



**LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL  
TERRITORY**

**STANDING COMMITTEE ON PLANNING, PUBLIC WORKS  
AND TERRITORY AND MUNICIPAL SERVICES**

**(Reference: Annual and financial reports 2007-08)**

**Members:**

**MS M PORTER (The Chair)  
MS C LE COUTEUR (The Deputy Chair)  
MR A COE**

**TRANSCRIPT OF EVIDENCE**

**CANBERRA**

**FRIDAY, 30 JANUARY 2009**

**Secretary to the committee:  
Ms N Derigo (Ph: 6205 0435)**

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

Submissions, answers to questions on notice and other documents relevant to this inquiry that have been authorised for publication by the committee may be obtained from the Committee Office of the Legislative Assembly (Ph: 6205 0127).

## APPEARANCES

<b>ACT Planning and Land Authority .....</b>	<b>1</b>
<b>Department of Territory and Municipal Services .....</b>	<b>1</b>

## **Privilege statement**

The committee has authorised the recording, broadcasting and rebroadcasting of these proceedings.

All witnesses making submissions or giving evidence to an Assembly committee are protected by parliamentary privilege.

“Parliamentary privilege” means the special rights and immunities which belong to the Assembly, its committees and its members. These rights and immunities enable committees to operate effectively, and enable those involved in committee processes to do so without obstruction, or fear of prosecution. Witnesses must tell the truth, and giving false or misleading evidence will be treated as a serious matter.

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

*Amended 21 January 2009*

## **The committee met at 1 pm.**

Appearances:

Barr, Mr Andrew, Minister for Education and Training, Minister for Children and Young People, Minister for Planning and Minister for Tourism, Sport and Recreation

Department of Territory and Municipal Services

Byles, Mr Gary, Acting Chief Executive

Guthrie, Mr Neale, General Manager, Territory Venues and Events, Enterprise Services

Marriage, Ms Sue, Director, Sport and Recreation Services, Environment and Recreation

ACT Planning and Land Authority

Savery, Mr Neil, Chief Planning Executive

Ponton, Mr Ben, Director, Development Services Branch

Walsh, Mr Adrian, Acting Director, Client Services Branch

Wurfel, Mr Peter, Chief Financial Officer, Corporate Services, Corporate and Human Resources, Client Services Branch

Smorhun, Mr Vic, Manager, Communications and Government Services

**THE CHAIR:** I welcome the minister, officials and members of the committee. Thank you very much for coming to this hearing of the Standing Committee on Planning, Public Works and Territory and Municipal Services inquiry into the annual and financial reports 2007-08. Have you all read the privileges card before you?

**Mr Barr:** Yes.

**THE CHAIR:** And you are aware of the contents? Everyone can say yes. Thank you very much. Do you understand the implications in the statement?

**Mr Barr:** All too well, Madam Chair.

**THE CHAIR:** Thank you very much. That will be incorporated in *Hansard*.

*The document read as follows:*

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**THE CHAIR:** There are just a few housekeeping matters. Mobile phones should be switched off or put into silent mode, please. I am pretty sure that everyone will remember that, but, embarrassingly, I have had mine go off in the middle of a hearing. Please speak directly into the microphones—I am sure you know that as well—and only one person should speak at a time. I say that to my colleagues at this table as well as for the benefit of witnesses. And when witnesses come to the table each has to state, when they first speak, their name and the capacity in which they appear, please. Thank you very much. I would also like to remind members that the members of the committee will ask questions first and other members who are here at the table will ask questions by leave of the committee. We will proceed to questions shortly, but, minister, would you like to make some opening remarks?

**Mr Barr:** Madam Chair, my office has advised me that the committee would like a brief overview of where Sport and Recreation Services and Territory Venues and Events sit within the department.

**THE CHAIR:** We would like that, please.

**Mr Barr:** I will get Mr Byles to do that in a moment. As there have been some changes from what is in the annual report as to how the department is now structured, I might also ask him to outline those changes for the committee. Being cognisant of time, we will move straight into that, Madam Chair.

**THE CHAIR:** Thank you very much, minister.

**Mr Byles:** It may be prudent to refer the committee to page 4 of volume 1 of the annual report, which gives an outline diagram of the structure of the department as it existed last year. I will elaborate on the changes to that shortly. The hearing this afternoon deals primarily with Sport and Recreation Services and Territory Venues and Events, which are included in the outline diagram there.

If you look at the diagram, you will see the department is structured essentially into four networks. On the third line down you will see the Office of the Chief Executive with the name Tracy Hicks. That is essentially the network that provides coordinated support to the chief executive and deals with all the corporate requirements of the department. Underneath that, on the left-hand side, there is a network called the Community and Infrastructure Services Network. You will see that its responsibility includes things such as Roads ACT, the library, Asset Management Services, the Property Group, Canberra Connect and Transport Regulation and Planning.

The areas we will be talking about this afternoon at the hearing here are on the other side. There is the Environment and Recreation Network. That includes Parks, Conservation and Lands; Sport and Recreation Services, which will be the subject of discussion today, I assume; Sustainability Programs and Projects; Environment Protection and Heritage; and Sustainability and Environmental Policy Coordination. Elements of those sustainability areas have moved to the new department of environment, climate change and water. There is currently some transition underway within the department to ensure that those moves happen quickly and efficiently; that is still in place, in train.

**THE CHAIR:** Before you go any further, could you clarify for me whether Environment Protection and Heritage is one of those or whether it is just the two sustainability ones on either side?

**Mr Byles:** Heritage is remaining within the department.

**THE CHAIR:** Thank you.

**Mr Byles:** The third network is the network that is normally my responsibility, called the Enterprise Services Network. You will see that that consists of ACTION buses, the Capital Linen Service, the Yarralumla Nursery, Cemeteries, Australian Capital Tourism and Territory Venues and Events. Neale Guthrie is the General Manager of Territory Venues and Events, and Sue Marriage is in charge of Sport and Recreation Services.

In terms of what they do, in due course the managers or the directors will be able to respond to the various questions, but essentially Sport and Recreation Services aims to ensure that sport and recreation programs, services and facilities are professionally organised and promoted to support the increased participation in sport within the Australian Capital Territory. From the perspective of Territory Venues and Events, Mr Guthrie manages Stromlo Forest Park, Manuka Oval and Canberra Stadium, and recently, under the new administrative orders, he got responsibility for Exhibition Park in Canberra. That is an additional responsibility, and that is part of the changes that happened as a result of the election late last year.

TVE, as Territory Venues and Events is known, conducts a range of activities. In terms of the 2007-08 time line, some of those activities included 165 major events. The scope includes cricket; AFL; Rugby League, NRL; the Rugby Union Super 14; and the A-League. Ms Porter, does that provide a sufficient opening statement to give you an idea of the background to the department?

**THE CHAIR:** Thank you, Mr Byles. Do members feel happy with that?

**MR COE:** Yes, that is fine.

**THE CHAIR:** Thank you. Just before we go any further, I should say that we did have a request from one of the committee members that we might extend this particular part to 1.45. I have not had a chance to ask you if you are happy with that. In terms of officials, are you happy with that?

**Mr Barr:** If there is more time talking about sport and rec and less time talking about planning, I am always happy.

**THE CHAIR:** Okay; we will do that.

**Mr Barr:** Madam Chair, you were not present during the public accounts hearings two days ago—

**THE CHAIR:** No, I was not.

**Mr Barr:** A number of issues that were discussed there are in fact best discussed in this environment, particularly in relation to Territory Venues and Events. One concerned the current status of the mountain bike world championships. As we have Mr Guthrie with us today, I thought it might be useful, by way of background for members, for Mr Guthrie to give a brief description of the time line of events and where we are at the moment with those world championships. I am sure there will be questions that will follow from that.

**THE CHAIR:** Right; that would be very helpful. Thank you very much.

**Mr Guthrie:** In late 2005 or early 2006, there was an informal approach to the ACT government through both the then Australian Capital Tourism Corporation and the Chief Minister's Department to consider Canberra hosting the 2008 mountain bike world championships. Those discussions continued in the first half of 2006. At the same time, in July 2006, there was a restructure of ACT government, and the responsibility for where that event was heading was passed to Territory Venues and Events, which formed on 1 July 2006.

Soon after that, we decided that we would consider a proposal from the Canberra Off-Road Cyclists—CORC—which is the local mountain biking club. It represents the ACT; it is the largest mountain biking club in Australia. We then started to form a proposal which we took to the government to seek support for. It was amended around July 2006, with an additional request to cover some media at the national championships, because on that time line the Canberra Off-Road Cyclists were also granted the right to host the 2007-09 Australian mountain bike championships at Stromlo Forest Park.

In late 2006, a proposal went to government seeking support with a total of 1.096 million to support the now 2009 mountain bike world championships, as they requested to delay it from 2008 to 2009 due to the fact that they wanted to run the 2008 mountain bike world championships in June and it is very cold here. So the proposal was deferred to 2009.

A decision was taken by the government to support the request, and the UCI—the governing body of cycling and mountain biking in the world—granted the rights to the 2009 world championships in early 2007. The major request was from Canberra Off-Road Cyclists. They also had a commercial partner, Apis Events, which was a part of Apis Consulting Group, a medium-sized consulting company that operated in Australia at that stage. They were the commercial partner, providing basically the

event management services and sponsorship services under the commercial arm of the event team.

Negotiations then started with my area to put in place a governance arrangement to support the government's support for that event. Those discussions went for the first six months. They seemed to stall in about the middle of the year. In September 2007 Apis Consulting Group went into receivership; they were taken to receivers.

**THE CHAIR:** When was that exactly?

**Mr Guthrie:** September 2007. As a result of that, CORC were left without a commercial partner. CORC's part of the partnership was to deliver the actual mountain bike racing, which is their technical expertise. They demonstrated that through the fact that they had already run the national championships in 2007 and conducted Scott 24, which is the largest 24-hour mountain bike event in the world. So they are quite capable of running the mountain biking event.

Conversations with CORC came back to the government through me after Apis went under—about what they should do. We clarified that Apis basically left them in a hole. At around the same time, they were also approached to host a round of the 2008 world cup, which was seen as a precursor event to the 2009 test event—which, we are now learning, is the usual thing at the world level events: that you get a test event or a couple of test events leading into to them.

With the collapse of Apis Events and then the world cup request, we budgeted that and again went back to government, outlined what had happened and put a proposal to the government that CORC would continue with the event: they would form their own events company, CORC World Events, and proceed to deliver the now two events under this proposal. The government agreed to that proposal and funded it. I can give you a summary of what has been allocated in the budget. In a sense, it was an additional \$890,000, which included a \$400,000 repayable loan at the end of the world championships.

We are now at the end of 2007. We were up and running at the start of 2008. CORC then spent about three months establishing that company and getting the structure in place. We then put in a funding agreement with CORC World Events to cover the delivery of the world cup and the delivery of the world championships. The funding that had been approved up to that stage had been dealt with as one-off grant agreements between ourselves and CORC. That is how we funded them up until then. This was an overarching agreement that would cover CORC World Events.

At the same time, we put in place a governance and advisory board to oversee the support from the government to ensure that we were getting our outcomes. That advisory board met for the first time in April 2008. At that stage, the focus of the advisory board was getting to know each other, getting to know the event and understanding the budgets. The focus of the board meetings in May, June and July that moved through that was looking at where the budget was sitting. The board started to understand that they were having some challenges with achieving some revenue targets, and we started to cut back on the expenses side. We were also looking at the effect on not just the world championships, but the world cup and the

flow through to the world championships. As we got really close in, it was focusing on delivering and making sure the event was safe; we were getting very operational.

The world cup was conducted on 30 and 31 August last year, 2008. Over the weekend, the event achieved a crowd of 24,000. It was a very positively received event. The UCI were very happy with it. We received a very positive report back on the services that they received and the response. The unfortunate thing is that the outcome from the revenue side is that the event has fallen well short of its revenue budget. The other day the minister announced a figure of half a million as to what that event has come up short. That is pretty well the bottom line now; it is half a million.

As a result of that, the advisory board again met for the first time at the end of September or early October to find the wash-up. At that stage we were starting to be delivered figures of around the half a million dollar loss, but CORC—unfortunately, at that stage, some of their executive members were suffering stress. They are a volunteer organisation. We have lost the president of CORC and the treasurer of CORC. It has taken us a couple of months to get to the bottom of what has happened and to identify the proposal going forward.

There is now a proposal with the minister on moving through this mess to try and clean it up and identify the best way of moving forward so that Canberra can deliver the world championships which will be conducted on 1-6 September.

**THE CHAIR:** Thank you for that very comprehensive explanation of what has occurred. We might move to questions now if you are okay, minister. Obviously we will have members who will want to ask questions about that, but we will start at the beginning. I have a question, minister, which is about something that occurs right up front—page 53 of the report. You would be aware that I have been very concerned about what effect the drought has had on Canberra ovals and what action Sport and Recreation Services have taken to reduce the effects of that. It is mentioned on page 53.

**Mr Barr:** In a minute I will get Ms Marriage to outline the full detail of government investment in that area and the implications for sport and recreation facilities in the territory. The overarching goal is that by 2013 none of our sport and recreation facilities will be solely reliant on potable water.

The government has already invested many millions of dollars towards this objective and has budgeted for an \$18 million investment over the next four years to achieve that goal. We are supplementing that financial commitment with some additional projects out of the annual sport and recreation grants round. I made some announcements on Wednesday of this week, and a number of projects received funding under the annual grants round in the capital fund that also achieved that objective of offsetting potable water use. Those vary from synthetic surfaces on bowling greens to resurfacing tennis courts and providing assistance to some of our bigger water users—an example being the Federal Golf Club, for stormwater retention ponds and the construction thereof on that site.

Members of the previous committee would be aware that we were able to commit \$3 million—an additional million—in the first year of this funding program to assist

sport and recreation organisations to drought-proof their facilities. That grant round covered diverse sports. But the Sport and Recreation Services area of the department has been undertaking some significant work in terms of mapping future possibilities for significant infrastructure development around our playing fields, in particular. I might get Ms Marriage to outline some of that work for the committee.

**Ms Marriage:** I will hark back to about 18 months ago, when the drought really decided to take a bit of a hit on our sportsgrounds. At that time we really committed to appreciating that this was going to be a long-term strategic project for us.

The minister has alluded to the amount of money that has been contributed. There was a \$2 million program of drought sport grants that were released in the period of this annual report. About 30 per cent of those grants have actually been acquitted, in that those projects have been completed. Those range from couch conversions, particularly for our golf courses, right through to water storage tank systems for some sports facilities. At Viking Park they have the challenge of putting in a sewage treatment works; at this stage, they are still working through the planning processes for that. You can appreciate that the sports themselves, as venue managers, are recognising that they have to go along this path and work quite hard at it.

There was also consultancy money out of that kitty. There was \$3 million all up. Some \$2 million went out as community grants and \$600,000 went to installing lights on some of the sportsgrounds. This was a longevity plan, I guess you could say that if we had to close some of our sportsgrounds, at least the ones that were going to be priority sportsgrounds after that had lights so that we could use them for the maximum amount of time that was possible over that period of time. The rest of that kitty, \$400,000, was then utilised for consultancies.

We recognised that we needed experts. We scoured Australia to identify those experts. In particular, we needed to understand how our turf was operating on our sportsgrounds—not just ours, but the private sportsgrounds of Canberra, because the vision that we have is not only about our publicly owned sportsgrounds, but also about privately operated ones. We engaged the Sports Turf Institute. They are in both Australia and New Zealand. We got invited by them to become part of an international study to examine the quality of the turf in our sports facilities.

We took up that offer and we got a report that indicated which of our sportsgrounds had particular issues. There was nothing very drastic in it; it was more about the age of our irrigation systems and the uniformity of our irrigations systems so that we were making sure that every drop of water that was coming out of the sprinklers was actually landing where it needed to land. We are completing that work now, identifying what works we need to do on those irrigation systems so that at least the efficiency of those will be improved. We hope to have that work done in the next couple of months.

On top of that, we have engaged Parsons Brinckerhoff to do a water management plan, which, as the minister alluded to, is really about looking at alternative water sources for some of our sportsgrounds. This report is currently in a draft form to us; it will be completed in the next month. They had extensive consultation with our environment section to identify what are some of the opportunities for pond water across Canberra

and what are other opportunities for other arrangements when it comes to synthetic surfaces and also for sites that could be couch converted.

The \$16 million that we are talking about as the other kitty of money will be quickly absorbed into identified pond projects. When we are talking about pond projects, I should say that there is a potential that, for example, down in Tuggeranong, one pond project could cater for 30 hectares of sportsgrounds, which is about 10 per cent of our usable sportsgrounds. That means that they would be completely off potable water supply. That, to us, is a very distinct advantage.

I would have to say that, across Australia, we are one of the leading local government authorities in doing this work. The eyes of Australia are certainly on us and keeping up with what we are doing.

**THE CHAIR:** Thank you very much. Ms Le Couteur?

**MS LE COUTEUR:** I have a supplementary on this. The ponds are basically stormwater catchments?

**Ms Marriage:** Yes.

**MS LE COUTEUR:** Would you be looking at doing that everywhere? As we have observed recently, Canberra has lots of storms and a lot of run-off. I would have thought that in most places there was potential for at least some stormwater retention.

**Ms Marriage:** The scope of the project was to look at all of the sports facilities across Canberra, so it has extensively mapped all across Canberra. It also gives them a priority rating as to which would be the most successful, knowing the infrastructure that is currently in place. As you can appreciate, some of these are using water reticulation sites that are already there—for example, Lake Tuggeranong—but the piping and getting the water from those sites to, for example, a Kambah playing field may cost millions of dollars. It is working out what your bang for your buck is in the kitty of money that we have got at the moment.

We have also overlaid on that our user rates on all of our sportsgrounds. We have now got quite an extensive database on what our winter and summer bookings are, so we know where the core usage patterns are and also the multiuse capacity of a lot of our sportsgrounds. What we are trying to do is prioritise the areas that are quite clearly the areas that will give us the best outcome for the sports industry. Hopefully, over a period of time, we will be able to expand that right across Canberra and be able to say that we have achieved our mission.

**THE CHAIR:** Do you have a substantial question?

**MS LE COUTEUR:** If you go to page 64—

**THE CHAIR:** Do you have something before page 64?

**MR COE:** I have not got my questions down by page number.

**THE CHAIR:** All right. We will go on to you later.

**MR COE:** Sure.

**MS LE COUTEUR:** On page 64 you talk about an advisory committee on women in sport. Can you basically tell us more about who is in there, what is their function and in what things have their views been considered? What difference have they made, I guess, in summary?

**Ms Marriage:** Yes. The minister has a sports advisory committee, which is made up of people from both the sports industry and the recreation part of our industry. These people range from some of our local sporting organisations like AFL and Capital Football to the University of Canberra and, from a recreation perspective, the YMCA. This women's advisory committee is a subgroup of that, dealing with issues for women in sport.

Specifically, our reasoning behind that advisory committee is that our agreement with the Australian Sports Commission, where we get commonwealth funding, requires us to report against Indigenous outcomes and women in sport outcomes, so we make sure that we have got that advisory committee. At the moment it is being reviewed as to who is on that committee. We do that on an annual basis. We have not had our first sports advisory committee meeting since the election, so we have not got that confirmed, but I can certainly bring that back when it has been.

**MS LE COUTEUR:** Thank you very much.

**MR COE:** I would like to go back to the mountain bike events and the funding. It seems a little bit vague to me as to the money allocated and everything around those issues. Would you please clarify how much the territory have given already and how much we are committed to giving between now and the end of the event?

**Mr Barr:** Certainly. Mr Guthrie is in a position to do that.

**Mr Guthrie:** In 2006-07 there was \$100,000 allocated. In 2007-08 there was a total amount of \$363,000 allocated, which was broken up into two amounts, one under the original budget approval from the 2007-08 budget of \$122,000 and a Treasurer's advance funding provided of \$241,000, which was referred to in the budget papers 2008-09 summary. Money approved in this financial year to date is \$924,000.

That is the money that has been allocated to date. It has been allocated under the total of two grant documents and the funding approval, a funding agreement, and the principle is that 95 per cent of that money has been advanced and there is five per cent still to be acquitted. I have received acquittal for two of the three; I have not received acquittal for the current year, which we are still working through—and it is not due yet.

**MR COE:** Are those grants special purpose grants or broad grants that CORC can decide what they are spent on?

**Mr Guthrie:** They were broad grants. The first one for \$100,000 was specifically to

produce media footage out of the 2007 Australian national bike championships for promotional purposes, and that was produced and done; that footage I witnessed occurring. The second grant for \$122,000 was operational funding for CORC and Apis, or for the event to operate in that year in terms of paying salaries and meeting costs. The majority of that money was used to meet the cost of part payment of the UCI sanction agreement.

With events at the world level, generally there is a sanction agreement. That is how the world body make money, from owning those events. They sanction or license someone to run those events and you have to pay that amount, and the majority of that \$122,000 was paid to meet that requirement. The Treasurer's advance of \$241,000 was provided to meet the funding shortfall as a result of Apis Events falling over.

**MR COE:** What other government in-kind contributions have been made to the event in terms of staff, government resources, government facilities?

**Mr Guthrie:** There are no in kind. Part of the role of Territory Venues and Events is that we operate and manage our three venues, the Stromlo Forest Park being one of the three, and it is a normal part of our business that we work with event organisers to plan, attend meetings and provide advice on the best way to achieve the different things that occur inside an event and at the same time, under a hire agreement, that venue was hired for the 2008 world cup. We provided certain services under that hiring agreement.

So I would not say there has been any in kind. There has certainly been some track construction work that has occurred at Stromlo Forest Park. Stromlo Forest Park prides itself on producing world level event sites, and when the UCI started looking at some aspects of the mountain bike event there were some parts of the cross-country and downhill tracks that needed to have some level of modification, and Territory Venues and Events met the cost of that from their normal operating budget. We see that as quite a fair thing to do, because we were advertising our venue as a world level event and we have to have world level tracks to meet that requirement.

**MR COE:** So with Apis going belly up, the event is now being run in house; is that correct?

**Mr Guthrie:** No, the event is being run by an organisation called CORC World Events.

**MR COE:** It is to be run by CORC entirely?

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

**MR SMYTH:** Can I ask a supplementary on the money issue?

**THE CHAIR:** Yes. Will it be one supplementary, Mr Smyth?

**MR SMYTH:** Yes. I note on page 58 of budget paper 3 for the 2008-09 year that the appropriation for the international mountain bike event support was \$576,000 but you have just said that actually \$924,000 was made available this financial year.

**Mr Guthrie:** That is right.

**MR SMYTH:** Where did the additional money come from?

**Mr Guthrie:** In the 2007-08 budget there was an allocation of \$348,000 also approved. If you add the \$576,000 and \$348,000, that makes \$924,000.

**MR SMYTH:** So, to date, how much ACT government money has been put into this event?

**Mr Guthrie:** I am just adding it up. \$1.387 million is the approved allocation towards two events, and 95 per cent of that has been advanced, with the remaining five per cent still to be advanced to them on acquittal. They have submitted acquittal for two of the three and I have not advanced them the funds because I knew that there was this financial problem; but I have the acquittal documentation from them.

**MR SMYTH:** So of the 95 per cent that has been advanced to them, that has all been expended?

**Mr Guthrie:** Yes.

**MR SMYTH:** What is the money now available to run the event in September?

**Mr Guthrie:** The remaining allocation is a net \$199,000 in the budget approval. That is made up of an original approved \$526,000 and an additional \$473,000, in the next financial year 2009-10—\$526,000 plus \$473,000 and, of that \$473,000, \$400,000 is a repayable loan, so the Treasury is expecting at the end of the financial year that \$400,000 will come back.

**MR SMYTH:** Sorry, can you just expand on that loan? Where does that come from and where does that show up in the financials?

**Mr Guthrie:** I have not got the budget paper in front of me but I know that it is there. It is just regarded as a repayable loan; it is covered in the funding agreement between us and CORC World Events. That was the basis for the second funding submission that secured the world cup and provided them working capital to meet the fact that Apis fell over.

**MR COE:** And you are obviously quite confident that that money is definitely going to come back to the territory?

**Mr Guthrie:** No, I am not.

**MR COE:** Right.

**Mr Barr:** I would anticipate that would not be the case. As I flagged on Wednesday, I will have to bring forward a further budget bid. One of the other factors that the government is going to have to address is that revenue expectations as a result of the global financial crisis are such that the private sector will not provide as much

revenue towards the event as we perhaps had anticipated four years ago, and it will be necessary for the government to provide additional money. I will not know the quantum of that until further work is done and it will be presented in the 2009-10 budget that we will of course bring forward to the Assembly in May.

**MR SMYTH:** Just to finish: is the government liable for any of the debts if they are not paid by the organising event?

**Mr Guthrie:** I would say no, we are not liable for them, but the debts are being held by CORC World Events, which flows to CORC, which is a not-for-profit sporting association.

**MR DOSZPOT:** I have a supplementary that covers both those previous questions. You mention, minister, that originally when CORC put the submission in there was a commercial partner that came as a venture partner. I should imagine that the consideration for allocation of funding to this would have been based on some commercial realities that a commercial partner could provide. That commercial partner went out of existence in September 2007, as I understand, and since that time there has been no other commercial partner sought. Has there been any feasibility study done on the commercial viability of that project?

**Mr Barr:** I am not entirely sure that none has been sought. Mr Guthrie might be in a position to—

**Mr Guthrie:** When the commercial partner fell over, the reality was that the commercial partner was basically providing full-time salary for three staff to operate and to go out and seek sponsorship support. Going forward, the funding submission of \$890,000 with the \$400,000 repayable loan over two financial years was based on providing enough resources so that they could replace those staff and go and employ an event manager, a sales representative and an operational assistant. That was the basis.

So they basically took the funding that was provided to them and again it was based on an assessment of revenues that they would receive for the two events going forward. That was the basis for Apis's involvement. They were there to provide the staff to move forward. They were not physically providing any cash towards the event; they were providing the staff, sort of in-kind level support. So the intent of the second funding submission was to replace what Apis was providing going forward.

**MR DOSZPOT:** Apis was an existing commercial entity?

**Mr Guthrie:** Yes.

**MR DOSZPOT:** I am not aware of why it went into receivership, but was there any concern that, if a commercial organisation could not maintain its activities in this environment, how would all well-intentioned volunteers be able to cope with regard to the funding given? How can they have the expertise to carry on with this venture?

**Mr Guthrie:** In the original partnership, the original proposal, Apis were a very successful organisation. We questioned the organisation as to why they were getting

involved, because I could see that they were not going to make money out of this. It was actually part of their business plan to move forward. They wanted to establish that company as an events company. They saw the delivery of a world championship and involvement in the national championships as good for the company's CV and that was the basis on which they were going forward.

In addition, the owner of the company is a keen mountain biker, had already established and been running for several years a couple of mountain biking events in Queensland and therefore understood the sport, had links into the sport and had been running smaller level—obviously not world championship level—events in other places. That was the reason that was provided and they went forward with that partnership. The world changed when they moved away. What CORC World Events took on, they presented a budget that balanced across the two events that would pay back the \$400,000 loan and they were willing to take it on.

**MR DOSZPOT:** Obviously our concern is for the ability of the organisation to repay the funds so that money expended by the territory will be recoverable.

**Mr Guthrie:** Yes.

**MR DOSZPOT:** I am trying to understand the level of scrutiny. I understand the enthusiasm and the commitment of the people to the sport; there is no issue with that. But how was Apis replaced commercially?

**Mr Guthrie:** To replace the commercial arm? The team that was presented as part of CORC World Events team going forward was based on an event manager that had event managed the Scott 24 for the previous three years, going forward, so from an operational side had that skill. Also the individual had a very good CV coming out of his previous employment; he was a very senior official in the defence department. Then they were seeking a commercial arm which was appointed after the funding was approved. That was their business model—that they would appoint a sales and sponsorship representative to go and search for appropriate sponsors.

What is difficult and needs to be emphasised is that Apis Events had been around for a number of years with existing relationships that they were bringing to the party. When they fell over, the people that were employed by Apis Events went literally to the four winds—I know some individuals have gone overseas—and all of those contacts stopped. So any people that had been wedded before to the event had dropped off and we had to start again.

The main thing that we were keen to see was that they had someone that we believed was competent to operate and run the event and, secondly, that they felt they could achieve the commercial outcomes in terms of sponsorship and merchandising. The only experience that I have directly in assessing the commercial side is in seeking sponsorship. It is always a risk whatever you do and we are all experiencing some challenges right now across all of our businesses in trying to continue to secure and maintain our levels of sponsorship in our other businesses. That is always a risk and I had to take the judgement of CORC on the other revenue lines in terms of the trade—there are a lot trade teams purchased—sites et cetera. On a number of revenue lines you had to take their judgement that they were going to achieve it.

In addition, with the previous two world championships there had been a lot of support by the trade teams. If you analyse the world cup event, where they were short in their revenues, some of their revenue lines were directly related to the fact that they were expecting the professional teams to turn up with, to coin a phrase, the full bells and whistles, that they would deliver—and they did not. They came as skeleton teams and bought the minimum packages required. So that was one part of it. The \$500,000 shortfall was made up of many bits, some more significant than others. One of the significant shortfalls was in the trade revenues.

**MR COE:** A quick question of clarification: is the \$400,000 loan included in the \$1.387 million or is that an addition?

**Mr Barr:** No. The loan is in the 2009-10 financial year.

**THE CHAIR:** So it is not in this year that we are referring to at the moment, Mr Coe.

**MR COE:** Sure, so that is not part of the 95 per cent?

**Mr Barr:** No.

**MS LE COUTEUR:** Going back to page 65, you did a climate change awareness program. What specifically were you attempting to achieve from this? What outcomes, what actions, were you hoping that the peak organisations, community groups, were going to achieve?

**Mr Barr:** Ms Le Couteur, this was undertaken by the department but not in the sport and recreation or venues and events areas. It was undertaken by the environment section.

**THE CHAIR:** I was looking at the chart and I was trying to figure out which it was.

**MS LE COUTEUR:** It is all very confusing. I thought you were doing some specific stuff about climate change with respect to the sporting groups.

**Mr Barr:** Well, we certainly held a number—

**MS LE COUTEUR:** I was going to say that probably drought proofing was the number one activity out of it.

**Mr Barr:** Yes, indeed. Ms Marriage may be able to provide some further information on a number of the seminars that were held around responding to climate change.

**Ms Marriage:** At the start of our process, before we received a government contribution to our climate change issue, we did run some seminars. In particular, we drew people from other regional areas who had already dealt with issues in their own communities, to find out how they were overcoming those—they were talking about synthetic facilities, couch conversions—and were particularly looking at how they had prioritised their facilities.

That is how we came in contact with the New Zealand sports institute in the first instance, so that we could actually have them come along and deal with our turf issues, and a lot of our expertise that we gathered for these various parts of the projects came along as keynote speakers. So we held a series of presentation days or workshop sessions, with all of the local community sports here—and we get about 150 to 200 delegates to those—to learn about some of the expertise that we could be gathering from around Australia and internationally. Those were done in February-March of 2007, and the second one would have been approximately September 2007.

**MR COE:** I have a final question, requesting some information and documents, hopefully. Are you able to provide documents such as a business plan, a proposal, business case contracts—those sorts of information?

**Mr Barr:** In relation to the—

**MR COE:** In relation to the mountain bike events?

**Mr Barr:** I have previously advised this committee and others that there are documents that are cabinet-in-confidence that will not be released, but all of the material that Mr Guthrie has provided in terms of time lines and budget allocations I am happy to provide to the committee.

**THE CHAIR:** Thank you, minister.

**MR COE:** And a reconciliation of funds?

**Mr Barr:** Yes, the 95 per cent acquittal issue that Mr Guthrie referred to?

**MR COE:** Yes, in short a reconciliation of all the grant money that has been given to the project.

**Mr Barr:** Certainly, yes.

**THE CHAIR:** Thank you, minister. Thank you very much, Mr Barr, Mr Guthrie and Ms Marriage for your attendance today.

It being just after 1.45, we will go on to the ACT Planning and Land Authority now. Good afternoon, Mr Savery, Mr Ponton, Mr Walsh and Mr Wurfel, and welcome to this hearing of the Standing Committee on Planning, Public Works and Territory and Municipal Services. Has everyone read the privileges card, and do you all understand the implications of the statement? Could I have a vocal yes if that is the case.

**Mr Barr:** Yes.

**THE CHAIR:** Thank you very much. That can be incorporated into *Hansard*.

*The document read as follows:*

#### **Privilege statement**

The committee has authorised the recording, broadcasting and rebroadcasting of these proceedings.

All witnesses making submissions or giving evidence to an Assembly committee are protected by parliamentary privilege.

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

*Amended 21 January 2009*

**THE CHAIR:** Minister, do you wish to make some opening remarks?

**Mr Barr:** Thank you, Madam Chair, but as we are running a little bit behind schedule I will keep these remarks brief. I was going to read three pages at you but I will not do that now.

**THE CHAIR:** No.

**Mr Barr:** I would firstly like to thank the representatives from the Planning and Land Authority for their hard work during the annual report period. A number of significant reforms occurred during this annual report period, most particularly a new Planning and Development Act, a new territory plan and a number of other important pieces of work. Our contributions, at both the local and national levels, on issues like climate change, national capital plans, planning partnerships with the CSIRO in relation to the planning for Eastlake, the eastern broadacre study, the significant amount of work that was undertaken in relation to the land release program, most particularly getting more than 11,000 blocks of planning-ready land, were a significant achievement for the authority during the financial year that the annual report covers.

Finally, I would just like to make mention of the work that ACTPLA has done in relation to the Gungahlin town centre and the planning study that has commenced there. That work is ongoing. There is further community consultation in relation to that and it will then feed into our further, broadly speaking, neighbourhood planning directions that the government has announced—priorities in terms of Dickson and Kingston that were funded in the appropriation just before Christmas—and that will be the sort of local planning work that we will be doing over the next 12 months.

I have also provided copies of the ACTPLA document that was released just prior to Christmas last year, in terms of future directions for the authority with a particular focus on development assessment, engaging with industry in the community and

improvement in internal processes. That document provides some information for committee members. Otherwise, Madam Chair, I think it would be best if we ploughed into the detail of the annual report.

**THE CHAIR:** Thank you, minister. My first question is really in relation to the first dot point that you have on development assessment on your ACTPLAN. Also I note that page 11 mentions the new Planning and Development Act, which has obviously had an impact, and page 18 talks about your response. I know that you have faced some challenges surrounding staff recruitment and retention in the authority and I was just wondering if you could advise the committee what initiatives have been introduced to cope with all of these things that we have been talking about, in light of staff shortages, to ensure service delivery is timely.

**Mr Barr:** Thank you, Madam Chair. In a minute I will get Mr Savery to go into the detail of the planning authority's response. Particularly on the staffing issues, it has been well known that the authority has had some difficulty in filling a number of positions, working in some particularly tough areas, and that that has been a challenge. We have sought to adopt some short, medium and longer-term solutions to that. As education and training minister, I was very pleased to be able to enter into a partnership with the University of Canberra around the town planning degree, and the establishment there of a local source of skilled town planners I think will be of great benefit to the authority in the longer term.

The authority has had to undergo some restructuring as a result of changed responsibilities in recent times and then of course we have faced some particular challenges in, perhaps I should say, traditionally hard to staff areas in development assessment and customer service. But I think some progress has been made in that area and Mr Savery will be able to outline that for the committee.

**Mr Savery:** As it stands today, we are quite well placed in terms of staff recruitment, recognising that the report is for some 12 months ago or is reporting on a period of the last 12 months. At that particular point in time we did face some very serious issues in our ability to recruit to some key areas—particularly our statutory areas, so development assessment, leasing and land regulation.

But we have been quite successful in more recent times, in part down to an aggressive recruitment campaign on our part. We deliberately over-recruited where positions revealed more than one suitable candidate, which has meant that we have had to cash manage some of those positions. We have done that successfully. We have met budget in relation to the annual report and will do likewise this year. But also I would suggest that the current economic crisis is changing some of the workforce patterns. The private sector is laying people off, and that is freeing up those individuals for positions within the public sector. I do not think that I would be incorrect in saying that during these times people often look to the public sector for more secure work environments. We are certainly benefiting from that process.

We have also broadened our recruitment areas in terms of geographic areas. We have been going to universities in New South Wales and having career days as part of national planning congresses. All of that has assisted us in being able to achieve now close to full employment. We will always have a churn in the workforce, but we can

pretty much say that all of our positions are filled.

**MS LE COUTEUR:** I have a specific starting question. There are two areas that I am personally aware of where there seem to be problems. One is electrical regulations and the people who are having PVs installed on their roofs. I am one of them, so there is a personal interest here.

**Mr Barr:** Nothing like a bit of personal experience.

**MS LE COUTEUR:** Yes. There is a considerable delay in getting ACTPLA to come and do the inspection in your role as technical regulator. The other one is not such a personal question, but is about energy efficiency auditing. My understanding is that this has not happened, I think for a long time but possibly not ever from what I can tell. Is this due to the fact that you do not have anyone to do it? Is it a staffing issue? If it is not a staffing issue, it is probably even worse.

**Mr Savery:** If I can deal with the second one first, there is no legislative requirement for us to audit energy assessors. About a year ago, through the last budget process, the government funded us—

**MS LE COUTEUR:** I know there is no legislative requirement to audit the actual assessors, but I was meaning the assessments—when you get your house and it is a five-star rated house, auditing of the assessments, not the assessors.

**Mr Savery:** We do not do that function. That is a JACS function; that is a consumer affairs function in terms of whether energy assessors are accurately reporting and whether real estate agents are displaying the energy rating. Whilst we monitor what is going on, that is a consumer affairs matter.

**THE CHAIR:** Mr Coe, did you have a question?

**Mr Savery:** Sorry, I did not respond to the first part of the question.

**THE CHAIR:** Sorry; I beg your pardon.

**Mr Savery:** In relation to electrical inspectors in general, but more specifically the feed-in tariff—at the time the feed-in tariff was contemplated it was not to have been introduced as it is now, so the government had not gone through the process of determining what levels of resources they may have provided to the authority. I expect that the government will undertake that process as part of next financial year's budget. It is not only down to the feed-in tariff, of course; the federal government will relinquish its means test on the installation of photovoltaic cells. It does mean there is a rising demand for installation, and as a result we are required by law to inspect those because of the voltage output from those facilities. That is putting stress on our current resources in the electrical inspectorate, so, through the proper budget process, we will be seeking assistance from government to undertake that.

**MR COE:** I draw your attention to the five-storey building issue in Kingston and also section 63. What those issues highlight is potentially a problem with the systems in ACTPLA in terms of getting approval, double-checking and all those sorts of simple

things. Can you give me a brief overview of what safeguards there are along the way to stop this sort of thing happening again and why these were not in place at the time?

**Mr Savery:** I will treat them separately because our internal review processes have revealed that they are quite different—the issues that resulted in the mistakes were quite different. I will deal with Kingston first. All of the safeguards that you refer to were in fact in place. What we have is an officer who has ignored those safeguards. It is pretty difficult to put a safeguard in place to make sure that the officer observes all your safeguards. As a result of that, the officer has been disciplined for having breached our internal business rules.

In that particular case, there were two safeguards. There were two threshold tests that the officer should have observed. The first was a threshold that required the scale of development to go to what we call our project review committee. We picked this issue up only because, down the track, Mr Ben Ponton, who is the director of development services, noticed that there seemed to be an inconsistency in what was being built and what would typically have gone to the project review committee.

The second safeguard is that the threshold in terms of the scale of development also triggered the need for it to go to what we called our executive policy committee. The DA should not be issued until it has gone to the executive policy committee, where the most senior planners in the organisation make comments on the proposal based on the recommendation from the officer. The officer has gone ahead and issued a development approval under delegation. You cannot have all the delegation residing in me, because then I would be doing nothing other than considering development approvals. Then it is pretty difficult to deal with a circumstance like that.

What we have done since we discovered that mistake by the officer—it is not a mistake of the system or a mistake of the organisation; it is an error of judgement on the part of the individual—is this. In addition to having disciplined that individual, we have used it as a bit of a test case or a case study within the organisation. So all DA officers have been reminded of their responsibilities, the existence of the business rules and what the threshold tests are. Additional levels of scrutiny have been put in place in terms of peer review by the managers within the development assessment section. Mr Ponton may wish to add to that. Is there anything else you would add to that?

**Mr Ponton:** The additional thing that we have done is reallocate a position to assurance coordinator. That person's role is to constantly review processes and practices within development assessment to look for opportunities for improvement.

**THE CHAIR:** Mr Ponton, you might need to speak up a little.

**Mr Ponton:** Certainly. The quality assurance officer is reviewing the way that we conduct our business and constantly reviewing the business rules and work instructions. In addition, that officer now audits DAs to ensure that those processes and practices or work instructions are in fact being adhered to.

**MR SESELJA:** Just following on from that, Mr Savery, before you go on with other issues—you referred to the officer being disciplined. You might want to just talk us

through what that means. Also—this may be on the record from previously—for our own purposes here, how senior was this officer and therefore what kind of supervision was there in place for the officer to ensure that these things do not happen?

**Mr Savery:** Appreciating that there are privacy issues to do with the individual, the officer was a relatively senior officer, what we call a SOGC. At that level, given the years of experience, you would expect them to be able to deal with a matter like this with relatively little supervision. If you look at the duty statement for a typical SOGC position, it is with relatively little supervision. All of our SOGCs and most of our ASO6 positions have reasonable degrees of delegation because of the years of experience.

In terms of the discipline, the individual has been demoted within the organisation for a period of 12 months, during which time they are being performance managed—there are a number of aspects of their work that are being closely monitored in order to ensure that if they reacquire their previous level within the organisation we can be confident that they have learnt their lesson through that process. Again, I might ask Mr Ponton if he wants to add anything to that.

**Mr Ponton:** In terms of discipline, that officer also, whilst they can undertake assessments, cannot approve or refuse any applications during that period.

**THE CHAIR:** Thank you.

**Mr Savery:** Is that okay for Kingston?

**MR SESELJA:** I think that covers it from my end at this stage. Just to finish off, presumably you say that it was not a system breakdown; it was an individual decision maker breakdown. In the short term, has that led to even SOGCs being more closely scrutinised or is there a feeling that this was a random sort of thing where you do not feel that it is likely to happen again with the current employees?

**Mr Savery:** Certainly. As far as we are concerned, this was random. At the time, we also went back through other decisions that that officer had made and we also reviewed, just randomly, what other decisions had been made. We were able to reassure ourselves that this was a fairly isolated instance. Through those processes that Mr Ponton has referred to, we have put in place additional scrutiny, to a level that is practical without removing delegations, escalating everything up and therefore having delays occurring to development approvals as a result.

**MR COE:** Roughly how many people are there at the SOGC level who do that sort of work?

**Mr Savery:** In development assessment? Mr Ponton?

**Mr Ponton:** At a rough guess I would say between eight and 10.

**Mr Savery:** And then you have a number of SOGB positions, which do similar sort of work, but more complex. They tend to also perform a type of peer review. Then you have two managers who sit over that. Then ultimately you have Mr Ponton, as the

director, who, particularly on complex development applications, gets quite heavily involved—and would have been on this occasion if the officer had observed our procedures.

I will go to section 63. The internal review of that particular matter identified a process fault. Whilst, at the end of the day, the individual officer could have identified this potential problem, that did not occur. The best way to describe it is that it is essentially about the assembly of documents from a number of parts of the organisation into a single document that in this case forms a deed of management. The deed of management forms part of the contract of sale that is entered into between the LDA and the developer, in this case City West Property Holdings.

What has happened with the breakdown in process is that the control mechanism—which would typically be a PDF where you assemble all of the various inputs into a single PDF document which has version control and those sorts of things—did not happen. You had a series of, if you like, Word documents sitting side by side which included the appendix or the attachment that got left off. It did not get assembled into the single document, the single PDF. In assembling the final document for signing, one of the Word documents did not get assembled. If you had the PDF—and I am alluding to where we have gone as a result of this—then, if the single PDF document was in existence and had version control, every input coming in would have continued to feed into that single master document.

That is the identification of the problem. I guess in hindsight we would say that it is a weakness that was exposed under fairly significant pressure, because this was a very large project being undertaken by the government. Given all the various inputs that needed to be pulled together—not just from within the ACT Planning and Land Authority—the weakness was exposed. Now that we know what the weakness is—and of course there is a significant implication as a result of that—we have addressed it.

I can say with a high degree of confidence that that will not happen again, because we have now got version control and PDFs. The use of the objective electronic development management system which applies throughout the organisation was not being applied in this circumstance. Again, had it been—I cannot say it with 100 per cent confidence—I suspect that we would have picked it up.

**MR SESELJA:** How many checks would have gone into this final document? You talk about the versions and the bringing together of different parts, but presumably once you got the final document that you were ready to sign off on there would be a number of checks that would ordinarily take place. How many different sets of eyes would have looked at this?

**Mr Savery:** As I understand it, there were three sets of eyes. There is the individual officer who was doing the document control and pulling the deed together, there was the manager and then there was the director.

**MR COE:** When did you first discover the issue?

**Mr Savery:** I think I am correct in saying—if I am giving you dates—that it was

30 June that it was brought to my attention. The contract of sale was entered into in March, so there is a gap of about three months between the error being made and me becoming aware of it.

**MR SESELJA:** Why was there that gap?

**Mr Savery:** Because it just had not come to our attention.

**MR SESELJA:** So no-one had picked up the mistake until—

**Mr Savery:** Certainly no-one within government had picked it up. I cannot say whether the developer had picked it up.

**MR SESELJA:** You talked about the three different officers in ACTPLA. Would not the ACT Government Solicitor be looking at a document such as that before it goes out?

**Mr Savery:** There are components of the deed that are put together. For instance, the appendix or the attachment itself was certainly the subject of scrutiny by GSO, but the assembly of the final document where the different components have gone through their relative sign-off does not necessarily go to GSO.

**MR SESELJA:** Even for fairly significant deeds like this? Is that part of the new processes—that it would go to GSO as a final check?

**Mr Savery:** No. It sounds simple in hindsight, but through version control, on the basis that the documents that are going into it have had an appropriate level of review, they do not need to go back together just because they have been assembled into a single document. That is the problem. It was not that the content of any of the documentation was wrong; it is just that one part of it did not get assembled. I might need to be careful here, because GSO may have looked at it in terms of the actual contract document on behalf of LDA, but I cannot tell you whether that occurred.

**MR SESELJA:** Are you able to take that on notice for us?

**Mr Savery:** Yes.

**MR SESELJA:** That would be good. The end result is that the owners of the site are looking to exercise what they believe are their rights under the contract to retail, and a certain amount of retail. Where is that process up to? Is that now before the courts?

**Mr Savery:** It is before the courts.

**MR SESELJA:** And how far progressed is it? Is this going to be a long process? I imagine these often are, but how far has it progressed? Is it just to the preliminary stages?

**Mr Savery:** It is at a preliminary stage. Everyone is going through discovery at the moment. It does have the potential to be relatively drawn out, but I know that the government—and in talking to the developers, who are quite open about what has

transpired, and we are with them—are keen to see if we can resolve this without resorting to a court having to make a decision. In doing that, I am extremely conscious, in our role as a statutory authority, that we cannot be doing some sort of quid pro quo deal.

**MR COE:** This is obviously a high-profile case. Are there any other issues that are similar to this that have suffered because of processes?

**Mr Savery:** Nothing to this level of significance. Process mistakes happen; I do not care how watertight you can make your system. I noticed with interest—I cannot remember where it was—that recently we got accused of having too much process. Industry accuses us of having too much process. Then we do not have enough process when mistakes are made. But we pick up routinely through our business rules, peer review processes et cetera. I could probably give you a fairly long list of where procedural errors are made, but nothing has resulted in this level of significance.

**MR SESELJA:** Is it possible for you to provide the committee with such a list?

**Mr Savery:** I would have to do a fair bit of research.

**MR COE:** Are they procedural errors where the DA has actually been approved?

**Mr Savery:** No.

**MR COE:** I am talking about situations whereby some construction has gone ahead with an error that has been discovered only after a full approval.

**MR SESELJA:** So similar to these but maybe not as large scale. I suppose that is what you are asking?

**MR COE:** Yes, in effect.

**Mr Savery:** I do not know. Without disclosing the individuals—according to Mr Ponton, there may be a couple of more minor ones that have gone through to construction, without telling you who the individuals are, because there are apparently confidentiality matters.

**MR SESELJA:** What are the confidentiality matters? I am not quite sure.

**Mr Savery:** I think it might be where something has been settled out of court.

**Mr Ponton:** That is right, yes.

**MR SESELJA:** So there have been court actions where there has been an error, it has been approved, ACTPLA has looked to correct the error and there has been legal wrangling over who has what rights?

**Mr Savery:** That is right, yes. For instance, Mr Ponton has just reminded me of one where—was it an outbuilding or an extension?

**Mr Ponton:** It was an extension to an existing home.

**Mr Savery:** It was an extension to an existing home. An approval was given to build over an easement; because Actew did not want a building over the easement, an issue has arisen.

**MR SESELJA:** How many such cases are there where there has been court action to resolve these, in the last 12 or 18 months or in the reporting period?

**Mr Savery:** Can I refer to Mr Ponton?

**Mr Ponton:** In the last 12 or 18 months, one I can think of. I would say that in the last five years I can think of two, possibly three.

**MR SESELJA:** In terms of the scope of that project, we are not talking in the millions here? We are talking about a relatively small-scale project?

**Mr Savery:** On each occasion, additions to existing dwellings.

**THE CHAIR:** Thank you. We are just going to take a short break for 15 minutes. We will go on to output classes then.

### **Meeting adjourned from 2.16 to 2.28 pm.**

**THE CHAIR:** We will go to output classes. I have one question. Minister, on page 111 it talks about the affordable housing plan. You did mention this in your overview. You did not make reference to this but you did make reference to the amount of blocks that have been able to be brought online. I wondered if that has assisted with the affordable housing action plan and if you could brief the committee on ACTPLA's progress in this area and outline what initiatives have been implemented to ensure it.

**Mr Barr:** We are looking at output class 1, page 108, the 2007-08 target for "Minimum number of blocks in the 'land bank' available for development to meet the land release program". The target was 5,000. As a result of some particularly hard work within the Planning and Land Authority, 11,066 was the result, which is a positive variance of 121 per cent, which is a very good outcome.

**THE CHAIR:** Well done.

**Mr Barr:** I think it is worth spending some time talking about the authority's response in this area. Of course, this is only one part of the overall land supply pipeline. We recognise that the establishment of planning-ready land is one thing, but it then needs to move through that pipeline before it actually becomes available for the building and construction industry to do their part and then ultimately becomes dwellings for people to live in.

But, as you refer to, Madam Chair, page 111 outlines some of the roles that ACTPLA has played in implementing the government's affordable housing action plan. This was a key area for the Planning and Land Authority, and one of the areas that were

highlighted in the statement of planning intent that I provided for the authority upon becoming the Minister for Planning. At this juncture, I invite Mr Savery to talk you through a little of ACTPLA's involvement in responding to our housing affordability issues in the territory.

**Mr Savery:** In terms of the 11,000 land bank lots, that is largely concept plans that we have prepared for Gungahlin, which are then made available for release by the Land Development Agency, which is coordinated through the government's land release program. Whilst there is no need or intention on the part of government to release 11,000 blocks at any point in time, the government made clear—the minister referred to his statement of planning intent—the desire to have the equivalent of five years of land in the land bank. That is what the 11,000 essentially equates to. The objective now is obviously to maintain it at that level. We are continuing to do concept planning work in Gungahlin and, increasingly, in the first suburbs for Molonglo. I have got no doubt that we will be able to maintain that level, certainly into the foreseeable future.

The land rent scheme that is also in the affordable housing action plan has been something that ACTPLA has contributed to. Whilst we will not have ultimate responsibility for the overarching administration of it, the land rent scheme is something that has to work in tandem with the leasehold system, so we have had a fairly significant part in ensuring that the legislation and the framework under which that will operate will work effectively with the leasehold system. That is something still for the government to ultimately decide in its final form.

There is the compact block code which was introduced and which enables some land to be developed to the size of 250 square metres. That increases the opportunity for affordable housing as well as housing choice in general. There are constraints around the overall level of provision for compact lots within a subdivision and the number that can exist in a row, in order to try and ensure that we do not just have row upon row of compact lots. There are key issues that we will work on in the future in relation to solar access, particularly in relation to compact lots, because compact lots should not equal substandard living. We will be working on that.

There is the compliance nature of the affordable housing action plan, which is in the form of what we euphemistically refer to as the land speculation fee, which was introduced by the government. It is featured in the Planning and Development Act. It is essentially designed to minimise land banking by increasing the amount of fees beyond the time frame that the lessee has to build on their blocks, for residential, industrial and commercial. The commercial element of that has been revisited by the government, and a new formula has been put in place as a result of representations made by the Property Council. That effectively provides for a sliding scale with fees to allow for slippage in time, because there are more factors at play in commercial development than in residential development.

Those are some of the key features that we have been involved in and will continue to be involved in.

**THE CHAIR:** Thank you.

**MS LE COUTEUR:** I have a supplementary on page 111. One of the more interesting points is that call for institutional investors to develop and rent 200 to 400 private dwellings. Has this been successful?

**Mr Savery:** That is something that is not within our purview. Our responsibility in that is to assist, in particular, the Canberra housing cooperative, in identifying sites where they could be given access to those sites that would include rental accommodation. But the totality of the target there is more in the domain of the Chief Minister's Department through the land release program. I know that I would not be adequately briefed to inform you on this. The Chief Minister's Department is involved in a number of discussions with developers in identifying sites to achieve that target.

**MR SESELJA:** I have just a quick supp. On the tax, was there evidence of developers' land banking which led to the introduction of that tax initially, and how widespread was that practice?

**Mr Savery:** Yes, there was. I do not know if we would describe it as an audit, but we did a review which identified quite a disturbing number of sites where people had by some margin exceeded the compliance requirements under the crown lease for construction—for starting development, let alone concluding development. That was sufficient to concern government that land banking was occurring in the ACT to the extent that it was reducing the supply of housing—was one factor in reducing the supply of housing.

**MR SESELJA:** Could you talk us through the detail of those changes that were made to arrangements for commercial developments?

**Mr Savery:** I could not talk about it in detail. I would be happy to provide the formula for you; it is written into the act. Suffice it to say that the way we went about that, with the minister's support, was to sit down with the Property Council and allow them to put a case for what they considered a more reasonable formula. I think I am right in saying that we pretty much adopted their preferred approach.

**MR COE:** Development in Molonglo—where is that up to and what sort of time frame is in place to get it going?

**Mr Savery:** Where we are up to is that we have now achieved the two primary statutory approvals through the territory plan variation and the national capital plan amendment. Without those, the land simply could not be zoned for residential purposes. It now is.

Having said that, there is a range of infrastructure studies that need to be completed; there are design processes that will refine the estate design for the first suburbs; and, very importantly, there are some environmental impact assessment processes that we have to go through, one of which includes the commonwealth, under the EPBC legislation, which is what is called a strategic assessment. All of that is happening concurrently. At this point in time, we are advising government that we think the earliest land can be released—that there is a small component of land that can be released in early 2009, before the end of this financial year.

**MR COE:** How small is that?

**Mr Savery:** It is something I can look at it, but I think it is 200 blocks in north Weston, so near the defence college area. The larger releases will come on stream in the 2009-10 financial year.

**MR COE:** So you anticipate people moving in, perhaps in the first lot, in early 2010?

**Mr Savery:** It could be. The reason they can be released is that there are no environmental requirements. The land is zoned; there is no infrastructure required. So yes, I think that is feasible—early 2010.

**THE CHAIR:** I have a supplementary on that. On page 109 it mentions the government's climate change strategy. You mentioned dealing with the various matters that need to be taken into consideration with this particular development that Mr Coe was mentioning. How is ACTPLA adopting the government's climate change strategy?

**Mr Savery:** In the first instance, I think it is worth saying that Molonglo preceded the climate change strategy. Molonglo is a product of the Canberra spatial plan, and the Canberra spatial plan in fact was a response to climate change issues in part.

**THE CHAIR:** Yes.

**Mr Savery:** It introduced, for the first time in the ACT, the notion of a compact city form. Molonglo is a feature of the compact city, because the area that has been sought for development—I am not including central Molonglo here, which is not on the agenda any more—is largely within 7½ kilometres of the city centre. Going beyond that, obviously the climate change strategy has been introduced since then and there are a number of actions contained within it that are relevant to matters of urban development such as promoting the use of alternative forms of transport and looking at issues of solar orientation for design. All of those issues are now being featured in the design that we are doing for Molonglo.

The main transport spine, which essentially runs north to south, is designed at a very early stage to accommodate buses, but is also designed down the track to take light rail vehicles if that ever becomes feasible and a government wants to pursue that option. We have undertaken, at a concept planning level, designs that can maximise solar orientation. We have put what is high-density development by Canberra standards along the main arterial corridor around the local centre; in part, that is to ensure that people take advantage of or make use of those facilities. We have got significant pedestrian access movement corridors throughout the design of the whole suburb.

I have made the point before that any development we undertake will ultimately have some environmental impact under the technologies we employ at the moment, but wherever possible we are seeking to protect biodiversity in the area that is being developed, particularly along the river corridor, which is severely degraded, not through development in Molonglo but through other events that have occurred over time. One of the key exercises that are involved in the environmental assessments is to

see how we can protect and repair the river corridor whilst development is taking place around it.

The other key feature, which is not relevant to the initial releases, is the environmental investigation into stormwater management for that area. It could be two years down the track before we resolve that.

**THE CHAIR:** Thank you very much. Ms Le Couteur?

**MS LE COUTEUR:** I would like to ask a question inspired by your initial statement about Kingston and doing planning there. I was out at Kingston at lunchtime, at Green Square, which is becoming Brown Square due to the fact that it is not being watered. The residents are very upset about this and the lack of consultation. Can you tell us how the residents of Kingston are going to be consulted in the new planning exercise, given the problems with the existing consultation?

**Mr Barr:** I can indicate that an initial round of consultation was undertaken by me, by way of a community survey, as an election candidate in that area. That did provide some interesting feedback in relation to a number of issues, including—

**MS LE COUTEUR:** The green or brown square.

**Mr Barr:** Yes. That was a feature. And there was the level of commercial and retail activity in Kingston, particularly focused on the need for a second supermarket in that area, noting, of course, that there are a significant number of new residents moving in, with the Kingston foreshore. Other issues that were raised by residents in that particular consultation included issues around public transport and pedestrian access and the conflict, if you like, between the active nightlife of the area and local residents.

There are perhaps some questions for longer-term residents in the area, people who have been living there for some time and who have seen the area change. But now the bulk of the population in Kingston are people who have more recently arrived and are living in higher-density living. There are clearly some challenges for the area in meeting the diverse needs of residents, noting that the trend towards medium to high density is going to continue in that area and that one would anticipate that the longer-term residents who live in semidetached or detached dwellings are going to continue to become a smaller and smaller minority of the overall suburb.

That was an initial round. It was one of Labor's election commitments to undertake a more technical planning study into some of the aspects of the balance between commercial, residential and other sorts of activities. I know that it was funded in the second appropriation last year. I will ask Mr Savery to give you an indication of the work that ACTPLA will now undertake, following that initial consultation that I did as a local member.

**Mr Savery:** At this stage, we are undertaking the scoping exercise for the Kingston master plan. That will include how we undertake consultation. We would envisage at this stage that we will be going to the private sector to seek consulting services. I would imagine that we would be specifying as part of that the need for them to undertake an appropriately designed consultation exercise. We would be engaged in

that, as would other government departments that are relevant.

For instance, when you make reference to the issues about the maintenance level of the park, they are not all issues within the purview of the ACT Planning and Land Authority, so it is appropriate to engage other government agencies that may deal with other aspects. TAMS would be quite integral, because, as you would appreciate, one of the critical issues at Kingston will be traffic management—transport management in and around the centre. Those aspects will feature.

We are anticipating that we will have consultants engaged in the next three months, so I would expect that we would have undertaken initial consultation before the end of this financial year. But the project itself will go across into the next financial year before the master plan is completed. It is typically the case that these sorts of projects result in territory plan variations. If the government at the end of the day believes that there is something about the master plan that it wants to make a change in the territory plan on, the territory plan itself then also goes through consultation mechanisms.

**Mr Barr:** I would be very pleased to refer any territory plan variation to the committee for its consideration.

**MR COE:** And any campaign feedback as well.

**Mr Barr:** It might be relevant to the one member for Molonglo who is on the committee.

**THE CHAIR:** Mr Coe, did you have a question?

**MR COE:** Not specifically about this, but if we can move on to another issue that would be good.

**THE CHAIR:** Yes.

**MR COE:** Financial management of ACTPLA is something that was highlighted by the Auditor-General quite recently, about the 2007-08 financial year. I was wondering what sort of processes you have with regard to approving expenditure, with regard to allocating budget funds for specific outgoings. What are the processes in place?

**Mr Savery:** The first thing to say in relation to that is that we had an unqualified audit from the Auditor-General for this annual report. The matter that you are referring to relates to a broader review of government departments, so it is not necessarily pertinent specifically to this annual report.

We have a number of processes in place. I will hand over to Mr Adrian Walsh, who is the acting director of client services on this, but delegations are a critical part of the process and I think what the audit identified for us was that the delegation levels were not adequate. As a result of that, we have reviewed the delegations to enable particularly, I think I am correct in saying, the area or section that was highlighted by the Auditor-General to have appropriate levels of delegation to operate within the budgets that are being allocated to them.

We have a fairly significant dispersal of budgets within the organisation that vary from relatively minor amounts to millions of dollars for potential capital projects. I think that in part what the auditor was picking up in relation to our department as opposed to others is that, in that disparity, we sort of applied one rule fits all, suits all. We now have greater flexibility as a result of some of that feedback. Mr Walsh may wish to add something.

**Mr Walsh:** Yes, I think Mr Savery has summed up the situation. The Auditor-General's finding in relation to that whole of government audit suggested that there were some payments which had not been properly authorised. When we looked at it, they were all quite legitimate expenditure. They were simply a handful of cases where individuals had exceeded their formal delegated authority. It should not have happened; there is no doubt about that.

We do a regular, I think six-monthly, review of delegations within the organisation. With the last review we specifically addressed that issue and have brought some of those delegations into line with the increased cost. We are talking about high-level expenditure, principally capital works areas, where people have inadvertently exceeded their formal authority to pay. I am not sure I can add much more, but Mr Wurfel, our Chief Financial Officer, may have something to add.

**Mr Wurfel:** I would just make the observation about the area where the expenditure occurred, where there were authorisations in excess of the delegation. It was just in one area and there were several payments. As Mr Walsh has indicated, the budget in that area is far bigger than the budget in other areas. That area customarily handles larger amounts of money and it was felt appropriate that consistent with their budget management responsibilities we should increase the level of delegation, which we have done.

**MR SESELJA:** I have a few questions following on from that. The auditor's comments go further than simply saying that there was inadvertent exceeding of the delegation. We are talking about \$58,000 to \$86,000 as the range of what the auditor commented on, and the delegation was for \$10,000. It is difficult to see how that would have been inadvertent. What kind of mechanisms were in place to advise staff of what their delegations were? It is not clear to me how, if your delegation is \$10,000 and you approve payments of \$86,000, that is necessarily inadvertent. It is quite significant. It is not like it is \$11,000 or \$12,000; it is well above the delegation.

**Mr Savery:** The processes that are in place are the issuing of the delegations. I think it is on an annual basis, apart from the reviews. Officers are made aware of what their delegations are, and of course, in the structure of any organisation where you have a hierarchy, directors and managers have a level of responsibility in relation to exercising those delegations.

We also have an internal audit committee, and the internal audit committee, whilst not having been assigned to look at this particular issue, of course, as a result of the auditor having raised it, now will ensure that any recommendations that have been made are monitored and followed through on.

**MR SESELJA:** But why did these officers not know what their delegation was? That

is what Mr Walsh is indicating—that these were inadvertent errors. Why were they not aware of their obligations and their ability to authorise expenditure?

**Mr Walsh:** I am not sure I have that level of detail, Mr Seselja.

**Mr Wurfel:** These documents are of course available within ACTPLA, they are advised to people—they are certainly advised when there are changes made—and they are available on the internal server for them to look at.

**Mr Walsh:** I can speculate as in the area very often the situation arises where people are on leave, somebody acts and there may or may not be a formal appointment to the vacancy. It is inappropriate to comment on these specific cases, but I can see a situation quite easily where somebody would believe legitimately they held the delegation because they were in a higher position but in fact did not have it at the time. Clearly it should not happen, but that sort of thing is possible.

**MR SESELJA:** The auditor makes further comments in relation to this matter, which is a separate one talking about invoices sometimes paid without evidence of having been approved, and it is a different problem. It says the payments range from \$130,000 to \$360,000. What happened there that we would not have evidence that these payments were approved?

**Mr Wurfel:** That relates to the processing of the invoices themselves on payment. There are a number of places where accounts for payment are required to be signed. What happened in those particular cases was that a random check that was undertaken by the audit office disclosed that some people have simply not signed a key approval stamp. Subsequently, when that was discovered, we took it back to those people and they did approve them. So they were in line with budget, they were for expenditure that had been incurred properly—

**MR SESELJA:** And what evidence was there to back that up? The auditor goes on to say that ACTPLA advised that the capital payments were valid and properly related to the operation.

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

**MR SESELJA:** That is what he just advised us. But what evidence was presented that indicated that that was the case?

**Mr Wurfel:** There are a couple of stamps that are on the accounts for payment. One is related to the fact that goods and services have been delivered. There is also a cost centre that these expenses are attributed to, so it is a valid cost centre. There is also a budget against which the costs are ascribed. All of those processes fell into place and it was obvious to the people who were processing those that they were legitimate costs against the cost centre, against the budget, and that the goods and services had been received. But the final approval document just had not been signed in those few cases.

**MR COE:** You said it was a random sample that the Auditor-General found. If it is just a sample, does that mean that the problem could be much more widespread than

is highlighted here in 6.71 of the report?

**Mr Wurfel:** We have gone back and spoken to the people who handled all of those transactions and asked them and reminded them of the need to make sure that they do a 100 per cent check on everything that is processed—

**MR COE:** But is it widespread do you think?

**Mr Wurfel:** No, it is not.

**MR COE:** So is it just these two or do you think there could be more?

**Mr Wurfel:** They range from \$130,000 to \$360,000. There were probably about four or five of them. I do not believe it is widespread at all. People generally know their responsibilities in relation to these things and we have gone back and emphasised that and explained to them the reasons why.

**MR SESELJA:** One other thing following from this that the audit office found was that ACTPLA's financial reports are presented regularly to the executive management committee for their review but the management review of these reports was not recorded in the relevant executive committee minutes. Why would such a thing not be recorded?

**Mr Savery:** I will answer that. They are recorded, and in fact we challenged the Auditor-General on that finding. It is just not recorded to the level that they would like. So as a result we have changed it to be more embracing. We get regular monthly reports and we discuss areas of a critical nature. Typically it is recorded as the financial report has been noted, and this action may have been taken. The Auditor-General believes that there should be more elaborate coverage in the minutes of the discussion.

**MR SESELJA:** When you say “elaborate”, what is covered now—just a very brief comment?

**Mr Savery:** In terms of what we get, it is quite comprehensive. We get a monthly report from the chief finance officer which covers all parts of our operation and highlights areas that we should be monitoring, as you would expect. The item in the minutes may typically have said “report noted”. What we believe the Auditor-General is after is more specific particulars about any things that we have noted during that discussion.

So it is not to say that it is not happening, that the reports are not being received, that we are not undertaking the proper diligence that you would expect in monitoring the financial performance of the organisation. I would make the point that for the fifth year in a row we have balanced our budget. We have not overexpended on our budget. But it would appear that the Auditor-General believes a better practice is to record more specifically some of the issues that are discussed.

**MR SESELJA:** But you can see the sort of concern here where you have got invoices paid without evidence of them being approved, delegation limits exceeded, and then

when it is presented to the relevant committee it is not properly—

**Mr Savery:** That sort of information does not get presented, and I would suggest it does not get presented in most departments. As a management team we do not oversight every invoice that comes in. That is why we have a chief finance officer and people. We get reports that talk about where the cost centre is at in terms of whether expenditure is following the set out pattern for a major project such as a \$3 million project—have we spent \$1.5 million, \$2 million, at a point in time—so that we can say: “It appears we are running behind here. Are we going to achieve our target? Is this money going to be expended by the end of the financial year?” Or the chief finance officer may say to us, “Look, we are halfway through the year and we are running over budget on salaries.” These are macro management issues, not micro. We do not micro manage the budget; that is the role of managers that have delegations.

**MR SESELJA:** But there has clearly been a breakdown in that micro managing.

**Mr Walsh:** I do not think Mr Savery mentioned in his reply that the executive would not take account of the Auditor-General’s report.

**Mr Savery:** No.

**Mr Walsh:** We are talking about a regular monthly reporting of budget process and the sorts of pressures and initiatives that he has referred to. Auditor-General’s reports naturally come to the executive. Formal management commentary on and response to them is always done by the executive, and the executive has seen this particular audit, so—

**MR SESELJA:** Just briefly before we finish, minister, what action, if any, did you take? This was brought to your attention. Obviously you would have seen these financial reports into ACTPLA. Did you ask for any changes to be made? Did you request that anything be done in response to these findings?

**Mr Barr:** I understand that it would have been the subject of a discussion in a verbal sense with the Chief Planning Executive in my regular weekly meeting, and the Chief Planning Executive would have advised that the matter was being responded to by senior management within the authority.

**MR SESELJA:** So you have not asked for anything specific to be done?

**Mr Barr:** No. The Chief Planning Executive advised that the authority would respond to the Auditor-General’s report.

**MR SESELJA:** And you are satisfied with the response?

**Mr Barr:** I am satisfied with that, yes.

**MR SESELJA:** Okay.

**MS LE COUTEUR:** On page 118, construction policy and regulation, you continue to develop policy aimed at improving building efficiency with the aim of minimising

greenhouse gas emissions from buildings, which obviously we think is a great idea. Could you give us some more information about how you are going to do that in the context, as I understand it, that the ACT has signed on to following the COAG's regulation about the uniform building construction code?

**Mr Savery:** The first point to make is that—you have mentioned or alluded to our national obligations—the government is part of an intergovernmental agreement for the operation of the Australian Building Codes Board. The Australian Building Codes Board sets minimum standards for energy efficiency in buildings. That first happened around 2004. Ever since then, the board has continued to review and increase the requirements for residential buildings, institutional buildings and commercial buildings.

At the moment, the Australian Building Codes Board is awaiting a decision of COAG, which we understand is pending in March, which would be likely to give it the green light to proceed with further review of the energy efficiency standards for all classes of buildings. If that was the case, the objective—although I cannot with a high degree of confidence say we will achieve it, or the board will achieve it—is to get those energy efficiency requirements into the building code of Australia in 2010.

The ACT government and predecessors of this government have always taken the view that they will abide by the standards within the building code of Australia. When a new standard is made, it is brought into operation through the Building Act to align with the building code of Australia. There are other jurisdictions that from time to time step outside that framework so that they exceed the minimum standards set by the building code of Australia. That is not an approach that has been adopted by any previous government that I am aware of in the ACT. A critical issue to understand there is that to pursue those particular types of initiatives is quite significant in resources, financial and human.

The ACT benefits greatly from being a member of the Australian Building Codes Board, because it is a collaboration of all the jurisdictions. We are the beneficiaries of that national work. If we were to stand alone and try and do it, it would be quite a burden. Having said that, I think that it is fair to say that the ACT is one of the drivers of change for energy efficiency in standards. We are constantly pushing the boundaries. For instance, I recall the minister writing last year to seek the increase in energy efficiency standards for multiunit developments. They are currently set at an average four-star energy rating; the minister has sought that that become a minimum for all units. That is something that is being factored into the policy work that is being undertaken. The Council of Australian Governments is also about to review the national framework for energy efficiency. That will be a pointer to where COAG wants to set new standards for buildings, and the Building Codes Board will respond to that.

In response to an earlier question, we mentioned the work of energy assessors. Whilst I was not quite answering the question you asked, I will make the point now that last year the government funded us to employ an individual, who unfortunately did not stay with us all that long so we are currently recruiting back to the position. That will enable us to set up a licensing regime for energy assessors, which will then enable us to audit their performance.

Whilst I made the comment that JACS have the consumer affairs responsibility, they do not have the responsibility—and should not have the responsibility—for the licensing and auditing of energy assessors; that is a function that we will perform.

More work is being done on solar hot water systems. I should not just say solar hot water systems; I should say hot water systems in general. There is work happening through the plumbing codes and the National Plumbing Regulators Forum, which we are a member of, to provide advice to governments around what regulations should be put in place at a national level on energy hot water systems—should it be mandated that they are solar or should it be something else?

Two states, as far as I am aware—Queensland and South Australia—have mandated the elimination of electric hot water systems. That step has not been taken here. I think the government is awaiting the outcome of that work to determine what would be an appropriate response and whether it should act as part of the national approach or go it alone with some variation on that.

They are some examples of the work that we are involved in.

**MS LE COUTEUR:** Just as a supplementary to this, minister, and through you to Mr Savery, I note that the next dot point on that same page refers to ACTPLA continuing “to engage, through the Constructions Occupation Register, with registered training organisations (RTOs) advising new apprentices of their obligations under the licensing regime within the Territory”. I was wondering how much work that entails and whether it is in relation to some of these standards that you are referring to now.

**Mr Savery:** It is. It is largely around the ongoing education of practitioners, in this case tradespeople. A lot of the provisions in the plumbing code and the building code are things that really only tradespeople deal with. It is not uncommon that tradespeople do not actually have a copy of the building code of Australia or the plumbing code of Australia.

**Mr Barr:** They do not carry them around in their back pocket.

**Mr Savery:** They are fairly substantial documents, although you can get them condensed into a chip. What we are trying to do is familiarise them with contemporary practice such as the insulation of hot water piping and those sorts of things. What we are doing is developing a program, or wanting to develop a program, with CIT, particularly through their Fyshwick campus, so that we can become a regular presenter, to educate individuals. And we can prepare handouts. I know that we have prepared documents that are potentially available at hardware stores—Bunnings and the other one that I will get in trouble about if I do not mention it—

**Mr Barr:** Magnet Mart.

**THE CHAIR:** No; you are not supposed to be mentioning organisations.

**Mr Savery:** No, but those sorts of outlets.

**Mr Barr:** Mitre 10, wherever.

**Mr Savery:** so that do-it-yourselfers can get information that will assist in improving how they undertake projects on their homes.

**THE CHAIR:** When you mentioned it being condensed into a chip, I mischievously thought that we might be able to do whatever they do these days with just implanting the chip.

**Mr Savery:** If you have got a hand-held Palm device, you can put it on.

**THE CHAIR:** You can refer.

**Mr Savery:** Yes.

**THE CHAIR:** Thank you very much for that explanation. Mr Coe?

**MR COE:** I might defer to the Leader of the Opposition.

**MR SESELJA:** If that is okay, Madam Chair?

**THE CHAIR:** Yes.

**MR SESELJA:** Thank you, Madam Chair. Mr Savery and Mr Barr, I want to return to the issue of the Tuggeranong power station and data centre proposal. I think it is fair to say that ACTPLA is one of the agencies that need to be commended for its advisory role to government on this. The documentation from the Auditor-General's report and some of the documentation we received under FOI, for what it was, indicated that ACTPLA had raised a number of concerns and urged caution by the government in relation to the project. The Auditor-General's report says that ACTPLA questioned the need for a direct sale of land for the proposal. That is on page 17 of the Auditor-General's report. What was the nature of the concerns that ACTPLA had in relation to a direct sale in this case?

**Mr Savery:** I do not know if I would phrase it as concern, but it is the sort of question that we often interrogate. We are one of the agencies where all direct sale proposals are circulated for comment and we like to be assured that all avenues have been explored. We would have been asking the LDA and the Chief Minister's Department, "Have you satisfied yourself that a direct sale is warranted?"

The way the process works is this. You do not enter into a conversation where they come back and say, "Yes we have satisfied ourselves" or "No, we have not." We put our issues forward; it is up to that department then to advise government on whether they are satisfied that the issue that has been raised by another department has been addressed. It is not untypical for us to make comments on direct sale proposals as to whether or not there could be other players in the marketplace. Have all sites been explored? Is all of this land needed? I am particularly familiar with, for instance, churches that approach the government for direct sales; we often ask the question: "Do they really need all that land as part of this direct sale?"

What I am trying to illustrate is this. It is not to distract you from your question. We ask provocative questions because we are the ones who ultimately deal with the development application or it may be that five years down the track, when someone got a direct sale, they have not followed through on it. We are the ones who have to chase them up. So we ask those questions up front to make sure that someone is saying: "Have you covered these issues? Have you asked yourselves these questions?"

**MR SESELJA:** You referred to some of the other questions you raised. From memory there was whether a proper assessment had been done of other possible sites at the time, and I think ACTPLA refers to a matrix of sites and looking at the benefits of certain sites over others. You questioned whether that had been done. Also ACTPLA raised the issue of the expected community concern over the particular site that was chosen initially. I am going a little bit on memory here from viewing some of these documents, but was this concern given to the minister and the government or was it done through interagency communications as part of this process?

**Mr Savery:** They are interagency communications so we do not then communicate back via the minister. As I was indicating before, it is essentially for the other government agencies, whoever the lead government agency is, to satisfy themselves, and if they feel it necessary through the cabinet process to raise it with government, that those matters have been adequately dealt with. They are not reporting back to us. We have raised our issues. They then have to satisfy themselves, and if need be the government, that those matters have been attended to.

So, for instance, and I think it is pertinent in the context of raising an issue about community concerns—as a planning agency we deal with those issues all the time—we know that a power station, wherever you put it, even if it is ultimately down at Williamsdale, which is how many kilometres away from the nearest residence apart from the rural residence, is going to raise issues with the community. So we typically would alert another government agency that this is likely to raise community concerns.

**MR SESELJA:** Indeed. You advised Chief Minister's initially, I think, that the original proposal was consistent with broadacre if it was a scientific research facility. That later changed, presumably as a result of additional information that was provided to ACTPLA. What was the basis of that initial assessment that it would need to be a scientific research facility in order to fit onto broadacre? And what aspects changed in terms of the information you got that led you to conclude that it could be a communications facility?

**Mr Savery:** I might invite Mr Ponton to comment here if he wants to or it might be something in terms of detail that we have to take on notice. But generally speaking a proposal like that, and in this case, comes in a package. We examine that package against the territory plan to give advice back to proponents as to whether or not it is something that can be considered. We would not say that we would approve it; it is whether or not we can consider it.

My recollection is that the initial package that came in led us to believe that the facility being proposed was of the variety that you have described. However, we did seek clarification because we were not necessarily satisfied that the information we had in front of us was the entirety of what was being proposed. Again my recollection

was that when the further information came back it caused us to change our view as to how we would define the activities under the territory plan.

**Mr Ponton:** In terms of what that further information was, given the passage of time I think we will have to take that on notice. I do not have anything further to add.

**THE CHAIR:** Thank you, Mr Ponton; that is fine.

**MR SESELJA:** Just a couple on this issue before we move on, chair. It says in the Auditor-General's report on this issue—I think this is still about consistency of the use:

However, the ACT Government Solicitor went on to indicate that the issue may have to be revisited once further information could be provided. ACTPLA did not volunteer this additional information.

It is a bit of an odd comment from the Auditor-General. Were you asked to provide it or did you get extra information that you could have volunteered that would have assisted the Auditor-General in that particular assessment?

**Mr Savery:** We have legal advice, and my recollection is that we were not prepared to give all of that legal advice to the Auditor-General. But I might take that on notice.

**MR SESELJA:** Okay. Is that an ordinary thing, to not give legal advice to the Auditor-General?

**Mr Savery:** I think it is better that I take it on notice just so that I do not mislead you in my answer.

**MR SESELJA:** Okay, but what you are taking on notice now is whether or not you had legal advice that you did not provide to the Auditor-General?

**Mr Savery:** I would certainly know that we had legal advice. As to whether or not we provided it is one part of it. But in terms of your question around what was the information, I do not know whether it was legal advice or not that we provided, or it was not provided. I would need to just follow that up.

**MR SESELJA:** Okay, but you have indicated there that there would be circumstances where you would not provide legal advice to the Auditor-General.

**Mr Savery:** No, I am not saying that. I am not confident in answering your question that there would be circumstances in which we would not provide it. My response was that I can only imagine that it was legal advice that we have not provided and that if that is the case there would be a reason. I cannot think what else it would be that we have not provided.

**MR SESELJA:** I suppose you will take that part on notice. Just one other to finish on this, Madam Chair—

**Mr Savery:** Sorry to interrupt. Mr Smorhun, have you got any idea on that?

**Mr Smorhun:** My understanding is that, at the time of the audit and when the request was made, we were still waiting for senior counsel's advice on the interpretation of the land use.

**MR SESELJA:** So you were waiting for that at the time the audit was completed?

**Mr Smorhun:** Yes, and my understanding is that it was not available until after the auditors had completed their work. But we will check that through the—

**MR SESELJA:** And did that advice change the situation or the indications that were—

**Mr Smorhun:** No, the advice confirmed our interpretation.

**THE CHAIR:** Okay.

**MR SESELJA:** Could I just have one more to finish on this, Madam Chair?

**THE CHAIR:** This is your last one.

**MR SESELJA:** Thank you. It goes back to “highlights”. I guess the question is to see whether it does relate to this, and it is one that only you can answer, Mr Savery, I think. In “highlights” you talk about ACTPLA facing difficult issues during the year, issues not always being easy to communicate because of their complexity but nonetheless getting played out in the media or the focus of attention in the Legislative Assembly. Presumably, you are talking about things like the power station—section 63. Are you expressing concern about public comment on planning issues? Is there a sense within the agency that it affects your ability to do your job?

From our perspective, in particular on the power station issue, there was much advice provided by ACTPLA and, in our opinion, if it had been followed, perhaps we would not have reached the point that we did with the power station. So criticism of your agency in that regard may have been unfair. But is that essentially what you are alluding to there—that the way these things play out in public comment affects your ability to do your job or is somehow damaging to the agency?

**Mr Savery:** The consequence of what I am referring to is that it can affect staff morale. It can affect the decisiveness of staff because on the one hand they get criticised for making a decision, so they retreat, and on the other hand on other occasions they are not making decisions quickly enough. So some of them might become erratic and start to make decisions without full knowledge or fully going through the issues in front of them.

With respect to the issue that I am referring to, whilst it may not necessarily have been the Canberra Technology Centre, because I do not know that we had necessarily gone into it that far at that point, a classic example is the DFO out at Fyshwick. The DFO is not a mistake. The DFO is a difference of interpretation, and that happens every day of the week. Our ability to explain that and get our position across is very difficult in the media. The media has taken a particular view on that issue. I will say that, from

time to time, of course politics will play a part in it. We cannot put our side in that issue. We cannot go out and explain to the public the complexity of something like that.

With respect to a multi-unit development, we are accused—and I am not saying it is by anyone here; it is the way it is played out—sometimes of being the proponent. “Why are we the developer’s friend?” It is very difficult for us to be able to counter some of the misinformation.

**MR SESELJA:** I am not clear why you cannot put your case. On many occasions—

**Mr Savery:** No, we do put our case but the media does not actually play it back.

**MR SESELJA:** I think that is the challenge we all face in the media.

**Mr Savery:** Yes, well—

**MR SESELJA:** I do not think that is limited to the planning authority. We could all—

**Mr Barr:** The fact that you are sitting on that side of the table and not in this chair is testimony to that.

**THE CHAIR:** Okay, thank you.

**MR SESELJA:** We can all point to occasions when we would have liked our message to get out. Just to finalise that, you do not feel that you are restricted in your role as chief planning executive—

**Mr Savery:** No.

**MR SESELJA:** in commenting where you believe the agency is—

**Mr Savery:** I will make this point genuinely: I have more liberty than any of my colleagues around the country, by virtue of the statutory authority role. If the question is: am I gagged? I am not gagged, but I am politically astute. There are certain things that it is appropriate that the government comments on and appropriately there are things that I comment on in my statutory role. But when it comes to my statutory role, I have far more capacity than any of my colleagues.

**THE CHAIR:** Thank you. Ms Le Couteur?

**MS LE COUTEUR:** I have got a question about the land release policy. We have spoken a couple of times about there being 11,000 blocks of greenfield available. You have also got a brief reference at page 120 to looking at sustainable urban renewal policies. Given that our belief is that if we keep a compact Canberra it is likely to be more sustainable, you would think that urban renewal has pluses from a sustainability point of view. Given that it appears, from what I am hearing, that most of the blocks you have got online are not urban renewal; they are greenfield—they are out at Molonglo and Gungahlin—how do you balance the renewal versus the greenfield and

to what extent does the money that the government gets from selling the blocks influence the program as to which is which?

**Mr Barr:** In responding initially, that figure of 11,000 contains a combination of greenfield and urban renewal possibilities. We have talked a little bit about, say, north Weston as an example, and the East Lake area. There are a number of examples that I would not describe as greenfield. That said, the land release program is following the broad principles outlined in the spatial plan and the land release strategy that is set on a five-year periodic basis. So each year it is updated but it is progressed five years out.

Mr Savery might care to comment a little further on the issues around the balance and the thinking in the spatial plan. Part of this was before my time as planning minister, but my understanding of the spatial planning process is that it was to find a combination of both greenfield and urban renewal sites, concentrating initially on a 7½-kilometre radius from the city, but then there was a further circle of development which was 15 kilometres.

**Mr Savery:** We regard Molonglo as infill, by virtue of it being 7½ kilometres away. That is on the basis that if we pursued the previous strategy of the Y plan then the development that we are now proposing for Molonglo would have been on the north side of the borders of the ACT. It would have been in New South Wales. The majority of the development in Canberra is within 7½ kilometres. The majority of Molonglo is within 7½ kilometres. I am not trying to be tricky in the way I am describing it. There is no question that it is greenfield development. This land has never been developed. But as far as we are concerned it is meeting the objectives of the spatial plan by putting more of the future population within 7½ kilometres of the city centre.

The other thing that probably creates the distortion in the amount of land being set aside for greenfield is that the majority of infill development is driven by private sector change of land. The government has only so many landholdings left in the land that has already been developed. So what you see are redevelopment opportunities where the private sector is buying land off the private sector and then going from one unit to 16. In the case of Braddon and the Gregory's Ford site, we have got a proposal that consolidates four lots. None of it has involved government land sale. So it is not land that we have got in the land bank. They are producing however many residential units as part of that.

With respect to land sales within the city centre—I am talking down the track now—with city centre land sales and East Lake land sales, I would describe those as infill development, but they are on greenfield sites. They have never been developed for residential or commercial purposes before, because the ACT has not been through that 100-year cycle of redeveloping sites. But they are big land releases in the future that are infill developments. We do not have brownfield like Melbourne, Sydney and Brisbane; it is not part of our history at this stage. It will be in another 100 years.

**THE CHAIR:** Minister, we have been talking a little bit about public consultation, infill and all those kinds of things. On page 111 at point 4, which is at the top of the page, it talks about public consultation and evaluation of the garden city provisions and character guidelines for the inner north and inner south. Could you talk us through how that went and what has been developed from that?

**Mr Barr:** That was a piece of work that we undertook to complete following DV 200, which was the initial variation that established these provisions. Anyone who has been in the Assembly for any period of time as a local member will have received representations in relation to some of the impacts of what were then A10 zones, which are now RZ2. The evaluations looked particularly at the issue of the numbers of multi-unit developments on blocks, particularly in cul-de-sacs with narrow street frontages. The very strong community feedback was that those provisions needed to be looked at.

More broadly, I think it is fair to say that in most areas of the city there has been the acceptance of a need for diversity in housing choice; that having A10 or RZ2 zoning is very popular in some areas in enabling people to downsize from larger family homes—to remain in the same suburb but to be able to live in a smaller property or a different setting within that suburb. So the advantages that we are seeing through that evaluation from the community consultation were largely around that issue of being able to age in place, to downsize within your suburb.

Certainly, from a broader planning and public transport perspective, there was support for the concept of consolidating development close to shopping centres and public transport routes that were key to the broader thinking in the overarching policy position going back to the original variations. So those sorts of things were broadly endorsed, but there is no doubt that there was a need to make some changes, particularly around the level of density on those particular cul-de-sac blocks with the narrow street frontages. So the rules were changed, and the rule change came in with the new territory plan to limit the number of multi-unit or new dwellings on sites. I am sure I will be corrected if I am wrong here, but with a street frontage of less than 20 metres and 1,400 metres in size, there was a maximum of three dwellings.

I think that has gone some way towards addressing community concerns in relation to crowding too many units into those blocks. That said, probably one instance a month, I would say, would be brought to my attention where blocks are consolidated and developers are looking to build more than three on their consolidated blocks, and those issues are being discussed. Until the last couple of years, this had largely been an issue for the inner north and the inner south, but it would be fair to say that as a result of a desire for this sort of development in other suburbs, it is now spreading into Tuggeranong, Woden and Belconnen in a way that we perhaps had not seen.

Those in the development industry assure me that they would not be doing this if there was not consumer demand for such a product, and that no-one invests that level of capital to build something that people do not want to live in. But you have to balance that need for housing choice and diversity, and trying to build up some density around those shopping centres in particular, with the needs of existing residents, who argue quite passionately that they bought in the suburb of Theodore or wherever because they wanted an entirely suburban quarter-acre block existence.

These are the challenges that we have to confront. I think the evaluation provided a positive way forward in terms of addressing some of the concerns, but I have no doubt that these issues will be teased out further and would need to be the subject of some further consideration when we look at the residential codes, as part of further work

that ACTPLA is undertaking. Frankly, anyone who has been a local member for a while will have received representations, and I am sure has made representations to the planning minister of the day, on these matters. As I say, I think there is a need to further consider some of the issues that are raised.

As a general rule, there tend not to be many complaints about dual occupancies and tri-occupancies. It is when it gets above that number of three that we seem to have some level of community concern.

**Mr Savery:** The only other feature that I think is worth mentioning in terms of what finally went into the territory plan variation as a result of the review was the limitation on apartment-style developments.

**Mr Barr:** That is a good point.

**Mr Savery:** In addition to putting restrictions on the amount of land that is required for multi-unit development, particularly in cul-de-sacs, provisions have been devised that almost eliminate, if not in fact eliminate, apartment-style development.

Let us say that a developer is able to consolidate blocks at the end of a cul-de-sac, and exceed the 1400 square metres and the 20-metre frontage. In the past, prior to these changes, they could have stacked units on top of each other. That is not possible anymore. The units essentially have to be townhouse-style units, which improves the character. We cannot talk about quality, because that is ultimately down to the amount of money they want to invest in the building materials. But it improves the character, and it increases its chances of having an ability to blend with the surrounding neighbourhood, because you are not stacking these units on top of each other.

**Mr Barr:** Yes, the requirement, is it not, is that every unit must have ground—

**Mr Savery:** Access to—

**Mr Barr:** floor access to private open space. So you just cannot have apartments set on top of each other. I think that has made a difference to the style of development that is occurring.

**THE CHAIR:** Thank you very much. Ms Le Couteur?

**MS LE COUTEUR:** I have got a question about something on page 125. You talk about development of Gungahlin. You say, “Commence a concept plan for the future Gungahlin suburb of Kenny and the last undeveloped areas in Harrison and North Watson.” I note that Throsby is not in here. What is the state of Throsby? Is there any plan to remove it from the territory plan? I think it was a recommendation of the planning committee that Throsby be removed from the territory plan. It was certainly discussed, if not a recommendation.

**Mr Savery:** No, the land that is set aside for the future suburb of Throsby still exists but it has been substantially modified. So the dwelling yield on that suburb would be reduced. The reason why it is not here is that, in terms of the sequence of development patterns, it will be one of the later suburbs to be developed.

It might be useful to make the comment that since Gungahlin was first planned—the structure plan for it was in the early 1990s—it was for a potential community of in the order of 120,000 people. As a result of further refinement to the suburb design, setting aside nature conservation parks, and working through other environmental issues, the total capacity for Gungahlin, including what remains of Throsby, is more like 90,000 people.

**MR COE:** What consultation and work have been done on the development of the Gungahlin town centre?

**Mr Savery:** There is a town centre planning study which has been underway and is obviously referred to in the annual report. The work has involved the engagement of consultants—traffic consultants, engineering consultants, planning consultants—to work with some staff in-house. We have worked very closely with the Gungahlin Community Council, so before we produced a discussion paper we sat down with them and worked through what they see as some of the critical issues. That featured in the discussion paper that was put out for public consultation. A public information night was held. As I understand it, there have been individual consultations with some of the businesses out there. We are at a point now where all of that information is coming back to us. So the consultation has finished in terms of the discussion paper. The consultants are providing recommendations, and we will have a report to go back to government with recommendations on whether or not there should be territory plan variations.

**MR COE:** When do you expect that report to be submitted?

**Mr Savery:** There is no-one here I can ask. Can we take that on notice?

**MR COE:** Is it six months or a year or—

**Mr Savery:** It would be in this financial year, so it would be before June.

**MR COE:** Soonish?

**Mr Savery:** Yes. As I say, that may or may not result in the need to make territory plan variations. One of the catalysts for looking at the town centre study was whether or not there was sufficient residual commercial land for the future of the Gungahlin town centre. So one would expect that, if the recommendation comes back and says, “Look, there isn’t; we need more commercial land,” then we would be seeking to rezone parts of the area around the town centre for that purpose. Of course, the other key issue is transport, as is often the case in town centres, and the role of Hibberston Street versus Anthony Rolfe Avenue. So we are looking for what the recommendations back from that are going to be, after consultation and the expert advice of traffic engineers.

**MR COE:** Is the construction of a bus interchange one of the things you are looking at?

**Mr Savery:** Yes, absolutely—its location, what form it would take, whether we go

down the old path of some major piece of transport infrastructure in one location or whether we go down the path that is now being deployed in Belconnen, where you get a series of very significant bus stops and you get some sort of circulation pattern. So they are all being examined.

**MR COE:** Can I ask about Belconnen while we are on town centres. Belconnen is obviously going to be changed quite substantially in the coming years. In what sort of time frame do you see tangible things happening there?

**Mr Savery:** I think within the next six months you will see something tangible. With respect to the length of time, I suspect it will go for three years, by the time we finish Cohen Street, which is the last piece of work, and it has to follow a sequence. The first part of that has been concluding—and it was not by us—the negotiations with Westfield, in terms of the direct sale of land and what they will provide as part of that, which includes—

**MR COE:** That is the car park, is it?

**Mr Savery:** The car park, section 52, on the west side. Part of that involves providing a bus station, and the bus station has a bus lounge. That interfaces with the shopping facility, so essentially you are still inside the shopping environment in a relatively pleasant and safe facility. The bus interchange is connected with that, which includes a range of road works around the intersection of Laithlain Street and Cohen Street. That is very difficult because there is a huge change in levels, as you would appreciate, between the top end and the bottom end.

There is a series of works that Westfield need to construct relating to car park access, again because of the changes in levels. Concurrently, we are going to be putting in the bus stations along the length of Cohen Street and up into College Street or that area. The current interchange then gets decommissioned or Cohen Street gets built; I am not sure which one because—

**MR COE:** And when is that, roughly?

**Mr Savery:** They are going to be down the track, so Cohen Street and the decommissioning will not happen until the new interchange has been built.

**MR COE:** What about the new temporary arrangements that they are putting on Lathlain Street? Is that working in conjunction with the current interchange?

**Mr Savery:** Yes, it will. The current interchange will not be decommissioned until the new bus interchange at the top end of Cohen Street has been built, and then we will decommission it.

**MR COE:** Do you know roughly how long that is going to be?

**Mr Savery:** It could be anywhere between two and three years. I know the government is keen for us to accelerate the program.

**MR COE:** So the current bus interchange will be there in its current form for roughly

two years?

**Mr Savery:** Roughly two years, yes. There may be works that occur there, but buses will continue to interchange there until there is the new one.

**MS LE COUTEUR:** In the top paragraph on page 17 you talk about a number of reviews, of energy efficiency measures, classes of building, review of hot water systems nationally, and the development of national land use and infrastructure principles. Are any of these available? They sound like very interesting reading but I cannot find them on the website.

**Mr Savery:** Yes, they are interesting. They are not altogether lengthy.

**MS LE COUTEUR:** That is even better.

**Mr Savery:** There is probably a single A4 page. There is background work. The short answer is no. They are part of a COAG process. At the moment I would not be entitled to give them to you. In other words, they have been referred to COAG for endorsement.

**MS LE COUTEUR:** We look forward to seeing them in the future.

**Mr Savery:** Yes, I look forward to them too because they would be very useful.

**MR COE:** On the issue of reports, on page 123, with regard to your development policy, you mention that you produced a draft report on the future planning and land needs of religious organisations. You spoke earlier about some issues that you sometimes have, or issues that the government sometimes has, with direct sale, and that you give advice or you propose questions that they might like to consider. Is that draft report available or can you tell us what the scope of that report is?

**Mr Savery:** No, it is not available because it is part of the cabinet process, so it has not been agreed to as government policy at this stage. But I can, nonetheless, give you the scope. It does in part relate to the issue that you have mentioned around the extent to which church groups adequately understand what their needs are. So when they make an approach to government for land, do they fully understand and appreciate what it is that their future requirements are going to be?

Essentially, we have done a two-part exercise. The first has been, with the support of the government, to go out and engage with religious groups to talk to them about what their future needs are—particularly, for instance, in areas like Molonglo and Gungahlin. Are there church groups that are looking for land and, if so, what amount of land, in what location? “Do you fully appreciate that if you get that amount of land for the size of facility you are proposing, you do not need it all?” All of this is about assisting us in putting a policy framework back to government that would allow agencies, particularly the LDA, the Chief Minister’s Department and ourselves, who engage with these sorts of groups in the future, to say: “Look, this is government policy. These are the things that you need to have properly considered in order for you to come back to us and seek a direct sale of land. And if you’re not able to satisfy us on these things then you are wasting your time seeking a direct sale of land.”

We believe—hence our wanting to do this work for government—this will cut down a lot of the anxiety and aggravation that often arise at the time of direct sale, where there is endless backwards and forwards negotiation on the amount of land, where it is and who should have it. Many of these religious groups, of course, are competing for a finite resource. Community facility land is a diminishing commodity, particularly in established areas.

More importantly, once they have acquired that land they need to follow through on what they agreed to. We have had examples where they come back and seek to deconcessionalise that part of the lease that they have not developed and hand it over to, say, an aged care provider who wants to use it for a commercial purpose. This is a rare asset of the government—this community facility land.

**MR COE:** Is St John's Church in Reid one such site?

**Mr Savery:** No. For a start, a good part of that site is national land, not territory land.

**MR COE:** Right. It is a department of the interior lease or something like that, I imagine.

**Mr Savery:** Yes. So it is a combination of territory land. Their land also is a perpetual lease. So it is like the ANU—it is a 999-year lease, which is quite rare in the ACT. They are looking to redevelop that site under the auspice of the national capital plan and the National Capital Authority. That is why we should simplify the duopoly of the planning system in the ACT, because on that site you have got ACT lease administration and national land administration. You have got National Capital Authority approval and ACT Planning and Land Authority approval. In some cases those approvals occur halfway through a building. It is just a great example of why you can rationalise the system.

**MR COE:** I think it is similar with the RSL national headquarters.

**Mr Savery:** It is not as bad. They are on the margins; the issues are on the margins there.

**Mr Coe:** Constitution Avenue: what is the status of that in terms of—

**Mr Savery:** I do not know the answer.

**Mr Barr:** The political response is that I understand the Chief Minister continues to pursue this matter with the commonwealth government in relation to the funding that was withdrawn in the first Rudd government budget. On more than one occasion the Chief Minister has been on the record, as have I, as suggesting that that was not a particularly good decision and that it was in breach of an agreement with the previous government in relation to a land swap.

**MR COE:** Did you raise it at the cricket yesterday, perhaps?

**Mr Barr:** The finance minister was not at the cricket yesterday. Nonetheless it is a

matter that we continue to pursue. The commonwealth, I understand, will respond, possibly as early as the next commonwealth budget.

**MS LE COUTEUR:** With respect to design policy, you talk on page 122 about restructuring public land in Woden town centre. It says “deliver additional parking” and it also says “provision of new public transport”. Firstly, what use of public transport are you anticipating? Secondly, if we are having new, presumably improved, public transport, do we need additional parking as well? Could we not aim to have improved public transport and not increase parking?

**Mr Barr:** The additional parking was delivered in relation to the work that was undertaken around the Phillip oval. There was a transfer of that facility back to the ACT government from the AFL, who had previously managed it. There was a fire and a range of things, so the government undertook to redevelop the oval, which is now complete. As part of that there was a reconfiguration of parking in the Woden town centre. That involved the removal of some concrete barriers and whatnot outside the Phillip pool in that area of the parking, and then further parking was made available around the perimeter of the new Phillip oval for dual purpose. From Monday to Friday, it largely accommodates commuter parking, but on weekends it would obviously be available for events at Phillip oval. So there needed to be a parking provision at Phillip oval. That was the most significant piece of new parking infrastructure in Woden. At the time there were a number of other construction projects in the town centre that were displacing parking. Obviously, once that project was complete there would be a return to the original, or sometimes even more, parking levels.

The broad policy question is one that is perhaps addressed in the draft parking strategy, which I understand may have progressed beyond the stage of a draft. It sits in another portfolio, not within the planning authority. I think there has been a significant public debate around whether you should be actively seeking to reduce the amount of parking. I note the Leader of the Opposition has a very strong view that that should not be the case and he has expressed that on any number of occasions. My personal view is that it is possible to both improve public transport and improve parking arrangements simultaneously, that these things are not mutually exclusive. Any overall policy goal to reduce the level of parking would be a secondary thing and one would want to improve public transport before you sought to address parking levels.

In the context of this annual report period, it was appropriate to make that extra parking available. In the longer term it met the needs of the sport and recreation facility but it also addressed some short-term parking displacement as a result of construction work in the town centre. The longer term goal that I think we would share would be to improve public transport outcomes. Of course, similar to the work that is progressing in Belconnen in terms of revitalisation of the public transport infrastructure, a similar project is underway in Woden. Again, it is a partnership with Westfield, and improved public transport will flow from that.

There are a number of other things that are occurring in the Woden town centre in terms of the Woden East development. a number of other development applications are in to improve the level of housing density in the area. Again, that would have an impact both in terms of improving the viability of public transport and in terms of

removing the need for commuter parking, because if more people could live and work in the Woden town centre then there would be less of a need for people to drive their cars there.

**MS LE COUTEUR:** So the reference to new public transport is really referring to the future development with Westfield; it is not something else?

**Mr Savery:** In fact, the government set aside in the order of \$3 million in this annual report's financial year for the first stage of the road infrastructure for the new public transport system in Woden town centre. That is actually built into what is now called Woden Green; it is not Woden East. The developers call it Woden Green. It is built into their project. So the joint venture between the LDA and Hindmarsh Group have the responsibility for delivering that \$3 million piece of infrastructure which is called Wilbow Street, which is actually one of the transit loops that enables buses to come back onto their route. So that is the first stage.

What I am demonstrating to you is that the public transport movement structure has all been set up and the government has funded part of it. The bit that pulls it all together is ultimately the negotiations with Westfield to do a similar type of arrangement that has happened at Belconnen. For instance, the vacating of the police station is all part of that longer term arrangement because that helps the reconfiguration of the bus interchange. So there are steps already underway.

**MR SESELJA:** On page 195, with government contracting, there is a number of single select tenders for contracts, some of which are for reasonably significant numbers. There are one or two in particular—the Ernst and Young planning system reform for \$148,000. What was the rationale behind that being a select tender, given that one would think there would be other contractors that might have the sort of expertise that Ernst and Young would bring to that?

**Mr Savery:** On that one, and it would apply in other circumstances, it is often dictated by the urgency and speed with which something has to be done. I know in that case, because of Ernst and Young's familiarity with our operations, having been involved in an earlier piece of work for us, that it made sense to deal with them. Of course, we test their rates to seek to ensure that the community is still getting value for money. But in that circumstance it was their familiarity with our operations and the need for us to act with a high degree of urgency.

That will often be the case with single select. Certainly, managers in the organisation are aware that I am not keen on single select, and I know governments generally are not keen on them. So it really comes down to them demonstrating to me that there is a need, there is an urgency, there is a specialist skill that no-one else has or there is a high degree of familiarity with the person that we are engaging, with the particular job they are doing. I can think of a couple of examples—and I do not know if they are actually in here—of someone who has come in to assist with an environment impact statement process that Mr Ponton needs to undertake. We cannot often predict when they are coming and we have not got time to go through a procurement process to bring those people on board. They can be quite expensive as specialists.

**MR SESELJA:** Looking at, say, the BSIP project, which was for \$177,000: what was

the particular rationale?

**Mr Savery:** We may not have the right people here, but I think that is one of our IT projects. In fact, I know it is. Again, I think those individuals were already on board. So they had been through a previous tender process. Am I going down the wrong path here? They have built part of the system, then the next stage has come along—

**Mr Wurfel:** It is related to that IT project, yes.

**Mr Savery:** What we have done is gone with continuity in the development of an IT system that goes across the course of stages and years where we do not have all the funding up front to do it. I am pretty confident that that would be the case with that BSIP one.

**MR COE:** In which case the original tender that they got to build the software or whatever it is—

**Mr Barr:** It would be in a previous annual report.

**MR COE:** Is it likely to say that this could lead to future work or there could be future extensions—

**Mr Savery:** It could be that up front we have said this is to be done in stages, subject to funding from government. With the EDA project, the electronic development assessment project, which has spanned probably more than two years now, we initially had funding for a pilot project, which was \$100,000 from the commonwealth. The following year we got two-point-something million from the ACT government and then last year, which will be in this year's annual report, we got \$500,000 from the commonwealth.

The best way to describe the system that we operate, or how the IT guys explained it to me, is that we have built a manufacturing plant which is built around our electronic document management system. Having built the plant, every time we get funding we can manufacture another car body. So each time one of those car bodies comes along, if someone has got a particular expertise in it and has worked on the manufacturing plant before, we would potentially use them again because they have got the knowledge.

**MR COE:** That would certainly make sense if the original tender was a big one. But if, for instance, a certain company won a \$20,000 tender and then they got \$200,000 contracts because they were the incumbent, that is a pretty good advantage for winning a small tender. That is why it has to be laid out if possible in the tenders that it could lead to future contract work.

**Mr Savery:** That is correct, and often it will be—that this is staged. There have been occasions when we have gone back and tested the market again, if not to see whether or not anyone else has got a better product or expertise, just to test the value proposition; absolutely.

**MR SESELJA:** Before we finish, can I ask a very simple—

**THE CHAIR:** Does it require a yes/no answer?

**MR SESELJA:** I think so.

**THE CHAIR:** If not, if it is not a simple yes/no answer, it will be taken on notice.

**MR SESELJA:** That is fine. Woden East or Woden Green: are you serious about that?

**Mr Savery:** Yes, the brand is Woden Green.

**MR SESELJA:** Is that a joint venture with the Greens! It was put to me by someone in industry yesterday that it is going to be limited to a three-storey maximum; is that right?

**Mr Savery:** It is not a simple yes/no answer but it is fairly quick. There is an approved master plan. The master plan allows for varying heights across the site. There are parts of the site that are limited to three storeys. A lot of that is where it interfaces with existing housing.

**MR SESELJA:** Existing housing being the Phillip units?

**Mr Savery:** Yes, but I think there are other elements that are higher than three storeys.

**MR SESELJA:** So the frontage closer to Woden Plaza and Sky Plaza is likely to be high?

**Mr Savery:** But we are not talking Sky Plaza heights.

**MR SESELJA:** No, but more than three storeys.

**THE CHAIR:** Thank you very much, minister, Mr Savery and officials, for your attendance this afternoon. I might ask members, if they have any questions on notice, to get those in writing to the secretary as soon as possible.

**MR COE:** Is there a deadline for that?

**THE CHAIR:** Not specifically, but I would like you to get them to the secretary in writing ASAP.

**MR SESELJA:** And that needs to be done through a member of the committee, is that correct, or can individual MLAs put questions on?

**THE CHAIR:** Yes, but through a member of the committee.

**MR COE:** So Tuesday would be okay?

**THE CHAIR:** Yes, that would be good. We would like the answers to come back—it is flexible but we would like the answers to come back within a two-week period once

you get the questions, if that is possible.

**Mr Barr:** Depending on how many questions, it could be less than two weeks.

**THE CHAIR:** Yes. We will give you a consolidated list. We will not give them to you in dribs and drabs. So thank you very much for your attendance this afternoon.

**The committee adjourned at 4.01 pm.**