July 2010. Whilst we have been bedding the MyWay system in we have not actually raised fares, which has put us behind from that perspective against the targets that were set in terms of fares revenue a couple of years ago.

I guess the other factor is that under the new MyWay system the average fare was lower than the previous average fare. That was done for a range of reasons which I explained last year. With the changes to the types of tickets that we had in order to keep the fare lower—or the same as it was previously—we needed to adjust that in some cases.

The third thing is that, now we have MyWay data available which tells us exactly how many people are using the system and the type of use, it is easier for us to make better forecasts of what our patronage and revenue will be in future. There is an adjustment in there that takes account of that as well.

MS HUNTER: How many months of MyWay data do you have now?

Mr Peters: MyWay was introduced in April 2011, so we now have about 14 months of data. We have been progressively getting access to the data. We are sort of piggybacking off what Perth are doing in terms of the information management system that they use to access the data. We have been progressively obtaining data as we go along. In terms of patronage numbers and revenue, we have got solid data since April 2011.

MS HUNTER: So how are our patronage figures going? Over that 14-month period has patronage gone up, remained stable or gone down?

Mr Peters: Again, it is a bit hard to compare against last year directly because we had the ticketing system failures. But if we make a comparison, say, from April 2011 to April 2012, going forward from those, looking at month-by-month comparisons, our patronage is increasing. We are probably looking at about 18.5 million this financial year, up to probably 19.2 next financial year. That was up from about 15.6, I think, which that took into account.

MR COE: What percentage of those are concession fares?

Mr Peters: I do have that information, but I might need to provide it to you separately.

THE CHAIR: That is taken on notice.

MR COE: Thank you.

THE CHAIR: I come back to my original question. As you said, basically that money is covering employee-related—

Ms Gallagher: Fares, employee expenses.

THE CHAIR: As part of ACTION funding, is there anything to look at improving coverage and frequency?

Mr Peters: You would be aware that we have just introduced network 12.

THE CHAIR: I am aware of that, yes.

Mr Peters: It had a range of new service introductions, which seems to have been fairly well received by the community. We have now started planning for network 13 which, subject to government approval, will probably be introduced some time later in 2013, which is why that funding is not included. At this stage we are actively planning for what is needed.

THE CHAIR: So we would be waiting till the next budget to actually address those coverage and frequency issues?

Ms Gallagher: Network 12 is within these costs. So the improvements—

THE CHAIR: Yes.

Ms Gallagher: The employee expenses and all the rest are covered in your actual operations through your drivers. Network 12 is covered. We have had some new routes and improved frequency as part of that package. We have just started the discussions on network 13. For some of that, the cabinet would be looking to what can be done within changes to shifts and routes and, when the Woden depot is opened, what impact that has on the network overall. Over and above that it may require some additional budget allocation, depending on the decisions that are taken, but network 13 is seen as the bigger upgrade to the network.

THE CHAIR: We have raised capacity issues before. Often it is on the Blue Rapid and the Red Rapid where we tailor more highly patronised routes, particularly at peak times. With the rolling over of the new Scania buses, do you think that will have any impact on capacity issues, given that they will have a high capacity?

Mr Peters: I might pass that over to James.

Mr Roncon: Since the introduction of network 12 we have noticed a lessening of that pressure, if you like. There is a process in place where our drivers will notify us through the radio system if they have got overloading issues. To date, with the introduction of network 12, we have not had any of that. So we think that we are starting to get that mix right. Certainly those larger capacity buses are on those route services, those Red Rapids and Blue Rapids, and they are working very well.

MS HUNTER: Just on the planning for network 13, I do follow you on Twitter so I noticed you did put one out calling for participants to be part of the planning and to provide input. How many people do you involve in that process? Do you try and get a cross-section of commuters versus people who may be using the service during the day and younger people who might need it on the weekend? How do you go about ensuring you have got a good mix?

Ms Gallagher: The Minister for the Environment and Sustainable Development and I have convened two meetings with targeted stakeholders, people with experience in transport planning and commuters, to talk with them around areas of improvement and feedback, particularly around network 12. Those meetings have gone very well in terms of providing us with some very direct feedback about ACTION and its operations—areas where it is working well and areas where people would like to see improvement. From there, there is a range of different consultation methods. My own feeling is that people who use the service are pretty good at providing feedback, aren't they?

Mr Roncon: Very much so, yes.

Ms Gallagher: That feedback is incorporated into the planning and responses that can be given. I do not know if you want to add to that, James.

Mr Roncon: No. The ideal, in terms of the groups that make up those focus groups, would be anyone and everyone that, firstly, has an interest in public transport. And from that variety of groups—the Chief Minister just mentioned the couple of forums that have been run. There is a good cross-section of individuals there, but ideally you get your schoolchildren and people in that age bracket involved; they are your future travellers so you want their input.

THE CHAIR: Mr Hargreaves, you had a question?

MR HARGREAVES: I have got a couple. I will go to the first one and come back to the second one. I heard criticism recently of the services in Weston Creek, so I conducted a straw poll amongst a number of people that I know that live and use the service very regularly—within it, to Cooleman Court and the suburbs, or from Cooleman Court into the city or into Woden. Not one of them had a criticism of the

service. I was wondering whether, after that criticism hit the public arena, you had any passenger feedback around how they regard the service in Weston?

Ms Gallagher: I have had contact with one person who is unhappy with the changes. The changes that happened were not about reducing services; it was the change of the time, marginally—I think only a few minutes.

MR COE: I think No 25 maybe.

MR HARGREAVES: I am waiting for the answer, Mr Coe.

Ms Gallagher: It was 79, I think. To adjust to fit in, every timetable changed to bring on the new services. In some areas it required things to go back a bit or forward. I had some feedback on that—and also that the bus was too full on those peak services into Civic. I went out and caught the bus one morning, and it was not full. I think there were probably about 40 people on the bus. It was certainly well patronised, and I think your feedback would indicate that that is the case, too, wouldn't it?

MR COE: Is that route 27?

Ms Gallagher: Yes.

Mr Roncon: Absolutely—

Ms Gallagher: There is route 27 and I think there is 79.

Mr Roncon: And 25 as well.

Ms Gallagher: Yes; 79 sticks in my mind.

Mr Roncon: The main feedback that we have had about network 12, as the Chief Minister again mentioned, is about those changes to timetables. Traditionally and historically people have caught a bus at 10 past seven or 7 o'clock. With the new timetable, to try and get better connections, those times have changed. I know that in my own instance now I catch at bus at 6.43 as opposed to 6.50, as it was once before, or 7.10 rather than 7.08. There have been those sorts of changes. People get very entrenched in a way but people change very quickly, and I think that by and large the new network has been greeted with—we have been very comfortable with the responses we have had.

MR HARGREAVES: That accords with what I have heard. The second question I have is around disability accessibility. The target was to get to 50 per cent by 2012 in the original agreement. I notice from page 141 on BP4 that your estimated outcome is 55 per cent, which is five per cent over and above what was agreed on, which people hysterically said we could not possibly achieve—for all of the years I was involved with ACTION, anyway.

Firstly, I want to congratulate you for hitting the 50 and, more so, 55. What I am curious about, though, is this. You have actually achieved four per cent higher than your target, but you are now indicating that you are going to go up a further eight per

cent in 12 months. That is a big figure. That is a big jump to go from 55 to 63. How are you actually going to do it? I have every confidence you will, but I would like to know just how you are going to do it.

Mr Peters: I think the target was 55 per cent DDA by December 2012. Yes, we do expect to meet that. The government has given us more funding in 2012-13 to purchase new buses. We get 19 new buses next year; that will help us get up to target. The flip side of that is: how big is our in-service fleet? Because we have been a bit cleverer with our planning around network 12, we have been able to reduce the number of in-service buses. We were required to deliver the same service kilometres on the ground. So there are two ways which we will use to meet that.

MR HARGREAVES: How do you determine which routes the accessible ones are on? Now you are up to well over half. Ultimately it will be okay, and you will not need this question, but how do you determine which routes get it and which ones do not.

Mr Roncon: Essentially we work with our community very closely. We have an accessibility committee that ACTION established about 2½ years ago. That is made up of interested community members and community groups that perhaps represent Vision Australia or their particular interest group. We use advice through those forums to be able to dedicate services. Obviously, the increased number of accessible buses that come into the fleet through the funding that was just discussed here gives us an opportunity to provide more service. We accept phone calls and correspondence from the community, from individuals in the community who might be requiring an accessible bus. We will always try and put services on through that forum. And then also there are our main trunk routes with the newer buses, as we discussed earlier; obviously they are all wheelchair accessible and accessible.

MR HARGREAVES: You said a minute ago that you are going to acquire, for the sake of the argument, about 20 extra buses going into next year. Are they going to be replacement stock or are they going to be additional stock?

Mr Roncon: We currently have 33 articulated buses in the fleet. The 20 that we have just referred to are 20 new articulated vehicles over the next 13 months that will replace 20 of those 33. And then in 2012-13 there is additional funding for the balance of those articulated buses.

MR HARGREAVES: How much do you get for the ones that you offload?

Mr Roncon: We are not too sure around the articulated buses, but we are—

MR HARGREAVES: It was not a lot for the MAN buses?

Mr Roncon: No. For the older ones, the old buses—

MR HARGREAVES: Will you get about 20,000 for them?

Mr Roncon: Probably around the \$5,000 or \$6,000 mark. They are essentially scrap.

MR HARGREAVES: There is my motor home.

Ms Gallagher: Your Winnebago.

THE CHAIR: But it will not be disability accessible.

MR HARGREAVES: Winnebago—articulated Winnebago.

THE CHAIR: I will go to Ms Hunter, then get some substantive questions.

MS HUNTER: I want to follow up on that topic. With the bus replacement program, what type of fuel will these buses be using and what emission standard will they meet?

Mr Roncon: Diesel fuel and Euro 5.

MS HUNTER: We have talked about articulated buses and so forth. Has there been discussion about smaller buses that could be used on routes that have fewer people or in a demand-responsive program?

Mr Roncon: Those discussions have been had generally speaking, but the cost of providing a bus, big or small, is roughly the same.

Ms Gallagher: The largest costs are not really changeable with the size of the bus—the fixed cost.

MS HUNTER: I do understand that it is the driver issue.

Ms Gallagher: But it is looked at. We are doing some work with NICTA in terms of our partnership with them. There is a scientist over there who specialises in demand-responsive transport. He and I have met with ACTION to talk about any opportunities there might be there. That is a piece of ongoing work. I would not say never on demand-responsive transport, but there are some practical constraints to implementing it.

MS HUNTER: When you go out for this program, are you going to do a single select tender? I notice that in past years you have just gone out with an open tender; then there was a year where you did go out with a select tender process. I think you bought the Scania buses. What are you intending to do this time around?

Mr Roncon: The abbreviated process you are referring to was where there was an opportunity to do a deed of variation on the additional buses that were on the back of the original procurement. As far as the 20 articulated buses that we have just referred to are concerned, that was a full procurement process that was undertaken as part of that. And now the 13 additional buses can be a deed of variation on the back of that. But the 90-bus program that has been funded over the next four years that we have referred to will again be a full procurement process.

MS HUNTER: I think I covered off on the demand-responsive issue. You are doing some work with NICTA on that?

Ms Gallagher: Yes.

MR SMYTH: On page 115 of budget paper 3 there is an initiative called “Transport for Canberra—communication service for real time passenger information systems”. On my understanding, it has been working since about 2005. When will we actually see the system up and running properly, and what do we get for this additional 400,000 over the next four years?

Ms Gallagher: When the real-time passenger information was funded, it was expected that it would be used over the existing ESA network. Throughout the rolling out of this project, the advice to government was that it would be better on a cellular service, not using the ESA, because there are times when the ESA would need their network and it would not be available for ACTION to use. The government considered this pretty carefully and have decided to use the real-time info over the cellular service. In terms of the actual rollout of real-time information, the tender has been announced. Hopefully—later this year, is it?—it will first light up.

Mr Peters: It has been out to tender and the tender has closed. There were three packages that were put out to market. The first was actually the base hardware for the system and the software, the communication linkage. The second was a mesh radio option. The third package, which gets around the ESA issue if there is an emergency, was around software apps, with the intent that we would get a system provider in, provide the data to data.gov.au in terms of all the information that various players in the market can use to develop their own apps and on-sell them.

THE CHAIR: Does that \$430,000 pay for all of that work you have just mentioned?

Mr Peters: The \$430,000 actually pays for your ongoing phone charges, the communication charges to run a Telstra or an Optus or whatever it is on the bus, which transmits the data back to the hardware in real time. That is what that separate funding is.

THE CHAIR: That other work you have talked about, that is separate funding and includes an app?

Mr Peters: Yes. The original \$12 million or so that was provided in the previous budget was actually to design and implement the system. As I say, it is out to market at the moment, the tenders have closed, we are assessing those tenders. Once we appoint someone, which will be shortly we would expect, all things being equal, then they can get on and deliver the system. We would expect to have the majority of that in place mid next year.

MS HUNTER: What is the time line on that?

Mr Roncon: June next year.

MR SMYTH: How much has been spent? Can we get a reconciliation year by year on what the expense has been on the real time.

Mr Peters: Yes.

THE CHAIR: So that is taken on notice.

MR COE: Does that money include the provision of screens at any bus stations, interchanges and stops?

Mr Peters: Yes. What the tender package proposes is screen information at major bus stations and stops. How many of those we get actually depends on what the tender comes back with.

MR SMYTH: When was it realised that you could not run it on the trunk radio network, I assume you are talking about?

Ms Gallagher: You can run it. The original idea was to run it using the ESA network but, as the project has rolled out, that advice to government about ensuring that there are not interruptions to the real-time information service has changed. The way to manage that risk, even though it is slight, is to use the cellular service.

MR SMYTH: Who provided the original advice that it was acceptable to run it on the ESA system and then who provided the advice that it was no longer acceptable?

Ms Gallagher: I would have to check that. It was well before my time.

MR SMYTH: I take it that that is taken on notice.

THE CHAIR: It is taken on notice.

MS HUNTER: You have put this all out to tender, the software, the hardware and so forth. The apps that could be developed are all part of that one tender. It does not allow for other people. We had the situation, as you would know, where a team of students from the ANU had done some work. Is there any opportunity for others to be developing apps?

Mr Peters: Yes. The tender allowed tenderers to bid on all or one of the packages. We have different suppliers tendering for different parts of the work. They are different and again, subject to government, we would intend to make the data open source so that anyone and everyone can get a hold of it and develop apps as they want.

MR COE: That is the actual bus location?

Mr Peters: Yes, actually where the bus is in real time.

MR SMYTH: Still on page 115, in the next line “Transport for Canberra—MyWay Services”, you have got a sum of \$1.5 million just for 2012-13. What does that purchase?

Mr Peters: When we introduced MyWay, you will know that we provided a customer service centre in Civic and one out at Belconnen. The original funding for those centres was intended to come from people jumping online and reducing our

administration costs which we had with the previous ticketing system and we could reallocate that funding to fund the centres. Essentially, not as many people have got online, using the automatic top-up system for their cards, the direct debit option. This money is essentially one-year funding to keep those centres running this financial year and then evaluate the system during the year.

Ms Gallagher: I want to make sure that we are, through this financial year—and this is the reason the money is not ongoing—examining that we know, from people’s behaviour, how they are accessing MyWay. I do not know whether you have a MyWay card, Mr Smyth or Mr Coe, and how you put your money on it, but I use a mix of going online and if I am wandering past a Civic shop or going into Civic, I go to the Civic top-up centre. It seems that people find that quite convenient, but we need to make sure that we are looking at other ways, whether we can have ATM-type facilities at the bus stations. There is a range of technology available. We are wanting to make sure it is efficient but convenient for passengers, and at the moment not as many are wanting to top up online.

MR SMYTH: What does the \$1.5 million purchase? What is the breakdown?

Ms Gallagher: The MyWay centre.

MR SMYTH: But what is in the centre? Is that just a computer, is it staff?

Ms Gallagher: Yes, staff.

MR SMYTH: How many? What part of that \$1.5 million is staff costs?

Mr Peters: Staff, leasing costs and rent, plus supplies to actually run the centres.

MR SMYTH: Have we got a reconciliation of that?

Mr Peters: Yes.

Ms Gallagher: They have been popular.

MR SMYTH: Can we have reconciliation of it?

Mr Peters: Yes.

MR SMYTH: And how many staff work in the office?

Mr Peters: It is usually—

Ms Gallagher: Two in the Civic one.

Mr Peters: Two.

Ms Gallagher: They are small operations.

MR SMYTH: There is also in the budget a feasibility study for the replacement of

CCTV cameras. How many buses currently have CCTVs?

Mr Roncon: All of them. Every bus in the fleet is fitted with CCTV.

MR SMYTH: And they are all functioning?

Mr Roncon: Yes.

MR SMYTH: Who monitors the systems?

Ms Gallagher: Staff in the operations area.

MR SMYTH: Sorry, Mr Peters?

Mr Peters: Could you repeat that, sorry?

MR SMYTH: No, I thought you had more on whether they were all functioning.

Mr Peters: No.

MR SMYTH: Who monitors the system?

Mr Roncon: We have a fleet audit team that do that within the corporate office.

MR SMYTH: Are they watched real time?

Mr Roncon: Are they—sorry?

MR SMYTH: Are the monitors watched real time?

Mr Roncon: Watched in real time?

MR SMYTH: Yes.

Mr Roncon: No. There is a process of ongoing maintenance on those and regular checking to make sure that they are working. The information on those is essentially downloaded each night when the buses come back in and then if there is a need to actually download and burn footage to a CD, for whatever reason, that process is done as and when required.

MR SMYTH: How many incidents have been recorded on the buses and at the interchanges?

Mr Roncon: I would have to take that on notice. I could not tell you specifically.

Ms Gallagher: Yes. It is a range of incidents, as you could imagine.

MR SMYTH: If we break it down, are you aware how many assaults have occurred on actual personnel on the buses or at the interchanges?

Mr Roncon: We have that data but I do not have it to hand.

MR SMYTH: You can provide that? That is taken on notice?

Mr Roncon: Yes.

MR SMYTH: What is the expected time frame for the implementation of the new system?

Mr Roncon: The \$100,000 that is spent in next year's budget is for a feasibility study. That will determine exactly what is required and through that process establish how we move forward.

MS HUNTER: Why did we need this to happen? Why do we need to replace the system? I am thinking that it is probably—

Ms Gallagher: Age and capacity.

MS HUNTER: It is probably only about five or six years old.

Ms Gallagher: Seven years. Is it seven years?

MS HUNTER: I would have thought if it took a while to roll out—

Mr Roncon: Clearly the newer buses are all okay and, as we get the newer buses into the fleet, that is not an issue. It is just on that older rolling stock there is a need to update them. Their ability to capture data and hold that data for the required periods is not what it was, and things have changed. So we just really need to ensure that we have got the most up-to-date equipment across our fleet.

MS HUNTER: Do we have CCTV at all interchanges?

Mr Roncon: I would have to double-check that. I believe so but I would like to check that for you.

THE CHAIR: So you will take that on notice. I have a quick one on the MyWay recharge. Have you looked at having options at stations and on buses, as they do—

Ms Gallagher: That is part of what I want to see happen. That is what I was saying around the kind of recharge facilities at the—

THE CHAIR: Will you be rolling over the existing contracts with the existing agents or will you be testing the market again on that?

Mr Peters: This was for the new recharge?

THE CHAIR: Yes.

Mr Peters: We will be testing the market for those.

Ms Gallagher: We are constantly looking at MyWay. There are some issues we need to respond to around how people are using MyWay. At the moment you can buy a \$20 card and use it and go into negative balance and then go and buy yourself another \$20 card, so we are considering implementing a fixed charge for the cards, which operates in other jurisdictions, to try and discourage some of that behaviour, because we are seeing more going into negative balance and then we are issuing more cards. So we have to look at a way of managing that.

MR COE: Firstly on MyWay data, how far away are you from having all the reporting capability online?

Mr Peters: Probably by about the fourth quarter of this year we should have everything that we can get out of the system available to us.

MR COE: Is information such as average distance travelled available yet?

Mr Peters: I think we are working on that at the moment, so the schedule is probably about the end of this month or end of next month.

MR COE: What sort of matrix can you get out at the moment?

Mr Peters: At the moment we can understand how many people are travelling by route, what time they are travelling, what sort of people are travelling on each route, how many fare cap trips we are getting, what ticket sales we are making, which people are getting off at which stop, how many people are getting on and off at particular stops, where they came from, how long they are on the bus for, whether the bus is on time when it hits a particular stop and on time—

MR COE: How long on a bus? That is in time rather than distance?

Mr Peters: Yes, in time.

MR COE: So in June or July you will get information such as average distances?

Mr Peters: Yes.

MR COE: Would you please let me know whether there is an ongoing dispute with some drivers, perhaps going back 20, 30, 40 years, regarding superannuation and whether in fact there was a time when some drivers may not have been able to contribute to superannuation and then it turned out that they could have but they had perhaps received false advice? Is there an ongoing liability there?

Ms Gallagher: I will have to take some advice on this. I am vaguely aware of the issue, but I need to have another look at it. I have not seen anything recently on it, so I would need to have another look.

THE CHAIR: That is taken on notice.

MR COE: Could you take on notice the nature of the issue, obviously, what steps have been taken to resolve the issue to date, what course of action the government is

likely to take, the number of people and the potential liability to the government? I imagine that potential liability is not included in any of the budget papers.

Ms Gallagher: I will just have to take some advice again, Mr Coe.

MR COE: Sure. How do you determine when there is adequate demand for a school bus service?

Ms Gallagher: I think it is fair to say that it is looked at case by case and worked out with the school. There is a whole range of factors that are looked at, but it is worked out between the school and ACTION. I think they have been pretty responsive. There are a couple areas where we can learn from some of the communication processes, but overall it is in discussions with the school.

MR COE: I have received concerns, as I am sure other members and the government have, about bus services in Belconnen but also in the suburb of Crace.

Ms Gallagher: Crace, yes. That is being worked out at the moment with the local Catholic school—

MR COE: What is the resolution likely to be there?

Mr Roncon: There are a couple of issues. In relation to that particular point, the school have now written to ACTION, which is part of what we require. Obviously it is very difficult for ACTION to be able to deal with each individual family and assess what their needs are, so, as the Chief Minister mentioned, we work with the schools and the schools will usually provide us data around where their students come from, their needs, their requirements, and we can try and resolve those issues. So that issue is underway in terms of trying to resolve that and provide a school service to Holy Spirit.

MR COE: Is there a possibility that it will be online for term 3?

Mr Roncon: I am not acutely aware of the exact detail of that, but I know that we are dealing very closely with the school. If not term 3, then certainly we are looking at some options around term 4.

MR COE: I have heard people mention a magical number that needs to be reached for determining thresholds. Is there such a number and, if so, what is it and what is the background for that number?

Mr Roncon: I heard a similar number when I first moved to Canberra. I was looking to get a school service for my kids. That was before I was with ACTION of course and—

Ms Gallagher: Did you get it?

Mr Roncon: No. And that magic—

MR COE: Still lobbying. One day.

Mr Roncon: One day, yes. That magic number was 27 and that was just for one specific school for one specific area. Mind you, that was from, sort of, Gungahlin through to Eddie's. But realistically what we try and do is to look at the profile and the demographics of the community. Using Crace as an example, there might be a hundred families in there that are sending kids to four or five different schools, so we try to program a service through there that will factor in delivery to all of those schools.

MR COE: Burgmann, Holy Spirit, Gold Creek et cetera—

Mr Roncon: Absolutely, and try and provide that service to the community and cover off every school where we can.

MR COE: Can I suggest that if there was some facility whereby people could lodge their interest in a school service on your website I think that would help, certainly from at least an Assembly member's point of view of being able to say, "Here is a place where you can directly say that you would like to lodge interest." But also I imagine it would be handy for the government to be able to receive that information directly from parents.

Ms Gallagher: Yes. I will have a think about it. I guess the issue really is about ACTION's response to individuals as opposed to responding to the schools. At the moment it is managed through the schools—

MR COE: Or at least articulating how people go about lobbying for a bus. Whilst I of course welcome all representations to my office, I think it is disappointing that there is not a clearly articulated avenue within ACTION that people can go through. I think it would be helpful for the government to do that.

Ms Gallagher: We are always looking at ways to improve our information.

THE CHAIR: To follow up on that, we were informed through an answer to a question taken on notice that ACTION was not aware of the expenditure details for different school routes it operates. Is that correct? How do you operate those services if you do not know the expenditure in each of them?

Mr Roncon: The school services are integrated. Canberra provides a unique way of approaching school services and one that I think works very well compared to other jurisdictions I have seen. Essentially most of the school services are integrated into the passenger route services, so if we use Gungahlin as an example a passenger route service might terminate in Gungahlin and then make its way through to Amaroo school and provide a school service, finish that school service and then integrate itself back into the passenger route service. Being able to definitively cost save is incredibly difficult and not something that we have done, but it is a system that I think has served the ACT very well and continues to do so—

MS HUNTER: I have had someone approach my office who felt that there was not necessarily an even-handed approach taken to government versus non-government schools as far as getting on bus services.

Mr Roncon: I disagree. We certainly use a—

Ms Gallagher: A school is a school.

Mr Roncon: A school is a school, yes, absolutely. We take our responsibility to anybody that wants to travel on a bus, firstly, and then a school bus, more importantly. We take that very seriously.

Given that we do have that integrated approach, obviously one of the things that we will try and do if there are passenger route services available is to try and encourage people to utilise those in the first instance and they might meet up with a school bus in the city bus station for argument's sake and then continue on to their destination. Obviously if a school is out of area it is very difficult to provide a direct service from an out of area school to that school. Where we can we will and where we cannot we will always find alternatives to be able to do that.

MR COE: Regarding the policy about primary school age children on the same buses as high school and college students, are there any concerns about that, and do you have a policy to try and separate services so that students are not on the same bus together?

Mr Roncon: I guess the short answer is no. Again, it probably gets back to what we discussed earlier about that integration. Where we can provide a dedicated school service, we will; where we cannot, we will try and find that integration between the passenger route services and a school service or vice versa. But no—

MR COE: I understand that it is tricky.

Mr Roncon: There have not been any issues.

MR COE: I am not advocating for it; I am just curious about that.

Mr Roncon: Sure. Certainly no issues have been raised with us around safety issues and co-mingling with adults. And our drivers and transport officers are very good in terms of watching and maintaining. If there was a problem, we would be on to it straightaway.

THE CHAIR: I have a question around revenue from bus advertising. You have the contract with Bus Advertising Media Pty Ltd.

Mr Roncon: Yes

THE CHAIR: We have looked at the contract. It does not provide any details about what revenue earned goes to ACTION and what goes to the actual provider. We note that there was a review of ACTION's audited financial statements, and bus advertising revenue fell by 29 per cent between 2008-09 and 2009-10, and then by 34 per cent between 2009-10 and 2010-11. I appreciate that you do not have the contract and the audited statement there in front of you, but what are the financial arrangements between ACTION and the Bus Advertising Media?

Mr Roncon: I will take that on notice.

THE CHAIR: There are a few things—why revenue from bus advertising has fallen by what seem to be fairly significant levels for those periods that I gave to you.

Mr Roncon: Okay.

THE CHAIR: And if this fall in revenue continued during 2011-12, what would be the projections for bus advertising revenue for the 2012-13 budget and then the three forward estimate years.

Mr Roncon: Sure.

MR COE: I have asked similar questions before, and the answer, in writing, perhaps at one of our committees, was that all that information is commercial in confidence—and information which was advised to be commercial in confidence as to how much the ACT government receives and how much the ACT government pays in the event that the ACT government advertises on buses. I have asked about what percentage of the fleet, in terms of advertising space, is on contract. There is a whole lot of information there. If there is going to be a willingness to answer these questions, I will happily submit them again, but if you are able to give some background as to why that information would be considered commercial in confidence I would be very keen to hear the rationale.

THE CHAIR: We are able to get that information from the contract, and obviously there is information in the audited statement as well, so you can actually access some of that information. It would be interesting if you can review—

MR COE: Not all—not some of the quantum.

THE CHAIR: And also is it possible to take on notice how the current arrangements between ACTION and Bus Advertising Media Pty Ltd maximise the total revenue outcomes for the ACT. So that is all taken on notice. Ms Hunter, do you have a question?

MS HUNTER: Yes. I want to go to the supply and installation of bus shelters. We have a contract with Adshel for the design, installation and maintenance of bus shelters. It is a bit confusing, because it seems that we have it on some of them, but not on others. Can you give a bit of information about the total number that Adshel has installed under the contract and if this is within the time frame and the conditions set out in the contract?

Ms Gallagher: Yes; sure.

Mr Roncon: I would need to take that on notice.

Mr Peters: We can provide the information.

THE CHAIR: Did you have anything further?

MS HUNTER: Yes. There were some others around the total number of providers who have been contracted to install bus shelters. Can you take it on notice. And the crossover between the contracts with Adshel and other providers with respect to bus shelters.

Ms Gallagher: This is a Roads area. They manage the contract. We are not trying not to be helpful; it is just that that sort of information would be logged in Roads.

MS HUNTER: It is in TAMS?

Ms Gallagher: It is in TAMS, but Roads are not here.

MS HUNTER: How about I put the rest of those on notice? We will get them through to Roads and they can answer that question.

THE CHAIR: What role does ACTION have in making sure that we are getting them? I appreciate that Adshel want to maximise their revenue from that, but what do we do to make sure that those sorts of bus shelters are going on routes that actually need them? Do you have any input into that process, even though the contract might sit with TAMS?

Mr Peters: We can get the detail of that. There is an internal group which looks at, essentially, patronage at stops. The MyWay data that we are getting now is helping us determine which are our better patronised stops. They become priority for shelters. There are conditions in the contract around passing vehicles—

THE CHAIR: I am aware of that, yes.

Mr Peters: which is essentially what they base their advertising on. However, we do have a system in place to try and prioritise, where we can. I can get you the details of that.

THE CHAIR: Yes, but you are a part of that process?

Mr Peters: Yes. I look after roads and ACTION, yes.

MR SMYTH: Going to the new MyWay terminals, from budget paper 3, page 175, there are 10 terminals being proposed. Where will they go?

Mr Peters: That will be subject to a tender process, Mr Smyth.

MR SMYTH: The acquisition of them? I am talking about the location to place them.

Mr Peters: Yes. Last time when we went out to ask for recharge agents—newsagents have recharge terminals, whereas at normal other MyWay outlets you can just purchase a \$20 preloaded card. With the recharge facilities, it is a special machine; they cost \$10,000 each. We went through an open tender process last time for people to bid to be a recharge agent; we would anticipate doing the same this time.

MR SMYTH: When will that occur and when do you expect that the terminals will be operational?

Mr Peters: Over the course of this financial year we would hope to have them up and running. There is about a six-month lead time, essentially, on purchasing the equipment. We would anticipate that we would have them operating early next year.

MR COE: In the event that you had a couple of nearby locations bidding for a recharge licence, how would you make your determination as to who would receive it?

Mr Peters: I can probably—

Ms Gallagher: I do not think that has been the case, though, has it?

Mr Peters: If I understand the question, it is: how do we actually determine who would get—

Ms Gallagher: Where the recharge—

MR COE: That is right. If, in effect, you had two newsagents in the same area seeking a MyWay recharge capability, how do you determine which one would get it?

Mr Peters: There are two levels to that. One is regionally; we would only want one recharge agent servicing a particular region. The second category is their past performance with us in terms of how they behaved previously as a ticketing agent for ACTION. I do not have the exact details of the tender assessment criteria with me, but they were the two main criteria.

Ms Gallagher: For example, there are a couple in Westfield Belconnen and there are a couple in Woden. So there are instances where—

MR COE: Yes, but then there are others in group centres, I think.

Ms Gallagher: There is Charnwood.

MR COE: If a second applicant in a group centre puts in an application, is there anything which restricts another agent being commissioned in a certain location?

Mr Peters: I would need to just check the details of the original award.

Ms Gallagher: Plus the cost. You are not going to fund a recharge machine for anyone who wants one; there is the level of demand. This is the issue with MyWay. Again, Mr Coe, I do not know how you recharge your MyWay. Do you go into a newsagent or do you go online or do you go to the shopfront? We are trying to provide a range of ways of doing that. It is not an open-ended or unlimited response.

MR COE: In terms of the capital costs of setting up a recharge agency, does the licensee pay any money or is the fixed cost totally borne by the government?

Mr Peters: There is a capital cost for the machine, which is borne by the government, and then there is ongoing commission that is paid by the agent, essentially.

MR COE: It is a good situation for somebody who gets that. But for somebody who applies and misses out, it is pretty tough. It is pretty tough for newsagents in that situation, especially when they were selling tickets and suddenly they do not have that traffic—

Ms Gallagher: But they can sell the cards, and they do still sell the cards.

MR COE: That is right, but, firstly, you would like to stop them from selling as many—

Ms Gallagher: Well, yes, to deal with one other issue.

MR COE: and, secondly, once everybody has got one, the demand dries up for those. I have chatted with a number of newsagents who have said that in the past people would drop in, buy bus tickets and, while they were there, purchase other things. That sort of traffic is drying up. It was great for a couple months when everybody was buying the actual MyWay card the first time, but since then it has been tough. I think it is something that has to be considered when awarding the next round.

Ms Gallagher: I do not know what the answer is, Mr Coe, unless you are suggesting that everyone become a recharge agent.

MS HUNTER: I might go to budget paper 4, page 141. Under the accountability indicators we have a customer satisfaction indicator of 85 per cent. That was done on a survey. How many people are surveyed? How do you go about surveying people?

Mr Peters: It is actually part of the TAMS Directorate survey, one element of which is ACTION services. I would need to take some detail on that. I think it is about—

Mr Byles: From memory, it is 1,000, but I would need to confirm that, Ms Hunter.

MS HUNTER: So that is 1,000—

Mr Byles: Telephone surveys.

MS HUNTER: Telephone surveys.

Mr Byles: I will confirm that number.

MS HUNTER: So not all those people would be ACTION bus users.

Mr Byles: No. In fact, the survey is quite encompassing. From memory, there are about 54 questions on the survey. Four relate to demographics and I think about 16 relate to transport—MyWay and public transport-type services.

MS HUNTER: What percentage, or what number, of those 1,000 actually use buses to be able to answer those questions?

Mr Byles: I cannot answer that. The most recent survey, in fact, is still being collated, but I can take that specific question on notice.

THE CHAIR: That would not seem to be a particularly reliable indicator, then, if that is what it is being based on. You do not know the number of people.

MS HUNTER: It is piggybacking on another survey.

Mr Byles: No, it deals with the satisfaction of services. I am happy to provide you with a copy of the survey, the questionnaire, if that would help.

THE CHAIR: Sure, but it actually says “customer satisfaction with ACTION services”.

MS HUNTER: Not with TAMS services.

THE CHAIR: No.

Mr Byles: No, but it deals specifically—if you could just bear with me for a moment—in section 2, question 2(b), with the ACTION bus network: “Please rate your satisfaction or dissatisfaction with the ACTION bus network”. So it is quite—

MS HUNTER: No, I understand that, but what it is is a general survey; it is not a survey that is actually targeted at users of ACTION. You go out on a general survey about TAMS services and you happen to have a section in there on ACTION. Maybe some of those people that you survey might—

THE CHAIR: It might only be a few people.

MS HUNTER: I would just be interested in the percentage of those 1,000 who actually can answer that part of the survey because they are actual users.

Mr Byles: Sure. I can get that detail for you.

THE CHAIR: That would be good.

MS HUNTER: Thank you. The other one was around service reliability, and it is a new indicator that will be coming in in 2012-13. It is the percentage of services which operated to completion. What I want to understand from that is: does that mean the ones where the bus actually made it around without breaking down or is it that the bus was not late or was not early? What exactly does it mean?

Mr Roncon: The very first one. A bus that starts and finishes its run—

MS HUNTER: Without breaking down.

Mr Roncon: without breaking down is considered as part of that.

MS HUNTER: Do you collect the information around how many services run late

and how many services run early? I know from years ago, having been previously on the ACTION board, that running early can be as bad, if not worse, than running late—

Mr Roncon: Worse, yes.

MS HUNTER: because people turn up and they do not know the bus is gone. They ring to say that their bus did not turn up—

Ms Gallagher: That is where real-time information will assist.

MS HUNTER: and they are told, “No, you’re not telling the truth,” which is the experience of some. Do you keep that information?

Mr Peters: You will notice one of the indicators there, indicator (g), is the percentage of services operating on scheduled time. Again, one of the advantages of the MyWay system is that we can actually tell the next day, because the data is not currently in real-time, whether the bus was at the stop at the time it was supposed to be. That is what that indicator tells us. The indicator there is one minute early or four minutes late. As you have stated, it is better off being late than early.

If you are looking for a bus, we are just in the throes of looking at the timing points. As you would appreciate, a bus runs along a route, there is no-one there to be picked up so it will get ahead of its timetable. We have timing points around the network where they are supposed to be on time. They wait at those timing points so they get back on schedule and are not then running five minutes early at the next few stops. This indicator actually measures that. Because we use the data from MyWay, we can actually tell how early or how late.

MS HUNTER: You are regularly reviewing that to then give feedback to drivers?

Mr Peters: Yes.

MR COE: The procurement of exclusively MAN and Scania buses, what is the background behind that? When you procure new buses, do you, in effect, exclusively choose between MAN and Scania for economies of scale, or are you open to other manufacturers?

Mr Roncon: We are absolutely open; obviously, the procurement process is just that, a procurement process. Obviously, there are weightings within that process that look at not only costs but reliability, history and all of those sorts of issues that you would be familiar with. We run a process and then we do an evaluation of it. Certainly, over the last probably four or five years the Scantias and the MANs have represented the best value for money in terms of delivering—

MR COE: When would have been the last time you would have procured a bus that was not a MAN or a Scania?

Mr Roncon: The 135 buses that are currently being replaced—that is a program that started about five years ago, so probably about five years ago. If you look at the older fleet, there are Renaults and all sorts of things in there.

MR COE: Yes, I know about the old fleet.

THE CHAIR: Thank you very much. We are out of time. On behalf of the committee, I would like to thank you, Ms Gallagher, for appearing as the Chief Minister and the Minister for Territory and Municipal Services.

Ms Gallagher: Thank you.

THE CHAIR: I also thank officials from Chief Minister and Cabinet and Territory and Municipal Services, and also the ACT Public Cemeteries Authority, for appearing before the committee.

As mentioned at the commencement of the hearing this morning, there is a time frame of five working days for the return of answers to questions taken on notice at this hearing. Questions on notice for the following outputs—Territory and Municipal Services Directorate, output class 2, enterprise services, including output 2.1, government services, and ACTION, output 1, public transport—should be lodged with the Committee Office within three business days of receipt of the uncorrected proof transcript, with day one being the first business day the transcript was received.

After lunch we will return with an examination of the expenditure proposed and revenue estimates for Education and Training, output class 1, including output 1.1, output 1.2 output 1.3.

Meeting adjourned from 1.02 to 2.03 pm.

Appearances:

Bourke, Dr Chris, Minister for Education and Training, Minister for Aboriginal and Torres Strait Islander Affairs, Minister for Industrial Relations and Minister for Corrections

Education and Training Directorate

Joseph Ms Diane, Director-General

Whybrow, Mr Mark, Executive Director, Corporate Services

Gniel, Mr Stephen, Executive Director, School Improvement

Mitchell, Ms Beth, Director, Aboriginal and Torres Strait Islander Education and Student Engagement

Garrisson, Ms Joanne, Director, Information, Communications and Governance

Bateman, Mr Michael, Director, Office for Schools

Baird, Ms Linda, School Network Leader, Office for Schools

Huard, Ms Anne, School Network Leader, Office for Schools

Kyburz, Mr Steve, School Network Leader, Office for Schools

Stewart, Ms Tracy, Director, Planning and Performance

Sharma, Ms Sushila, Director, Finance and Corporate Support

McAlister, Ms Coralie, Director, Human Resources

Bray, Mr Rodney, Director, Schools Capital Works

Huxley, Mr Mark, Senior Manager, Information and Knowledge Services

Ellis, Ms Anne, Chief Executive Officer, Teacher Quality Institute

Neau, Mr Phill, Manager, Aboriginal and Torres Strait Islander and Student Education

THE CHAIR: Welcome to this afternoon's session of the eighth public hearing of the Select Committee on Estimates 2012-2013. Welcome, Dr Bourke, as the minister for education.

The Legislative Assembly has referred to the committee for examination the expenditure proposals in the Appropriation Bill 2012-2013 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 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 in which the question was taken, with day one being the first business day after the question was taken.

On behalf of the committee I welcome Dr Bourke and officials from the directorate. This afternoon the committee will deal with the following outputs in the Education and Training portfolio: output class one, public school education, being 1.1, public primary school education, 1.2, public high school education and 1.3, public secondary college education.

What I will probably do, as I have done with some of the other areas, is allow questions across each of the outputs, if that is okay. It is a bit easier to handle that way.

I draw your attention to the privilege statement on the blue card in front of you. Could you indicate that you are aware of the implications and information in that. Thank you. I also remind you that proceedings are being broadcast, so be aware of that.

Dr Bourke, before we go to questions I would like to invite you to make an opening statement, if you wish.

Dr Bourke: I would love to. The ACT government wants all young people to have the same opportunity to access the education and skills required to lead fulfilling lives. Education is a high stakes venture. We know that education strongly affects economic growth and the distribution of income.

Since being elected in 2001 the ACT government has increased the school education budget by around 60 per cent. In addition, since 2006-07 the ACT government has invested around \$680 million into ACT public school infrastructure. Despite fiscal constraints the ACT government continues to deliver more for education in 2012-2013.

With our performance across public and non-government education sectors and with Canberra's ongoing status as a national leader in education and training outcomes, it is obvious that the toil and treasure going into education continue to pay off.

The 2012-13 budget maintains and builds on our focus on improving every student's learning outcomes. The 2012-13 budget meets the ACT government's commitment to inject significant capital spending to upgrade public schools and build new schools where they are needed most. The budget includes \$12.9 million to upgrade and refurbish Taylor primary school and allocates \$5.9 million over five years to support the operation of the new Franklin early childhood school, which will open in 2013. There is \$5.9 million for Bonner primary school, which will also open in 2013, and another \$2.8 million over two years has been allocated to provide classrooms at Duffy primary school for the new residents of Molonglo and north Weston.

The ACT government has a long-term vision of a sustainable future for the ACT. In the 2012-13 ACT budget we are continuing to support ACT public schools to move towards carbon neutrality, with \$3.5 million committed to stage 1 of the carbon neutral schools budget.

The ACT government is continuing the high level of service provided to students with a disability; \$1.54 million has been allocated to assist in meeting the increased cost of providing transport for students with a disability who attend ACT public schools. The funding for students with a disability attending non-government schools has also been increased, with a further \$2 million allocated for 2012.

I mentioned earlier that we have increased our education spending since 2001 by 60 per cent. So what do we get for our big investment in public education? Let me outline a few of our achievements. The ACT results from the 2011 NAPLAN tests show that our students are among the best in the country. For 2009, the national

assessment program science literacy report showed that the ACT had the highest proportion of students performing in the proficient range in science literacy.

Our national and international performance is testament to the quality teachers working at ACT schools and the continued focus on school improvement and teacher development across all sectors. There is no doubt that the successful outcomes arise from a curriculum designed to support 21st century learning. The ACT public and non-government sectors are taking the lead in the process, with all schools beginning the three-year implementation in 2011 and continuing this year with the Australian curriculum.

The new teachers enterprise agreement supports the ACT government's commitment to ensuring that the ACT has the highest quality teachers, with an overall increase of more than 15 per cent over the life of the agreement. The ACT government's investment in quality teaching is further underlined by \$2.8 million for the Teacher Quality Institute to improve their services to the ACT teaching workforce.

The new INSPIRE centre, launched in May with \$2 million from the ACT government, is a centre for research, for innovation; a place to imagine, experiment and design new ways of learning in the digital world. It allows pre-service and practising teachers to strengthen and expand their expertise.

We already have cutting edge ICT being used every day in our schools. We have wireless networks in all 84 public schools and colleges. We have a ratio of one to one, students to computers, for years 9 to 12 students and we have the new virtual learning environment which provides students and teachers anywhere anytime access to classes and lessons and rich multimedia.

In May last year the ACT government signed the ACT youth commitment to ensure that no young person in the ACT is lost for an education, training or employment. We have established four re-engaging youth network boards to assist business, training providers and government and non-government agencies to work together to keep our young people engaged in work, education or training.

We can be proud of what we have achieved in education and we are dedicated to achieving the highest standards in education and training.

This is a disciplined budget. It needs to meet areas of increasing demand, carefully manage outgoing costs and improve the efficiency of education services. It continues investments in the territory's essential education infrastructure. In 2012-13 the ACT government is working smarter to deliver more for education across the territory.

THE CHAIR: Thank you, Dr Bourke. I have a couple of questions relating to some of the expenses and operating cash flow surpluses. I note in budget paper 3 that the government is maintaining operating surpluses across all years. I note from the education cash flow on page 414 of budget paper 4 that there is an operating deficit, it seems, of \$333,000 in 2012-13. Can you explain what is happening there? Is there any inconsistency with overall government?

Mr Whybrow: I should point out in relation to cash flow activities between years that

there is an important element of the timing of bills between years. So you can have a cash deficit position. In a budget of over \$600 million in cash payments, \$333,000 is a small component that reflects movements of timing in payments between years. If you see the outyears, the estimates are, from an operating sense, cash surpluses over that time.

THE CHAIR: Okay. So you saying that the \$333,000 is basically down to—

Mr Whybrow: Generally there is a movement between cash between the years. The biggest component of that would be payments in relation to capital works programs. So over a \$110 million program, timing of cash payments between those years, that is the biggest component. The other element would relate to the timing of payments, say, for employee expenses. Within every year there are a number of pays and that number of pays can change. Every 11 years we get 27 pays, so the number in a cash sense can change in the order of up to \$10 million in just the timing of the cycle of pays in the year. That has a direct impact on cash flow and operating activity cash flows.

We have a strong balance sheet with appropriate levels of working capital. There is also an operating statement that says in a full accrual sense what is the operating position. You will note within that statement that there is a significant operating deficit. That is driven by depreciation, which is funded in our framework through capital injections. So if I pointed you back to the education and training operating statement on page 411 you would look at a total operating result and you would say that there is a \$62 million loss. But that is driven by your depreciation and your movement in employee expenses. The investment from government in that year is over \$100 million of capital injection, which does not hit the operating statement but impacts on your balance sheet.

I guess in summary the department is in a very strong financial position. You look at your cash flow around issues around liquidity. Do you have the capacity to meet your debts as and when they fall due? There is no issue there in relation to the department's operations.

THE CHAIR: Okay. So this particular \$333,000 is—

Mr Whybrow: To unwind that, I would have to get my CFO and she would say there is a range of ups and downs. But I have mentioned the biggest components and really—

THE CHAIR: The capital works.

Mr Whybrow: That, but also you have got the movement between employee payments in a cash sense, because you have a difference of cash payments and number of days you actually pay for. At the end of each year you can have up to nine days where you have not made a payment, or as little as one day where you have not made a payment, for employee expenses.

THE CHAIR: Great.

Mr Whybrow: They are the bigger components. And in that total dollar amount of

\$620 million, I guess what I am saying is that that is not an issue. Over the longer term, you actually have a cash surplus. If you look back to our operating statement—I should say balance sheet—and the cash activities there, which is page 412, you have cash effectively being held fairly steady at that \$42 million mark over time. That is a very strong balance sheet.

MS HUNTER: So the difference between your total current assets and your total current liabilities, which is around \$62 million—is that the same \$62 million you have just been talking about?

Mr Whybrow: No. The \$62 million I was referring to is on page 411, which is the operating result.

MS HUNTER: Okay.

Mr Whybrow: So from an operating result perspective, that is primarily driven by depreciation expense of around the \$60 million mark. That is what is driving the loss. But given the financial framework that we work in in the ACT, that is the nature of how we run the business. We reinvest and so maintain our assets and reinvest in our assets through a capital injection—so an equity injection by the owner. In this year, that was over \$100 million. In that sense, if you are asking if the owner is running down its assets or investing in its assets, on those rough numbers there is a net increase of \$40 million on the asset value in your balance sheet.

MS HUNTER: Going to the balance sheet and looking at the total current assets and the total current liabilities, there is about a \$62 million difference there, and it does not seem to get any better through the outyears.

Mr Whybrow: Yes.

MS HUNTER: Can you just explain that position and whether it is getting worse or better?

Mr Whybrow: Yes, most certainly. This is around the financial treatment of employee liabilities. If you have a look at your employee liabilities under the accounting standards, the reality of your annual leave and your long service leave—there is a component that is saying “of your leave, when it is due and payable, people can take it now”. So the only element that is held as non-current is where you have long service leave where employees do not have an entitlement to take it today. The actual taking of leave is not that full amount.

Really that issue about looking between current assets and current liability is the thing that I was mentioning before, your capacity to meet your liabilities as and when they fall due. Under the move to harmonisation of accounting standards with Australia and the rest of the world, that is where this concept came in of having your entitlement to employee expenses being determining of whether it is current and non-current.

In our annual financial statements, so in that report—I might get Sushila Sharma to pull out some data on that—that identifies an amount of what is expected to be the actual taking of leave and the expense in a recurrent sense, which is significantly less

than what is identified there as \$100 million going to be taken in the next 12 months. Quite clearly, over \$100 million worth of employee entitlements in leave will not be taken in the next 12 months. So it is really about adherence to accounting standards, about identifying that, yes, someone has an entitlement to take that leave. That is why it is classified as a recurrent component.

From a liquidity sense, is it an issue? I can tell you that it is not an issue, and it is significantly less than that. I hope that answers the question.

MS HUNTER: That was where I was headed.

Mr Whybrow: It is a very fair question.

MS HUNTER: To ensure that you were able to meet any payments in a timely way. I am so slow with the employee expenses and so forth but, Ms Sharma, there was one question I had there, around whether the directorate is meeting the 30-day requirement around paying invoices that are not in dispute.

Ms Sharma: Generally, around 95 per cent of the directorate is in a position to meet the 30-day invoice settlement. If there is anything not paid, it basically relates to whether the invoices are in dispute or the timing of getting the invoices.

THE CHAIR: I have one other question, about employee expenses. On page 422 of budget paper 4, in 2009-10 there was an amount of \$5.440 million from employer productivity contributions and then in 2010-11 there is an amount for \$5.302 million.

Mr Whybrow: Sorry? On page 422, there are only 2011-12 budget numbers and outcomes, not 2009-10.

THE CHAIR: Sorry; I will come back to that. I will revise my question.

MR HARGREAVES: You guys really do well in giving me things that intrigue me.

Mr Whybrow: Okay.

MR HARGREAVES: I thought I might see how we go. I know that Mr Whybrow always goes, "Fixed it," because he is like that.

Mr Whybrow: I hope so.

MR HARGREAVES: Let us go to page 406 in BP4. I have a couple of questions, if I may, on the wage parameters. I will give you the easy one first. The first real line on that table gives an estimated outcome of revised wage parameters of 8½ mill. Then it goes to 15, 19, 18 and 18. That is presumably the result of an enterprise bargaining agreement that you have done?

Mr Whybrow: Yes, that is correct—two in that case.

MR HARGREAVES: Two?

Mr Whybrow: Yes. There are two enterprise bargaining agreements. There is the clerical enterprise bargaining agreement that was from 27 December 2011 to 30 June 2013, so our HO has been very busy in negotiating agreements. There is also the EBA for teachers, which is over the time period 27 April 2012 to 30 September 2014. Both—

MS HUNTER: Which does raise the question about why 2014-15 and 2015-16 have dropped a bit, if anything.

Mr Whybrow: The components for the outyears—

MR HARGREAVES: Thanks. I did not need that.

Mr Whybrow: This is probably too much detail but I will give it to you.

MR HARGREAVES: Just hold that thought, because I might need a bit more detail.

Mr Whybrow: Okay; fine.

MR SMYTH: There is no such thing as too much detail.

MR HARGREAVES: What I was interested in in those figures was splitting them between the clerical and the teachers. The clerical people around the whole of the public service got an increase—and well deserved it was too, gallery, I might say.

Mr Whybrow: Yes.

MR HARGREAVES: However, what I would like to know with respect to the teachers is: what are we getting for our money and how does it compare with New South Wales?

Dr Bourke: Actually, what we are getting is some of the best teachers in the country. You can already see what they are managing to deliver for us, but this agreement reinforces the fact that teachers are the most important asset in our public schools. They are the ones who deliver the outcomes that we want. They are the foundation of the school. This new salary structure offers a salary package for teachers in the ACT which is more than competitive with other states' salaries. I think it is particularly important that we in the ACT, unlike other states, are not slashing teachers' salaries or staff. Mr Whybrow.

Mr Whybrow: Going back to—

MR HARGREAVES: If you could on notice—

Mr Whybrow: No, we can answer it now.

MR HARGREAVES: Can you split them right now?

Mr Whybrow: I will give it to you right now. I think I have got the information from our team on this. The total—and I have identified the time period for the teacher EBA,

2012 to 2014—is \$108.5 million for that agreement. The clerical agreement provides an additional \$9.7 million over that two-year period. There are a number of things in relation to what we are getting for the money. Obviously it is about being competitive with others but also it is about some priorities for the directorate as well.

In relation to the EBA, it is probably worth my time talking about the nature of what the EBA is about. The biggest component in our EBA is really about a move for the future. It actually incorporates elements of changes to our arrangements and really a support vote for empowering schools in the ACT. Some key elements in that EBA are around changes to the transfer at the end of the placement period, particularly around that increased local selection, advertising for classroom teachers during the year through open advertisements locally. That was very much an element of support and a vote from the populous there of our staff, with over 97 per cent supporting the EBA.

Other elements are around the creation of a new executive teacher, professional practice classroom teacher, with a salary of \$104,000 by the end of 2013. The upgrade of our deputy principal classifications sees almost a 24 per cent increase in their salary rate, bringing them in line with the New South Wales pay rates. There were increases again in our principals' salary rates, changes to our program allowing for accelerated incremental progression, reduced hours for our first-year teachers, recognising the significant workload when coming into the teaching profession for the first time and additional support that is required for our first-year teachers.

It enhances support for our school counsellors. In the past we have found it difficult to maintain our levels of school counsellors. This EBA provides an additional \$8,000 per year to meet the costs of professional development of our school counsellors. It also provides pastoral support across all our special schools. There are additional pastoral support executive teachers at the Black Mountain and Woden schools. I think it is doing a lot of things there.

I should also bring this back to some other elements of our budget. There is a significant investment in the Quality Teacher Institute. A range of those things are around providing and ensuring that we do have the best teachers in the country.

MR HARGREAVES: How do the new rates compare with New South Wales? That is your poaching territory, is it not?

Mr Whybrow: Yes. I will pass over to Coralie, and I am sure Coralie will have some exact figures. But putting on the old accounting hat, there is an element that will not be in those figures, and that is the element that within the ACT we have a higher cost structure. We actually pay our teachers more through the superannuation arrangements that are in place. That never makes the headlines but that is a cost differential between how—

MR HARGREAVES: Do tell us about that so that it does. Tell us about that superannuation difference, because that is a significant thing.

Mr Whybrow: Yes, certainly.

MR HARGREAVES: Mr Doszpot is quite right. He said, “How are we going to

attract the teachers?" If we can sell that, that is good.

Mr Whybrow: I do not like talking about averages because averages blur things, but to put it simply, on the comparative figures for New South Wales, where there is a nine per cent effective payment for superannuation, the average payment for superannuation in our department is in the order of 16 per cent. So there is a significant difference there in superannuation contribution.

MR HARGREAVES: Over 50 per cent.

Ms McAlister: I am going to give exact data for you. There is a variation between different teacher categories in New South Wales, and the variation is approximately \$5,000. Sometimes the ACT teachers are above New South Wales, sometimes slightly below. I can get that exact data for you. But the enterprise agreement is taking an experienced teacher 2.2 in the ACT from \$67,082 up to \$73,243, a difference of \$6,160. New educators, those in their first year of teaching, are going from \$55,327 up to \$60,384. We have an experienced teacher category, a new, top-of-the-range category. We have not had previous starting data on that, but the previous experienced teacher started at \$78,837, and this new category of experienced teacher will see that teacher paid at \$90,488, a difference of \$11,551.

MS HUNTER: I want to follow that through while we still have that question on the table. Mr Hargreaves wanted his to be finished first. The question is around that drop as you go along. We are getting up, in 2013-14 to, \$19,926, and then we start to drop to \$18,585. What is going on there?

Mr Whybrow: I will refer back to the detail. If you actually have a look at the starting base amount, there are funds that are going up in those years. This is the direct impact on the revised wage parameters, to bring it in line with the profile going forward. Where there is not a component of an existing EBA, the budget papers do provide an estimated base funding for the outyears. Details of the wage price index are what are used there. I believe they are identified through budget paper 3, where you have indexes and rates therein contained in the budget papers. There are two components. Where there is not a known agreement, there is funding that is provided for that in the base, which is based on that wage price index.

MR HARGREAVES: My last question on this subject is on the wage indexation thing that I started with. The budget policy adjustment line, about two-thirds of the way down the page, has got revised wage indexation parameters.

MS HUNTER: It is \$5.3 million.

MR HARGREAVES: And you will notice that in 2014-15 it is \$5.384 million, then it goes to a negative of \$3.581 million, which is—

MS HUNTER: It is \$2 million.

MR HARGREAVES: No, it is not. It is actually closer to an \$8 million turnaround. I was wondering what that was, because there is no note.

Ms Sharma: As identified previously, the revised wage parameters—the question was around 2014-15 and 2015-16 and why it is going down?

MR HARGREAVES: Yes.

Ms Sharma: That line is basically the supplementation. So basically, once the total cost is identified, as Mr Whybrow said, there is some indexation built into the base, which is in the opening base, taking into account—once the total cost is calculated less the indexation provides the supplementation amount. So in 2014-15 the total indexation was used while calculating the supplementation. The government's policy is that there needs to be some indexation left, so we should not be using old indexation. For that purpose, when the supplementation was calculated for the supplementary appropriation, we were reimbursed back for the indexation, and the indexation for the employee expenses for 2014-15 and 2015-16 is two per cent. The outyear reduction of \$3.5 million relates to adjustment of an indexation which was previously around 2.5 per cent. So basically that is the revised 0.5 per cent to reflect two per cent in 2015-16.

MR HARGREAVES: You are right; it was technical.

Mr Whybrow: Yes. So in its simplest form, there is a change in indexation rate projections for those future outyears.

MR HARGREAVES: I was wondering about any back payment and where there is any back payment which happens in year one that is not reflected in the ensuing years. That has been reflected in here somewhere, I assume.

Mr Whybrow: Yes.

Ms Sharma: The back payment is reflected in 2011-12.

MR HARGREAVES: Thank you.

Mr Whybrow: Let me just check, but my understanding was that the back payment occurred in late May.

MR HARGREAVES: In this financial year?

Mr Whybrow: In this financial year. Is that correct?

Ms Sharma: It was 24 May.

THE CHAIR: Did you have a follow-up, Mr Doszpot?

MR DOSZPOT: I have a supplementary to Mr Hargreaves's previous question.

THE CHAIR: Yes.

MR DOSZPOT: Ms McAlister, just a clarification on the examples you gave. They were examples of comparisons with New South Wales teachers' salaries?

Ms McAlister: No. They were comparisons between previous wage and new wage now that the enterprise agreement is in place.

MR DOSZPOT: Do you have some comparisons as to how they compare to New South Wales?

Ms McAlister: No; I have mentioned that I will need to take that on notice. I have said that it is very similar. Some teacher categories are slightly above and some below, but I will need to get that information.

MR DOSZPOT: And New South Wales are yet to renegotiate their EBA at the moment; is that right?

Ms McAlister: That is correct.

MR DOSZPOT: So just roughly, are we currently on par with New South Wales?

Ms McAlister: Yes, currently on par. I suppose I would like to reiterate the conditions that Mr Whybrow outlined. From the human resource perspective, if I am a young teacher coming into this system, I have, through our enterprise agreement, access to reduced hours to support me in growing me in the profession. I also have access to days to allow me to go and view other people. I am able to access a range of educational settings that are perhaps more difficult to access in larger states. I am able to work in specialist schools such as the early childhood schools. I am able to access system initiatives easily, such as the Australian curriculum, leadership training and so on. Undeniably pay is important for teachers, but so too is the quality of the system. The ACT system offers a great deal to teachers which they find attractive.

MR DOSZPOT: What about the professional development component of that? What would that be?

Ms McAlister: Can I clarify the question that you are asking, please?

MR DOSZPOT: Is there a professional development amount included in the potential that new teachers can have?

Mr Whybrow: Within the EBA itself it mandates a one per cent investment in teacher professional development.

MR DOSZPOT: In each of their categories?

Mr Whybrow: Across the board. And then there is a separate component for within the executive structure as well.

MR DOSZPOT: Thank you.

MS HUNTER: I want to go to special needs transport. Could you advise why there is only funding for a year for this initiative. Is the idea that it will then be cut or are you looking at increasing this assistance?

Dr Bourke: This is a budget for 2012-13. Next year's budget will be formulated next year. And, of course, we will be looking at special needs transport as part of that budget as well.

MR SMYTH: So are you sacking people who are employed under this program or will it be ongoing?

MS HUNTER: Will it be an ongoing program, I guess, is the story?

THE CHAIR: Generally it would be in the outyears.

MS HUNTER: Because most of the time when you do fund things, you put in the outyears. And we are not seeing outyears; we are seeing zeros. So the question is: is it intended to finish and people move on to other jobs or whatever, or is it intended to continue funding it?

Dr Bourke: It is open to be re-funded in next year's budget.

Mr Whybrow: May I add something more on that? In relation to special needs transport, there are effectively two providers of that service at the moment. They are Keir's transport, which provides, if I talk in a broad sense, roughly half of the services, and ACTION, the other provider of half the services.

We have a contracting arrangement with Keir's which is around bus runs. The bus runs are a number of people taking them to their schools. They get paid on the basis of the number of bus runs they have and then whether or not there is a required attendant on the bus as well as a driver. They are our parameters. The aim for all our transport is ensuring that there is no longer than 75 minutes being held on a bus. That is our prompt point to move to the next level.

The complexity in this situation is around the role of the education department as a transport provider. We have had discussions with TAMS, particularly ACTION, around the nature of our role versus the nature of a transport provider, and TAMS with that overarching responsibility for public transport. To give you the example, the school buses program, so school buses by themselves, is run and managed not through the education department like other jurisdictions but through TAMS. And that coordination point—

MS HUNTER: And it is the schools that identify the need for it and talk to TAMS.

Mr Whybrow: So we have been in that discussion and planning about transferring the service between the providers. I think that has added an element of who is going to be the owner of that service going forward from an operational sense, from government. We have only got one year identified at the moment.

MS HUNTER: Mr Whybrow, you are suggesting that there might be a reshaping of the system?

Mr Whybrow: Not of the system itself, but as the directorate responsible for delivery

of the service.

MS HUNTER: So it would go over to ACTION to oversee the ACTION part?

Mr Whybrow: It would go to TAMS. TAMS have a responsibility to provide public transport. There is a component that ACTION are already providing, and there is a component that a third party is providing as well.

MS HUNTER: So how would that work?

Mr Whybrow: Very much as it does now, but by the nature of being education we are not the specialists in the provision of transport; that specialisation sits with the transport element of TAMS. That is the logic behind that. But again, that is at the discussion stage. That is where we are at.

THE CHAIR: Do you think that will be resolved? Is it likely that, when we come to next year's budget, that money will still be sitting with the education directorate, or will it go to TAMS if that is yet to be determined?

Mr Whybrow: I guess what I am doing is confirming the minister's comment, which is that this is a budget for this year. The nature around the outcome of that may well be in our budget or it may well be in the TAMS budget. The service will still be provided, most definitely.

MR SMYTH: It is actually an appropriation for this year. It is a budget for four years. You have four years of estimates.

Mr Whybrow: I am sorry?

MR SMYTH: You actually do have four years of estimates here.

Mr Whybrow: We have four years of estimates. There is an appropriation—

MR SMYTH: It is a budget for four years.

Mr Whybrow: that only lasts for one year—

MR SMYTH: Correct.

Mr Whybrow: so the appropriation bill is for one year.

MR SMYTH: So where—

Mr Whybrow: And we estimate—

MR SMYTH: Sorry to interrupt, but will you provide special needs transport next year?

Mr Whybrow: Special needs transport will be provided next year.

Dr Bourke: Yes.

MR SMYTH: So why is there no money in the outyears?

Mr Whybrow: There is money in the total program for special needs transport.

MR SMYTH: In the outyears?

Mr Whybrow: Yes.

MR COE: Where is that money currently resting? If the money is in the program, where is it?

Mr Whybrow: Within our total appropriation base, from my memory something like \$4.3 million per annum is in our base. This is an additional amount of—

MS HUNTER: So it is additional, on top of the \$4.3 million.

Mr Whybrow: That is what we are talking about. Let me be clear: we are not talking about cutting a service. We are not talking about any of those things. I have simply alluded to probably some internal discussions about who is the most appropriate provider.

MS HUNTER: So this is a top-up of \$1.5 million.

Mr Whybrow: That is correct.

MS HUNTER: We only see it in the 2012-13 year. So what is that \$1.5 million purchasing?

Mr Whybrow: The \$1.5 million is reflecting a cost pressure in that area. That is what it is reflecting.

MS HUNTER: So these are for the extra services?

Mr Whybrow: If I talk about this year, there will be the same level of services provided in 2012-13. I do not believe there are any additional buses that have been provided. It is a similar level of service that is being provided this year.

MS HUNTER: Right.

Mr Gniel: I just wanted to add to that point, and I guess the minister's point as well, around the complexity of transporting students with special needs, which is what we are talking about. There has been an increase in the number of students, obviously, that require that transport. The other element of that, as Mr Whybrow mentioned, is the length of time. We are always looking at the student as the centre of this and we are—

MS HUNTER: So no more than 75 minutes?

Mr Gniel: Yes, those sorts of things as well, but also how we best deliver that service. As well as the buses that Mr Whybrow is talking about, we also use taxi services at times. That can be very dependent on not just the number of students but what sort of a disability they may have and, therefore, the kind of transport that is required for those students. That changes year on year as we get different people into our system. That can change the amount of money that is required. For instance, if all of our buses become full at one point and we need a new bus, an added amount would need to go in there. It is not just one-twentieth of a bus; it is a full bus cost. So there is that complexity to it.

MS HUNTER: This has been a response to pressures; it has been an increase in—

Dr Bourke: An increase to an existing program.

MS HUNTER: Well, it is an increase to an existing program for one year. These are actually rising numbers of students and an increasing pressure, so it has had to be added to the base. It is surprising that we are not seeing outyears on this particular line item. I think that is rather strange, despite discussions around what the future might hold.

One other thing I just wanted to raise, though, was that for a lot of parents special needs transport has been an issue. That is why I know it has been a pressure and obviously money had to be applied to it. For many parents there is some comfort in knowing that there is a connection to that special needs transport through the education department. I think it would be a little concerning to think that it will just be handed off to the municipal services area or to a private company when it plays an important role—it may not be an absolutely pivotal role, but it is an important role—in providing special needs transport.

Ms Joseph: We are talking about contract management, not actual management of the service and looking after the kids. Obviously, the schools and the directorate would still continue to play a pivotal role, acknowledging the relationships that the people running the buses have with the families and back with the schools as well.

MR SMYTH: But irrespective of who manages it, you will need to provide more money in the outyears.

Ms Joseph: Students who require special needs transport will have their needs met.

MR SMYTH: Okay. But according to this, you will have a spike for one year and then for three following years—

Ms Joseph: There will be another budget process that we potentially will have to go through if there is a budget pressure identified.

MR SMYTH: So why is it in this year's budget? If you look at the line below—excellence and enterprise advancing public schools of distinction—they have got 30, then 31 and then 32,000. You have made allowance for it; it is ongoing, the same as this line is ongoing. Why does this line not have money in the three outyears?

Dr Bourke: You have already heard two reasons: firstly, because there are negotiations as to whether this line item should be in the ETD budget or in the TAMS budget and, secondly, you have heard from Mr Gniel about the variations, the annual variations, based upon student needs.

MR COE: In public housing we have got a maintenance contract that is coming up for renewal. It does not mean we have got zero dollars in the maintenance budget next year.

MR SMYTH: That is right.

Dr Bourke: And we do not have zero dollars in the special needs budget. You have already heard this is an addition to an existing program.

MR DOSZPOT: Minister, can I just ask a supplementary—

THE CHAIR: This is a follow-up to this?

MR DOSZPOT: Yes. The service provider for this transport—one of the service providers, I believe, is Keir's?

Mr Whybrow: That is correct.

MR DOSZPOT: Is there currently a contract with this service provider?

Mr Whybrow: Yes, there is.

MR DOSZPOT: What period is that contract for?

Mr Whybrow: I think I should take that on notice. My understanding is that it expires in 12 months time.

THE CHAIR: So you are going to take that on notice?

Mr Whybrow: Yes.

MR DOSZPOT: What degree of comfort—to take on Ms Hunter's question or statement on this—can people whose children take advantage of these services have that this service will continue with the same service provision that currently exists?

Mr Whybrow: The plans of the directorate are to continue under our existing guidelines which identify capacity for eligibility. It is not based on an amount of money that is internally allocated to the program. So they can take comfort that our eligibility criteria will remain the same and they will be given the service as appropriate.

MR DOSZPOT: It is highly unlikely there will be less demand for these services in the following year. I would presume that the contractor would need some level of comfort to continue paying their people to provide the service. What sorts of discussions have taken place?

Mr Whybrow: Under our contract and the negotiation of our contract, which I have alluded to before, it is the provision of service around the number of buses. The number of buses is determined by the eligibility criteria. Our terms are around a payment per the bus run and then we have within our guidelines the need to not have those bus runs go for more than 75 minutes, because we do not think it is appropriate for students with disabilities to sit on buses for any longer than that. And that is the last person off the bus. So in terms of the first person on and the last person off, the maximum time on the bus is 75 minutes.

Those criteria will remain there. Eligibility will remain there. There are two elements involved in this for the directorate. Let me make it clear for the directorate: there are two opportunities for us going forward in the following outyear. We have a commitment to provide the service, so if there are not additional funds provided by the government then we have a priority setting within our own internal arrangements. Special education transport is a priority for the organisation.

MR DOSZPOT: Okay. I would be interested in that supplementary information.

Mr Whybrow: Yes, certainly; I will get the end date.

THE CHAIR: That is taken on notice.

MS HUNTER: If we do see it going over to TAMS next year, I will be watching the number very closely to make sure we do not lose any along the way.

Mr Whybrow: Let me point out that a top-up has been mentioned. There are significantly more funds that are identified for the total provision of that service.

MR SMYTH: Minister, on page 406 of budget paper 4, the last line under the 2012-13 budget policy adjustments is saving initiatives. How do you intend to make those savings?

Dr Bourke: The directorate, in consultation with staff, unions and the community, is going to identify savings. This is the role of public servants—to identify where we can be more efficient in our service delivery—where we can meet the same or even better outcomes and deliver efficiently. That is what the community wants us to do. It wants governments and public servants to deliver services as efficiently as possible. Of course, with new evidence-based parameters and new technologies, these are how we can deliver things as well.

Mr Whybrow: As I have mentioned earlier, the directorate is actually a high performing agency and has strong financial management practices. We continue to look for improvements not only in the services we deliver but in the nature of the way we provide those services. Let me just point out some context of the budget in total. The 2011-12 budget is about more. Total resources are up \$19 million. It is not about less. That is approximately a five per cent increase.

Let me also point out that it is about an increase in staffing numbers. We are not talking about reducing the staffing workforce. The projected numbers are up in full-

time equivalent terms of 10. We are talking about a small number here in the context of a budget of over \$600 million. So that number that you have identified, \$3.55 million, is well less than one per cent. There is an element here of business as usual. Identified through budget paper 3 are targeted savings. Those elements are things that have been talked about around consultants, contractors, travel and stationery.

That is our internal process of tightening that performance and, as the minister says, doing things smarter and providing improved services, not only existing services. That is the nature of how we are operating this. The only other thing I should point out is that this is not the first time we have been given this task. We have achieved it every time in the past and I have no doubt that we will achieve it in the future.

MR DOSZPOT: Just a supplementary on that. Mr Whybrow says that you have achieved these savings every time in the past. As I understand it, the year before last, or last year, the directorate noted that it was not in a position to meet the government's efficiency dividend. How was that met?

Mr Whybrow: The efficiency dividend placed on the department was met by the directorate, so the adjustment lines in the previous budgets of savings have been met. Our expectations coming—

MR DOSZPOT: Every year for the last two years?

Mr Whybrow: Yes. If you have a look at our annual report for the last two years, we have achieved our savings requirements.

MR SMYTH: Could we have a reconciliation of what the amount was for the last two financial years and how that saving was achieved?

Mr Whybrow: The 2010-11 budget required ongoing savings of \$3.9 million. The 2011-12 budget required savings of \$2.7 million. I would suggest the most appropriate component to see that will be in the annual reports. We are coming to the end of the financial year now and you will see that the directorate will achieve its savings requirements.

MR COE: Did you have to lobby to have the savings requirement reduced from what was otherwise expected?

Mr Whybrow: It is not the role of the public service to lobby.

MR COE: You said it was considerably less than one per cent. What is being required, \$3.5 million, is less than one per cent, you said.

Mr Whybrow: I was just making reference to our total budget. I am pointing to that line and saying that it is significantly less. If you have a GPO of over \$600 million then \$3.55 million is less than one per cent; it is about 0.5 of a per cent—

MR COE: You draw a comparison to one per cent as a figure not because—

Mr Whybrow: No, I was just—

MR COE: that is a request in any way.

Mr Whybrow: No, it is not about a request. I was just saying that in relation to that line put it in the context of the total budget. It is not like you are saying that taking \$3.5 million is 80 per cent of your budget and things have to change. We are talking about \$3.5 million. That number there is well less than one per cent of the total GPO. That was the only point I was trying to make.

MR SMYTH: You say on page 406 that the saving for this year is \$3.550 million. On page 135 of budget paper 3 the saving for the Education and Training Directorate is \$3.778 million.

Mr Whybrow: Yes.

MR SMYTH: What is the difference between those figures?

Mr Whybrow: I will take it to the next step as well. I also refer you to BP4, page 415. The variation there talks about savings initiatives in the GPO budget of \$6.147 million from 2012-13 to 2011-12. That incorporates prior-year programs rolling forward as well. The difference in what you are talking about is that this is a GPO number versus an expense line number which has been identified in BP3. My understanding of the difference between those two numbers is that it relates to employee entitlements. Is that correct, Ms Sharma?

Ms Sharma: The difference between the GPO and the total expense relates to the employee provisions of around \$47 million.

MR SMYTH: And that is the reason for the difference in each of the years?

Ms Sharma: Yes.

Mr Whybrow: That is right.

MR DOSZPOT: Minister, given the increasing enrolments in the public school sector and the new schools coming on stream—and I am referring to page 396—is the increase in FTE adequate to cater for the new enrolments and new schools?

Dr Bourke: Yes.

MR DOSZPOT: How many new positions are required in new schools?

Dr Bourke: We are actually spending \$28.7 million extra to hire more teachers.

MR DOSZPOT: How many teachers are you looking at?

Mr Whybrow: In relation to new schools and the funding through enrolment adjustment and our arrangements for funding and staffing new schools, within the budget papers there are two budget lines that are identified for policy adjustments that

relate to additional staff in schools.

If I point you to page 406, operational costs for Franklin early childhood school and operational costs for Bonner primary school, what that relates to is the establishment of your—I guess you would call them—fixed staff for any school. You need a principal, you need a business manager, you need a business service officer at a school. They are the things that are funded through that policy adjustment for additional staff for the establishment of a school.

The nature of how we staff our other schools is this: all our schools are provided, based on their enrolment, an allocation. And that is why you will see that policy adjustment line under 2012-13 budget technical adjustments, enrolment adjustment for public preschools and enrolment adjustment for public schools.

In total, our projections for the 2012-13 budget have incorporated the increase of 1,064 students. It has been incorporated in that 2012-13 budget. I can give you a bit of a breakdown. Primary school students make up 837; high school students, 45. This is very positive for the directorate. This is the first time we have seen an increase in total enrolments in our high schools and it gives us some faith in the implementation of our excellence and enterprise arrangements to have that drawback of pulling people into our high schools. Colleges are up 81 students. Special schools themselves are up 53 students. That is a breakdown to say that our funding is driven by an enrolment model that staffs our schools, except for the establishment of core staff around the principal, office manager, and also incorporates, for the early childhood schools, an additional resource which is around community engagement, which is part of the role of those early childhood schools.

MR DOSZPOT: Thank you for that good answer. As a supplementary on that, do these numbers reflect the policy of an average of 21 students per class in high school?

Mr Whybrow: There has been no change to our allocation of funding our schools and no change to our staffing policies.

Dr Bourke: Our class sizes are actually either below average or on target. There has been no change to class size policy. Let me be really clear about that.

MR DOSZPOT: I would like you to be a little clearer on that. Can you provide me—

MS HUNTER: Minister, could you explain —

MR DOSZPOT: Sorry, I have not finished.

MS HUNTER: It just adds to your question. At page 408, we have a rollover of \$801,000 for more teachers, lower class sizes. Why have we got a rollover?

Mr Whybrow: Page 408 would relate to capital programs, I suspect, if you give me a moment. That is in relation to exactly that. There are more teachers, lower class sizes. There was a capital component to that which was doing capital infrastructure work—

MS HUNTER: Adding more classrooms.

Mr Whybrow: Exactly.

MR COE: What classrooms were planned that were not constructed? What was that \$800,000 allocated towards that did not actually end up—

MS HUNTER: End up happening, yes.

Mr Bray: Essentially what Mr Whybrow is referring to is merely a cash flow process, just some of the projects that we are working on. The work was not completed within that previous financial year. It was rolled over into the next financial year. None of the projects were deleted.

MR COE: But what works are running behind schedule that were funded as part of that \$800,000?

Mr Bray: They have all been completed.

MR HARGREAVES: So it is just a matter of getting the bills paid in any given financial year?

Mr Bray: Yes. All the works have been completed. That program has been fully expended and paid and all projects have been completed. That was just a cash flow transfer.

MR HARGREAVES: So if all of the people had given you their bills before the end of the financial year it would have been okay?

Mr Bray: Not necessarily. It might have been that some of the work might have gone over, but we are talking about a project that is about \$6½ million, from memory, in total. That rollover of about \$600,000—I am just trying to see the—

MR HARGREAVES: \$801,000.

Mr Bray: Yes, the \$800,000 was always just a cash flow payment. The works went a bit longer than we expected but all the works now have been completed.

MR COE: My knowledge of the directorate is nowhere near that of my colleagues. Can give you me some background as to what actual projects were included in that overall sum of \$6 million that contributed to lowering the class sizes?

Mr Bray: I will have to take that on notice, to go into that length of detail, but I can—

Mr Whybrow: Rodney, you will know this. My memory is that the vast majority of that money related to the Namadgi site, around changing its initial design capacity for class size impact. Is that correct?

Mr Bray: \$2.5 million of the \$6½ million was allocated to the Namadgi project, because at that time, for that new school, the position was changed by the government's policy about the average student size of 21. We actually had to modify

the design before it was constructed and to meet that additional cost of building additional classroom spaces, \$2.5 million was allocated from that total appropriation specifically to Namadgi school. The balance was spread across probably 10 or 12 other schools.

MR COE: In effect, you re-scoped it to put on an extra classroom or two? Is that what we are talking about?

Mr Bray: At Namadgi? I would have to get you exact numbers. We are talking about more than a class or two, at \$2.5 million.

MR COE: If the target is 21, what was the target before that which warrants more than one or two classes? If you are putting on an extra classroom, each extra classroom surely is having a pretty big impact on the average within that school?

Mr Whybrow: Our building parameters prior to that were on a classroom element of capacity. It is capacity versus averages. So we were building for a capacity of 25 rather than the 21. Is that correct, Mr Bray, that it was built on—

Mr Bray: Yes. Typically when we designed a new school, prior to the change in the government's policy, we would calculate the number of classrooms required on the basis of 25 students per classroom. With the change in the policy at that time, about four years ago, that calculation was redone on the basis of 21 students per classroom in primary schools and 19 students per classrooms in secondary schools.

MR COE: In effect, an extra 20 per cent of classroom space?

Mr Bray: That sort of number.

MR COE: I guess 21 to 25.

Mr Bray: It is 20 to 25 per cent, in round numbers. Yes, that is the impact on a typical whole-of-school or new school design.

Mr Whybrow: I should point out that Ms Sharma just pointed me to last year's annual report which identifies in detail around that initiative where works were completed by the end of last year. That also had works in relation to Harrison and Amaroo schools, Telopea Park school, Ainslie school and Miles Franklin primary school. The completion of those works should still form part of our annual report this year as well. We can get back to you earlier than that if you would like or you can see that information in the annual report.

MR DOSZPOT: If I can ask the question I was going to ask, minister, can you give us some further information—and I do not expect this now; you can take this on notice—as to how many classes we have currently where the 21 per class average is in place? How many classes are there with an average of 21? Also, how many—

Dr Bourke: Sorry, could I clarify there? You want to know how many classes there are in the ACT public school system?

MR DOSZPOT: No, I want to know how many classrooms in the ACT have fewer than 21 students in a classroom. I would like to know how many classrooms have more than 21 students in a classroom, and how many classrooms have more than 25 students in a classroom.

Dr Bourke: This is a discussion about statistics and averages, but—

MR DOSZPOT: I am not asking you to do it now. It is not something I am asking you to do now.

THE CHAIR: Is that taken on notice?

Dr Bourke: Tracy has actually got some information.

MR DOSZPOT: But if you want to do it now, I am quite happy to discuss it.

Dr Bourke: We may have some information

Ms Stewart: I have a little bit about class sizes in general over the last few years. Our average class size in 2010 was 21.2 across the system. In 2011 that was 20.6, and this year it is 20.8. We are consistent and below the government's target of 21. One of the things we have also done is benchmark ourselves against other jurisdictions in terms of class size, and there is national data on student to teacher ratios that we compare ourselves against. And consistently, we have the second lowest student to teacher ratio across Australia. Again in 2011, we were the second lowest. Only the Northern Territory has a lower ratio than the ACT. So we do keep track, as well, nationally of how we are going. There are some good statistics.

What we do is look at our class size in terms of classes over 21, which is actually spot on the average, and those that are below 21. This is a very stark number in that sense. I think the number you mentioned was classes over 25?

MR DOSZPOT: Yes, that was the third one.

Ms Stewart: I can give you those classes that are around the 21 mark. For example, in primary school we have 736 classes that are 21 or lower, and 177 classes that are 21 or higher. But as I said, that brings us to the average overall of the 21, which is what we are aiming for.

MR DOSZPOT: How recent are these figures?

Ms Stewart: These are 2012 class sizes. Did you want anything further?

MR DOSZPOT: No; I think that is all.

MR HARGREAVES: We would like the names of all of the children in those classes and what football team they barrack for. It is not Collingwood.

MR DOSZPOT: Mr Hargreaves always knows what I am going to ask next, so I will not have to ask anything else. That is fine.

Mr Bray: Madam Chair, I have just received advice back from the office. The amount that we are referring to in the budget paper is just related to the Ngunnawal primary school expansion project; it was a carryover of invoices. The works were actually completed in the previous financial year and that was just an invoice carryover.

THE CHAIR: Thank you, Mr Bray.

MS PORTER: Minister, quite early in the hearing, in the answer that was given to a question, a reference was made to the ACT Teacher Quality Institute. I am not sure whether or not there was further discussion on this, but I was just wondering if you would not mind outlining exactly what the institute's functions are if that question has not been answered already.

Dr Bourke: It has not, Ms Porter. The purpose of the TQI is to improve teacher performance here in the ACT, because we know that it is good quality teachers that derive good quality results. The TQI undertakes registration of all teachers in the ACT—not just in public schools but also in Catholic and independent schools. It maintains a register of teachers. It applies a standard code of professional practice. It certifies the teachers against those professional standards. It also recognises the professional learning; it has oversight over the professional learning which our teachers do so that we are sure they are keeping up with things and maintaining their professional development. It also accredits ACT teacher education courses. So it is a very busy institute.

MS PORTER: Yes, it sounds like it. With regard to accreditation, is that something that is done annually? How often do teachers have to go through that course?

Ms Joseph: There have been new national standards introduced by education ministers across the country. For the first time, we have a national professional standard for principals which articulates what principals are expected to know and do and how they are expected to fulfil their responsibilities. We also have national professional standards for teachers; again, they articulate what teachers are meant to know and do and how they fulfil their responsibilities. Anne Ellis, the chief executive from the Teacher Quality Institute, is doing a pilot around the accreditation process. There are different stages of accreditation, depending on the stage of a teacher's career. Anne, you might be able to say a bit more about accreditation.

Ms Ellis: The term “accreditation” is generally used for the teacher education courses. That comes through in a process where we have responsibilities now in our national framework. Whenever a teacher education course is modified or developed by either of the ACT universities, we go through an accreditation process. We also accredit professional learning, as the director-general and minister noted.

In terms of the regulatory function for teachers, the teacher registration process is completed on an annual basis. Over the last period since we were established last year, we did initial registration of all ACT teachers who were working prior to our coming into existence. About 6,000 teachers came through that process. We also then needed to look at teachers who were new in the ACT; about 500 teachers have come through

that process since last October. In March this year, we completed the first renewal of professional registration.

But the most important work that we have been able to do is to seize the unique opportunity to engage the profession to look at the regulatory functions in a way where we can build the professional standing of the teachers and facilitate some really strong cross-sectoral networks and relationships. We have now got Catholic, public and independent schools working together through the standards work and through some high-level professional discussions about how we improve teacher quality. Registration, regulation and accreditation are part of our responsibilities, but it is, most importantly, looking at how we work with the profession to improve teacher quality so that we can actually improve outcomes for students.

MS PORTER: I am a former registered nurse, no longer registered. I remember that at one time registration was quite difficult because one had to register in each state and territory. Sometimes there was a bit of difficulty in obtaining registration in another state or territory when you moved to work in another place. Is it quite smooth for someone coming from interstate—to be able to register?

Ms Ellis: It is a smooth process in that it relates to mutual recognition, where each jurisdiction has similar legislation around the registration of teachers. We have been lucky in the ACT that the timing of our establishment was in line with the national moves to consistency in teacher registration. We are actually leading the way in terms of the data collection and the facilitation of teachers moving from state to state. Now that the ACT is on board, all states and territories have teacher registration. The way we work with our colleagues in New South Wales is under an MOU, because they have a slightly different process, but it is very much about the core elements being consistent between states.

We also are fortunate that we have been able to develop a fully online process, so the process for our teachers is smooth and we go through a lot of collegial work with our interstate colleagues to ensure that we can follow up any queries from teachers coming from other states to the ACT or from our teachers who are moving interstate.

MS PORTER: Thank you very much.

THE CHAIR: I had a question in relation to NAPLAN, on public school education. There is a reference to that on page 403 of budget paper 4. I am just wondering what screening or assessment of possible learning difficulties is undertaken if a child's reading and writing does not improve between years 3 and 5.

Ms Joseph: Our approach to school improvement is through our networks. We have a network leader working closely with every principal and their school leadership team. The focus of that support is what is actually happening in every classroom with every teacher. So again, in line with Anne's comments about teacher quality, when we are looking at school improvement we are working right into the classroom to look at the data in the classroom and provide support strategies to teachers to do that development. Mr Gniel will be able to elaborate on that further.

Mr Gniel: Just to elaborate on Ms Joseph's answer, in each school, in primary and

secondary school, we have literacy and numeracy coordinators. They work directly with students but as well work with teachers and in a coaching capacity. One of the principles of school improvement for us is that we do believe in the coaching mechanism as the most effective way to help both teachers and therefore the student outcomes that they have as well. They work with those individual students that are identified—and not just through NAPLAN; I would make that point. NAPLAN, as you know, is only every couple of years for those students. Teachers, in terms of assessment, are constantly assessing students on where they are up to.

You would know that in terms of reading, for example, that is something that we are assessing on a regular basis about where they are up to, particularly where students may need some individual assistance. That is where that literacy and numeracy coordinator can assist directly with a student or also work with a teacher around the best strategies to use with that child or with a group of children.

THE CHAIR: As you said, there is that testing that goes on over time, but is either that process or, particularly, the NAPLAN test ever used as a trigger to identify the particular areas of difficulty such as dyslexia or other learning difficulties?

Mr Gniel: It would be part of the suite of information that teachers would use, I would answer. NAPLAN itself does not generally bring up a lot of surprises for schools that are doing that constant assessment; they would normally be seeing some of those issues. NAPLAN is used more for looking across states about where the child actually sits. It is certainly the thing that the parents really value—whereabouts in year 3 is my child sitting? In terms of identifying any kind of—

THE CHAIR: Such as dyslexia.

Mr Gniel: Yes, any kind of learning difficulty like that. It may in individual cases be a trigger where they see that a student has performed differently from what they had expected in a school setting, and possibly in that kind of testing environment where they have not been exposed to the same level of testing that happens in a NAPLAN environment.

As you know, for example, with year 3 students we do not do a lot of testing that mirrors a NAPLAN-type assessment during those formative years. But you would expect that earlier on, if there are specific learning difficulties, they would be picked up by the teacher. The schools would be working with their counsellor as well, around talking to them about whether they are seeing specific concerns about reading or writing, in particular, if you are talking about dyslexia. It should be picked up through normal processes rather than waiting till year 3 NAPLAN.

MS HUNTER: What does happen if you pick up a child with dyslexia? I have recently been approached by a constituent who I think has had children in both the non-government and the government school system but has been quite concerned about the response that has been received around her children with dyslexia.

Mr Gniel: Yes, and I have probably spoken to the same person. It is great that they are bringing up those concerns with us as well. The concerns around dyslexia are sometimes because there are differences in what funding sources there are available

between states. In the ACT, dyslexia is not a trigger for additional funding. However, we would expect that any student with any need is catered for within our school programs.

Using things like individual learning plans, which are worked through with parents and also with students, particularly as they get older, is not dependent on the diagnosis of a particular learning disorder. And there is certainly in the federal arena the move towards funding of adjustments. We have seen that through the Gonski review—about additional funds on top of the base-level funding. It is the same way that we would look at those things—and drawing on the entirety of the resources of the school to meet the needs of each of the individual students.

From our point of the view, the resources I mentioned before about the literacy and numeracy coordinators, counsellors in schools and the coaches that are in some of our literacy and numeracy national partnership schools—all of those people and all of those resources are available to any student who has any kind of learning disability.

MS HUNTER: In other states, is it counted as attracting an extra resource?

Mr Gniel: In some states it is, yes, as an additional resource. That is right.

MS HUNTER: Which states is that available in?

Mr Gniel: I know that New South Wales, for example, does have dyslexia as one of the disabilities that is recognised for a funding component. Some of the discussions at the national level have been particularly about a diagnosis not necessarily relating to what kind of adjustment is required for all students. If I take dyslexia or autism, these ones, just because there is a diagnosis with a label to it does not mean they all have the same needs.

MS HUNTER: No, not at all. And there are different places on the spectrum that people can be.

Mr Gniel: Exactly.

Dr Bourke: And the level of resourcing within the school needs to be targeted to the needs of that particular child, whether it is little or more.

MS HUNTER: Yes. I guess that is one of the things. Stepping stones are one of the responses, a sort of “get on board with literacy” course. It is not necessarily meeting the needs of some students with dyslexia. How do you stay on top of it? What is a sort of best practice response?

Mr Gniel: First of all, you are right: there are specific programs that meet the needs of specific students with learning difficulties. There are also things specific to students from an English as a second language background, for example. The way in which you work with those children is different from the way in which you would work with a student from an English-speaking background. It is a similar thing. What we try and do is stay on top of those programs and make sure that we are connecting those through the teachers. But also I would say that the teachers themselves are the ones

that are mostly on top of those things; they are the ones that know where those resources can be accessed.

MS HUNTER: But teachers are pretty busy people.

Mr Gniel: Of course they are.

MS HUNTER: With a classroom, we have been told, of 21—

Mr Gniel: Average 21; that is right.

MS HUNTER: I think it is 20.8, and many different needs in that classroom. It is asking a lot for each teacher to be up on everything when you think about the many different issues, whether they are social issues or learning issues, that can come up in a classroom.

Mr Gniel: Yes. I agree first of all that they are very busy—because most of them are extremely dedicated I think is part of that. That is why we have an advantage of being a public education system in that we can provide some of that vetting of system-endorsed resources that we would use. Within the literacy and numeracy area for our department we have identified research-based, evidence-based programs that work with students to improve literacy and numeracy on the whole. We also have people that work specifically in disability education, and they are always a resource for school teachers and principals as a whole, to draw on those resources and where those programs are.

Ms Hunter, you are quite right: you could go through a number of years of teaching and not necessarily come across a student with specific disability, and that is why we do have those—an economy of scale, I guess, and the importance of us being a system is to draw on those.

The other one I would mention is through the national partnership on more support for students with a disability. One of the strategies we are employing there is identifying a disability education coordinator in every school. That will form networks of those staff members who can draw on expertise across the networks but also across the broader system.

One of the things we are very keen to do—and I will say that the specialist schools are especially keen for us—is to draw on the expertise that resides in our specialist schools; people that deal with students with a disability on a daily basis and have had probably more experience of those differences, particularly with high-level needs students. It is an area that we recognise that we can always do better in, and particularly through the disability education coordinators program we have an opportunity to draw on the expertise that resides in our schools. Teachers are busy but they are also very dedicated to helping others, particularly those new teachers that are in our systems.

THE CHAIR: One last point on this: are counsellors qualified to identify learning difficulties such as dyslexia or Asperger's?

Mr Gniel: Yes, they do perform certain tests for particular concerns around learning difficulties.

THE CHAIR: So they are able to administer or conduct initial screening assessments?

Mr Gniel: Yes, that is right.

THE CHAIR: Thank you.

Mr Whybrow: If I can just add to Mr Gniel's answer, he was talking about a holistic approach and that New South Wales may fund things differently. To give you some context of total resources allocation and what is driving that, Ms Stewart identified earlier around the student-teacher ratio. Within our primary school setting that we are talking about, it is 13.5 in the ACT compared to 15.7 in New South Wales and 15.4 nationally. That incorporates those other resources; it is not only the classroom teacher and the things that Mr Gniel has talked about.

The other element to recognise is the level of funding provided in the ACT. Against national averages the investment by the ACT government in government schooling is approximately 12 per cent higher than the national average. They are important larger parameters. Instead of saying that in this particular program there is more or less, it is quite often good to look at the total resource packages.

MS HUNTER: Mr Whybrow, you just mentioned that it is more than just the classroom teachers; it is others in the picture. So what is our student to counsellor ratio at the moment?

Mr Whybrow: Our student to counsellor ratio is in the order of one to 900, which compares very favourably around the nation. There was, and I know it has been mentioned here in a previous estimates committee, a New South Wales coroner report that was making suggestions around a one to 500 ratio. Again it is probably important to look conceptually for the ACT at all the levels of support services. We have things like youth workers. We have things like a behavioural support team. Steve will know all those sort of things. Did you want to—

THE CHAIR: Just briefly, because we do—

MS HUNTER: I am pretty much across the student services teams.

Mr Gniel: The only thing I was going to add was that we have a full complement of school counsellors at the moment, so there is a school counsellor in every school. That had been a challenge for us. I think Mr Whybrow mentioned some additional funding provided through the latest agreement with teachers; also changes to the way in which we recognise those counsellors in our schools, the qualifications.

MS HUNTER: And part of that was around the psychology qualifications?

Mr Gniel: That is correct.

MS HUNTER: How many psychologists have you attracted? We heard from Therapy ACT yesterday that this is an area of scarcity; people are making more money in private practice or elsewhere. How are you going with attracting psychologists?

THE CHAIR: Just briefly, because we do have to break.

Mr Gniel: I can only add that we have a full complement at the moment, so we have been successful in attracting those counsellors that we did require. Dave can provide more specific examples on that, but there is the attractiveness of the government system, which Mark talked about in terms of superannuation, and also school conditions, which are very attractive for some people. So again, it is a little—

MS HUNTER: Holidays.

Mr Gniel: Holidays; that is right. Ms McAlister talked about this; that when you look at the whole package of things we think we have a very attractive package for those counsellors, and I assume that is why we have a full complement. For Therapy ACT I do not have the same information.

THE CHAIR: We will have to break and we will come back to you, Mr Doszpot, so that you get a supplementary on this.

Meeting adjourned from 3.32 to 3.49 pm.

THE CHAIR: Mr Doszpot, the floor is yours.

MR DOSZPOT: Thank you. This is a supplementary to a question you asked, chair. Minister, following the review of EALD in ACT schools, are you satisfied with the level of ESL support provided to students?

Dr Bourke: Yes.

MR DOSZPOT: That is fantastic.

Dr Bourke: Of course, we can always provide more support and more resources, but I am satisfied with the allocation of resources that we have currently in the ACT.

MR DOSZPOT: Towards, I think, the middle of last year there was an ESL central teacher role taken away. The position was transferred to Hawker college, from memory. There is a lot of concern amongst the teaching community that that second resource is very much required back in the system. I am not quite sure what savings were intended with abolishing the position. If it was not for a savings reason, I cannot understand why, from an educational point of view, that position was abolished, and neither can the teaching community. Minister, have you considered reinstating that second ESL position?

Dr Bourke: We have already talked quite a bit about this in the chamber. The rationale for that is getting the services to where they are most needed, and that is in the classroom. I will get Ms Joseph to elaborate on that.

Ms Joseph: Mr Gniel actually has all the detail.

Mr Gniel: Thank you for the question, Mr Doszpot. As the minister quite rightly said, there was a redistribution of the resources. That was redistributed to schools, actually increasing the face-to-face support for students that require additional support through EALD, as you have mentioned. In terms of the review that was conducted—

MR DOSZPOT: Can you just elaborate on that? How was the resource distributed to schools? I understand that it was distributed to a school. One school got an advantage, but for the other schools where other ESL teachers required the services of a specialist teacher that was previously in central office that they could have access to that is not there anymore.

Mr Gniel: I will have to clarify my understanding. My understanding was that the resource was actually distributed—it was put into the resources that are distributed to schools. The resources allocated to those students did not change; it was just that the resource, in terms of where the people worked with those students sat, was out in the schools.

I will follow up your question, Mr Doszpot, about the support for ESL teachers in schools and also principals. There is an identified EALD officer within the department, but the responsibility for EALD sits across the directorate. With every member of particularly my division we are working together on any of those issues around support for students. Again, it is like the question I had previously. We do not see that one person is responsible for support for those teachers and for the other people in that school.

There are EALD teachers across the system that get together to talk about what they are doing and how they are working together on these things. We have one resource that sits within the central office component, but that is really a drop in the ocean in terms of the level of support that is required or offered to those students in schools. There is the additional support through EALD funding. There are also the coaching positions that I talked about before and the literacy and numeracy coordinators.

We also have extensive training available to ESL teachers, both in the primary setting and for secondary students. You would understand that it can be quite different in how you work with students depending on their language background. We have the intensive English centres as well that cater for students who are new arrivals and have specific needs in those areas. There is a raft of resources, I guess, that work with those students that require additional support.

MR DOSZPOT: The question that I am voicing is on behalf of a lot of people who approach us on this. Their constant complaint in this area is that there were two positions that just handled all of the issues that they had to contend with. Now there is only one person doing that job. There was a review recently of the EALD. A lot of the information that came out during that focused on that issue as well. My question is: should the department reconsider? If it was not a financial decision to abolish the position and there is a requirement for it in the community, why not put that position back in place?

Mr Gniel: Just before Ms Mitchell talks as well, I think the review and also previous work around this area put forward the 2010-13, I think it is, or 2011-13 action plan around ESL as well—about improving ESL support. That includes a number of different strategies to improve that support. In terms of the redistribution of funding, the previous model would mean that there would be less support for students in schools to the same degree as there would be an extra person within the office environment.

Through the review of the program process that has been conducted, it was best seen that those resources were best in schools with students, and that is what we are now pursuing. There is still an officer, as you say, in the department. However, at times when more support is required that person can always work with their team around accessing further support that is available within the division and the directorate more broadly.

MS HUNTER: The review that came from a motion in the Assembly—it was undertaken; it was tabled in April.

Mr Gniel: Yes.

MS HUNTER: Several of the stakeholders who were part of the consultation were quite disappointed in the outcome. They felt that the findings basically outlined increased demand and the work that the directorate currently does and they did not seem to take that next step about how to address the increased demand.

Ms Mitchell: In a sense, I have just come to add to this a recent principal's experience in a school with the highest proportion of ESL students in the ACT—that is, Dixon college, in terms of the secondary introductory English centre and a really large mainstream college ESL program. I was on the other side of this when I was working with the people in the office and then in a school wanting to access funding. It made much more sense for me to have those resources in the school.

With the ESL funding review, trialling autonomy or empowerment, we are able to use ESL money where it is needed in the classroom. In the secondary introductory English centre we are now able to access the full amount of that funding that previously we were not getting. So it is actually beneficial for the schools. We are getting the full amount of international private student funding into the secondary introductory English centre as well, which was negotiated under this review, that before was used to fund administratively. I do not know if that actually makes sense. It is an ongoing thing. ESL teachers, or EALD teachers, were not sure what it would look like. It is only now after this last census that we are realising that it works very well at the grassroots level.

MS HUNTER: One of the concerns was that those EALD or ESL students were coming through those courses and coming out the other end but not necessarily with the proficiency that met a benchmark where many who were supporting them felt they would be able to go into mainstream schools and do well. I think one of the concerns was that there is still a gap there and many are meeting the not quite satisfactory level, if you like. What does that mean for their ongoing learning? I was just wondering if you had a comment on that.

Mr Gniel: I think you are talking about the language proficiency rating which we are using.

MS HUNTER: Exactly, yes.

Mr Gniel: It is widely used.

MS HUNTER: Yes.

Mr Gniel: Just to clarify, Ms Hunter, they are coming out of intensive English centres and into mainstream settings?

MS HUNTER: Yes. The proficiency levels they were meeting were not seen as being at a level where you could guarantee success in the mainstream school system.

Ms Mitchell: Students with a refugee experience are able to stay longer in the intensive English centres or settings. That has made a real difference. Generally, it was those students that were not transitioning as easily into mainstream settings. There is also a lot of work being done around transition from introductory English centres into primary and high schools. It is ongoing and it is done at the network level. Now that we meet regularly in networks and we can communicate that, unless they are going back to another network then we will do it through the office for schools. I think people understand the need for a really strong transition program with students from non-English speaking backgrounds.

Mr Gniel: The other part I would add, Ms Hunter, is that we are seeing all teachers as teachers of students with English as another language or dialect. The training for those teachers and the coaching that I have mentioned is about the additional support that is provided on an everyday basis in the classroom. The system where we see there can only be benefit when a student is withdrawn from the classroom and working one to one is not the way in which we operate across the system now. It is well recognised that actually working with those students all of the time in their area of need—so again that student-centred approach—is the best way to have that happen. Yes, they may need some additional support one to one, but that is in addition to the normal support that they would get in a regular classroom environment.

That then comes back to professional development, which I think I mentioned in the first part of the answer. We have extensive professional development available for those teachers. For instance, I know of whole school staff that have been through courses on teaching English as a second language. There has been a huge commitment of time. I think it is around 50 hours for the full course. So that is 50 hours for every teacher. That is a huge investment of time on behalf of the school. That was a school that had a particularly high number of ESL students, as they were then. I think it comes back to my earlier point where, just because someone has a label attached, it does not mean that they have the same needs as all the other people with that label. It is about making sure that all of the teachers have those skills to interact and improve the learning outcomes of those children.

MR DOSZPOT: Can I just clarify that point? By the way, I appreciate both your

comments. Ms Mitchell, I am not going to argue with your expertise in ESL. I have visited your college and I was very much taken with the work that went on. Nevertheless, I am constantly getting pleas from ESL teachers saying, “We need more resources.” Do I understand correctly what you just said, Mr Gniel, that 50 hours professional development is available for every ESL teacher?

Mr Gniel: No, this is teaching English in the mainstream. These are teachers—

MR DOSZPOT: What about ESL teachers?

Mr Gniel: Yes, it is the same thing; the teachers of ESL. There are courses available for them as well; absolutely—professional development. The 50 hours is particular to an actual course.

MR DOSZPOT: Do you know how many hours are available to them?

Mr Gniel: In the individual course?

MR DOSZPOT: Yes.

Mr Gniel: There are a number of those courses. What I would say is that there is a significant amount of money that is available to schools in terms of professional development for any teacher in their school. Certainly, if an EALD teacher recognised that they needed additional skills in that area that could form part of their professional learning plans for themselves. The other component of it is that we have targeted scholarships for teachers that wish to change their skill set or add an additional ESL skill set—doing a graduate certificate, for example, in teaching English as a second language. Again, there are a number of different ways in which we support the additional needs of those students in our system.

MR HARGREAVES: On page 411 of BP4 in the “Other expenses” line, there are a couple of hits of a couple of million dollars in the increase department. The one that intrigued me a bit was the one where there was an increase of \$2.234 million in the 2011-12 estimated outcome from the original budget. It is mainly due to more excursions and hire of facilities. What kind of excursions and what kind of facilities?

Mr Whybrow: I may pass this over to Ms Sharma. To identify what is in this line, the majority of activity in this line is local school-based expenditure. The other component that is in this line also relates to the activity of the active leisure centre. I would expect, seeing there was refurbishment work, that the issue here will be impacts on their revenue flow in the future, but I should hand over to the expert who will know this information.

MR HARGREAVES: So you are the expert on the active leisure centre?

Ms Sharma: In relation to the increase of \$2.3 million as identified in the last two budget statements, which I understand is on page 415, it provides excursions. Generally in colleges and high schools there has been increased activity around overseas excursions. That is the cause of it. In the previous two financial years, in 2009-10 and 2010-11, sometimes there is a peak. Maybe it is an increase in one

financial year so we were a bit conservative in the previous budget—not to increase the budget too much. However, it has been consistent in the past two financial years in relation to the overseas excursions and also marginal increases in relation to hire of facilities. That drove us to increase the other revenue. As you see, the other revenue is going up. The other side is the other expenses for school expenses. Even in the annual report for 2010-11, under the “Other revenue” line, there is an increase in other revenue for schools. That is the main cause, basically, in relation to transitory activities. It is due to overseas excursions.

MR HARGREAVES: Would I be right in assuming that part of the problem about trying to find any trends that may go from one year to another comes from the activities being in a calendar year or an academic year and the financial reporting being from a financial year perspective; so trying to match one year against the other, from where we are sitting, is a bit difficult.

Ms Sharma: Generally, looking at the operations of the school in a calendar year and also even in comparison to the financial year, as we can break it between six months to see the trends, there are marginal differences.

MR HARGREAVES: Do you report the annual reports on financial years or calendar years? It is been a while since I read one.

Ms Sharma: The financial reports, the financial statements, are prepared on a financial year basis.

MR HARGREAVES: Thank you.

THE CHAIR: Just a quick follow-up on that. On page 422 there is an increase in “User charges—non ACT government”. Is that also due to the active leisure centre at Erindale?

Ms Sharma: Which page is it?

THE CHAIR: Budget paper 4, page 422. There is an estimated increase in “User charges—non ACT government”. I am just wondering if that is also in relation to the leisure centre at Erindale.

Ms Sharma: First of all, I will explain what “User charges—non ACT government” consist of. There are a number of activities in there. It includes the international private students revenue. There is revenue relating to the active leisure centre. There is revenue for Jervis Bay and the French Australian school. There is some money from the embassy of France. There is hire of facilities. And there are some commonwealth own-purpose payments which relate to commonwealth grants from DEEWR. So there are a number of programs. The full increase of three per cent primarily relates to indexation or an increase in commonwealth grants.

THE CHAIR: Ms Hunter; then I will go to Mr Smyth.

MS HUNTER: I want to ask a couple of questions. One is around the Gugan Gulwan Youth Aboriginal Corporation, which is a local youth Aboriginal organisation. They

have recently ceased delivering their education program. There were a variety of reasons for that. What is happening to replace this project or this program in the short to medium term?

Dr Bourke: You are talking about the tutorial assistance program that Gugan Gulwan previously provided?

Mr Gniel: Are you are talking about the program that was housed within Gugan Gulwan and is now not housed there anymore but is continuing?

MS HUNTER: Can you let me know what the new arrangements are? They started that program some years ago under, I think, a social inclusion type of grant. It was extended, and now it is no longer being run from Gugan. Can you tell me what arrangements have been put in place?

Mr Gniel: The one that I am aware of is the literacy support. That was, I think, 500,000, if I remember rightly. That sum of money was for improving Aboriginal and Torres Strait Islander literacy outcomes. That was started within Gugan Gulwan, as you say, but it has recently moved out into schools. The funding itself ceases at the end of this year, I believe. The transition arrangements at the moment are the work that we are doing with those members of staff that are working directly with schools to make sure that the support mechanisms are still there when that finishes. I will hand over to Phill, who I am sure has specific instances.

Mr Nean: The program that you are referring to, the one that started and was funded under the ACT government inclusion initiative, was rolled into the support program between Gugan Gulwan and our directorate, which then rolled into the intensive literacy program that we are currently offering. Due to space at Gugan Gulwan—as you are probably aware, it is rather tight—with all the other elements of their programs operating there in such a small environment as well as a literacy program operating four days a week, it became quite difficult and overcrowded. What we have done, in consultation with the director at Gugan Gulwan, is to provide in-school support for the students involved. So it is the five high schools in the Tuggeranong valley or the Tuggeranong network. The students are from years 7, 8 and 9.

We continue to connect with Gugan Gulwan on a regular basis so that any of the students that they are picking up and supporting for other areas can be referred to and can be supported at the schools they are attending. It continues until the end of this year, as Mr Gniel said. What we are doing at the moment is working with the University of Canberra, the Ngunnawal centre of Indigenous higher education, to evaluate the success or otherwise of that program.

MS HUNTER: Will you be doing that evaluation before it stops, in case you need to continue funding it?

Mr Nean: The report of the evaluation is due at the end of March 2013, but what we are doing is ongoing collection and collation of stories and data, having a look at where we are going, in consultation with the five high schools as well as Gugan Gulwan, to make comment and then provide the report back through our directorate to DEEWR and see whether or not we are in a position, based on the

success of it, to continue it in future years.

MS HUNTER: As I understand it, the main reason for moving it from Gugan was overcrowding.

Mr Nean: Most of it has been overcrowding, yes. If you consider the spaces where Gugan Gulwan operates at the back of Erindale college at Wanniasa, with the number of young people that they support with their other initiatives and then having anywhere up to 12 Aboriginal and Torres Strait Islander students in a classroom or in a space at the centre as well, you realise that it tended to create some overcrowding issues on up to four days per week.

MR SMYTH: On page 410 of budget paper 4, minister, there is a line entitled "Carparks and traffic safety program". There is \$1.25 million in it this year. Is that an allowance for projects to come or has it already been determined where the car parking and traffic safety program will be carried out?

Mr Whybrow: That identifies a previous budget program which was \$1.25 million in total. The estimated expenditure to the end of this year is 750,000, with 500,000 to occur in the 2012-13 financial year. This was to do work within school car park arrangements. Mr Bray may have details of which ones and which ones are still on the board.

Mr Bray: Basically, how the process works is that schools will generally send us an email, the principal raising concerns about their car park or their traffic risks. We then engage a traffic engineer to go out and prepare a report, investigate the situation. The report is then sent to the school for their comment and review. Once we have an agreed review report about how to address the concerns the school has, we look at the risk rating of that particular site compared to the other sites and then we essentially allocate the funds in order of OH&S risk, occupational health and safety risk, site by site. Once we commit to a site, that does not mean that a school comes off because another school comes in. Once we commit to do work at a site, we go ahead with that. But, as we go ahead with further programs of work, we reassess the priorities of the safety for the students and staff at each school.

In summary, at the moment we have completed works at Southern Cross early childhood school and the Taylor primary school site. We have also finished at Chapman primary school. Charnwood-Dunlop primary school is in progress. And we have finished some minor alterations at the Florey primary school site. We have about 10 sites where we have reports from the traffic engineer, and that just goes into the process.

It is probably worth also noting that, whilst we got a specific appropriation in the 2010-11 budget to help us, I suppose, catch up with this work, we do actually allocate funds in our capital upgrades program, which is an annual allocation of funds. We look at traffic issues. So it is not to say that once this appropriation runs out, all work stops. Again, we look at it on an annual basis and we allocate funds as we can determine, based on risk.

MR SMYTH: Could we have the list of the 10 sites that you are investigating,

please?

Mr Bray: I will get the list and confirm it; I am happy to provide that on notice.

THE CHAIR: That is taken on notice.

MR SMYTH: On the previous page, page 408, in almost exactly the same spot, is 193,000 for 2011-12. That has arrived. That is separate moneys from these?

Mr Bray: No, that is the same money. Essentially what has happened is that we spent the first 12 months doing the design investigation and getting through the development application process. Now we are starting to roll with the work. Some schools are finished; some are in train. It is just the time it takes to do the planning and get through the development application process.

Mr Whybrow: I should also point out within that list that you will actually see some positive numbers going back the other way. For example, there are a number going back the other way where we are ahead of the program. So rather than rolling money forward, with some programs in our delivery we are ahead of programs and we have a technical adjustment that moves the money between the two years. So that is very much about the capital works approach, about ensuring that we deliver as much of the program as we can and have some flexibilities both ways.

MS HUNTER: They are the four at the bottom.

MR SMYTH: If you can give us an update, Calwell high school has 1.479 million for its performing arts centre. Where is that at?

Mr Bray: That project is completed. That is merely, again, an outstanding invoice arrangement. The works were completed at the beginning of last year. Unfortunately, the invoicing and the wrapping up of that are taking longer than we expected.

MR SMYTH: At the top of the page is the rectification upgrade of Taylor primary school. Are you confident you can do it in the two years—2012-13 and 2013-14?

Mr Bray: Yes, we are. On that project, when we first became aware of the problem, we engaged a builder and a design team which included a professional project programmer. That team of consultants and builder actually prepared detailed reports, which are on the education website. We are quite confident that, with that sort of detailed industry expertise, we can complete all of the redevelopment work by the end of next calendar year so that Taylor primary school will be open for the start of 2014.

Mr Whybrow: Rodney, is it worth also pointing out the actual work that is happening on site now? Things are already happening.

Mr Bray: Yes. Because of the unusual nature of the project—the building is totally clad in asbestos-containing material. It is one of only two buildings we have in the public school system, the other one being Melba secondary school. Just to clarify, we do not have the same problem there, because there is a steel frame. The Taylor primary school unfortunately had a timber frame. Because of the nature of taking off

so much asbestos-containing material, we have got a builder doing a trial reconstruction process at the moment. They are taking off about a 30-metre length of wall, which includes a door and a window, because the doorframes and window frames are also asbestos material.

Ms Joseph: Moulded asbestos material.

Mr Bray: That is right; it is moulded asbestos. So we are getting this builder to trial the methodology on the rebuild. Whilst that is going on—it will take about six weeks to complete that work—we are calling tenders for the design architect. So by the time we finish engaging the architect, that trial will be complete so the architect will have the information to document the work with greater confidence. Then, while that is happening, we will be calling tenders for the full build, to do the whole work. We are trying to take the risk out of the project by doing these intermediate steps. That is the process we are following at the moment.

Mr Whybrow: It is probably also important to note our relationship with the WorkSafe safety commissioner. We worked through that trial approach with the WorkSafe safety commissioner. We said, “This is how we want to do it to ensure that that is best practice.” We are working together in that arrangement. Work actually commenced on that small section on 12 June 2012. So things are well underway.

I guess the other important thing is that we take opportunities when we are presented with difficult situations. We are already engaged with the community to say, “What we are refitting out within that school does not have to be exactly the same.” We are moving to 21st century learning environments at all our schools. What is the opportunity for learning spaces? We are not going to just rebuild what is there. We will work with the community and add their views to make sure that it meets their needs. That is a really important bit: whenever we do capital works programs, we engage with the local community for what is required.

MR SMYTH: Perhaps this is more for the minister: will the students who have to move from Taylor to Urambi every day be—

Dr Bourke: You mean into Namadgi?

MR SMYTH: Sorry, Namadgi. Will they be bussed free of charge for the period of this exercise?

Dr Bourke: Yes.

MR SMYTH: And you guarantee that; good. Just because there is an ironic sense of history, I notice there is a school toilet upgrade program stage 1. Given that 16 July is the 50th anniversary of the Goulburn school strike, is this for putting up historic plaques, or have we got a program of school toilets that need to be upgraded?

Dr Bourke: This is a program for upgrading school toilets. As you realise, many of our schools have been built in the previous century—

MR SMYTH: I am pleased to see you are taking this seriously, minister.

Dr Bourke: That was not a serious question?

THE CHAIR: I do not think it was.

Dr Bourke: I will get Rodney to elaborate.

Mr Bray: A lot of our schools are approaching well over 30 years of age, so we have started a program. We went around all the schools and we put a sort of rating against each of the conditions of the toilets in the various schools. The program will result in about 22 schools having a female and male toilet block upgraded.

In order to spread the benefit around to as many schools as possible we made a decision we would not upgrade all the toilet blocks at a smaller number of schools; we decided we would try and spread the number of upgraded toilets across a large number of schools by doing at least one male and female toilet block at each of the 22 schools. When we complete that work in the 2012-13 financial year we will hopefully go back and put in a budget bid to Treasury to fund stage 2 and we will try to keep that program going until we have got through all the schools.

MR SMYTH: So which schools will be funded in this year's allocation?

Mr Bray: I have got the list, but, rather than reading out the list here, I can table that information.

MS HUNTER: That would be great. Is Forrest primary on that list?

Mr Bray: No; it is a standby school. It did not actually meet the first category. But the school has raised its concerns about the condition of the toilets, so we have gone back and had another look at them and we have agreed with the school that we will put them on basically standby, meaning that, if we are able to complete the 22 other schools for less than what we have been budgeted, Forrest will be the next one off the rank to get done. So I have said to the school that we are aware of that need and we are happy to look at it if the money gets that far. We will keep liaising with the school on that basis.

MS HUNTER: Could we also have a bit of a rundown—not here in the hearing; maybe you could provide us with some information—on the capital works? A “revised funding profile” is the term used here or “re-profiled”. Can we have a bit of an explanation of what has happened with those?

Mr Bray: Generally a lot of those projects commenced in the construction phase in the 2011-12 year and unfortunately a number of them were slow to get out of the starting blocks; they were slow to get going. We struck some problems on some of the sites. An example of that is the Canberra College performing arts centre where we actually struck the water table. After all the rain from 2010, the water table actually was higher than what was originally thought. When we dug out the foundations we found water at a closer level to the ground, so we had to redesign the foundations and obviously the build took longer.

At the beginning of this calendar year we had a period of bad weather for about six weeks, which basically slowed everything down considerably, more than we wanted. But I suppose, if you look generally, our projects are running about two to three months behind, but, if you look at the committed end dates for the projects, all of them will be completed as originally committed in 2012-13. So it is just a case, for example with the performing arts centre, that instead of finishing it in June we will finish it in September. Malkara pool also; instead of being July it is going to be September. Again we lost about six weeks in January-February at the start of the year. So generally it was slow out of the starting blocks, and the bad weather just slowed us down again.

MS HUNTER: Have you sorted out that problem at Canberra College with the water table?

Mr Bray: Yes, we have. It was a case of redesigning the foundations and then redigging a different sort of foundation.

MR SMYTH: Back to some of the other capital works, will the hydrotherapy pool at the Malkara school be open by December?

Mr Bray: By September it will be open, yes.

MR SMYTH: By September?

Mr Bray: Yes. September this year we are targeting a completion.

MR SMYTH: There is a pattern of school expansions. In the works in progress you have got Red Hill primary school, north Watson, Majura primary school expansion, Macgregor primary school expansion and this year we have had a Duffy primary school expansion. In each case, what are we expanding and how many classrooms are we adding?

Mr Bray: At the Red Hill primary school we are going to a full four stream; that is four classes each year. That expansion was necessary because the French-Australia preschool property has now been transferred to the French-Australian preschool. Until that decision was made by government, it was intended that the Red Hill primary school would reoccupy those buildings. That was the basis for carrying out the expansion work at Red Hill school. That work will be completed in September. The work is quite advanced but again we are behind. We did hope to have it done in June or July, but we have slipped to September on that. In Majura and Macgregor, which were both funded in 2010-11—

MR SMYTH: Sorry. With Red Hill, how many classrooms does that add?

Mr Bray: I will have to check. I will have to take that on notice. I think it is seven, but before I quote a number I would like to check that.

MR SMYTH: Okay. And north Watson?

Mr Bray: It is going to a four-stream school. I need to check the exact number of

classrooms that are being added. The reason is that it does not necessarily mean you build exactly the six or seven classrooms. You try to make the building more efficient. There might be spaces that are underutilised or could be better modified, depending on the—

MS HUNTER: Reconfiguring.

Mr Bray: Reconfiguring. That is why it is not just a simple case of saying it is X number of classrooms. We do create the classrooms but not necessarily as new-build classrooms. They can be areas within the existing school. That is what we work through on the consultation process with the school community. Macgregor is a four-stream school as well. So they are all going to four streams—four classes per year.

MR SMYTH: And Duffy?

Mr Bray: Duffy will become a full three-stream school. Duffy is the one that we have just been funded for. It needs seven additional classroom spaces. We have just started consulting the school on how they would like to see those seven classrooms delivered within the school.

MS HUNTER: So they will be demountables?

Mr Bray: Not necessarily, no. We met with the school last week and we said we will look at three options, one being transportables, another one being modular. Modular is a new building technique that has come out from Europe and England where they actually build the components in a factory and you just bring them to site and they assemble them, as distinct from a transportable, which is basically a box that comes out of a factory in Sydney or Ballarat. The third option is a permanent build option.

MS HUNTER: And that is to pick up the increased demand because of Molonglo?

Mr Bray: That is right, but not just Molonglo; the suburb that is currently being developed—and I always forget the name of it.

MS HUNTER: Wright and Coombs?

Ms Stewart: No, north Weston.

Mr Bray: Uriarra.

Ms Stewart: Uriarra and north Weston.

MR SMYTH: No, it is north Weston, because we shut Weston primary school and now we are building additional classrooms at Duffy primary school to cater for the kids that are coming out of Weston.

Mr Bray: No, they are coming out of the new suburbs.

MR SMYTH: Ms Stewart just said north Weston.

Ms Stewart: There are some additional students coming out of new development at north Weston. There is new building going on there, so there will be some demand coming through there.

MR SMYTH: Yes, there are several hundred homes going into north Weston. So do you find it quite ironic, minister, that just years after we shut all these schools we are now building additional classrooms in four ACT government primary schools?

Dr Bourke: One of the philosophies, as I understand it—and you will appreciate that I was not here at that time—was to—

MR SMYTH: So not your responsibility; okay.

Dr Bourke: I did not say that at all. What I said was that my appreciation of that situation was that economies of scale can be gained in larger schools, and this can provide better opportunities for students—

MR SMYTH: There are often better educational outcomes in smaller schools.

Dr Bourke: and better opportunities for us to deliver the kind of programs that parents want.

MS HUNTER: It is interesting that you have provided three options. I think the first discussion had been around the transportable, as though it was going to be a sort of short-term thing that could be met with a transportable option. But now it appears with these other options that it may be a more permanent issue. So you are addressing an ongoing need in the area rather than just a short-term need before the school at Molonglo gets built?

Mr Bray: That is right. The initial need for the additional seven classroom spaces is really to deal with the short-term take-up of new students coming out of the Molonglo, Uriarra village and north Weston areas, and that is basically until the Coombs primary school—the new school in the Molonglo, the first one—is constructed. So Duffy is basically the school that will take up those initial students. Essentially the other schools in that local area, being Chapman, Arawang and Curtin, are all full. They are at their maximum capacity. So Duffy was the obvious opportunity, and also its closeness to the Molonglo development made it a relatively short travel distance for parents in those developments.

So the strategy is that we will have Duffy ready by no later than the end of next year. It will then pick up the residents coming in that first stage of development in Coombs and then in those couple of years that follow we will have Coombs primary school ready then to receive the other students as Molonglo develops.

MS HUNTER: I have written to the minister on this, so I look forward to the response.

MR SMYTH: Which schools will the fire systems upgrade be applied to and how many of our schools have substandard or noncompliant fire systems?

Mr Bray: Before we started this program essentially all schools barring the new schools were noncompliant with the current Australian standards at that point in time. That was the reason for putting the budget bid up to the government to fund the upgrade of the system. The works are quite extensive. We have completed the emergency lighting systems at all of our schools—that part of the work has already been completed—and we have completed the work at 24 schools on all the other parts of the system such as fire indicator panels, the early warning systems, the various speakers that have to be installed, and upgraded the smoke and thermal detectors.

Not all those things were necessarily wrong at every school, but when the program is finished in June 2013 all the components of the systems at every school will be fully compliant with the relevant Australian standards. So we first made sure that the evacuation and emergency lighting was done as quickly as possible, for obvious reasons. If an alarm goes off, the ability to leave the building will there, and then we are following through with the other works to come after it.

MR SMYTH: Are we in breach of any legislation or OH&S requirements by having noncompliant or substandard systems in our schools?

Mr Bray: We are in breach in the sense that we do not comply. You would probably find that most jurisdictions would have a far worse problem than we do. The fact is that the government have actually made the commitment that we are going to sort this out. It has taken us a couple of years to get through all the sites, but we are hitting it as fast as we can. The total cost of works is actually beyond the \$2.56 million. The actual total cost is in the order of \$6 million, and we are meeting the shortfall in the appropriation through our repairs and maintenance budget and our capital upgrades program.

MR SMYTH: Does that leave you exposed on the repairs and maintenance?

Mr Bray: Every year repairs and maintenance is always prioritised based on occupational health and safety. That is the driver of all our decisions. This is obviously a major concern for the directorate and the government. The reality is that we have X amount of dollars. We talk to the executive and I put my recommendations up and we allocate the funds. So we spread the impact over two years. The repairs and maintenance was \$1 million in each of 2010-11 and 2011-12, and the same on the capital upgrades program. Whilst it is an impact, it is a managed impact.

MR SMYTH: The \$1 million is out of how much for the repairs and maintenance budget?

Mr Bray: I beg your pardon?

MR SMYTH: It was \$1 million out of how much, all up?

Mr Bray: The repairs and maintenance is about \$12½ million annually, and it is much the same for the capital upgrades program.

MR SMYTH: And you have taken \$1 million out of each?

Mr Bray: Over two financial years. So there is a total of \$4 million which is contributed to the work.

MS HUNTER: And could you provide on notice for the committee what is covered in those repairs and maintenance?

Mr Bray: The actual repairs and maintenance works?

MS HUNTER: Yes.

Mr Bray: Yes, I can. It is too detailed to go through that, but I can.

THE CHAIR: So that is taken on notice.

MR SMYTH: Can we have a chart of the schools and which ones have been upgraded and which ones are to come for the fire and maintenance?

Mr Bray: Sure, certainly.

THE CHAIR: So that is taken on notice.

Mr Whybrow: Can we also clarify that point about the Australian standards around a new building versus the Australian standards around existing activity or standards in place for schools?

Mr Bray: The Building Code of Australia is the guiding document for all building works. Essentially, when building works were done at the time of those works, they were compliant. They were satisfactory. But I think that when you obviously get to a point—

MS HUNTER: When you are comparing it to today's BCA, it is—

Mr Whybrow: I think that is the point I would like to make, if it was built today, about compliance rather than breach.

MR DOSZPOT: Minister, I understand that the ACT will get about \$348,000 of the \$19.6 million federal investment in professional development and training for school principals. Can you elaborate on that?

Dr Bourke: I will get Ms Joseph to go into the detail.

Ms Joseph: I think what you are talking about is that, through the Australian Institute of Teaching and School Leadership, there is funding—

MR DOSZPOT: Something Peter Garrett has announced, is it?

Ms Joseph: I think that is what you are referring to, that there is funding coming to the ACT for professional development for principals.

MR DOSZPOT: When is that for?

Ms Joseph: I am not sure on the timing of the grant. I believe it is on its way. There have been plans put in place at a national level to actually talk about the distribution of those moneys. Those moneys will be coming to the directorate and complementing and aligning with programs that we already run with our principals as well as looking at new programs for principals.

MR DOSZPOT: What is the current allocation for professional development for principals?

Mr Whybrow: I think we have mentioned that there is a principals learning fund, which is one per cent of the total value of their wage, which is incorporated in the EBA. It is similar to the teacher professional development fund. There is a separate one for principals.

Mr Gniel: If I could answer that too, the one per cent salary costs for 2012 equate to about \$170,000 for principals. That is the principals component. In terms of the teacher professional learning fund added through the EBA process, it is \$1.25 million.

MR DOSZPOT: And is this aimed to complement the autonomy directions that we are heading towards?

Mr Bateman: The first question to do with the principals PD, under the improving teacher quality national partnership, there is about \$670,000 to come to the ACT collectively. That is across all three sectors over the next two years, this financial year and next financial year.

MR DOSZPOT: So you are now talking about the Peter Garrett announcement?

Mr Bateman: Yes, that is right. Inside the empowering local schools national partnership there are also components for principals professional development for those schools covered by the national partnership. Some of that money has been paid to AITSIL. I do not have the exact figure for that, but they will run a national program, which has just been announced today. And schools will be applying to take part in that. But all schools get a component in that national partnership to be used for capacity building.

MR DOSZPOT: Thank you for that information. It was going to be one of my other questions. The \$348,000 is for public schools only, and there is another component, I think you have just mentioned there, is there?

Mr Bateman: The total figure is about \$670,000 across the three sectors. The general split is of the order of 60-20-20. It varies from different partnerships to different partnerships. But it is around that particular level.

MR DOSZPOT: And do you have any idea when this funding will come into our system?

Mr Bateman: The first payment, I think, is due—it could be the second payment—on the 28th of this month. Signoffs are all a bit slower than expected, and that is right

across Australia.

MR DOSZPOT: On 28 June?

Mr Bateman: On 28 June, we should get the final payment for this one. I am not sure off the top of my head whether it is a combined payment, two payments or just the second payment.

MR DOSZPOT: Has there been any provision made for that money to come into this year's budget?

Mr Bateman: With that particular national partnership and generally, there are implementation plans. So this is facilitation money. It is money that has to be spent in the way that was signed off by the government in the relationship with the commonwealth, and those milestones or activities are inside the national partnership.

MR DOSZPOT: And the milestones will be met, what, within a 12-month period?

Mr Bateman: There are ones for this year, and most of those have been delivered. It was around the national standard for principals, which the director-general spoke about earlier, and aligning our current programs to that particular standard around mentoring and coaching programs for principals, induction programs for new principals and development of aspiring principals.

MR DOSZPOT: I have one final question on that. From an ongoing point of view, as I understand it, the ACT branch of the Australian Education Union remains opposed to school principals' autonomy. Is it the government's intention to press ahead with this?

Dr Bourke: What we are talking about is empowerment, and that is about giving principals a say in the teachers that are appointed to the schools and giving principals a say in how the money is allocated. That is what school empowerment means in the ACT.

MR DOSZPOT: I am not looking for a lecture, I am looking for clarification.

Dr Bourke: I just clarified it.

MR DOSZPOT: Have you?

Dr Bourke: Yes.

MR DOSZPOT: I misunderstood then. There is opposition from the Education Union. I am asking: is it still your intention to press ahead, or are you still having negotiations with the Education Union?

Dr Bourke: I will get Diane Joseph to talk about that.

Ms Joseph: We have a national partnership around empowerment. Previously it was called the autonomy project. We started with eight schools in phase 1. That has grown

to 23 schools this year overall. We asked schools, “Do you want to be involved in the second stage of empowerment?” We had over 40 schools put in an expression of interest to be part of it. From the school side, I would say we are getting fairly strong support to be part of the project.

From the AEU side and the teacher professional side, most of the empowerment models or the policy change to develop, retain and attract teachers to our schools—there are two parts of empowerment. One is about staffing—attracting, developing and retaining staff. The other is transparency and accountability around resource management.

In the first part in empowerment, overwhelmingly I would say that the teaching profession support it—a number of policy changes. That was through the enterprise agreement. We had the numbers of teachers who voted on the enterprise agreement recently. And the changes in developing, retaining and attracting teachers—Ms McAlister talked about some of those, about accelerated development, extra support for first-year out teachers, the new category for executive teacher professional practice, and the opportunity for principals to advertise locally and have local selection panels for staff. They were a number of the things coming out of the first eight schools in the autonomy pilot, now empowerment.

Those changes were part of the enterprise agreement and were overwhelmingly supported by the teaching profession. The AEU supported those changes through the consultation and negotiation process around the enterprise agreement. I would say the major part of empowerment is about developing, selecting and retaining high-quality staff. It is about high quality teachers in our schools. The AEU is very supportive of those changes.

However, when we get to what transparency and accountability look like in school funding, yes, there are concerns around that. We hear claims that principals would obviously, according to the AEU, hire cheaper teachers. Principals I talk to regularly, and I do this nearly every day of my working life, and groups of individuals and groups, overwhelmingly say that principals select staff through employment arrangements in developing a panel. AEU agrees and nominates an AEU representative onto every teacher selection panel. It is a merit-based selection process, so dollars and costs do not come into it. I have high trust in that process. The training we provide through the directorate to panels—the panel training, the panel manuals, the guidance, the approval and support of those processes by the AEU that have been approved and enshrined in the current agreement—actually again say we do have strong support for that process.

Principals select, through that panel arrangement and through merit-based selection, the best teachers for the positions. I challenge every time, around the transparency and accountability part of the equation, that it is bad for schools. I would reinforce that it is very good for schools. We do have numbers of people who have actually applied for positions that have been advertised at the school level. And, overwhelmingly, we have had external applicants put their hands up to come and work in ACT public schools—far more than when we advertised in a once a year, centralised process. The other part around transparency—

MR DOSZPOT: Were those applications coming mainly from New South Wales?

Ms Joseph: From a variety, from interstate and from non-government schoolteachers in the ACT as well as in New South Wales. I could call on Ms Mitchell, who was part of the phase 1 trial, who could talk about her direct experience at Dickson college.

The transparency and accountability around budgets are about looking at what are the resources available to schools. In the first instance, it is about being able to say: “Principals, this is what makes up your budget. These are some other areas of funding that may come to you from the directorate. If you had your say, how would you use those resources to deliver the best outcomes?” So the conversation around transparency and accountability with budgets is exactly that. The conversation is: is there a new model we could test to give principals greater decision making, together with their school leadership team, on how best to utilise those resources?

In the discussion earlier we had around English as a second language, Ms Mitchell did talk about how she was able to use those centralised resources that were given to the school. She as the principal was the decision maker on how best to use those resources, knowing the impact it would make in the classroom. It really is about putting the decision making around resource deployment closer to where it is going to make the impact. Who makes the best decisions? Those who know how best to spend the money, who will see the direct impact in the classroom.

We have got a lot of work to do around what is the best budget model. We are not changing the budget model through the empowerment. We are testing some ideas and getting feedback from our 23 partner schools on whether that works or does not work. In our 23 schools, we have intentionally put schools in there that have decreasing enrolments. Therefore, there are some issues around budget management. If we have just got schools that have got increasing enrolments—our two new schools, Namadgi and Gungahlin were included in phase 1. They were greenfield sites. They had increasing enrolments, so lots of flexibility. A budget model to suit those schools may not be suitable for schools, say, with declining enrolments. So the conversation happening at the moment with our 23 partner schools is actually to trial, test and develop. There are some different models being developed, and there are some conversations around how you actually free up and become flexible about resources without compromising student outcomes in the classroom.

MR DOSZPOT: Thank you for that; that is a good precis. Just before we pass on to Ms Mitchell, New South Wales has undergone a fairly extensive private study as well. Is there any interjurisdictional discussion on this, as to how they have gone?

Ms Joseph: The only interjurisdictional conversation, which is only just beginning, is through the empowering local schools national partnership, which ACT has signed up for. As part of that national partnership there will be an evaluation. ACER have been contracted already to do that evaluation. They are in the initial stages of doing that evaluation. I am not up to date with exactly which other jurisdictions have signed up or not signed up to that partnership.

Ms McAlister: I will just add to that and say there are some geographical differences between ACT and New South Wales, which means that our trials or what we are

building under empowerment actually look quite different. One of the luxuries we have is being a small system where we are able to meet and engage with our 23 partner schools on a regular basis. We have set up quite a very consultative model where feedback about the specific nature of the budget model and the staffing procedures is immediately brought back to senior executive and there is a communication loop between those that are engaging in these processes and senior executive. I am not sure that New South Wales, with the size of their jurisdiction, has the flexibility and the responsiveness to build the model in the same way. And our feedback from principals is that they are appreciating being engaged and being listened to around what they are finding.

Ms Mitchell: Just to elaborate on where we have recruited as a phase 1 school, we recruited teachers from South Australia, New South Wales and overseas—an Australian teacher who was working in an international school in China. We recruited from national institutions like the Portrait Gallery. People have moved from the Catholic system and from within our own system. But the majority are from outside our system.

Also, I was able to recruit specialist teachers. We were talking before about EALD and the need for teachers. I was able to recruit teachers. All my teachers now in the introductory English centre and ESL at Dickson college have TESOL qualifications, which is fantastic. It has been really liberating and very rewarding from the school point of view.

Ms McAlister: I will just add to that. The feedback we are getting around the people applying for positions under empowerment is that it is undeniably offering greater flexibility for principals but also offering greater flexibility for teachers, who perhaps would not have left their previous employment to be recruited under a centralised pool, under a centralised model, and then risked being placed anywhere. We are seeing a number who are appreciating the flexibility to apply directly to schools.

MS PORTER: A while ago Mr Smyth made a comment about the decisions made previously about some schools that were closed when there were declining enrolments and for various other reasons. It is my memory—I appreciate that you were not around at the time—that the economies of scale were very much part of that decision making in that some schools were not offering all subjects or, for instance, some libraries were not open all the time. So students were missing out at some of those schools where the numbers were smaller. Now that, as you say, the schools are bigger, there is a capacity to make sure that these students are provided with all opportunities, including the library being open five days a week, for instance. That is my understanding. Is that correct?

Dr Bourke: Absolutely. As you say, the opportunities that come from economies of scale are quite significant in education.

MR SMYTH: So smaller primary schools are not good, then?

THE CHAIR: Just let the minister answer the question.

MS PORTER: I am asking this question. I just want to clarify this. It is actually a

primary school that I am reflecting on, because it is a primary school in my electorate. The library was not open all week. I think it was only two days a week that the library was able to be open, but I could be wrong. It could have been three days, but it was certainly not five. This was obviously a problem for that primary school and for those students. It is my understanding that in these larger primary schools now—I may be wrong—the students have access to more opportunities. Is that correct?

Dr Bourke: Yes. Also, teachers have more access to opportunities. I grew up going to primary schools of different sizes. The last primary school I went to when I was in grade 6 had 12 kids in it. Five of us were in grade 6. The opportunities that were available in that school were severely diminished. I went to other schools that had 400 kids. The resources that were available in those schools were significant. I will get Ms Joseph to talk a bit more about this one.

Ms Joseph: It is more about how the ACT government schools work as a system. What we are doing now through our network approach—we have four networks with about 20 schools in each of those networks—is encouraging and supporting partnerships and innovation between schools. The excellence and enterprise initiative, together with funding that has been identified in the budget, has actually seeded some new partnerships and new thinking around how we provide greater flexibility and choice, not just in one school but in connecting schools up and in doing partnerships.

What we are starting to see is more of that sense of system and pathways for students through the system so that they can identify, for example, a language learning pathway through a system—or maths and science or whatever. We are also seeing the transition between schools through the public school system being a lot stronger than it has been in the past, because we are encouraging schools to not just identify programs and specialist choices within their own environment but also, by joining in and partnering, utilising and leveraging from technology wherever we can, share teacher expertise across school boundaries. That is the direction for 21st century learning.

Mr Kyburz: Perhaps I could talk about an example or two in my network to do with an online language learning project, the language being Indonesian. A number of schools are working closely together to ensure that native speaker students at the primary level and beginning students at the high school level are equally challenged. In my network there are eight schools working closely together to develop this particular project whereby a student who might be in a primary school and who is a native speaker can operate at a higher level in another school with the particular skills of that teacher that may not be present in their home school. In this way, we are offering additional challenge to students and also the sharing of resources within the network. And even across network, there is a school in the Belconnen network that is also part of it.

The schools are actually sharing the resources and developing the resources together. The goal is to get the online project going. With the way in which it is working now, we will have a pilot set up very soon, in term 3. Once we get the pilot worked out—we have an online or an e-learning consultant that we have engaged to try to have an interactive web-based project. All the jigsaw pieces are coming together, and we look like having a successful project in that way.

Another example is to do with let's talk teaching. Fourteen schools within my network are working closely together to share best teacher practice and to share teacher practice across the network to ensure that we have a higher quality delivery within each class in each school.

MS PORTER: That all sounds very positive, minister, but if you go to page 397, the strategic objectives, and the 2.2 table, looking at overall levels of student satisfaction within the education and public schools, it looks as though we are looking to increase that satisfaction year in, year out. Obviously, there is a lot of reason why student satisfaction should be increasing. But I am just wondering how we get to that figure—how we find out whether students are satisfied. What processes do we use to find out whether or not our young people are feeling satisfied with their educational programs?

Dr Bourke: We do some surveying of our post year 12 students, not only to work out what their satisfaction with their schooling experience has been but also to find out where they have gone—whether they have gone on to further study or into work. It is very important to know that the people who have been with your system for 13 years have been satisfied with that system. But I will get Ms Joseph to talk a bit more about that.

MR DOSZPOT: Can I ask a supplementary which perhaps you can both address as well? Ms Porter referred to libraries. The question I would like to put in with her question is this: could you comment on what plans the government has to address the fact that 50 per cent of ACT government schools do not have a dual-qualified teacher librarian?

Ms Joseph: I will call on Ms Stewart, first of all, to answer about satisfaction—how we actually collect that data.

Ms Stewart: I will talk a little about the satisfaction survey. As the minister said, we do ask some questions in what we call our post year 12 destination survey, not only about what those students are undertaking after they finish year 12 but also about their satisfaction with schooling. We have extended that survey now to ask those questions of not just year 12 graduates but those who leave school early, who leave school before they have completed their year 12 certificate—again, on their satisfaction.

We also run a system-wide survey for all students from year 5 through to year 12, and give them the opportunity to answer questions about their satisfaction with schooling and, in particular, their school. That survey runs every year. You may be aware that in recent years we have extended that to students in all schools. We used to run a sample of schools. We are now giving the opportunity for all students in all schools from year 5 to answer questions about their satisfaction with their school.

I will add that there are moves from the Australian government to extend that to a national survey—not necessarily to extend our collection, but to implement a national survey of student satisfaction. In fact, at the end of last year, a trial was conducted as part of that move to implementation of a national survey of satisfaction.

Dr Bourke: Of course, this is a very good result, which really goes to show the broad

level of community support for the excellent public education we have got here in the ACT.

THE CHAIR: Did that answer your question, Ms Porter?

MS PORTER: Yes, it does. Thank you very much, minister.

THE CHAIR: Okay. We will go to Mr Doszpot's supplementary then about the librarians.

Ms McAlister: I would like to address that. Just from a staffing perspective, we did an analysis of staffing returns in the secondary sector, particularly looking at teacher librarians. Mr Gniel will have more updated information. This took place in April, the staffing returns. Seven out of 10 high schools listed a qualified teacher librarian. Six out of eight colleges listed in their staffing return a qualified teacher librarian and seven out of nine of our P-10 schools indicated a teacher librarian in their individual settings. So from the HR perspective we are not necessarily receiving the feedback from schools that teacher librarians are an area of shortage.

Just because one was not listed on the staffing return does not mean that one does not exist. They might be doing a number of roles within a school. The other thing is that some schools might resource their library with a dedicated assistant and look at a teacher delivering lessons. There are a number of other options that principals can take to address the needs in their setting. But I know Mr Gniel has some information that is based later than this April look.

MR DOSZPOT: So you are disputing that comment about 50 per cent of schools?

Ms McAlister: Yes. The information coming to us in human resources by principals when they are asked to list their teacher librarian is that over 50 per cent in the secondary sector are listing a teacher librarian against their library position.

MR DOSZPOT: That is interesting. That is not the information I have got, obviously.

Ms McAlister: I can look at that more closely. We do not ask them to list on the staffing returns the qualifications of each of their teachers. But they are indicating that they have a teacher librarian in their setting.

MR DOSZPOT: Are there programs in place to train more teacher librarians? I would love to hear about them.

Ms McAlister: Certainly teacher librarians remain an area of interest for us in terms of recruitment.

MR DOSZPOT: I am very glad to hear that.

Ms McAlister: But it has not been expressed as an area of tension around placement.

MR DOSZPOT: I am pleasantly surprised. Thank you.

MS HUNTER: What about primary schools?

Ms McAlister: I did not look at that data. I can bring that to you. I was particularly interested in the secondary—

THE CHAIR: That has been taken on notice on primary schools.

Ms Gniel: I have some information about the primaries, maybe before we do the question on notice. But, to elaborate, there are targeted scholarships, Mr Doszpot, available for teachers looking to retrain as teacher librarians. I can get the numbers of those over the last few years. I do not want to quote numbers without having the specifics, but there have certainly been a number of teachers who have retrained as teacher librarians through that targeted scholarship program.

In terms of library staffing, all nine colleges have qualified teacher librarians. Of the 11 high school libraries, 10 have qualified teacher librarians and one of these has a qualified teacher within that setting and also some administrative support. The one without the teacher has unqualified admin support as well. Schools look at staffing their libraries in different ways.

In terms of the P-10 schools, our preschool to year 10 schools, in which there is a primary and high school component, they all have teacher librarians. Of the primary schools, 10 have a qualified teacher librarian full time in the library, 18 have a qualified teacher librarian between 10 and 90 per cent of the time in the library, 11 have a teacher in charge and eight have no teacher in the library, but, of these, four have unqualified admin support and four have qualified admin support. So you can see there is a range of different options that schools are using to maintain their libraries.

I guess the important factor that I do not think anyone would dispute here is around information literacy and knowing how to research and work within that context. I do not think any principal would dispute that that is a continuing need. I guess it has changed slightly, Mr Doszpot, as you would recognise, to online learning environments, making sure that students are able to research and work through that area as well and that teachers work with their students around information literacy processing in an online environment.

MR DOSZPOT: I must say I am surprised, and if that is the case I would be very happy. But the information that I have had, both from a personal point of view and from visiting schools extensively throughout Canberra, is that there certainly appears to be a shortage. I look forward to getting the information from you.

Ms Joseph: Could I also add that we have just implemented a centralised library service connecting all our libraries up and creating efficiencies and opportunities across all public schools.

Mr Huxley: We rolled out the Oliver library management system last year to all of our ACT public schools. It was a very well received course. We have ongoing training and support for all people with responsibilities for school libraries. It has been very well subscribed—maximum subscription, good relationship with the vendor—so it is

a real success and a real opportunity for librarians to share their practices between schools and for the more experienced teacher librarians to share expertise with assistants and teachers with the responsibility in that area, so a really good support story for teacher librarians.

THE CHAIR: Thank you. I am going to move on to my question. It is in regard to the carbon neutral schools, stage 1, which is referred to in budget paper 3, on page 192. It is also in budget paper 4, on page 409. Can you provide a breakdown of how this money will be spent and the time frames for that?

Dr Bourke: The budget allocation for the 2012 year and the outyears is in front of you. What it is going to be spent on is high efficiency internal lighting, high rating roof insulation at 10 schools and trial implementation of additional works at two of the 10 schools to significantly reduce—

THE CHAIR: Is it possible to get that provided to the committee?

Mr Bray: Yes. To save a question on notice, I can read out the names of the 10 schools that are identified. It is Evatt primary school, North Ainslie primary school, Weetangera primary school, Stromlo high school, Arawang primary school, Theodore primary school, Fadden primary school, Caroline Chisholm school, which is a P-10 school, Alfred Deakin high school and Canberra high school.

THE CHAIR: Thank you, and also if it is possible could we be provided with a list of the breakdown of what the money will actually be spent on? I know you just provided the list, minister, but if we could actually—

Mr Bray: No. That is exactly what it is.

THE CHAIR: But you actually listed a number of things—

Mr Bray: I can confirm that at all 10 sites we will be installing high efficiency light fittings and we will be replacing/upgrading the roof insulation in those schools. And at two of the 10 schools, which we are yet to actually identify because we need to have discussions with schools about the process, we will be looking at doing other works to try and, I suppose, measure the benefits of doing other activities like changing the glazing over to what is called low E, which is a thermal resistant glazing material; putting in better weatherproof seals and automatic door closers on external doors; putting in thermal-rated window furnishings; and improving the controls on the heating systems. For instance, what we would be looking at doing there is having separate buildings on separate controls so that if a building is unoccupied we can shut down—mainly the heating; that is our biggest issue. So we will be doing that, and also looking at improving/upgrading the boilers—if it is an older boiler, to a more efficient boiler.

Basically this is what we want to try and do. We have 10 schools. Eight of them will have the same sort of improvement done to them and then we will pick two of the 10 schools where we will do these additional works, and then we will set the process up in such a way that we can do a rough analysis on the before and after benefits of what we see as the biggest wins, which are the internal lighting and the roof insulation,

compared to the additional money required to do all those other things, and see if we get as good a return on investment with those other works.

THE CHAIR: Great. And obviously there was the target of having carbon neutral schools by 2017. From what you have just outlined then, are you going to actually collect data and more broadly publish information about current and future usage, comparing that and the success of the new initiatives?

Mr Whybrow: Within our annual report we do publish data on emissions and that will be in every annual report which shows emission levels.

THE CHAIR: Yes, I recognise that. Obviously you set that target and so you are going to be reporting on that target?

Mr Whybrow: It is working towards that. This is not just one thing in isolation. There are a number of other programs that have been funded in the past—things along the lines of a water tanks program in the 2009 budget. We had the solar schools program, where \$2 million was allocated from the ACT. We work about delivering the programs in total, so we worked with the commonwealth solar schools program, which provided \$2.3 million. We were putting an enhanced, combined system on each of our schools, providing, we think, the best solution around the country—around 10, 20 and even 30-megawatt productions—which is providing income streams to schools, and schools are using those income stream funds to reinvest in carbon neutrality. I guess I am just trying to point out that it is not just one thing; it is a range of those things.

THE CHAIR: I understand that. Thank you.

MS HUNTER: It is just about whether the data is actually being collected to show that the target is being met.

THE CHAIR: That is what we are trying to get to, yes. You are talking about all these things that you are doing. Is there going to be an implementation plan or a strategic outline developed, and will that be made publicly available and provided to the Assembly?

Mr Bray: At this stage, no, we have not. I suppose the main reason is that we—

THE CHAIR: Sorry; you have not done that?

Mr Bray: No, we have not got a strategic implementation plan for achieving carbon neutrality. The reason mainly is that we are going for the low-hanging fruit at the moment. Our biggest gains are in energy efficiency. We have energy audits; they have been done for every school. Every school has had a consultant go out and look at their energy consumption history—

MS HUNTER: So that is going to be your baseline data?

Mr Bray: It gives us baseline data on what we are consuming at each school, but what is more important is that we are installing what are called pulse meters at every

school for gas, electricity and water consumption. The pulse meters are a real-time meter. They are a digital meter. We are just starting to roll out their installation. They allow the schools a real management tool; in every 15 or 20 minutes the meter updates what they have consumed in the last 20 minutes. The software that displays the results has the ability to compare the day before, the week before, the season before, days on similar temperature, and it allows the schools to monitor, if it were, say, the same temperature as last week, why they are consuming more power, be it via electricity or gas.

The idea is not necessarily that the business manager sits there doing this. What we would like the schools to set up are what we call green teams. The green teams concept has come out of the Australian sustainable schools initiative, which is managed through the ESD directorate. They have got the behavioural side of the whole work. There are obviously two parts to the strategies, as you would know. One is about doing physical works; the other is about behavioural change.

THE CHAIR: Yes, and I know about that initiative.

Mr Bray: The AuSSI team, which we work very closely with, are handling the behavioural side of things. We coordinate what we do in the physical side so that we are always supporting each other's initiatives. For example, with waste recycling and waste reduction, we are actually installing mechanical bin lifters in schools. We have done a trial at seven schools and we have got another five schools to install the lifters at.

The benefit of that solution is that we also solve an occupational health and safety problem with back injury. But we also get the buy-in from the schools because then they can take the waste from the wheelie bins and put it into skips. The other win for the school is that we will be doing, we hope, a whole-of-school waste removal contract which will give us the benefit that the skips are actually full rather than being half empty wheelie bins. The waste removal companies essentially charge on a wheelie bin removal, whether it is full or half full or it is empty.

What we are trying to get is a sort of self-perpetuating benefit to the schools where, by taking on the behavioural change, they will actually realise financial benefits. That then comes back into their back pocket for doing more things at the school. The link, as Mark indicated, is that the benefits that they get financially feed back into the system and the ultimate benefit is that their waste removal costs decline. It is the same with power.

MS HUNTER: So with the pulse meters and that rollout, are you going to make that information publicly available? Are you going to report on it in the annual report or on the web?

Mr Bray: The information that we are putting out is web-based. We actually want the kids in the classrooms to take up curriculum learning activities. The green teams will actually be kids maybe in years 5 and 6 in the primary schools and they will actually become the monitors.

MS HUNTER: The champions.

Mr Bray: The benefit of having the income from the solar panels is that this group actually has an income. In essence, they will have an income each year. They will work with the teachers involved and they will put a recommendation to the school board about what they would like to invest that money in.

For instance, there might be a dishwasher in the staff room that needs to be replaced. Rather than buying a discounted, cheap dishwasher they say, “We would like the school to think about using part of the income to top up to a more efficient but more expensive dishwasher so it is energy efficient and water efficient.” In the past where the school might have thought twice about doing it because it was going to cost them an extra \$500 or whatever, that is now not an issue. The kids and the teachers involved can buy in to having an income and they recommend to the school board what they would like to invest that money in.

What we would like to do in future is actually provide incentives to go with it as well. If we from the central office would like a school to do a certain program we might offer some incentives where we will go fifty-fifty. If they future in their income, we will match it. If it is a joint benefit where we could actually complete, say, something that they could not quite afford with their 6½ thousand; we could actually top it up and make sure we deliver that element. The idea is that everybody just buys in in a positive way and ultimately the schools benefit in that they reduce their costs.

MS HUNTER: Great.

Mr Whybrow: I should point out that from a strategic point of view we build into the—

THE CHAIR: I am sorry, but in the interests of time—we have got the answer we need so if we could move to the next question.

Dr Bourke: What about the bike sheds?

Mr Bray: I forgot the bike sheds, sorry.

THE CHAIR: I am sorry, Mr Whybrow, I did not mean to cut you off then. We will go to the next question.

MS HUNTER: I wanted to pick up on an issue I have raised in, I think, previous annual reports, if not estimates. It is about the number of students that are not transitioning from primary school to high school. I understood from, I think, the annual reports hearings that under the new ACT youth commitment a new tracking system was being developed. How is this work going? We are getting anecdotal reports from a number of youth services out there that there are many, many children who are just not transitioning, particularly from primary school into high school, but there are other transitions along the way, obviously.

Dr Bourke: The schools have quite a range of different work on transition from primary school to high school. Some of it is school-based, but—

MS HUNTER: This is particularly those students that we do know and the department is aware are not engaged in school.

Ms Stewart: We are implementing the outcomes of the youth commitment and working across the board in terms of implementing that. So not only is this a directorate initiative but, as you have already raised, we work with other directorates in re-engaging youth and very young people and also with community organisations in providing services to them. We are now extracting data that can tell us where the risks are and also, in terms of tracking individual students, making sure that they stay retained in the system, and then working with those individual students in terms of re-engagement and the provision of educational programs or, if they are older, perhaps training and employment programs.

MS HUNTER: It was that tracking system that I was particularly interested in—how that was going.

Ms Garrison: One element of that tracking system—and I am not sure it is going to answer your question—is around exemption certificates, which came out of the youth commitment and our education participation suite of policies. Since 2010, when that change to legislation around the leaving age came into play, we have been tracking the requirement for exemption certificates when children are not attending school. I think it is interesting to note the trend from 2010. When it was first introduced we received 44 applications for an exemption certificate.

MS HUNTER: For exemption?

Ms Garrison: Exemption is not about approval to do something else; it is about if you are not attending school—if you have got a reason that you will not be at school for over 25 days or that we are aware that students are not at school over 25 days. Principals can actually approve below 25 days. This is after.

MS HUNTER: If you could just give us the numbers that are under the exemption or partial exemption.

Ms Garrison: Okay. In 2010 we received 44 applications and 26 exemptions were issued. In 2011 we received 36 applications and 28 of those were approved. In 2012 we have received 75 applications—and that is to date this year—and 53 have been issued. That huge growth this year has been, I think, because people are more aware that they have to identify what they are doing, so we are tracking much more successfully. A lot of those have been around going overseas and extended leave periods. I think that trend shows that people are becoming more aware.

MS HUNTER: That is for the older age group.

Ms Garrison: No, that is from five through to 17.

MS HUNTER: Okay.

Ms Garrison: So it covers all those aspects. Some of the ones that I said had not been issued, the ones where they had applied for an exemption certificate but it was

not issued, gives us the opportunity then to work with the parents who have put that in to look at alternative pathways or reconnection or engagement. In the past they may have just fallen through.

MS HUNTER: Does that number match the number of students that go missing from the system? What is the difference in that number?

Ms Stewart: There are a range of things. The other one we can talk about is the approval statements, which I think is the one you are referring to for the older children.

MS HUNTER: Yes.

Ms Stewart: That is the approval to undertake training or employment outside of the school system or to make a mix of, perhaps, schooling and training. For example, last year in 2011 we had 143 applications for approval statements and 44 of those are still in effect, but a number have expired because the student has either finished school or has reached the age of 17. This year so far we have had 55 applications received; 35 of those are still in effect and 11 of those were declined. Part of the reason for that is that they may fall under a different program—for example, an apprentice who does not need to get an approval statement.

That covers two groups of our students that we are tracking. There are, as you said, other students that also need to be tracked. We have a system in place where what we actually do from our central student database is look at students who were enrolled at a school but have left that school. Our database has the ability to pick up if they re-enrol at another public school or, in fact, if they re-enrol at a non-government school in the ACT. It actually takes that information in as well. It also has the ability to match students who might have applied through one of the other programs, such as an approval statement or an exemption certificate. It checks whether they have re-enrolled, for example.

MS HUNTER: So how many are not being picked up through those systems that appear to be missing? What is the number we are talking about?

Mr Gniel: We do not have an exact number, Ms Hunter, because of those limitations of the system in terms of the connections with community organisations. We have a connection that Ms Stewart is talking about around the connection between our schools and the sectors. The first element of this was to make sure we are tracking where we can now.

The work that is going on through the youth commitment that I think you are referring to as well is through the student transfer register itself. That work is ongoing. I think the consultant who was hired identified about 81 databases that do not necessarily all work together. The challenge for us is that where students may be engaged they are not engaged under one solid list. That is the challenge for the youth commitment group.

MS HUNTER: So in order to identify how many have disappeared, if you like, from the system—non-government, government or whatever—that are just not in school—

Mr Gniel: That is the challenge for us. They face that in a number of other states too. If I can just use South Australia as an example. They had the community boards like we have established, the re-engaging youth leadership network boards, as you are aware. They found that exact difficulty. They ended up also needing to tap into Centrelink. Students who were not engaged in any form of education or work were still picking up the money that was coming through Centrelink. That is something we have also been doing—engaging with Centrelink around those numbers.

The re-engaging youth network boards that we have established in those local area networks are composed of all the people that will have that information. It is just that it is not in a central place at the moment. The first challenge for those boards is to bring that information together to clearly identify what the key issues are. The work on the transfer register is the ongoing work, I guess, because it is about how we connect all of those different systems to make sure we know where all of those young people are.

MS HUNTER: Do you have any idea as to the number we might be thinking about from the people you have spoken to and have been engaged with? I have heard about a couple of hundred.

Mr Gniel: I think those are the numbers that I have been told as well. The reason we are connecting those people up is that we do not know whether they are talking about the same students or the same young people.

MS HUNTER: And doubling up.

Mr Gniel: And doubling up on some of those numbers. We are certainly aware from our own information, as you have heard, making sure that we have got our systems in place to recognise where students who were enrolled or are currently enrolled are actually sitting on the margins, I guess. The next phase, though, is how we connect in with other directorates who may have that information—Community Services, obviously, youth justice and others—as well as the community sector where there are a number of these young people receiving that provision.

MS HUNTER: Have you got a timetable on this work?

Mr Gniel: As soon as possible, I guess, is the answer.

Ms Stewart: It is ongoing, and we are making steps all the time. In fact, recent data suggests that the number is less than 200. When we are actually starting to track individual students, we are finding, for example, some of those that we have lost at year 6 have re-enrolled interstate. So we are trying to make those connections. In fact, I have recently had some conversations through the Australian government and to connect with the New South Wales government about how we might actually be able to get improved data around that and exchange some information so that the children are not lost but, in fact, we know that they have moved out of the ACT, having re-enrolled in New South Wales or vice versa, because they are obviously keen to have that information from their end as well.

THE CHAIR: We are, unfortunately, out of time. Thank you, Dr Bourke, as minister

for education, and officials from the directorate for appearing before the committee today. As mentioned at the commencement of the hearing today, there is a time frame of five working days for the return of answers to questions taken on notice at this hearing. Proceedings will resume at 9 am tomorrow, commencing with the committee's examination of the Education and Training and youth affairs portfolio, continuing consideration of output classes 1 and 2, public school education and non-government education. This will include an examination of the following outputs: disability education and public schools, and non-government education.

The committee adjourned at 5.31 pm.