



**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

THURSDAY, 5 MARCH 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).

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Amended 21 January 2009

The committee met at 9.32 am.

Appearances:

Stanhope, Mr Jon, Chief Minister, Minister for Transport, Minister for Territory and Municipal Services, Minister for Business and Economic Development, Minister for Indigenous Affairs and Minister for the Arts and Heritage

Chief Minister's Department
Dawes, Mr David, Deputy Chief Executive

Department of Territory and Municipal Services
McNulty, Mr Hamish, Executive Director and Animal Welfare Authority,
Environment and Recreation
Zatschler, Mr Gerhard, Manager, Heritage, Environment and Recreation
Horne, Mr Hamish, Manager, Canberra Cemeteries

Land Development Agency
Robertson, Mr John, Chief Executive Officer
Kelly, Mr Matthew, Chief Finance Officer

ACT Cemeteries Board
Smeaton, Mr Bob, Chair

ACT Heritage Council
Pearson, Dr Michael, Chair

THE CHAIR: Good morning everybody. Welcome to the Standing Committee on Planning, Public Works and Territory and Municipal Services in its inquiry into the annual and financial reports for 2007-08. I believe you have all seen the privilege card that is in front of you. Could you let me know whether you understand that?

Mr Stanhope: Thank you, Madam Chair.

THE CHAIR: Everyone does; thank you very much. We are going to be hearing from and asking questions in relation to the Land Development Agency in the first instance. Chief Minister, would you like to make some opening remarks?

Mr Stanhope: I have nothing specific to comment on today, Madam Chair, other than to indicate that I am more than happy to be here to respond to the committee's questions in relation to the Land Development Agency and issues around land supply and the projects that the Land Development Agency has been pursuing over the last year as represented in the annual report. Indeed, Mr Robertson, as the Chief Executive of the LDA, and Mr Dawes, as the departmental officer with policy responsibility directly to me in relation to land supply, are ready and look forward to assisting the committee.

THE CHAIR: Ms Le Couteur, would you like to start?

MS LE COUTEUR: Thank you, Madam Chair. I will start on something very

topical—the Hawker shops. What was the role of the LDA in the sale which has just been postponed?

Mr Robertson: The LDA is the government agency that is actually responsible for the sale and development of government owned land within the ACT. Our role in that process is to manage the sale processes and the development of the sale documents. We work with agents, where we have engaged sales agents to actually go out and market a property on our behalf, and ensure that the sales documentation is appropriate for the uses of the land, to basically de-risk the sale from the government's perspective.

MS LE COUTEUR: And that does not include any community consultation? You said “de-risk the sale”; that does not involve the community side—

Mr Robertson: The Chief Minister has made it very clear to us that community consultation is a key part of our responsibilities and that applies to sites like Hawker. I think it was evident last week that there was more consultation that we need to do on projects like that.

Mr Dawes: That has actually now been embedded into the processes for future land releases. As we plan the land releases in the outyears, we will be identifying those sites that need community consultation and we will try and get ahead of the game, as it were, and start community consultation before they go onto the land sales program.

MS LE COUTEUR: Will that be done with ACTPLA and some sort of neighbourhood planning or is it going to be a one-off thing done by LDA?

Mr Dawes: At this stage, as we identify the land that is for sale, that will be done on each parcel of land that goes to the market.

Mr Stanhope: The point I made to Ms Le Couteur in relation to this the other day is that I think the issue we need to address, and we acknowledge this, as both Mr Robertson and Mr Dawes have just indicated, the one-size-fits-all approach that has been applied in the past is not appropriate. We are not suggesting that all land, commercial, industrial and residential particularly, requires pre-sale consultation. But in the context of the sorts of issues that are obvious in a proposed sale of land such as that at Hawker, of course pre-existing policy or positions in relation to the advisability of consultation in those circumstances lead us to conclude, and it has probably been something we have been sensitised to in recent times, that Hawker is a very good example of where a one-size-fits-all policy approach that has been adopted previously is not always appropriate.

Having said that, I hasten to add—and Mr Dawes just touched on the point—that the government would not be proposing to have formal, extensive consultation on all industrial, commercial or greenfield residential sites that it might list or dispose of through our land release program. We believe that simply would not be necessary or appropriate. We need to do an assessment of each site that is listed in each year's land release timetable and determine whether or not for that site detailed consultation needs to be developed prior to the sale itself. It adds to the complexity of land release and sale, but we acknowledge that there will be such circumstances. Hawker

encapsulates the sort of circumstance where the government does need to change its policy around consultation, and we will.

THE CHAIR: I was aware that there was a survey that was done and some discussion with the retailers some 18 months ago about the car park but I do not think that they linked it in their minds with what happened in the future.

Page 11 of the report, Chief Minister, mentions the launch of the OwnPlace program towards the last part of the year. Could you update the committee on that program as part of the government's affordable housing plan?

Mr Stanhope: I think it is appropriate that I ask Mr Robertson to go through the detail of that, the stage reached and the future of the program.

Mr Robertson: A bit under two years ago, when the government launched the affordable housing action plan, there was a challenge put out to the LDA to see what it could do to contribute towards achieving the housing affordability objectives. What the LDA staff have done is to develop the OwnPlace program, and a key element of that program is that the LDA is working with a panel of builders. There are half a dozen builders, single residential and multiunit home builders, that are involved in that panel. That panel was put in place following a public tender process.

Under the scheme itself, for the last 12 months since the scheme has been actively running, we have been working with those partner builders to deliver house and land packages for under \$300,000. We are currently reviewing to see whether that \$300,000 continues to be appropriate, given movements in the market. But for \$300,000 people are getting a house, they are getting land, but they are also getting a choice from a range of fixed inclusions. So they do not have to move into a bare house with no landscaping, no curtains and no floor coverings. The LDA is ensuring that members of the community who sign up for the OwnPlace scheme are getting those things delivered to them. So we have a monitoring regime in place to ensure that the builders are delivering the full package for purchasers.

You may be aware that recently, in the last month or so, work has commenced on some of the first homes in that scheme, out in the suburb of Franklin. Construction will commence on a lot more houses over the coming months in Franklin and then Bonner. It is part of the government's commitment that at least 15 per cent of the houses in new estates will be affordable product.

THE CHAIR: Could you give us an idea of those inclusions? I know you mentioned a couple.

Mr Robertson: Floor coverings, curtains, landscaping. We could provide the committee with an indicative list of what is there. We have got half a dozen builders, and I think between them there is a number in the low 20s for the number of different—

THE CHAIR: Different packages.

Mr Robertson: housing packages that are being offered, both terraced product and

detached houses. We can provide the committee with a detailed list of what is included in those. But it is in the low 20s in the number of different alternative house products. With respect to the inclusions within that, it is basically a matter of picking a menu.

MR COE: On page 10 the chairman mentions section 63. Could you update the committee on the status of the legal action with regard to the retail space?

Mr Robertson: That is not something that the Land Development Agency is a party to. I think that is something that would need to be addressed to the Planning and Land Authority.

MR COE: Okay, sure.

MS LE COUTEUR: On page 14 you have got the objectives of the LDA. The third paragraph of those is probably the most interesting. There are a lot of objectives which go in different directions, or at least potentially go in different directions. You have got the social objectives of the government, the need for affordable housing and also delivering a return to the territory. How do you balance all of those? With great difficulty?

Mr Robertson: It is a challenge, and it sometimes depends on the circumstances. Clearly, you have got to have that balance across the board. We have just been discussing the OwnPlace program and it would have been very simple if, as part of that product, we said, “Just come up with something that looks a bit like a shoebox and we’ll put lots of shoeboxes around and they will be cheap and people can live in them.” But that is desirable neither for the people whose homes they become nor for the broader community. So some of those design issues include making sure, in terms of block orientation, to the extent that you can achieve it, that there is enhanced solar orientation.

The geography of some of the suburbs means that we cannot have optimal solar orientation, for example, on every single block. It is a matter of looking at the circumstances of the individual blocks, making sure that in our lease and development, or lease and planning conditions, which we have had, for example, through Franklin, that we are requiring certain minimum standards, not just in terms of insulation and building fabric but also in terms of the way some of the materials are used.

MS LE COUTEUR: So you are seeking higher than the Building Code of Australia—

Mr Robertson: The Building Code of Australia does not necessarily cover a whole range. It covers the physical matters but some of these things go beyond what is specified in the Building Code.

THE CHAIR: I will continue on with this affordable housing theme for a while. Chief Minister, we have heard some examples of what is occurring. Could the committee be updated on what else the LDA is doing to assist with community housing and affordable housing in the ACT?

Mr Stanhope: Beyond OwnPlace. Could you explain that?

Mr Robertson: We have a memorandum of understanding in place, for example, with Community Housing Canberra to make available for them 120 blocks, or an average of 120 blocks a year, over a five-year period so that they have access to land. We work closely also with the ACT housing authority to make land available for them so that public housing can also be a feature of the new estates. Public housing, as it is in a lot of the other suburbs, will be peppered through a lot of our estates.

With the recent commonwealth stimulus package, a lot of activity is implied there in public housing, so we are working closely with Housing ACT to make sure they have got the land they need for that component of their program. We have been working with Defence Housing. That is not so much community housing but we are working with a range of housing providers.

Our demonstration villages are another initiative that was referred to in our annual report, both at Dunlop and in Franklin. My understanding is that the planning approval process is underway for some of those multiunit sites there, which will have some affordable product but also some demonstration houses as part of that to demonstrate what can be done in that affordable range.

Mr Stanhope: It probably also needs to be said that at the heart of the debate about affordability is land supply, and the LDA is fundamental to ensuring that our land supply targets are met. Through some of the mechanisms that have been adopted over the last few years, for instance the englobo sales and joint ventures, the LDA is very closely involved in that most fundamental issue in relation to affordability, which is land supply.

Mr Robertson: As this annual report that we are considering today shows, there has been a greatly accelerated land supply program; 3,470 dwelling sites were actually put out into the market in that year. We are on target for a significantly larger number again this year, which is in accordance with the targets released by the Chief Minister. The idea is to seek to stabilise the land prices, and the mechanisms that we have used both through the ballot and now with over-the-counter sales are achieving that.

THE CHAIR: Did you want to add something?

Mr Dawes: No, I was just going to add, and John has obviously answered that question, the fact that we delivered 3,400 in the 2007-08 year, which was the highest number of blocks that have been released in the ACT since self-government. If we look at the original statement of intent, the government recognised, if you recall, back in early 2007, that the commonwealth was going to grow in that particular year, so we responded and increased that by 1,000. That target was met.

THE CHAIR: I have a question about the blocks. You mentioned community housing; you mentioned that public housing was spread throughout the different estates in order to make sure there was not a concentration in one particular area. What about community housing? Is that similarly spread or whereabouts is it?

Mr Robertson: My understanding is that that is the intention of Community Housing

Canberra which, as you would be aware, is a separate entity outside government. It was kick-started by the government. In the case of community housing, they have taken up land in the different estates that the LDA has been developing, so they have taken some land from us. In Franklin, in the Flemington Road area, and in Dunlop, there is some land they have taken there, and in other estates. They can only take land from us in areas where it is available, or from our joint venture partners in some of the englobo sales. My understanding is that they are either purchasing land from those other organisations or they are having discussions with them. So, yes, their intent, from my understanding, is also to have product throughout Canberra.

Mr Dawes: They are also spot purchasing some sites as well with developers, in developments out in Holt and in other areas as well. So it is not only confined to the greenfields; they are trying to diversify their product right across Canberra.

Mr Stanhope: It needs to be remembered that the government has asked Community Housing Canberra to deliver 1,000 dwellings in the next 10 years, an average of 100 a year—500 for rental and 500 for disposal. It has taken some time under a new chairman, Ross Barrett, and essentially a restructured committee perhaps to generate the momentum that the government has been hoping for from community housing. I think it is fair to say, Mr Dawes, that they are now reaching a position of some energy or momentum in relation to the delivery of housing.

Mr Dawes: Yes, after the restructure that has occurred there, they certainly have, and they have got a number of developments on the go at present. They are looking at further feasibility studies of some other unit developments as well, where they are actually working very closely with the development industry.

Mr Stanhope: I think it is fair to say that community housing has taken some little while, but I think they are now, as I say, developing real momentum in the delivery of houses. We will see from now significantly increased production of housing through Community Housing Canberra.

MR SESELJA: Madam Chair—

THE CHAIR: I was going to go to Mr Coe first.

MR COE: I will pass that question over to the Leader of the Opposition, if that is okay.

THE CHAIR: Okay, fine.

MR SESELJA: Thank you, Madam Chair. How much has the LDA received this year to date from land auctions? What is the figure?

Mr Robertson: I would have to take that on notice. I do not have that figure with me, but I would say roughly—

Mr Kelly: With respect to the total revenue, I do not have the February numbers with us but the turnover of sales for the year to the end of February was in round figures about \$128 million, from memory, but we can check that.

MR SESELJA: Yes, thank you. How does that compare with projections for the financial year? What is the expected revenue for the financial year?

Mr Robertson: We are in the process of reviewing that as part of the development of the budget. We have quite a few auctions and land releases. In addition to the numbers that Mr Kelly has mentioned, there are a lot of blocks where we have exchanged within the last 12 months, which we are expecting to settle over this next few months. In relation to those, our revenue policy is that we do not accrue the revenue or count the revenue until we have actually settled on those blocks. At this stage it is in the order of at least \$280 million that we would be expecting to have this year as our revenue. But the final figure, of course, will be dependent on what happens at auctions that are scheduled for later this month and also through until May and early June.

MR SESELJA: Is the \$280 million what was budgeted at the beginning of the financial year or has that been revised down?

Mr Robertson: It has been revised down but not formally at this stage. That is our expectation of where we might be. This is something that we are in the process of working through so that we can provide accurate advice to Treasury as part of the development of the budget.

MR SESELJA: What was it revised down from?

Mr Kelly: \$480 million.

MR SESELJA: From \$480 million?

Mr Kelly: It was revised down from \$480 million.

MR SESELJA: And to date we have received \$125 million, roughly?

Mr Kelly: Approximately, yes.

Mr Robertson: But with the settlement on quite a few hundred blocks still to come.

MR SESELJA: Sure. The Casey 2 sale, that realised significantly less per block than Casey 1. What were the numbers on that—the differential? From memory, it was roughly the same amount from Casey 1 to Casey 2, but there were more blocks on offer for Casey 2; is that right?

Mr Robertson: You are correct. I think it was within about a million dollars of each other, the auction proceeds. One was up to 1,100 blocks and the other was about 700 blocks, so it was \$25,000 to \$30,000 a block.

MR SESELJA: And that did not reach reserve, Casey 2, but there was a settlement reached soon after; is that correct?

Mr Robertson: It was passed in at the auction a bit below reserve and then sold at reserve subsequently.

MR SESELJA: At reserve, okay. Was there a reason why that was pushed through on the night? I am not sure how the LDA deals with things like caretaker; from memory, that was the day before the caretaker convention came in. Was that a factor in pushing through the sale?

Mr Robertson: No, it was not. What happens with all of our auctions, and we are consistent with this, is that we have the auction. The underbidder then has the opportunity to negotiate for a limited period with the LDA and then those blocks are available over the counter. If they do not sell over the counter, the LDA board may consider what it does with them in terms of taking them back to market or doing something different.

In that particular case, my recollection was that on the afternoon of the auction the underbidder, which was a consortium of two parties, then decided to increase their bids. I cannot really speak for the financial affairs of the underbidders but my understanding was that one of the two parties had a cheque for slightly less than what he needed at the time and it took them an hour or two to do that; hence that is why they did not actually reach the reserve at auction.

MR SESELJA: The LDA, like other sellers, actually does set a reserve prior to an auction. Obviously you do not publish that but you would have that number fixed as to what is your reserve price prior to the auction going ahead?

Mr Robertson: We certainly do. It is not a number that is pulled from thin air; we use independent valuers who provide advice to us and from that advice we actually set the reserve. It is a similar policy that we apply for the individual residential blocks within a release. We have a number of valuers that give us prices and we determine that that is what the market price is. You are probably aware that under the Financial Management Act the Land Development Agency is required to sell at market value. It is not a matter of the LDA board deciding that it will just pick a number. The reserves are actually set by management and not by the board. They are set in response to the advice that we get from the valuers.

MR SESELJA: You obviously got the valuations, so what was the reason for such a significant drop in price between the sale of Casey 1 and Casey 2?

Mr Robertson: I think it was a matter of timing as to when both were sold. At the time when Casey 1 was sold, there were a lot of people with a lot of money. At the time that Casey 2 came along, there had been a few other things that had happened in the lead-up to that. One was the publication of the ACT government's detailed land release program, so people knew there was a lot more land coming—in the order of 15,000 blocks over the next five years, which was announced by the Chief Minister in April. This auction was subsequent to that.

Also, I understand that, for at least one or two of the bidders—I think we had seven registered bidders for the auction—their finance fell through on the morning of the auction. That, as you may recall, was the period when there was a great deal of uncertainty and instability internationally about what was happening in the financial markets.

MR SESELJA: What are residential land prices doing now? Have they subsequently tracked down in the ACT in terms of raw land? What is your analysis telling you?

Mr Robertson: They are relatively stable in terms of the raw land. A lot of the land, of course, has been sold since then. The Casey 2 land has not come onto the market at this stage. I think they are still going through their EDP planning and some of their early works. The land that is being sold at the moment is being sold in Casey 1; it is being sold by Forde and in the near future the Crace joint venture will also be selling land on the market, and of course you have got the LDA estates at Dunlop. The residue of Franklin and Bonner is our main front at the moment.

MS LE COUTEUR: I would like to go back to the objectives of the LDA because it was good to hear about affordable housing. Your other objective is to deliver a commercial return to the territory. Certainly, the LDA sales are a significant proportion of the territory's budget. How do you balance that? How does that affect the program of what you release? For instance, we will be going ahead with Molonglo, which is a greenfield site where normally the government will get a good return, ahead of, for instance, possibly more infill sites like East Lake. How does the commercial part balance with the other objectives, from your point of view?

Mr Robertson: As you would be aware, at their highest level, the LDA's objectives are set in the Planning and Development Act 2007, and that picks up the objectives that have been there since the inception of the LDA. Acting commercially is one of them, so seeking a commercial return for the territory. That also provides a discipline on our operations so that we are not being profligate in our use of resources or anything else. I am pleased to say that, in terms of a lot of the government land development agencies around Australia and a lot of the private ones, based on our staffing, the return to the government and the community from the LDA staff per capita is much higher than it is for a lot of the other land organisations that you could use as benchmarks or comparators. So in terms of acting commercially and being effective in what we do, that is a matter of fact.

You quite rightly point out that we have competing objectives in relation to the commercial return and housing affordability. We are a government agency and a lot of the people have had experience over quite a period of time in trying to balance competing priorities. We could have got much higher profits and dividends in that financial year if we chose to individually auction each of those blocks that we did in Franklin, for example. We would have seen land prices go up much higher, but in terms of the broader economic development of the territory, housing affordability and a range of other objectives, that was really in no-one's interest. There may have been a short-term financial gain, but certainly there would have been no long-term benefits or contribution to the growth of the ACT community.

It is a bit of case by case, but when you have got commercial land, we were very pleased to set an Australian commercial property record for what we achieved for part of section 63 in the city. That was much higher than most people would have anticipated; it was certainly higher than what the independent valuation professionals had estimated. It was not a surprise, based on the competence of the LDA board; it was actually very close to the figure that the chairman of the LDA board predicted

and exactly what one of the other board members anticipated a week or two out from the auction.

MR COE: If I may I will ask a supplementary question on that. The \$480 million that was projected, which you now think will be around \$280 million: how will that affect the dividend and the total return to the territory?

Mr Robertson: What we need to look at as well is that, with the land development activities, it is not a matter of saying that if we miss the revenue this year, it is revenue lost and it never happens again. Some of that projection is based on the fact that for a range of reasons some of the things that we may be taking to the market in, say, May, or even around this time, for various reasons look like they might slip into early 2009-10. So those revenues are delayed. In terms of the cash position of the territory and things like that, it really means that the cash from the land sales and some of those other matters will come in just a couple of months later than had otherwise been anticipated.

You would be aware that on the land release program there were some releases in Molonglo. They have now been delayed a little bit. Some of this is information that in this level of detail has not yet necessarily been shared with the Chief Minister, but with one of the smaller blocks on the Kingston foreshore, there are some contamination issues that we are addressing at the moment. So instead of auctioning that in May, that has now been pushed back a couple of months while that is remediated.

We are also sometimes captive to others. In relation to those Kingston sites there was a commonwealth approval which we were waiting on. There are similar issues with environmental approvals and processes in relation to Molonglo that have contributed to some of that delay.

MR COE: In the event that there is \$280 million, what would be the dividend? What is the actual number?

Mr Robertson: We are still working our way through that at the moment.

MR COE: Do you have a ballpark figure?

Mr Robertson: That would be very dependent on whether the blocks that will be auctioned over the next couple of months sell or not.

MR SESELJA: But that is presumably based on the \$280 million?

MR COE: Yes, if you are projecting \$280 million—

THE CHAIR: Excuse me, people should not talk over one another.

MR SESELJA: No, we were just—

THE CHAIR: Excuse me, Mr Seselja, one person at a time can ask a question. The two of you are not having a conversation across the room. Mr Coe has the floor at the

moment; he is asking the questions. Will you wait for your turn, please?

MR SESELJA: Can I just clarify: so is there no scope for members to be asking additional questions when another member—

THE CHAIR: Absolutely. When Mr Coe is finished, you can ask an additional question.

Mr Stanhope: I think it needs to be said that, in a formal sense, the midyear review reflected the ACT government's expectations. That midyear review took into account all of the risks and the pressures that the budget faced. The midyear review, at the time that it was published, reflected the anticipated bottom-line position for the year. The third appropriation bill has just been tabled, last Thursday, and it reflects some updated information on the government's view or expectations in relation to performance of the economy in this year and our end-year position. When the budget is tabled in eight or nine weeks, it will reflect the latest information.

I do not have the information on land supply receipts, but I can certainly confirm that our expectation is that revenue from land sales will be down significantly. That has not yet been confirmed. Mr Robertson has made that point. I can also confirm that across the board the GST receipts will be down significantly, stamp duty will be down, conveyancing duty will be down, return on superannuation investments will be down—and significantly.

The Treasurer has given every indication that she anticipates that, for the next financial year, the ACT is staring at a deficit in the order of \$200 million. That reflects reduced GST, reduced stamp duty, reduced conveyancing duty, a reduced LDA dividend and reduced returns on superannuation investments. Combined, it represents at this stage an estimate, or a guesstimate, which will be firmed up over the next eight weeks as the budget is concluded, of an anticipated deficit for the next financial year of somewhere in the order of \$200 million. So the information that you seek is not yet available, and we are more than happy to take the question on notice and provide it when it is available. But it is simply the case that I do not have it, as the minister, and indeed the Treasurer does not have it as the Treasurer.

MR SESELJA: The question is: does Mr Robertson have it and does the LDA have it?

Mr Stanhope: No, they don't.

Mr Robertson: I mentioned before that at the moment we are working through our estimates so that we can provide this information for the budget updates and the budget process. We are working through and seeing what happens. A week ago, we anticipated that the Hawker block, which was the subject of discussion earlier on, may have realised a couple of million dollars worth of revenue and returns to the territory. Based on the decision by the Chief Minister and the Assembly, that block has been withdrawn for more appropriate consultation. As I say, we are going through a detailed process at the moment of looking at all of the blocks that are on the program and the future program and, given the current circumstances, estimating that. Treasury would have liked to have had that information from us before this morning, but we are

still working our way through it.

MR COE: With respect, given that you have publicly just stated that you project about \$280 million at the end of the year, I am finding it hard to believe that you would not have projected the dividend and return to the territory, if you have got that figure.

Mr Robertson: Okay, the dividend and the return to the territory are quite a bit different because—

Mr Stanhope: They are two different sums, differently computed, and significantly different. And the consultation has been—

MR COE: That is why I would like to see what the derivation is to the dividend and the return to the territory based on the \$280 million.

Mr Stanhope: The work has not been done and, when it is done, the government of course will make it public.

Mr Robertson: And Mr Kelly did say that we anticipate it might be in the order of \$280 million, but on the LDA's program, as you would see from the program, there are a lot of individual blocks, there are commercial and industrial land sales which will occur between now and the end of the year. So we are doing the exercise of looking at every single block, reviewing whether or not those particular blocks might sell for the estimated figure that we have there, whether indeed they might sell at all, whether or not, when they were put into the budget the best part of 10 months ago, those blocks which we anticipated would be ready for sale are still ready for sale.

I mentioned there were issues which have caused the deferral of some of those Molonglo releases as there were some commonwealth environment issues that we have been working through. So we are doing that exercise at the moment and whilst at a high level you might feel that it would be in the order of \$280 million, in terms of that breakdown as to what the dollar figure is for dividends, tax equivalents and raw land revenues back to the territory, that is the exercise we are going through at the moment.

MR COE: So you do not have that estimate?

Mr Robertson: I do not have that detailed estimate at the moment. I would like to. When the hearings are finished and we go back, that detailed work is something that is currently occupying me, Mr Kelly and the other senior staff within the LDA as we go through that detailed exercise.

THE CHAIR: Thank you. I think that question has been answered quite well. Ms Le Couteur?

MS LE COUTEUR: I have got a totally different question. If you go to page 177, ecologically sustainable development, you say that you are planning to start using the GRI framework. Can you tell me how that is going for you? This question may be a little hard for you to answer, but do you think there will be any issues in moving it

across to the rest of the ACT government?

Mr Robertson: I cannot speak for the rest of the ACT government, but in terms of the LDA, clearly, actions to promote sustainability measuring and reporting, as you would appreciate, are not simple matters. The LDA has been working to increase its competence in these areas. I think we have still got more work to do on it.

We are putting some resources in place, including a structure for a sustainability and innovation section to work with people across the LDA. Whilst this has been handled, in a sense, on a part-time basis by different people across the LDA over the last year, in relation to this initiative, I am not at liberty to announce this morning who they are but we have appointed someone with a lot of expertise and a lot of competence, who is well regarded, and they will be joining us to head that in a couple of weeks time. I had confirmation from that individual last night that they were accepting the offer of that position that we have made to them, but they have not yet had the opportunity to tell their current employer or staff. So I think it would be pre-emptive of me to name them today.

MS LE COUTEUR: At the top of the same page, page 177, you talk about maximising sustainability of new residential estates, including optimising solar orientation. You are talking about optimising solar orientation within the concept plans. Are the concept plans or the process improving so that we are getting more blocks facing north? One of the discouraging things is to go through Gungahlin and see the number of houses which seem to be totally randomly faced.

Mr Robertson: The LDA, of course, has only been responsible for some of the developments in Gungahlin and not—

MS LE COUTEUR: I am just saying I would like it to be better, not that you are responsible for it.

Mr Robertson: Yes, indeed. It is clearly something that we are trying to achieve. We all understand about making buildings more energy efficient, and solar orientation is an important part of that. Earlier in these hearings, I touched on the difficulties that we have with the pre-existing orientation of main roads, infrastructure services, inconvenient things like hills which make it a bit difficult, when you are putting in new road networks, to get all of your blocks facing the way you would like. We use the word “optimise” there because we are actively working towards that.

Some of the things we need to take into account include where you have got little shopping precincts, group centres and other things, and the impact they have on the surrounding areas. It is one of the issues we are looking at as we go into more of Molonglo, with some of the topography there and the road orientation, and what impact that has on the surrounding blocks. So in response to your question, I think things are getting better. Our staff and the consultants that work with us on the detailed estate planning are very conscious of trying to achieve better results for the long term.

MR COE: I have got some questions on the land rent scheme. In particular, I am curious about the fact that people are paying stamp duty or have a stamp duty liability

for land that they are renting. What is the rationale behind that and are there other examples?

Mr Robertson: Land rent is something that the Revenue Office administers. I think that is more appropriately a matter for Treasury. But in terms of the LDA, our role in land rent is to make sure that there is land available so that when people want to buy land, they have then got the choice of whether they want to buy the land or rent the land. Since the inception of the land rent program we have had that opportunity available for people as they come in and select a block of land in, for example, Bonner, over this last little while. We have continued to release more land in Bonner. As people come in, they get to choose whether they want to effectively buy the land or take up a land rent contract.

For example, with about the last 40 blocks that we have sold from our last release over the counter in Bonner, in about 10 per cent of those people have taken the land rent option. In terms of the policy rationale, that is something for Treasury and the Revenue Office.

Mr Stanhope: It is a crown lease. The title, at the end of the day, and the development rights which somebody that rents land receives are the same as for those who actually purchase the lease. So the title is the same, and stamp duty applies. A person who is renting one of the blocks that Mr Robertson referred to receives a 99-year lease and receives the same development rights over that land. It is just that the net repayment is not through a purchase. But the title and the development rights are the same and stamp duty applies in that circumstance.

MR SESELJA: If that is the case, why are lenders not prepared to lend under the scheme, if the rights are all the same?

Mr Stanhope: At this stage we expect that lenders are prepared to lend.

MR SESELJA: They have not to date, though.

Mr Stanhope: I understand that it is beginning, slowly but surely. As I have announced, one person has achieved finance; a second person, I understand, has indicated that a lender other than the lender that the government has been primarily negotiating with is prepared now to lend. We are hoping to conclude a formal arrangement in relation to a lending product with a significant buyer. So it has been slow and frustrating, but we believe that, slowly but surely, there is a deeper understanding by lenders of the product and the methodology. We remain confident, although of course anxious in this financial climate, where capital is hard to access and where lenders are deeply risk-averse. It is a difficult time to be launching a new product.

As Mr Robertson indicates, it is actually a matter for Treasury, and it is a complicated arrangement. I do have responsibility and I regret that I do not have advisers with me today who can answer the technical aspect around stamp duty and land rent, but I am more than happy to provide that in detail. I acknowledge now that it is a pretty rough explanation but that is the rough explanation and I would want to refine the detail of it and the technicalities of it before formalising it as a formal answer to your question.

MR COE: In response to what you just said, can you give us an update, albeit a vague update, of how the talks are going with the proposed lender?

Mr Stanhope: I have not involved myself in those. I do not know whether Mr Dawes is able to do that.

Mr Dawes: Negotiations and discussions are ongoing. I think we are closer today than we were, even last week. A number of discussions have been taking place with a particular lender who wishes to remain anonymous, obviously, at this point in time. We have looked at how some of the protocols can be put in place, because there have been a number of issues raised by the particular bank and we have been working through those to their satisfaction. It will now all be subject to APRA. The particular lending institution is going to have ongoing discussions with APRA and we are mildly confident. But at this point in time, that is about where we are at.

As the Chief Minister has already indicated, there is someone who has already settled and is doing something with their particular block. When we met with a number of the participants last week, there were a couple of people that were very close to having their finance approved. Their concern was that the government was going to fold and collapse the scheme, because obviously they are just about there, and we assured them at an information session last week that we were not going to be doing that. They were happy in that regard because one of the particular proponents has a letter of offer from a financier and he just wanted to ensure that he could build the home of his dreams on his particular block. As I said, with the particular lender that we are dealing with, we are closer than we were a week ago.

MR SESELJA: Just on those finance issues, the Chief Minister talked about the difficulties with credit, but prior to that happening, because the land rent scheme was passed, from memory, in about June last year, had finance been offered to individuals under the land rent scheme which was then withdrawn as a result of the financial difficulties?

Mr Dawes: It is fair to say that, as we went through the land rent scheme, we had very close liaison with the Law Society, who established a special committee to review and to ensure that the contracts and leases would reflect what the government's wishes were. We were also meeting at that time, over the preceding 12 months, with the lending institutions and the banking associations. Two of the major banks wished to have this particular product exclusively at that point in time. Obviously, it is a little bit of the chicken and the egg, as it were. We had to put the legislation in place and we were actually—

MR SESELJA: I am talking about the period subsequent to the legislation going through. I have spoken to people who sought finance very soon after that time in July and were denied it. Was anyone, particularly prior to September, when we saw some of the big bank collapses and the like, offered finance under the scheme during that period?

Mr Dawes: I would have to go into a little bit more detail than I have got time to do today, but there was quite a lot of discussion with the major banks and they needed to

see the final version of the legislation before they could actually develop the product. We have to remember that it was not a new product, in a sense, because, as we know, prior to the “Gorton gift”, as it were, it was all land rent here in the ACT. We do have a number of commercial sites, even today, that exist under the land rent scheme.

Mr Stanhope: It is fair to say though, Mr Dawes—and I think this was Mr Seselja’s question—I am not aware, or I have never been advised, that anybody had in those early days been offered finance by a bank or a lending institution that was subsequently withdrawn. That is the question that I think Mr Seselja asked.

MR SESELJA: That is correct.

Mr Stanhope: Are we aware of anybody that had been offered finance and the finance was then withdrawn?

Mr Dawes: No, not offered and then withdrawn.

Mr Stanhope: It is fair to say, however, that initial indications by banks, including at that stage, were very positive. A number of banks—and I have mentioned this before, and I will not go into detail—including the leading banks were very interested, to the point where two of those banks, in discussions with officials, suggested that their interest would be enhanced if they could be seen as a sole participant or lender in the land rent scheme. So they have gone from the position of expressing such interest that they were interested in a conversation with the government about being the sole lender to a position where they have now said at this stage they are not pursuing direct discussions with the government in relation to the product.

MR COE: They could still be the sole lender.

Mr Stanhope: That is not true. As things transpired, that is not a position that we were particularly interested in accepting in any event. As a late update, which Mr Robertson has just provided to me, in relation to land rent, the LDA released an additional 62 blocks for sale across the counter last week in Bonner. Forty-three of those blocks have been taken in this last week and four were taken by people who wished to access the land rent scheme.

Just as a reflection of continuing interest, an interest which we as a government are quite keen to continue to support, and acknowledging that there are difficulties with finance, in the latest land release, which is an across-the-counter release in Bonner, there are 62 blocks, 43 have been sold, and four of the 43—in other words, 10 per cent—have been taken by people wishing to access the land rent opportunity.

MR SESELJA: With the delay in finance, are people expressing to any of the departments involved, Chief Minister, a concern about the 30 June cut-off for the federal government’s extra assistance for first homebuyers? I have spoken to one participant in the land rent scheme just this week who expressed that very concern. Has that been put to any of your departments, the Chief Minister’s Department, in running that scheme? Obviously, with the delay in getting a lender, we are coming up to 30 June, and people want to get the \$14,000 or the \$21,000. Certainly, this individual expressed real concern and he is looking at other options now because of

that 30 June deadline.

Mr Stanhope: As you would.

Mr Dawes: Obviously, that is one of the reasons we are working to try and complete our negotiations prior to then.

MR SESELJA: Is the department getting those concerns expressed?

Mr Dawes: At the briefing that we had the other evening, that was not an issue that was raised. I would have to take it on notice to see if, for example, any of them have expressed it to any of the officers in the department.

Mr Stanhope: The point that Mr Dawes makes is that the department met with 27 people last week, in the context of the public debate that has been occurring in recent weeks, to provide an update on the government's position and the position in relation to the government's negotiations. Twenty-seven of the 40 people at that stage attended that briefing. The reports back to me from the meeting were that the overwhelming sentiment and concern, as Mr Dawes just indicated, was that the government not abandon the scheme. But they have retained their hope and their dream and they look to the government to maintain its support for the scheme as they continue to work to achieve finance. So that was the overwhelming sentiment of the meeting—a meeting of almost three-quarters of those who at this stage have sought to take up the option.

Mr Dawes: We gave a commitment to those 27 and subsequently, the next day, one of the officers from my area spoke to the other 12 that did not turn up on that particular night. So they have all had the same information. We have actually written to them and confirmed a number of the issues that were raised and we have given a commitment to keep them informed over the next couple of months of how negotiations are going.

THE CHAIR: Thank you, Chief Minister, and thank you very much, everybody, for attending this morning for the LDA part of the hearings. We are going to have a very short break now.

Meeting adjourned from 10.29 to 10.39 am.

THE CHAIR: Thank you very much, everybody, for appearing before us this morning in the inquiry by the Standing Committee on Planning, Public Works and Territory and Municipal Services into annual and financial reports for 2007-08. You have all read the privilege card that is in front of you and understand the contents of that card? Could you please indicate that you do? Thank you very much. We have one question from Mr Coe in the area of heritage. We will start with that.

MR COE: Page 220 talks about the Heritage Council, the Tharwa bridge and the conservation of Canberra's 19th century rural heritage and significant 20th century architecture. What other items are on the council's agenda in addition to Tharwa bridge?

Dr Pearson: Is the question about listings processes or is it about development processes?

MR COE: In the right-hand column on page 220, under “Meetings”, the only item that is listed there is the Tharwa bridge. I was wanting to get an idea of the breakdown. Was 95 per cent of the time taken up with Tharwa bridge and only five per cent for everything else? I was just trying to get an idea of what other items of significance are on the agenda.

Dr Pearson: I think that is a pretty tight editing down of the work of the council. It identifies the things which were the major policy issues, but the Tharwa bridge, for example, is related to a whole range of policy issues and development discussions which council has been involved with over government property generally. Council has been involved in a large range of discussions with government agencies in relation to the management of heritage property, the conservation of heritage property and sometimes the disposal of heritage property.

So there are ongoing discussions by council with government heritage owners. There are also discussions with private heritage owners about individual development proposals through the DA process. A wide range of discussions go on during the year, as well as the listings process. So council operates through a range of task forces which deal with those issues as they come up.

MR COE: So it would be fair to say that the Tharwa bridge, because you said it comes under a number of different umbrellas, naturally took up a fair bit of time—that particular item?

Dr Pearson: Tharwa bridge was certainly a major issue for council to be involved with and to have input into. Council have had input—arm’s distance input, I would have to say—into the development of the conservation management plan, in indicating exactly what we think is needed in the conservation management plan for it to be an adequate protective mechanism into the future for the bridge. We had long discussions about the conservation options for the bridge and several inspections of the bridge before and during those works. So council was certainly involved in Tharwa bridge to a fair degree but it was by no means a dominant component of the council’s work agenda. That is always in the area of development approvals.

MS LE COUTEUR: With respect to the draft Aboriginal heritage guidelines, at the time that you wrote this you said that they would be circulated for comment prior to finalisation. Have they now been finalised and where are we up to with these?

Dr Pearson: In terms of the Aboriginal guidelines, I would defer to Gerhard for a time frame on those.

Mr Zatschler: We have been working with the representative Aboriginal organisations and industry as well in terms of finalising those. There is still a bit of work to be done before the words are finalised and they will then go to the Indigenous task force with council for consideration. They will go on to council and to the Legislative Assembly.

THE CHAIR: Thank you very much, Dr Pearson and Mr Zatschler, for your attendance this morning. We will go on to cemeteries. Welcome, Mr Smeaton.

MS LE COUTEUR: On page 5 you have got your mission statement which is “to provide a caring and sensitive service to the community, catering for the needs of the community”. What do you do to work out what the needs of the community actually are?

Mr Smeaton: I think the principal thing is responding to and meeting with representatives of the community who have particular wishes and ideas. Indeed, today is a useful day because I have come from a meeting with representatives of the Catholic Church, who are aware of the possibility of a new cemetery being developed in Tuggeranong and who are wanting to get in very early in the piece to indicate their interest in a special slice of the cemetery being made available for people of their religion. So apart from a discussion, they will make a formal request in due course for that sort of approach to be adopted.

THE CHAIR: We are all aware, of course, that we have an ageing population, so one presumes that one of the needs of the community is to take account of that. How are you taking account of that particular matter?

Mr Smeaton: The cemetery currently provides for all people within the ACT and surrounds as well. There are dedicated religious plots, community-type plots and so on, as well as the general burial plots. There are gardens for interment of ashes. At the moment we do not have, within the framework of the Cemeteries Authority, a crematorium. That may be something that will come in the future. Certainly, in terms of Gungahlin, there is room for whatever burial types are required. Some religious sects, Muslims in particular, have a requirement for their burial arrangements. We have had some requests for consideration of natural burials. I was even asked a question a few days ago about being buried upright. Those sorts of issues are not something that occurs regularly, but the Cemeteries Authority will take those things into account if we are requested to do so formally.

Mr Stanhope: I have, as we all do, an interest in death and dying. I do not want to get too philosophical about it, but I believe it is one of the last strong taboos which we Anglo Celts retain. I think Ms Le Couteur’s question goes more to an issue around how we as a community or a society, led by the Cemeteries Board, engage in a community conversation around death, dying, the hereafter and our burial or what happens to us in that process. In my life I am not aware of or have ever been engaged in a vigorous community discussion around death, dying, burial or the processes involved in all of that.

I do not wish to rephrase the question and I think Ms Le Couteur’s interest is very much around natural burial and the possibilities of a new approach, a new view or at least a community conversation. I am interested, Mr Smeaton, in the context of the government’s request of you to pursue community consultation around a third cemetery, a southern cemetery, and how it might be configured, in what we can do as a community to broaden the conversation around the future of burial or issues around death, dying and burial through the opportunity which your consultation provides.

Mr Smeaton: There is currently a community consultation process underway because of the prospective development of a new cemetery at Tuggeranong to allow people, particularly in the south of Canberra, to express their views going forward with the idea or the decision relating to the probable establishment of a cemetery at Tuggeranong, as announced by the Chief Minister. There was an occasional question about what sort of options would be available. In terms of what the law allows, we would certainly, as a cemetery authority, wish to provide for all sorts of options. One of the things that we will need to deal with is the question of natural burials, because the Chief Medical Officer of the ACT has a role to play in those sorts of things. But that is an issue we will pursue when we need to.

MS LE COUTEUR: Can you give me some more details on the consultation? I must admit I looked in Saturday's *Canberra Times* for a big page on consultation, and it has not yet made it to there. Can you give me an idea of the time lines and where people can find out more information?

Mr Stanhope: Yes. Will there be a discussion paper, Mr Smeaton?

Mr Smeaton: Yes. We have interviewed three firms of consultants in this particular field. We have selected a particular consultant and he is now in the process, with his assistants, of developing the consultation process. The first part of that will be a fairly major telephone survey of people in the south of Canberra. We would expect the consultation process to cover all aspects of the community in that part of Canberra to ensure that their views, wishes and perhaps even complaints are known and taken into account.

MR COE: Will that primarily be about the location or will it be about the services offered?

Mr Smeaton: Most likely the services, because locations are not absolutely infinite in south Canberra. There is a site on Mugga Lane that appears to be quite suitable for a cemetery. There is an area there of some 250 hectares. The Cemeteries Authority certainly would not want that much, but we believe that about 50 hectares would be a very useful size for a new cemetery. It is on Mugga Lane. It has got the services, electricity, water and so on, readily available. It is quite a flat site as well and would enable us to go ahead, once approval is given, to do the planning and development work.

MS LE COUTEUR: Have you got an idea of when the process will finish and any more details on the consultation process?

Mr Smeaton: The telephone consultation process is about to begin, and that will go forward. There will be further consultation with community groups in the area that wish to make some comment on the plans and planning. We are very keen to develop a new cemetery in the Tuggeranong area because our Woden cemetery is now pretty much totally reserved. We expect that within 10 years or so it will probably close as a live cemetery. It will still be available, of course, for people who wish to visit relatives and so on.

Mr Stanhope: I just want to clarify, for the sake of completeness, that at some stage

through your initial consultations you will develop a discussion paper. The general public will be able to make submissions to the process, won't they?

Mr Smeaton: Yes, that is correct. The first part of that consultation process is a telephone survey, which is about to begin.

Mr Horne: The process is essentially kicking off as we speak. We are having a major meeting tomorrow of government officers who will have input into the beginning part of the process. While we do not have a specific time frame involved, we are expecting it to take somewhere in the vicinity of two months. Our view is that we want a complete and open process and, frankly, it will take as long as it takes.

MR COE: The issue about the perpetual care trust seems to be one of the major, if not the major, significant strategic challenges that you have before the authority at the moment. What is the status of this issue, given that it is now eight months or so since the report, especially with regard to the reserve percentage, and have the shortfalls in the funds been addressed yet?

Mr Smeaton: We are aware that the perpetual care trust is a requirement that the Cemeteries Authority must pursue. There was no seed money, and it is a matter that the authority is pursuing. We are putting aside funds for the various perpetual care funding elements as we are able to do on an annual basis. It will take us a little while, I believe, to really get those individual perpetual care trusts into good shape, but we believe that, given time—and we believe that our cemeteries are well managed and are able to create a surplus—we will be able to cope with those going into the future. I am not too sure that at this stage we would be prepared to give any time line on when the perpetual care trusts for the cemeteries are topped up to the degree that might be required going forward into the future.

MR COE: Is that by way of the reserve percentage or do you mean just in terms of a capital injection?

Mr Smeaton: It is basically a capital injection. Perpetual care trusts came into being not very long ago and it has been a matter for the Cemeteries Board to pursue a process of meeting the requirements as we are able to in terms of the surpluses that might be created on an annual basis, and that is proceeding.

MR COE: Has the reserve percentage changed since the publication of the report?

Mr Smeaton: No.

Mr Horne: The reserve percentage will essentially set the minimum requirement for the fund to achieve over any given time. At this point in time, there has been some difficulty in calculating what that should be and there is a process in place at the moment to bring on board an actuarial expert to re-examine that number. That is happening as we speak.

MR COE: Can I ask where it is actually invested—the trust fund or the trust money?

Mr Horne: All the funds are invested with the Public Trustee.

MS LE COUTEUR: I would like to ask some questions relating to your ESD. I suppose I have got a few questions. Your main environmental impact is as a result of the cemetery operation rather than the office part of it. Have you done any measurements of the energy and electricity used in your operations as distinct from the office operations? You talk a bit about your water consumption; are the cemeteries now self-sufficient as far as water is concerned and do you see this as a problem going forward, given the weather?

Mr Horne: Indeed. One of our biggest concerns is using water to essentially maintain a lawn cemetery. We are doing a lot of work at the moment. At Gungahlin Cemetery we have just completed a major audit of our current use and water needs going forward. We are looking at a number of options to substantially enhance our water harvesting, capture and storage potential at Gungahlin Cemetery. Woden Cemetery does not lend itself to that terribly well. We are also conducting a number of trials as we speak, grass species trials, looking at essentially what we can do to bring in new species that have a similar amenity to what we currently have, while using a lot less water. We are doing a live trial of one area in the cemetery starting this winter.

Mr Smeaton: The question of water is a major issue for us these days, and it is nobody's fault except the weather. If we could fill our dam and our ornamental pond at Gungahlin, we would be able to service our watering requirements quite effectively, but unfortunately the weather has not been kind to us in recent years.

THE CHAIR: We might go on to animal welfare now, if members have questions in that area. Do you have questions in that area, Mr Coe?

MR COE: Yes, I have got one.

THE CHAIR: Okay. Thank you very much, Mr Smeaton and Mr Horne.

MR COE: On page 218 of the report it states that there are eight current investigations that may lead to prosecution under the act. I was wondering whether any of those investigations have actually led to a prosecution or are likely to.

Mr McNulty: I would need to take that on notice. I do not have that information with me at the moment. The investigations are undertaken by the RSPCA and pursued by the RSPCA.

MR COE: If you could do that, that would be good.

MS LE COUTEUR: I was going to ask exactly the same question. I will move on. Pig racing: I see pictures in the *Canberra Times* that we are now doing pig racing in the ACT, at the show. Does this need a special permit? I remember that we banned most other forms of circus entertainment with animals. How did pigs get in?

Mr McNulty: I am just trying to recall whether we have issued a permit. I do not believe we have, but I need to check that.

THE CHAIR: Perhaps you can take that on notice, given that you do not seem to

have any information—

Mr McNulty: Yes, because I have no recollection of signing a permit for that activity. The one you are talking about is at the Canberra show?

MS LE COUTEUR: I am talking about the Canberra show. I did not see it personally. I did see the photo of it.

Mr McNulty: Yes.

MS LE COUTEUR: It said that the pigs needed six months to a year of training to do this, so it is not a natural activity for a pig.

MR COE: You didn't back a winner?

MS LE COUTEUR: I didn't back a winner on the pigs, no. I was not quite sure if we regulated this sort of activity and how we established this regulation.

MR COE: The codes of practice, at the top of the right-hand column on page 218: how is that revision and the implementation of it going?

Mr McNulty: The code of practice for animal boarding establishments has been completed. I believe it was completed in around September last year.

MR COE: And is it meeting expectations?

Mr McNulty: I have certainly had no indication that it is not. I am not aware of any complaints or suggestions that it is not.

MS LE COUTEUR: This is another question which I suspect you may have to take on notice, but it continues on from Mr Coe's original question. Why is there such a low number of cautions and prosecutions compared to investigations?

Mr McNulty: I will have to take the detail on notice because these are undertaken by the RSPCA, not by departmental staff. But in any case of an investigation, the facts are ascertained and then, once all of that work has been done, there is a discussion with the Director of Public Prosecution about whether prosecution proceeds and decisions are made in that forum about whether a prosecution proceeds or not. I will get the details for you.

MS LE COUTEUR: You have got the figures for the last financial year on the investigations et cetera; do you have those figures for this financial year? Again, that can be taken on notice.

THE CHAIR: They wouldn't be completed, would they?

Mr McNulty: Well, year to date.

MS LE COUTEUR: To date.

MR COE: This is the last question that I have. On the appointment of inspectors, it says that no inspectors were appointed. What is the role of an inspector? Is it an ongoing role so you do not need to appoint more, or are they just an on-demand type of role?

Mr McNulty: No. I believe the number we have available now is suitable for the needs. There is an ongoing need for inspections. It is something that the RSPCA does, but the fact that none were appointed would mean that there is a sufficient number available.

MR COE: Are they employed by the department or by the RSPCA?

Mr McNulty: They are employed by the RSPCA, and that is part of the funding that the government gives the RSPCA, to undertake that function.

MS LE COUTEUR: And are the RSPCA people paid the same as government inspectors?

Mr McNulty: I would have no idea what the RSPCA paid their people, I am sorry.

THE CHAIR: The funding goes to the RSPCA and then they hire the staff?

Mr McNulty: The funding goes to the RSPCA for a number of activities, one of which is this, and they deploy their resources and people appropriately for their needs.

MR COE: So why would that particular component of their operations come up in the annual report? Wouldn't that just be the operations of the RSPCA?

Mr McNulty: It comes up in it probably because they are authorised under the act.

MS LE COUTEUR: Do you police the desexing of cats? What work has been done on this, given that there is an ongoing problem with kittens?

Mr McNulty: That is really an issue for Domestic Animal Services rather than the Animal Welfare Authority. Off the top of my head, once again, I just do not have that information.

MS LE COUTEUR: I had not realised it was domestic as distinct from other animals.

Mr McNulty: The mandatory desexing of cats applies to domestic cats held as pets, and that is an activity which is regulated through the domestic animal services part of the department.

THE CHAIR: Which comes under Territory and Municipal Services?

Mr McNulty: It does, but it is separate from this.

THE CHAIR: It is a separate area.

Mr Stanhope: We can take that on notice.

Mr McNulty: We can, yes.

MS LE COUTEUR: If you could take that on notice, thank you.

MR COE: How many people are actually employed at the Welfare Authority?

Mr McNulty: No-one is actually employed. I am appointed, but I hold a position in the Department of Territory and Municipal Services. So it is a statutory appointment to a position.

MR COE: So there are no subordinate staff?

Mr McNulty: No. So other staff in the department and the RSPCA undertake the activities that are reported.

MR COE: That explains the slim section in the report!

THE CHAIR: Thank you very much, Chief Minister, and thank you, officers, for appearing before us today. More questions will be put on notice. Members, could you get them to the secretary in a timely manner in the usual format. A two-week turnaround from when you receive them would be helpful, if that is possible.

Mr Stanhope: I would just confirm, Ms Le Couteur, that I am very keen, having announced the inquiry into cemeteries, that we advertise it appropriately, and that will certainly occur, but I think they are just working up to that.

The committee adjourned at 11.09 am.