



**LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL
TERRITORY**

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

(Reference: Annual and financial reports 2008-09)

Members:

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

TRANSCRIPT OF EVIDENCE

CANBERRA

TUESDAY, 24 NOVEMBER 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

Chief Minister's Department	17
Department of Territory and Municipal Services	1
Land Development Agency	17

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 1.31 pm.

Appearances:

Barr, Mr Andrew, Minister for Education and Training, Minister for Planning, Minister for Tourism, Sport and Recreation and Minister for Gaming and Racing

Department of Territory and Municipal Services

Guthrie, Mr Neale, Group General Manager, Territory Venues and Events, Territory Services Division

THE CHAIR: Good afternoon, minister and officials. Welcome to this annual reports hearing of the Standing Committee on Planning, Public Works and Territory and Municipal Services. I am sure that you are all very familiar with the privilege card. Could you just indicate that? Thank you. Minister, would you like to make some opening remarks?

Mr Barr: Thank you, Madam Chair, and I thank the committee for the opportunity to appear today on a couple of very important areas of ACT government service that we will be discussing.

I draw the committee's attention to what I believe to be a very significant capital works program across territory venues and events and also the sport and recreation area within Territory and Municipal Services. A significant amount of capital upgrades and new infrastructure were either commissioned, completed and/or commenced during the annual reporting period for the department. They range across major event venues like Stromlo Forest Park and Canberra Stadium through to swimming pools and a range of suburban sporting facility upgrades across the territory. So it was a significant program during 2008-09.

In addition to that capital program, the territory was fortunate enough to host a number of major events within the territory venues and events area. I take this opportunity to acknowledge Mr Guthrie and his team for, in some instances, very quickly being able to pull together major international events involving national teams, and working with national sporting organisations. It was terrific to see such a strong attendance at those events across a breadth of sports. But given that we have an hour for these hearings, I will wrap up my comments there and look forward to taking questions from the committee.

THE CHAIR: We do have two subject areas—sport and recreation, and territory venues and events. Would members like to start with sport and then go on to territory venues and events?

Mr Barr: We are happy to be free ranging across them. There is a lot of overlap.

THE CHAIR: I am just seeking the committee's guidance.

MS LE COUTEUR: We are happy to be free ranging.

THE CHAIR: Okay. I will start, because I have a question around the major venues, minister. In volume 1 of the report, on page 50 it refers to the significant amount of work that was done to consolidate relationships with our major users and stakeholders of Manuka Oval, Canberra Stadium and Stromlo Forest Park. Could you inform the committee about the results of this particular work?

Mr Barr: In a moment I will get Mr Guthrie to go into some detail in relation to those matters. I think it was important, as we commenced three significant master planning processes for each of those venues, to look at the particular needs of key user groups, and also to look at what future potential those facilities had to bring new users to the territory and perhaps also new users within the territory to those venues for the first time.

The committee would be aware that there are ongoing master planning processes for each of those three major venues at various levels of detail and completion. Obviously, some issues remain outstanding, contingent on discussions that are broader than the ACT. In particular, our consideration of Canberra Stadium and Manuka Oval master planning processes are in some way linked to decisions made at a national level in relation to, for example, the Australian bid for the football World Cup. But it is also worth noting that, regardless of the outcome of those particular deliberations, we recognise the need to invest in and upgrade those facilities. Really, it is a question of the timing of such an upgrade and the nature of it. That is contingent a little on factors that are external to the ACT. I will get Mr Guthrie to outline some of the specifics of those consultations and master planning processes.

Mr Guthrie: Thank you for that question. The comments that were written in the annual report related to three main areas: the work that we have done in our master planning processes across the three venues; the events that came to Canberra Stadium and Manuka Oval for the first time for many years during the reporting period; and, finally, our operational procedures that are ongoing, principally at Stromlo Forest Park, given the age of that venue, it being quite new.

With respect to a master planning opportunity, for Canberra Stadium and Manuka Oval, that master planning process kicked off at the start of this calendar year. For Stromlo Forest Park, it was towards the end of the reporting period and more into this year. We have engaged with a number of users from both the elite level and the community level to seek their input into those processes and, through that, we have got a better understanding of what they need and they have also got a better understanding of how we would like to see things done. Perhaps we have had an opportunity to explain why we were looking for some development areas over others, and it has been a good two-way exchange.

From an events perspective, we have had the opportunity to host a Rugby test match for the first time in nine years, and a football or soccer match—the Asian qualifier—for the first time. It was the first time we have had one of those or the Socceroos playing at Canberra Stadium for 13 years. We have now built a good relationship with the ARU and the FFA, which is reflected by the fact that we were able to bring A-league competition matches in October and September to Canberra Stadium, and we continue to speak with the FFA about ongoing commitments in the future.

From the ARU's perspective, we quickly were able to secure a second Rugby test match for June next year, and that was built on the good relationship that we were able to establish with the ARU and also the good result that they received, both commercially and operationally, in the way they were dealt with by my staff at Canberra Stadium.

Finally, one that we do not talk about is the relationship with Cricket Australia, which has been improving steadily, and that is through the great work of Cricket ACT. They have been working tirelessly over the last five or six years to re-establish their credentials internally with the cricket community. I think there were issues when they were removed from the one-day elite competition many years ago, and they have worked behind the scenes to re-establish their relationship with Cricket Australia. That is reflected now where, from a venues perspective, we have been able to speak with Cricket Australia about a test match in 2013, and we continue to negotiate that arrangement. But during the year we also hosted two one-day women's cricket fixtures at Manuka Oval. If you look at this summer's list of events at Manuka Oval, there is only actually one first-grade cricket match from the local competition. The rest are regional or national stage fixtures. That is a reflection of Cricket Australia's confidence in handing more and more of their elite fixtures to the ACT, and that they hold that facility dear to their heart.

The final comment that we made was about the work we have done to establish a stronger relationship with our stakeholders through the operational side of our business. We are always looking for efficient ways of running contracts. Certainly, with Stromlo Forest Park, that venue does not exist as an example anywhere else in the world. We have been looking for models. We look at swimming pools and the way we run those. There are models to run the criterium track. We are just trying to learn lessons from lots of places. You go up roads, you realise you have made a mistake and you come back. In terms of the way in which we have delivered operational support on that site, we have just tested a new way of looking after the trails. We have tested the trails from a mountain bike perspective. We are starting to hone a better relationship there.

We have had a great relationship with the user group and the users of the park. They have all helped us. They have gone up the wrong bends and come back with us to go up new ways. They have all been very patient with us, as we have with them when they have made mistakes and crossed lines and we have not been happy about things, but it has been done in a professional and working environment. It is a great opportunity for us to work with so many groups and be across so many sports. It does my head in sometimes, as it does the staff, but people are patient. They understand that we are dealing with a lot of issues. That was the background to that.

THE CHAIR: Thank you. Going through the report, there has been a very rich calendar of events. You mentioned some that are coming up. Minister, do you think that we have just been fortunate in having such a rich time with so many things happening in the past 12 months or do you think that we will be able to sustain this activity into the future?

Mr Barr: A little bit of both, Madam Chair. Obviously there were some terrific and once-in-a-decade or once-in-20-years opportunities to host events at Stromlo Forest

Park. For example, we will not be hosting mountain bike world championships every couple of years. That is something that occurs once every 10 to 20 years that it even comes to the Southern Hemisphere. To be able to grab that opportunity is terrific. But we want to have more regular involvement as a venue for a round of the world cup and we want to ensure that the reputation that we have very firmly established at Stromlo Forest Park is built upon in the years ahead through some strategic investments in the facility and particularly its capacity to host major events. Obviously there were some lessons learned from having 45,000 people there over a three or four-day period around where we could improve the venue to be able to host similar sorts of events in the future. By and large, I think it stood up very well. We will continue to scout for opportunities for Canberra to host events of that kind in future.

MS LE COUTEUR: I would like to ask some questions about the Brumbies and the proposed redevelopment around their oval. A lot of the questions are planning related. I will try not to ask those, despite your other role. Does that indicate that the Brumbies are not getting sufficient funding? Is that the bottom line of why we they are doing it? Will the oval continue to be accessed by other members of the community or will it become enclosed?

Mr Barr: The first question, I think, goes to one of the challenges that the Brumbies face around their overall asset base. They are best placed to comment on their financial position in totality, but I would make a few observations. Firstly, unlike the Raiders, they do not have a large number of large licensed clubs backing their operations. My understanding of the history of the Brumbies is that it has very much been a year to year proposition in terms of their financial viability. We saw when a major sponsor hit the wall this year that they were in extreme difficulty. Against that backdrop, obviously their board has undertaken a fairly significant strategic assessment of their ongoing financial viability and then also looked at the other challenges they face as an elite sporting team, most particularly around the quality of their training facilities, which of course impacts on their capacity to attract high-quality players. That then impacts on their capacity to do well in a very competitive international competition. All of that feeds into financial viability as well, because if they are not getting big crowds at Canberra Stadium and making finals and winning games then they do not attract the same levels of sponsorship. It is all interrelated.

My view is that there is a limit to the amount of direct, off the ACT government budget, sponsorship that can be available to national league teams. We obviously seek to leverage the maximum amount of economic impact from our sponsorship of our national league teams and also seek to link them into a range of government campaigns, be they tourism, health promotion or work in schools. There is a range of ways that I believe the people of Canberra get a direct benefit from the government's support of the Brumbies. Then, of course, there are all of the intangible benefits that come from having successful sporting teams in international competitions.

Against that backdrop, I have indicated, as planning minister principally, a willingness to examine the proposals that they have put forward. The formal process would involve a reference, if a territory plan variation is required—and I know it will be for the sort of the proposal they are putting forward. After their consultation, which

I encourage them to undertake in advance of lodging any development application or seeking a territory plan variation, the process will be that it will be referred to this very committee for consideration. Any territory plan variation will, of course, require the support of a majority of members of the Assembly. The rationale for it would be to provide the financial underpinnings for the Brumbies' operations into the future and to enhance their training facilities.

The current arrangement for the Griffith Oval—there are two ovals in that precinct, as well as some associated open space; it is not of high quality but it is open space—is that the Brumbies have a licence arrangement over one of those ovals. We have recently provided financial support for a picket fence to indicate that that is a higher level facility than a suburban oval and we have also provided funding, effectively, for a returfing of the surface. A slightly higher than normal standard suburban oval is perhaps not commensurate with an international sporting team.

One of the options that the Brumbies will clearly put forward is a change to the zoning of that block to a restricted access recreation site, which means it will be like other enclosed ovals around the city. We are in the process of constructing one in Gungahlin. There is the enclosed oval at Phillip and there is one at Greenway. There are plenty of them around the city. That would mean restricted access. Rugby union would be the primary user. Obviously the Brumbies season will ultimately be for five to six months of the year. The rest of the time it could be available for other sporting organisations. This would elevate it from a suburban, general public access facility to a restricted access recreation facility.

There is a second oval adjacent that would remain public access. It is certainly my view that if there is going to be an upgrade of the precinct then we should also give consideration to what upgrades might be possible to the standard of that other oval in order to enhance the total amenity. These are matters that obviously need detailed consideration and will go through a formal process. I think we were observing earlier that there were not that many inquiries on the go for the planning committee for 2010. I think you have just got your first one signalled for some time next year.

MR COE: Minister, can you tell me what the current arrangements are and what changes there might be with regard to catering arrangements at Canberra Stadium? Are there any changes on the cards with regard to alcohol in terms of licensing and where the profits go?

Mr Guthrie: The current catering contract is with an organisation called the Compass Group, a large international service provider. They have been in place since 2001 and their current contract will complete at the end of 2011, so December 2011. We have just received our liquor licence, or our governor's licence for liquor, for next year. It has just been issued to Canberra Stadium, and then Compass also take out their own licence, which sits underneath our governor's licence.

There is a commercial arrangement between Compass Group and Canberra Stadium. The terms of that are commercial-in-confidence but effectively the Compass Group have sole rights to provide catering services inside the fence at Canberra Stadium, and our organisation receives a cut of that gross revenue back into one of our revenue lines which are reported. I do not know if they are reported in detail in here but I

could certainly make that available to you if you are interested in that, noting that it is commercial-in-confidence.

The provisions for alcohol: again, the rights on what alcohol is served at Canberra Stadium depend on the hirer; there is no unique licence for any provider to provide alcohol at Canberra Stadium. Those rights are passed to the hirer. In this case the major hirers, Brumbies and Raiders, have the rights and, again, in a commercial sense some of those rights are part-compensated back to the stadium because in normal business they are the stadium's rights that are negotiated away. They are certainly one of the commercial terms that are discussed with an ARU or an FFA around their major fixtures as well. Underneath that is a supply right on whether their alcohol is served at the stadium.

MR COE: My understanding is that that current arrangement does make the stadium much more accessible and much more affordable for the sporting teams.

Mr Guthrie: It is certainly a positive negotiation, yes.

MR COE: So is it likely that that arrangement might change at some point in the near future, perhaps beyond 2011?

Mr Guthrie: It is a good question. As I said, the arrangements finish at the end of 2011. It is no surprise that the current arrangements at Exhibition Park and also at Manuka Oval finish at the end of 2011. It is my intention to seek some professional advice early next year on the options for catering at all of those three venues. With the cooperation of Exhibition Park, we have been in discussion about this. There are probably generally three ways to deliver catering at each of those three venues. One would be to take all of those rights in-house and develop a capability in-house to deliver all of that. That comes with its own difficulties given that we are a government organisation—the employment of casual staff et cetera—but it is worth while looking at it, to take on all the risks that come with that.

The second option is to look at one contract for the three venues from one caterer and what benefits and what negatives would come with that, and the third one is to look at a combination of: do we leave it at three separate caterers, do we bring two in and have a third one separate or those sorts of combinations? I will seek professional advice next year. I have an open mind about them all.

I do have an opinion that bringing it in-house has its challenges. I know that you think you are going to make money, but there are a lot of issues around catering, and part of that would be the rights for alcohol. Certainly the negotiation with the Brumbies and Raiders going forward leaves it with them. Those arrangements are five-year arrangements going forward; that is the period we are talking about, so the alcohol side would probably be off the table, certainly for a secondary venue like ours. If we were a big, major venue like Suncorp you probably keep those rights inside and you have bargaining power. It is one of those: it is better to not have the bargaining power, to give it away, because it is an advantage to come to Canberra and play your games.

MR COE: If the arrangements do change and it turns out that perhaps a contractor is picking up a larger share of the alcohol sales, as opposed to the Raiders and Brumbies

hiring the stadium, do you envisage that the hiring cost will have to come down for those teams?

Mr Guthrie: I will just clarify the way it works. At the moment the Brumbies or Raiders have the right to decide which alcohol is poured in the stadium, and from that they sell those rights and receive a benefit from the brewing companies; it goes into their pocket. Our caterer is then obliged to purchase that alcohol from those companies and sell it to the public or to the corporates. The income from those sales comes back to the stadium and to the caterer. The rights we are talking about are the rights to decide which beer is being sold.

MR COE: If it is less attractive and if it is less palatable for the Raiders or Brumbies, or ARU or FFA or whoever is hiring the stadium, do you envisage that the hiring cost might have to come down; that the charges that you pass on to these sporting organisations may have to come down to offset those changed arrangements if it does go ahead?

Mr Guthrie: The commercial arrangement is that the fee that they compensate us for to purchase the rights that they then onsell to the brewing companies is actually a fee inside the contracts that reflects that, so the answer would be yes, the costs direct to the Brumbies and Raiders would be reduced because there is a fee and then that would fall back on us to sell those rights, which is a very normal commercial arrangement of course at many venues.

THE CHAIR: I have a supplementary around the stadium before we leave the stadium. On page 55 it mentions the need to resolve the long-term ownership of Canberra Stadium as a major priority. Could you inform the committee of the progress on that, please?

Mr Barr: Yes. We have continued our negotiations with the commonwealth government, principally through the Australian Sports Commission, but there is also the involvement of finance departments and high-level involvement from the ACT government's perspective in addition to Neale's team also through Treasury and CMD in relation to finalising this. Essentially, the story goes that the Institute of Sport are interested in some elements of land in the precinct that the ACT government has title to and we are then interested in either extending on a long-term lease or taking ownership of Canberra Stadium.

They are the two realistic options. By a long-term lease we are talking 80 years or thereabouts, which would be well past the economic and useful life of the existing infrastructure. To put it in perspective, you can anticipate roughly about 50 years out of a stadium before you would need to completely rebuild, so a long-term lease along similar lines to the current arrangements that could extend to 80 years would be the equivalent of having ownership of a stadium for 1½ life spans effectively of that sort of infrastructure. So I think that will end up being the easier path with which to finalise arrangements with the commonwealth. That way, a long-term lease could be struck over Canberra Stadium and we could make certain arrangements in relation to potential expansion of the Institute of Sport into areas of land that the ACT government currently has ownership of.

Mr Guthrie might want to expand on that if there have been more recent discussions, but that is as I understand it. The process will possibly involve two stages: the current peppercorn lease arrangement on Canberra Stadium expires at the end of 2009 and we would be looking, if we are not able to complete a 70 or 80-year agreement by the end of this calendar year, to simply roll over the existing arrangements until such a time as a longer-term lease can be entered into. That will be the process going forward.

Mr Guthrie: That is correct. I have received a lot of advice this week from the Sports Commission that I should expect a letter in the next few days confirming that they have agreed to roll the current arrangements into 2010, until March 2010, while we continue negotiations. As long as those negotiations are continuing positively, I suppose, from their perspective, they are happy to continue to roll that agreement until such time as a final arrangement can be agreed. I have not seen that in writing yet, but I have no reason to doubt the person I was speaking to in the Sports Commission that that is coming. They have conducted themselves in good faith to this date.

We have met this week internally with ACT government officials across Chief Minister's, ACTPLA and Treasury. To give me advice on what are the next steps to make this happen, ultimately on the Sports Commission's side we will need to take it up their decision chain and we will need to take it up our decision chain, which is that the government needs to decide going forward, but what the minister has outlined to the committee is effectively what we are pursuing.

MR DOSZPOT: I have a supplementary question on Canberra Stadium. Minister, I would like to commend Mr Guthrie for the additional options that are being explored for Canberra Stadium. I think some very good opportunities have evolved from that. What is the government's official view or stance at the moment on the World Cup participation bid and what impact do any discussions that are currently being held have on that decision?

Mr Barr: The territory government has responded to a further request for information from the commonwealth government by indicating two positions. Our fallback position in relation to the football World Cup is that Canberra will be a training venue and that we will make facilities available for teams to base themselves in Canberra for the duration of any such event in Australia.

The ACT, along with the Northern Territory, Tasmania, South Australia, Western Australia, New South Wales, Queensland and Victoria—so every state and territory—has, through the Council for the Australian Federation, made an indication to the commonwealth about the current requirements from FIFA around full indemnity for all costs associated with the delivery of the event and all of the infrastructure requirements, together with requirements for live sites. I think each city that wants to be a host city, in addition to a 43,000-seat stadium, is also required to have two live-site venues that can accommodate up to 20,000 people each. There is a variety of other transport and infrastructure requirements for which the host city must meet all costs.

We have indicated, along with, I think, every other state and territory government, to the commonwealth that this is a cost that we cannot bear alone; that it will be very difficult for a city of 350,000 people, with our resource base, to write that blank

cheque, and certainly to do so in the next few weeks, which will clearly put some strain on the capacity of Football Federation Australia to deliver a bid that is compliant.

These negotiations have elevated to COAG level. They have moved beyond sports ministers and are now being conducted by premiers, chief ministers and the Prime Minister and Treasurer. So I am now not privy to some of the fine detail of the commonwealth, state and territory negotiations. But my understanding is that the Northern Territory and Tasmania are highly unlikely to offer up Hobart, Darwin or Launceston as host cities, so they certainly will not be hosting any pool matches. Tasmania may well be a training venue. That is our bottom-line position. Unless we can get significant commonwealth investment, firstly in the infrastructure and secondly some assistance around the delivery of the event, it would be unlikely that the ACT would nominate as a host city, but we would nominate as a training base. My understanding is that even the big jurisdictions have fallen short of signing the complete waivers that would meet FIFA's requirements.

I understand also that the commonwealth, subsequent to the Council for the Australian Federation meeting where all of these concerns from all of the states and territories were put on the table, has sought to put together a high-powered working group to urgently work with the states and territories in relation to finding what the true costs are, because it is very difficult to pin down a final figure. But from our perspective, really, the issue is that, other than to host four pool matches, we would not build a stadium that accommodated 43,000 people for a city of this size. You would build it and it would be used for four to six matches, and then it would be taken down and brought back to a capacity of 27,000 to 30,000. You just would never maintain infrastructure of that size.

We are not the only jurisdiction in this position. So we will have to weigh up, obviously, in the next few weeks, by the COAG meeting in the first week of December, whether we will change our position. But the advice I can provide to the committee is that, unless the commonwealth becomes a party to the infrastructure costs and the indemnity costs, it is unlikely that the territory will become a host city, and we would become a training base for visiting teams.

MR DOSZPOT: Minister, I hope, on behalf of a lot of Canberrans, that that is not the case, because we would be one of the only national capitals of any country in the world that would not participate as a venue.

Mr Barr: I think the issue, Mr Doszpot, will be whether there is an Australian bid at all—

MR DOSZPOT: Sure.

Mr Barr: not whether we are involved in it. If we are not over the line then it is very difficult to see how 14 43,000-seat stadiums will be built in Australia, if Canberra is not one of them. If our issues are not resolved then Queensland's, New South Wales's, Victoria's, South Australia's and Western Australia's will not be either.

MR DOSZPOT: Minister, during the 2000 Olympic Games, the negotiations that

went on were with the same people that currently negotiations are going on with; Canberra did not enlarge the seating capacity of the Canberra Stadium, and negotiations were held. Firstly, have we taken a serious enough negotiation stance on this? Secondly, the figure of 43,000 is not the figure that I had heard; I understand the seating capacity has to be 40,000. But given that that is a minor variation, the fact is that the Olympic Games participation was decided without having to expand to the capacity you are talking about.

Mr Barr: I understand, but the World Cup is a level higher than the Olympics in the eyes of—

MR DOSZPOT: It is the same people deciding—FIFA and—

Mr Barr: Sure, I am aware of that. They have been very clear with Football Federation Australia about having 14 stadia that accommodate 43,000. That includes corporates, so that could be where we get the difference regarding your figure of 40,000. I think Mr Guthrie will be able to explain the difference in a minute. I have sat across the table from the FFA, and they have indicated that, whilst our infrastructure is compliant for Asia Cup matches, and we will be a host city for the 2015 Asia Cup, it would not meet FIFA requirements for the World Cup, and that is something on which there is no compromise in relation to the World Cup. They have been very clear with us.

MR DOSZPOT: I think we will disagree. I think there is room for compromise if the bargain is put to FIFA in a way that they can understand.

Mr Barr: I will defer to your background in football. But, as I understand it—and it has certainly been put very clearly to us—Australia, competing against eight or nine other countries to host a World Cup, will not be able to get by with infrastructure that does not meet that FIFA requirement. There is a question of actually going through the bidding process. I was not around in 2000 in relation to the Olympics. It may well be that the discussions about Canberra's involvement came after Sydney was awarded the games.

MR DOSZPOT: No, it was part of the bid.

Mr Barr: Sure. I am happy to ask the further question, but it has been made very clear to us—

MR DOSZPOT: I would strongly encourage you to ask a further question and pursue every avenue available.

Mr Barr: But it has been made very clear to us that the requirement for Australia to have a successful bid is 14 stadia.

Mr Guthrie: If I could clarify some facts, with respect to the bidding process that they are going through this year, I have been advised it is the first time that FIFA has actually asked for a number of city guarantees and stadium guarantees to be signed off, which is talking about what each stadium will provide. So governments from all the bidding nations are finding it a challenge, I would assume.

The requirement for FIFA is 40,000 net seats after seat kills. "Seat kills" means seats that are taken off public sale. So it is 40,000 seats available for sale to the public; in addition there are VIPs, media and other operational requirements where seats are taken off. So when the minister is saying 43,000, that is an estimate of about 3,000 seats being required for other uses to create a net 40,000 seats available for public sale. You will find in our master plan documents that we have quoted a 45,000-seat stadium, acknowledging that there is a bit of fudge in there for whatever these seat kills will be.

MR DOSZPOT: Is it the seating required or the revenue required? There is a slight discrepancy there.

Mr Guthrie: They have made it very clear that it is seats. Each bidding nation can nominate 18 or 20 stadiums if they want to. Ultimately there is a minimum number that has to be put forward, which is 12, because they will require 11 or 12 stadiums to run the competition and it will be FIFA's selection of those stadiums, the successful nations. FIFA will then decide which of the stadiums nominated they will use. They need 11 or 12, so there is probably a bit of negotiation about getting most in. Australia has chosen to nominate 14. Out of those 14, not all of the stadiums will be used for the world cup if we are successful.

MR RATTENBURY: Just following on from that, where does that leave the government's stadium upgrade plan? This is the Manuka Oval, Bruce precinct et cetera. Where is that up to?

Mr Barr: That involved four different options for Canberra Stadium, three for Manuka and effectively an overlap of a joint one. I think there are some bottom lines. Canberra Stadium will reach the end of its useful life within the next 20 years. We could say fairly clearly that on the current deterioration of the asset it will clock over 50 years and be completely redundant by about 2030. We recognise that over the next 20 years we will need to invest in either a complete rebuild or a new stadium. At Manuka two of the stands, the Hawke and Menzies stands, are towards the end of their useful life. The Bradman stand is a more recent addition, so it probably has another 40 years in it.

The bottom lines there are that, regardless of the outcome of the Australian World Cup bid, we will need to invest in upgrading Canberra Stadium and Manuka Oval. The extent of that upgrade will depend on two other factors. No 1 at Manuka is what relationship we have with the Greater Western Sydney AFL franchise and also the continuing expansion of our relationship with Cricket Australia and first-class cricket matches.

There is an urgent need at Manuka for two things. One is enhanced media facilities, particularly for cricket, behind the bowler's arm rather than side on. It is very difficult for the commentators to call international matches when they have to do it from side on. New infrastructure at Manuka will certainly need to extend, in a Bradman stand style capacity, around at least one end to get behind the bowler's arm. That is probably the minimum requirement for Manuka.

I think the slope of the ground is fairly clear to anyone who has sat in the first row of seats. The ground has had so many resoilings and resurfacings that it is no longer level. When you sit in the first row of seats you effectively look at the turf at a high level because there is such a slope. We need to replace the surface at Manuka and upgrade at least one of the stands. I imagine, pending successful outcomes of negotiations with the AFL and Cricket, that would need to happen over the next three or four years. That is a bottom line position at Manuka.

Canberra Stadium is a more complex issue. If we do not have a successful World Cup bid then our reconfiguration or expansion or upgrade or new stadia at Canberra Stadium would be within the confines of 25,000 to 30,000 seats. That changes the cost structure significantly and also presents a range of options about whether you would simply rebuild around the existing infrastructure—that is one option—or undertake what I will call minor upgrades to see the stadium through to the end of its useful life and start planning now for a brand new rectangular stadium that would be constructed some time between about 2020 and 2030. Those are really the two options.

I suppose the threshold issue for us is not that we know and acknowledge that we need to upgrade the facilities but the question: what is the timing of that and what is the nature of the upgrade? That is contingent on three factors: the football World Cup and possible A-League; AFL, through Greater Western Sydney and what involvement we will have there; and cricket. Cricket are interested, in terms of looking at the future and what will be useful for the ACT, to have lights for 2020 for cricket. That presents some challenges at Manuka. They are not insurmountable. One of the advantages of the big picture model on Canberra Stadium was to revert it to an oval and then have the lights there. That is the most expensive of the options. I would say at this stage, unless the commonwealth government comes to the party with infrastructure support, it is unlikely. I think we would be looking at one of the other upgrade options for the Canberra Stadium in the short term.

These issues need further examination once we have more information in relation to major users and also the financial position of the territory. We recognise that a new stadium of 25,000 seats would be about \$200 million. That is how much the Gold Coast spent on Skilled Stadium. You are talking about a 50-year lifespan for such infrastructure and an economic return of about \$40 million to \$45 million a year. I think investing in stadia is a good thing for the economy, but if you have to budget fund it in any one year then obviously it is a massive hit on your capital. We need to be making plans now, 10 or 15 years out, for major redevelopment down the track.

MR RATTENBURY: I go on to ask about the Civic pool. The annual report makes reference to the \$2 million refurbishment. The second volume under “principal measures” on page 138 refers to the percentage of customers satisfied with the management of pool facilities, and it is down from the target. The footnote says:

The overall result is below target due to the ageing condition of the amenities at Canberra Olympic Pool.

This is despite a refurbishment program. Can you explain those seemingly contradictory—

Mr Barr: The refurbishment was not complete for the duration of that financial year. The pool was closed for some time during the survey period. Whilst I think just over \$2 million was spent on a new dome and some upgrading of plant and equipment, improving the precincts and repainting and improving the general amenity, it is still an ageing piece of infrastructure, hence the note that we have a long-term study underway into future aquatic needs for the city. One of the options being seriously considered is investing in the medium term in a brand new pool as part of a redevelopment either of that site or potentially elsewhere. Obviously there is strong interest in the convention industry in that site as a potential expansion point for a convention centre.

I certainly acknowledge that it was a problem. The upgrade has been an improvement. The feedback on the upgrade is positive, but you are still talking about a 50-year-old facility. It has had a new dome put on it, a lick of paint and some upgrades, but in comparison to something that was built in the last decade it shows its age.

MR RATTENBURY: I note that under the contracts that have been let there is a contract for an ACT motorsport strategy in November this year. Can you tell us a little bit about that, such as when it is due to report and related matters?

Mr Barr: Mr Guthrie has been working very closely on that. That report was commissioned and has in large part reported to government and informed some of the initial funding allocations in relation to motorsport facility upgrades. There has been some work done at Fairbairn Park, for example. Neale can talk you through the actual programs. Last year's budget contained some allocations for capital works at Fairbairn and also the commencement of an off-road motorcycling and bike riding facility. Neale might be able to update you on that.

Mr Guthrie: The consultancy that you talk about was let in November last year, not this year.

MR RATTENBURY: There is a typo in your annual report, then.

Mr Guthrie: The annual report was for 2008-09, so it was November—yes, you are right; my apologies.

MR RATTENBURY: That is okay. I was interested because it seemed to be so recent, in light of the minister's comment.

Mr Guthrie: Yes, that is the ACT motorsport strategy that was provided to the minister in April. The government then made an initial allocation—they made a commitment of \$8 million. With respect to the first part of that \$8 million, half a million was allocated for a recreational riding facility and then, in the outyears, another half a million for the next three years—so another \$1.5 million towards motorsport funding, unspecified. That will be informed by the motorsport strategy.

We are in the process of setting the scene. Without getting into the detail of the strategy, a large part of it will be spent on the Fairbairn facility. We are looking at land adjacent to that Fairbairn facility to expand it. One of those two pieces of land will be one of the recreational riding facilities. There are two recreational riding

facilities, one for smaller people and one for larger people—they are separated for safety. We are working through the land ownership issues with the landowners. PCL in our department are going through the process of how we transfer that land across to Fairbairn motorsport park and what issues are against it. On one piece of land there is a small environmental issue and there is the matter of what we would have to do to make sure we look after that.

Once we get those pieces of land secured then we will present to government a recommendation on how we should proceed with implementing the motorsport strategy in full to accommodate the opening dollar commitment that they have made. We are still in that working stage. We have not actually presented anything to the government yet. We are just working on that riding facility and shaping the ground, as I said.

THE CHAIR: How will the Crawford independent review of sport recommendations inform sports policy into the future? The other question I have is with respect to the inclusive framework. Could you give us some detail on that.

Mr Barr: On Crawford, obviously it has sparked intense debate across the country in relation to Olympic versus non-Olympic sport, and then also elite versus community-based sport. Perhaps it was not the intention of Mr Crawford and his panel necessarily to see the media debate set this up as an opposition or an either/or situation.

That said, the ACT government believes that much of what is in the Crawford report is highly supportable. The process from here will involve a meeting of sports ministers. We are hopeful that can occur before Christmas, but if it is not possible then it will occur early in 2010. There are some significant issues for the states and territories in relation to our academies of sport and their relationship with the institute. Pleasingly, from our perspective, the report highlights the need to see sport have a greater focus within our education system. As the nation's only sport and education minister, it is certainly something that we have sought to show national leadership on over a number of years.

In fact, the report broadly endorses the position that the ACT has taken through the “get a move on” policy initiative, the creation of the Children’s Physical Activity Foundation, the minister’s physical activity challenge, and the recruitment of specialist PE teachers for our primary schools. Certainly, the ACT is a national leader in that area, and we will continue to argue very strongly for an enhanced role for sport within our education curriculum. We currently mandate time within the school day for quality PE programs. Certainly, the Crawford report endorses that, and seeks in fact to have PE be part of the second wave of national curriculum development. It is not such a pressing issue for the ACT because we already have a strong curriculum in place; nonetheless I can see advantages in pursuing that through the education ministerial council. So we will do so in 2010 and beyond.

A couple of other elements of Crawford that were particularly pleasing to see were the recommendation that the commonwealth become involved more actively in support for states, territories and local councils in the delivery of local sporting infrastructure and that a fund be established. I think that is a very worthwhile recommendation. Also,

there is the matter of looking at the role of the Sports Commission and whether it should be a policy arm or a delivery arm, specifically around the delivery of programs like active after school. The recommendation is that that may be better delivered by states and territories. In fact, there is probably a very powerful argument for that.

So, in the totality of our discussions, if the ministers reach a view that it would be better for the commonwealth to take a greater role through the Institute of Sport in elite sporting requirements and development and look at assuming a greater role with the state and territory academies as feeders into the Institute of Sport in a much stronger way than is currently the case, there might be a greater role then for the states and territories to adopt in terms of community sport and the range of programs that the Sports Commission is currently delivering. If you look at the totality of sport and recreation programs across the levels of government, it is confusing, there is overlap, and there are some areas where higher quality programs could be delivered if they were delivered by a different level of government.

I think there is a lot to talk about here, but there is a lot of good in the Crawford report. I certainly commend the panel and David Crawford for their work. For the record, I thought John Coates massively overreacted. It was one of the most extraordinary performances I have seen in a while. Fortunately, I think state and territory ministers and the commonwealth will take a more considered approach to looking at all of the issues that have been raised in the report.

THE CHAIR: I did ask a question about inclusiveness, but perhaps you could take that one on notice and get back to us on that.

Mr Barr: Sure, we can provide that.

THE CHAIR: I think Mr Coe wanted to put another one on notice.

MR COE: Can you also take on notice what impact in the short term the Crawford report might have on the individual ACTAS scholarships that are awarded?

Mr Barr: We have had none in the short term.

MR COE: Or short to mid-term. Could you take that on notice?

Mr Barr: Sure. I can certainly say that, until there is a ministerial council and a decision taken by all jurisdictions, for it to work it would need the unanimous support of all the states and territories. There would be no point having a hybrid system where some states effectively handed their academies to the institute and others did not. I do not think it could work that way—at least, I would take a lot of convincing to think it could, and that there would be no impact. That said, there are many different models of cooperation and collaboration that could occur. I think there is a powerful argument that the current arrangements do not necessarily serve elite sport as best they possibly could.

To sum up, Alistair, I have an open mind on the recommendations. I am not going to adopt a position that is a defensive states' rights position in relation to our academy. One needs only to look at the quality of infrastructure and facilities that are available

at the Institute of Sport, as opposed to what we can offer through our academy. As good as our academy is, the level of facilities is nowhere near what the commonwealth can provide at the institute. So it is of particular relevance to us in the ACT.

THE CHAIR: Thank you very much, minister. Thank you very much, officials. I am sorry it has been such a short hearing. I am sure we could have gone on for quite a long time. I ask members to put other questions on notice. We will send you a copy of the transcript. Let us know if there are any errors. Again, thank you for your time.

Appearances:

Stanhope, Mr Jon, Chief Minister, Minister for Transport, Minister for Territory and Municipal Services, Minister for Business and Economic Development, Minister for Aboriginal and Torres Strait Islander Affairs and Minister for the Arts and Heritage

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

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

THE CHAIR: Good afternoon, Chief Minister and officials. Thank you very much for appearing before us this afternoon for annual reports hearings. You will have read the privilege card a number of times before and I am sure will be very familiar with its contents. Chief Minister, would you like to make some opening remarks? We have only a very short time with you this afternoon, unfortunately, until 3.30. Is there anything you would like to say before we kick off with the first question?

Mr Stanhope: Thank you. I have nothing specific to say other than to thank you for the opportunity for the LDA and officials to appear, and we will make every endeavour to be of whatever assistance we can.

THE CHAIR: I will kick off with one question and then we will go to other members. Pages 31 and 10 of the report mention the LDA contributing towards the delivery of the government's affordable housing action plan. Could you update the committee on the role of the LDA in this area, the success of the initiatives and initiatives for the upcoming year?

Mr Stanhope: Thank you very much. Both Mr Robertson and Mr Dawes would be happy to give an update on those aspects of affordable housing that are their respective responsibilities. Mr Robertson, would you care to kick off?

Mr Robertson: Thank you for the question. As is noted on page 31 of the annual report, there are quite a number of issues that the LDA is involved in out of the 62 initiatives in the affordable housing action plan. Probably from my perspective one of the most prominent is that the government gave us a challenge to work with industry to come up with a program to provide affordable house and land packages. That package is now known as OwnPlace, and at the moment we have 239 blocks that we have made available through OwnPlace. There will be a lot more blocks as we release subsequent stages in Bonner.

So during next year I am expecting that we will release about 200 more blocks to OwnPlace. Of those 239 blocks that we currently have, the new owners and families have moved into 37 in Franklin and in Bonner and there are over 100—the number is increasing every day—that are currently under construction. I am expecting that over the next couple of weeks another 40 will commence construction, and then in the new year the balance of the 239, probably from February and March.

The LDA also has currently more than 100 blocks in the land rent program. In fact, that number is increasing daily with our current releases in Bonner. We are part way through a ballot at the moment for 243 blocks in Bonner and of the first 34 blocks that have been taken 11 have been taken in land rent—some yesterday and the others this morning—so as the committee is meeting more people are selecting their blocks in Bonner. Yesterday and today about one-third of the blocks were going to the land rent program.

There are some other initiatives. Each year we make land available to Community Housing Canberra and certainly through the LDA there was a commitment to offer sites for 120 dwellings each year, and Community Housing Canberra has been taking those up. Also through our joint venture development at Forde there are some other community housing developments going in. I was out at Forde at lunchtime today and construction on a Community Housing Canberra complex is underway.

We have also made land available for some of the other initiatives, including the institutional investor initiative, across all of the LDA's releases, whether it is the LDA estates or the englobo releases. As part of the deed requirements of the englobo releases, 15 per cent of the blocks are going to affordable housing.

Mr Dawes: I would add to that that one of the key objectives has been the land release program. We had a target for the 2008-09 year of 4,208 and we were able to deliver 4,339 to the market. Over the last two years, just over 7,800 blocks have been delivered to the market, so that has had a significant impact in providing choice. This year we forecast to release 3,014 blocks but already we are looking at and reviewing those numbers and reporting back to government.

The other initiative that Mr Robertson mentioned was the institutional investor package. That has been short-listed. We are just going through the due diligence and working with that consortium to look at finalising that in the coming months.

THE CHAIR: Thank you very much.

Mr Robertson: Just on that, Mr Dawes mentioned the 3,014 releases. With the LDA and the joint ventures plus the releases we had on Flemington Road, we are now up to 1,808 dwelling sites that we have released in the last 4½ months.

THE CHAIR: Thank you very much.

MS LE COUTEUR: I have a quick supplementary on this. You have not mentioned public housing in affordable housing. Secondly, the institutional investor program: is that the commonwealth government's rental national affordability scheme, or is it a different program?

Mr Dawes: Around social housing, the LDA have made available land for Housing ACT but that is something that I would have thought would be reported under the DHCS as well as part of the building the nation program.

MS LE COUTEUR: I was just surprised that you did not mention it as affordable

in—

Mr Dawes: The questions are properly to them, but in that context there is a substantial parcel of land that we made available in Chapman, which was land that the LDA had and which was provided. There are also a lot of individual sites in Franklin and Bonner and other parts of Canberra; I think there are six sites we had in Harrison as well which we have provided to the Department of Housing and Community Services for housing.

Mr Robertson: To add a little more to that, there are two things with Community Housing Canberra. As you are aware, under the affordable housing action plan they were provided with a \$50 million line of credit to develop product. They are actually on the way with over 200 house and land packages in a number of different ways—single residential but also in some unit complexes. They have been very successful with the commonwealth in attracting the NRAS funding for their developments, and some of the feedback we have had from the commonwealth has been that their applications have been some of the better quality applications. The federal minister and the Chief Minister have been out to a number of launches with some of the initiatives Community Housing Canberra have delivered.

Going back to the institutional investor program, as we are going through that due diligence—and I am restricted with commercial-in-confidence about some of the dealings we are having with this particular consortium—that will deliver 400 rental properties over the next couple of years as well, which will go a way to easing pressure in the rental market. A lot of that is aimed at the affordable end. They are also working with the commonwealth on some NRAS funding to provide that at 80 per cent of market rent.

MS LE COUTEUR: With public housing, I know with the Crace joint development one of the things you had in your sales documentation is that there will be no public housing there. I asked you about this as a question without notice because I really thought it was a bit strange.

Mr Stanhope: Yes, which I have not responded to. I do not know the answer to it.

MS LE COUTEUR: Are we doing this as a selling feature, no public housing?

Mr Robertson: There is a lot of community housing in there. In terms of the Crace joint venture, the LDA, in addition to private sector partners, also has defence housing as part of that and Community Housing Canberra, so the Crace joint venture is a development between government organisations, private sector organisations and community organisations. So there will be a lot of community housing in there.

The other issue with Crace is that, as part of the deeds and part of what the joint venture is doing, 15 per cent of the blocks will be for affordable housing in accordance with the same deed, same requirements.

Mr Stanhope: Ms Le Couteur asked me this question. I am still awaiting advice and briefing on your question to me, Ms Le Couteur. Ms Le Couteur raises an interesting question for me in that we did not make any allowance for public housing in Crace. I

am interested in knowing the reason for that too. The question is on notice, Ms Le Couteur. I do not have an answer to your previous question yet. It is a very welcome question but I do not know why in a whole suburb we would have taken such a decision. I do not understand that. I am sure there is a good reason, but I do not know what it is. I would be happy to provide the response to that question to the committee as well as to you through the Assembly.

MR SESELJA: I have a follow-up on land release. Page 30 talks about Casey 2. From memory, Casey 2 was the one that sold in about August or September of last year; is that correct?

Mr Robertson: Yes, 2008.

MR SESELJA: I think that was one of the things that did not sell at auction; it did not quite reach reserve and then there was negotiation. Do I recall that correctly or am I thinking of another englobo?

Mr Robertson: No. That was my call. That was at the stage when the impact of the global financial crisis was really starting to be felt in Australia. There was an auction that was held early afternoon. As I recall, at the auction there were a number of bidders. We did not get the reserve and, in accordance with the conditions in the sale documents, the auction documents, the LDA then negotiated with the highest bidder—or the under-bidder for want of a better word—and it was within a couple of hours that the LDA's reserve price was reached. You are probably aware that the reserve prices set by the LDA are determined based on receiving advice from a number of private sector valuers, so it is not the LDA staff picking numbers; it is based on professional advice from valuers on the LDA's panel. The details of that panel and the membership would be on the contract register.

My understanding of what happened on the day was that it was a consortium that was the under-bidder, a Macquarie Bank entity and also Delfin Lend Lease. My understanding was that one of the representatives in the room had a deposit cheque for enough; the other one's was slightly lower. Over the course of the day, once the reserve was revealed to them, they then paid the reserve price, which was not much above the figure that it was passed in at.

MR SESELJA: What is the flexibility then in negotiating? You obviously have certain requirements with your reserve price being set beforehand. Are you able to negotiate on price and are you able to negotiate on conditions once the reserve price is not met?

Mr Robertson: We do not negotiate on the price. If people want to pay us more than the reserve, I suppose we would negotiate and accept a higher price if we had a higher offer.

MR SESELJA: But you won't negotiate between what they have bid and the reserve price? That is an absolute—

Mr Robertson: No. I think last week was a very good example of that with the auction of the Kingston foreshore sites. Both blocks were passed in substantially

below the reserve, the reserve being the final sale price. If there had been more interest in the room, maybe the bidding would have got to those prices. But the purchasers on both of those blocks, as did the purchasers of Casey 2, were more than happy to see the value in paying the reserve prices.

MR SESELJA: What about negotiation on conditions? Is there scope there?

Mr Robertson: There is some scope there after the event but we are very careful about that scope. I cannot recall that there was any negotiation on conditions in relation to Casey 2.

MR SESELJA: Is it a common occurrence at auction to not reach reserve? Has that happened many times or is it just a small handful?

Mr Robertson: I think in probably the last 12 months it has happened a couple of times. You may recall that we had an auction in Fyshwick, again after the full impact of the GFC was starting to wash through the country. We took some blocks at Fyshwick to auction and the three in Epicentre that were not sold. One of those sold maybe a couple of weeks afterwards. The other two remained at reserve on the counter; in terms of serviced blocks they are ready for purchase. I think probably the majority of those commercial industrial blocks would have sold at auction.

MR SESELJA: Of those two or three that did not reach reserve at auction and you negotiated, in how many cases did you change the conditions from the auction conditions?

Mr Robertson: I would have to check that. I do not have a recollection instantly of what they were. Certainly in relation to the Fyshwick blocks that I mentioned, the price that was paid for the one that sold was the reserve price; the other two are still available, at reserve, on the counter at the LDA, so we obviously have not changed the conditions there. With some of them, if there were people who were perhaps seeking different settlement periods, we would look at that and at the interest in the blocks.

MR SESELJA: So that would be something that is changed potentially after the auction once that is negotiated—

Mr Robertson: We would make a judgement as to whether it was appropriate to do that based on the level of interest and protecting appropriately the other process.

MR SESELJA: Are you able to provide us with those details on notice in terms of those auctions where the reserve price was not reached at auction?

Mr Robertson: Yes.

THE CHAIR: Mr Dawes was talking about Bonner before. Minister, on page 35 of the report it mentions that it will showcase innovative approaches to sustainable communities. Can you update the committee?

Mr Robertson: Sustainability has quite a number of elements, as you would

appreciate. We have touched on some of the items that we are actually doing. We want our communities and the services that are provided to stand the test of time. For example, I mentioned earlier that I was at Forde at lunchtime. That is where TransACT opened the gateway with commonwealth Minister Conroy. It is really the first fibre to the home—or fibre to the premises they are calling it these days, FTTP—in terms of making sure that we are future-proofing our suburbs by the quality of the broadband services. Today it was a facility opened in Forde but it is actually servicing Bonner, so part of what we are doing is providing fibre to the home in all of those houses in Bonner.

I am just touching on a few highlights. As part of what we are providing in all of the homes in Bonner, when people buy a block from the LDA in Bonner they are basically getting the right to renewable energy hot water systems and effectively they work a bit like a certificate really. That is our way of making sure that appropriate hot-water systems, energy-efficient systems, are being put into the homes. We also will do what we are doing in Franklin, which is community engagement to help build the social capital in those areas. We are working, with some of our colleagues elsewhere in the ACT government, not just in Bonner but also in Franklin, and we will do the same thing in Molonglo, to make sure that people who move into these new suburbs have an understanding of the environmentally sensitive areas that surround them.

We are doing the same thing with our joint venture partners at Forde in relation to Mulligans Flat—Mulligans Flat is very close to Bonner as well—so that people will understand how to interact. We are working with the ANU in that context to have a PhD student look at that interaction with new communities and bushland reserve areas, to make sure that people understand the value of the surrounding environment so that they can interact properly with it and protect it.

Ms Le Couteur asked before about public housing. In terms of having a mix of communities there, we have certainly provided access to a number of sites through Bonner for public housing. Similarly, we are working with Community Housing Canberra so that over time there will be public housing and community housing. We are pushing towards that 15 per cent. In fact at the moment we are well beyond 15 per cent with our releases for OwnPlace in Bonner. As I mentioned earlier, we have some people already living in OwnPlace homes and they are the \$300,000 house and land package homes, including curtains and floor coverings. We are looking at all those elements of sustainability and also public facilities.

Mr Dawes has just reminded me that one of the things that we in the LDA do a lot of but probably almost take for granted now is the water-sensitive urban design. There are some water quality control ponds that will end up being located between homes in Forde and homes in Bonner, as well as a lot of those other features that we are putting out through the suburb, looking at what is best practice and where possible seeking to emulate that. Again, that is a feature not just in Bonner but also in Franklin, Forde, and Crace of course. You have not asked about Crace, but with Crace, because that is our most recent development, we have been working with our joint venture partners for carbon neutrality in the development stages of the estate.

MS LE COUTEUR: On pages 42 and 43—and you might like to go to them—we

have got two beautiful tables about community consultation. I have two questions on this. Firstly, the tables do not appear to relate. One table, which starts on page 41, is about impact levels, and then, starting on page 43, there is a table showing levels of community consultation. Is there another table that was omitted which actually puts the two together? There is no way of working out, from this, what you would do. Secondly, given that you thought about it, how did Hawker shops slip through the system?

Mr Robertson: I think it is fair to say that our practice has evolved quite a bit since March of this year. A lot of this work was happening. In relation to Hawker shops, the indications we had from some of the early traffic studies—and this has been confirmed by some of the more recent updates of those studies—was that Hawker shops was quite well provided with car parking. Perhaps some of it was not in the locations that were most desirable, because with things like the church and the medical centre most of the parking is almost as far away as it could be in terms of those Hawker shops.

With respect to the block that was considered for release earlier in the year, before the Chief Minister and subsequently the Assembly said, “Go back and talk to the community on this one,” our practice has evolved. But in terms of a third table, what we try and do with these things is not to end up with something that becomes a bit of an assessment without the exercise of professional judgement, so that you just find where the boxes intersect and that is the way you do it. Community engagement, community consultation, is taking quite a level of resource, as it should, in terms of making sure that another Hawker car park issue does not arise again. So it really is a matter of looking at the circumstances and considering the analysis that is set out in the tables, and looking at the particular circumstances of each of the sites.

You are probably aware that, particularly in recent months—from my perspective, it has looked like a couple of times a week—we have been consulting communities in different parts of Canberra by way of some of the evening meetings. Certainly, in my role, I have been looking at whether we need one or two people to supplement those resources, having regard to the effort that has been put in by LDA staff to improve on our prior performance.

MR COE: I have an employment question but I might put it on notice. With respect to the contamination of the Kingston foreshore, has any compensation been paid as a result of that issue?

Mr Robertson: As you would be aware, the LDA inherited a very contaminated site at Kingston, where the old AGPS was. There were commonwealth tank farms, railway yards and a whole lot of other facilities. Over the last 10 years—certainly before I joined the LDA—a lot of work was put into environmental remediation of contamination. My first involvement with the Kingston foreshore project was six, seven or maybe eight years ago, when it won a national engineering award for its remediation of contamination on the site.

We do occasionally, with some of the blocks, find that there have been what might be called hot spots—little traces of diesel and other things that are found. Certainly, in the period that I have been at the LDA, there was one small residential block in First

Edition where there was a hot spot identified. It was only a small area, probably the size of the table, but we certainly dug a much bigger hole to make sure that there was not any other contamination. The costs of remediating that were paid. I do not think it was compensation as such.

MR COE: That is the only incident, is it?

Mr Robertson: That is the only one I can recall. Obviously, as we do other work, we have got remediation happening on other sites. As you go along Wentworth Avenue, down towards the Causeway, there is a site there where, in the past, we have been land farming—that is what they call it. If there was contamination, basically exposure to sunlight deals with it. We have been doing that. In some of the sites that have not yet been released, we are still working. We have got some consultants and contractors who work with us. We try and make sure that, if there is any residual contamination, that is dealt with before we sell the blocks. In the case of one of the sites, we are having discussions with the commonwealth about some residual contamination from one of their tank farms.

MR COE: Have you had any other applications for compensation payments?

Mr Robertson: There were some suggestions at some point that people might have thought they had some contamination, but I am not aware that there have been any other specific requests.

MR COE: Do you know how those applications or concerns were dealt with?

Mr Robertson: I do not recall having applications as such. I heard a rumour at one point that there were a few people in First Edition that thought they might have had contamination, but none of them spoke to me.

MR COE: There have been no unsuccessful legal proceedings or anything like that regarding compensation payments?

Mr Robertson: Not that I can recall in my time.

MR SESELJA: Mr Robertson, could you take it on notice and provide some more detail around that? It sounds like there was just one case, but could you check that, and the quantum of that remediation and/or compensation.

Mr Robertson: Sure. So that is in terms of whether or not there were any unsuccessful legal claims?

MR SESELJA: Also in relation to the first question, because I think you said you recall one.

Mr Robertson: I definitely recall one, shortly after I arrived at the LDA, where there was a bit of contamination on one of the sites and that was identified and dealt with.

MR SESELJA: Could you check that one and see if there were any others and the amounts paid in compensation?

Mr Robertson: What probably should be pointed out as well is that, with those sites, in the sales contracts for those blocks, as we sell them on Kingston foreshore, it is noted that if there is contamination, that is the LDA's responsibility and we would remediate that. So any remediation work is really in accordance with those original sales contracts.

Mr Stanhope: But you will confirm that.

Mr Robertson: I will confirm that.

THE CHAIR: On the Kingston foreshore project, at the top of page 35 it talks about the harbour works. Could we have an update on that?

Mr Stanhope: I think the sale of the first blocks within the harbour precinct is an indicator of the extent to which the harbour has developed. The final part of the infrastructure required to complete that, to allow the land to be sold, is the construction of the bridge. But I do concede that I have not been there for some months. Mr Robertson might update you on issues in relation to the harbour, but the harbour is constructed. I believe that one bridge across to the island had to be concluded before the land could be sold. Perhaps Mr Robertson can give an update on other work that will proceed, and the anticipated time line for the rollout of other developments around the harbour.

Mr Robertson: As the Chief Minister noted, with respect to some of the land on the island, basically the land that was reclaimed from Lake Burley Griffin, two of the four sites on the island were sold, with contracts being exchanged on Friday of last week, after the auction on Thursday. \$24 million was the revenue from that. That one sale has largely recouped most of the expenditure to date on the actual harbour itself and associated works. The road bridge to the island was completed some time ago. There are roadworks happening for Bridge Street, which runs onto the island; that is also underway. There is some landscaping in the area of so-called national land that we will hand back to the commonwealth, in about a seven-metre strip from the lake edge, which is still to be done.

In that general area towards the mouth of the little canal, for want of a better word, there will also be a pedestrian footbridge that goes across there. That is shown on the master plan. There are boardwalks and other features which we are looking at at the moment which will happen within the main body of the harbour itself. We are continuing to have discussions, and I think it is noted in our statement of intent this year as one of the things we will be doing, in looking at so-called working boat harbour facilities. We are very conscious that the active life of the Kingston foreshore is something that is very important, but we are also conscious that we need to make sure that whatever activities there are also consistent with the fact that it is sitting very close to the Jerrabomberra wetlands—internationally protected wetlands, as we know, with a lot of birdlife that you do not necessarily see anywhere else in Canberra. So we are very conscious of the need to make sure that that interface is correct.

I mentioned a boardwalk but there is also the public domain which will run on the city side of the harbour, the Parliament House side of the harbour. Over the course of the

next year there will be a number of sites—sites 18, 19 and 20—which we will sell. But between the developing portions of those blocks and the harbour itself there will be an open area for pedestrians, people to sit around and have a cup of coffee, ride their bikes through, walk their dogs on a leash, within that precinct. But there is still a bit of work to be done there. There is a bit of work to be done with respect to Norgrove park, which I think most of you are aware is another environmental award winning feature of Kingston foreshore which treats a lot of the water that comes from Red Hill, Kingston and surrounding areas, to improve the quality of the water before it gets into the lake. That is where we have got reed beds and other features, and barbecue facilities for the general public. Between those two areas, there is still a road and a bit of a weir to do. There are some power lines near there that need to be relocated. So there are quite a number of things to do. Some of that will proceed in parallel with private sector development on the site.

MR SESELJA: What was the total cost of those projects?

Mr Robertson: The harbour, the islands and the associated works? Certainly the harbour many years ago, before I joined the LDA, went to the Government Procurement Board and there was an estimate that the Government Procurement Board endorsed. When we went out to contract, partly because of the nature of the contract we had, which was a variation of the New South Wales GC21 contracts, they were a bit of an alliance contract, the harbour works came in, I think, at about—Mr Kelly might be able to remind me of the exact figure but the figure that went to the Procurement Board was just over \$30 million. The actual contract was probably of the order of two-thirds of that, the value of the contract.

Subsequently we have varied the contract to include the bridge and some of the roadworks on the islands, which were not part of the original contract. We have also varied that contract for a bit more remediation. Some of that is around precincts. It made a lot of sense to have that work done while the contractor was there. The contractor was providing value for money. So I think our total expenditure to date would be well below \$30 million. We can give you an exact figure on that.

MR SESELJA: That is for the harbour and those additional works, you said?

Mr Robertson: That is for the harbour and all those additional works.

MR SESELJA: That includes the construction of the islands?

Mr Robertson: It includes the construction of the islands, all of the walls. It includes the bridge and the roadworks on the islands. That is certainly well below what had originally been estimated as just the value of the harbour works. So we are very pleased with the way the contract has worked, the spirit in which Macmahon Contractors have worked with us. The alliance contract has worked very well.

Part of the reason we were able to do so well was really the risk attribution that is happening under the contract. The LDA took on, under the GC21 contract, some of the risks that otherwise might have transferred to the private sector. As a result we have saved many millions of dollars in the process.

MS LE COUTEUR: I have some questions about Molonglo. When you originally acquired Molonglo, did you wait for the farm leases to expire or did you do a compulsory acquisition under the Lands Acquisition Act? Given that most of Molonglo is not going to be built on for some time, how are you looking after it?

Mr Robertson: The LDA itself has not yet acquired all the land in Molonglo.

Mr Stanhope: ACTPLA has. It is a question that you probably need to direct to the Minister for Planning and to ACTPLA.

THE CHAIR: We will be meeting with them.

Mr Stanhope: It is just the notion of the progression of responsibility. When we withdraw leases or compulsorily acquire for the purposes of the territory, it is ACTPLA that actually pursues that. So ACTPLA starts the process and, through that process, once the concept plans for an area are completed, the land is formally transferred to the LDA. Questions on acquisition et cetera are—

MS LE COUTEUR: Go to ACTPLA. That means you are not the land manager of the Molonglo land bank; it is ACTPLA?

Mr Stanhope: Yes.

Mr Robertson: ACTPLA have other things they are also responsible for. But in terms of the LDA, when the land does come to us, as it has with Forde and other land in the territory, we are no different from any other land managers. We need to have plans on bushfire management and risk mitigation and plans with the Emergency Services Authority and on a lot of the other issues that go with custodianship or ownership of the land.

Mr Stanhope: I will confirm this with ACTPLA. I could not give a detail of it. It may be that some of those lands withdrawn in Molonglo are in transition and are managed by ACTPLA. Some of them are those further out than perhaps central Molonglo and would have been transferred to TAMS for management. I will have to take some advice from TAMS officials to be able to respond to the questions you asked.

MS LE COUTEUR: I will ask them on notice if you like.

Mr Stanhope: Yes.

MR SESELJA: Chief Minister, you recently announced this new agency, which has been referred to as a super agency.

Mr Stanhope: I never referred to it as a super agency.

MR SESELJA: I know you did not, but it was referred to in the *Canberra Times*.

Mr Stanhope: It is quite a modest department.

MR SESELJA: It is a realignment of some of the property functions. Are you able to

talk us through some of the detail?

Mr Stanhope: I am more than happy to provide what information I can. We are still working through some of that detail in relation to some of the due diligence that is an appropriate part of the creation of any new department. I was very much motivated by what I regard to be the success of the major projects by the facilitation and strategic project division within the Chief Minister's Department, which was created to provide a focus for most projects and to allow the ACT government to have the capacity to facilitate, at the request of individual developers or proponents, particular initiatives they had that were regarded by them and agreed by us as projects of some significance. I believe that process has been particularly successful.

Interestingly, I was the guest of the Master Builders Association at a lunch today. That question you asked was, indeed, asked by the president of the Master Builders today, that question on the rationale. It was accepted, I think, universally by those at that lunch today that, indeed, the project facilitation strategic branch headed up by Mr Dawes has played a very significant role as a point of contact for developers wishing to pursue specific projects.

It was very much a desire to enhance the existing arrangement, to provide a closer synergy among those officers within the ACT government that are charged with providing policy advice—for instance, on issues on land supply and on determining an appropriate level of supply, which is often a vexed question—and the nature of the relationship between those within government, providing the strategic facilitation role and function, and those within the LDA, while continuing to respect the statutory function and responsibility of the LDA, not impinging on that but providing a closer relationship and taking the opportunity to incorporate within a new departmental structure those functions within the property group; in other words, those within TAMS that are charged with responsibility for managing our property asset also being part of an extended property group.

It is not a particularly big department in terms of personnel and numbers. It will be a small department, administratively. It may even be our smallest department. Notions of a super department with super powers and a wide-ranging ambit overreach the proposal significantly. I believe there are some potential efficiency savings in terms of the capacity for a department of land and property development to provide some corporate service-type function for the LDA to not duplicate, to drag back into the public service some of the functions that are currently pursued within the LDA and for the LDA to be very focused on its primary responsibility of land delivery and development.

I have not finalised it yet because I do want other agencies to have an opportunity. I do believe that we need to ensure that the accountability mechanisms are in place in relation to a department that has the policy responsibility for advising government on land delivery to be perhaps not involved in some of the other aspects of land development and delivery, to ensure that the LDA retains its statutory independence in relation to those issues. So we are still working through exactly how. I have to finalise it this year but it probably will not be for another few weeks yet.

MR SESELJA: Broadly at this stage, without knowing the exact detail, you are

looking at parts of TAMS, the property group, the major property unit and LDA?

Mr Stanhope: Yes, within the group but without upsetting the LDA's statutory function. I have no intention of toying with or amending the LDA's statutory function or remit. In the context of synergies, reporting lines relationship, I expect the department and the LDA to be intimate in that relationship.

MR SESELJA: I think you said on radio that you expected it to be cost positive or cost neutral. Is that so?

Mr Stanhope: Yes. That is one of the challenges. I have nominated Mr Dawes, as the current head of the project facilitation area within Chief Minister's, acting head. We will go through a process. That is my intention. I need to follow through a little more closely perhaps—and Mr Dawes accepts that it will be a tough ask—but my expectation is that it will be done without any additional funding for the new department. That will be achieved essentially by the utilisation of resources currently within the LDA, corporate services and human services.

MR SESELJA: When was the LDA board first briefed about this plan?

Mr Stanhope: They were briefed. I met with the chairman before any public announcement. I would have to check records to see whether I can determine that date. I had discussions with the chairman of the board. I indicated to him my thinking. It is fair to say—Mr Haskins can speak for himself, of course—that Mr Haskins was supportive of the proposal that I delivered to him, to some extent in the way I have delivered it to you just now. Certainly it was a touch broad but certainly it was in that sense. Mr Haskins could respond to the proposal.

MR SESELJA: You will check on that?

Mr Stanhope: I will see. I am not sure I can. It was certainly before I made any public announcement. I will see whether I can determine when that was.

MS LE COUTEUR: I go to page 93, where you have a table on resource consumption. The very positive thing with this is that your office energy use has gone down considerably. You have decreased it by over 100,000 kilowatt hours a year, which is fairly good. The percentage is in my head. My question is: how did you do it? Then I have got a couple of supplementaries. The first one is: if you look at the line above, unfortunately, total electricity use has gone up. What did you do with the rest of it?

Mr Robertson: There are a couple of things. At the start of the financial year that the annual report relates to the LDA was located in Kingston. It was located in buildings at the front where the markets are held. The majority of staff were in site sheds at the back. Being in site sheds there was a lot of portable air conditioning and things because site sheds in summer are pretty hot. There were also a lot of little rabbit warrens. It was cold in winter and very hot in summer. It was not a particularly efficient environment. We are certainly in far more efficient circumstances where, when you walk out of rooms, the lights go off. We had none of that functionality in the old building. We are more readily collocated.

There are a range of other savings that you can see if you look through the detail of those next couple of pages, including in relation to the use of fuel. We did not make any changes to the size of our motor vehicle fleet, which is very small, but we do have rangers who need to look after some of the sites. Earlier we touched on the land management responsibilities. We have project officers who go on site. We used to have a lot of people driving to meetings with ACTPLA, TAMS and Procurement Solutions. Now they just have to walk across the road. The collocation of our offices in that general precinct with other parts of the ACT government has been very useful. It is not just about reducing the use of petrol. For me it is also a proxy for general staff efficiency because you have got people spending less time behind steering wheels driving to meetings.

MS LE COUTEUR: Following on from this, at what temperature do you keep your offices in summer and winter? I can see your expression; I think we will put that one on notice.

Mr Robertson: We are located on two floors and many members of the public come through for different purposes. My understanding is that we would normally have it at about 21. Sometimes 21 is too hot for some and too cold for others, but 21 is, I think, a happy medium and is probably in accordance with office standards.

MR SESELJA: Just a follow on, Chair, on resource consumption. On page 95 in column H—“Estimate of waste paper to landfill”—it is still unknown for 2008-09. What is the reason for that?

Mr Robertson: When we were located at Kingston some of our data, some of our waste and things, was mixed in with that of the bus depot markets, just because of the nature of the facility. It was hard to pick exactly what were our operations and what were the market’s operations. We have been collecting that. We were the first department to fully sign up to the officesmart program. We have been tracking what happens to a lot of our waste—not just paper. In accordance with our office market bonds, we now have bins where different sorts of recyclables go in different directions. Clean paper goes for recycling. The non-paper organic wastes go off to a worm farm out near Sutton or somewhere. In terms of collecting data, because we are in a new building it is hard to have past comparisons.

MR SESELJA: So what percentage of waste paper is currently being recycled or has been recycled in the time you have been reporting it?

Mr Robertson: My belief would be that it would be just about all of it because of the nature of the bins. Some of it—like newspapers and things—ends up in the mixed bins which are very similar to the yellow-lidded bins that people put out outside their homes. The office paper goes through a separate stream. I would say that we would be aiming towards 100 per cent. We probably will not get 100 per cent because some of the soiled tissues, napkins and things will end up heading for the worms.

THE CHAIR: It is still recycled if it goes to the worms, isn’t it?

Mr Robertson: It is. I am sorry; perhaps I have misunderstood your question.

THE CHAIR: I was just making the comment.

Mr Robertson: It does not go back into the paper recycling, but it is certainly recycled for worm casts and things for gardens and farm use.

MS LE COUTEUR: Can I continue on this? Your water use has gone up considerably. The year before it was 1,223 kilolitres in total and the last financial year it was 4,892. That is on page 94, the top part of F. Why are you using a lot more water? You are using a lot more electricity in total. You just reduced it in your office.

Mr Robertson: Some of that will be because there are different points in the handovers of the states and things. There are parts of Kingston Foreshore, like Norgrove Park and other places, for instance, where we have public domain but we have not necessarily handed over to TAMS yet. Some of that usage would be public lighting and so on.

MS LE COUTEUR: So you being a light and land manager would be the difference, would it, particularly with water?

Mr Robertson: That is part of it. At the moment we have got developments. Homes are going in and being developed in Franklin and Bonner, as well as Kingston Foreshore and a number of other sites. I am not sure that we have had any detailed breakdown from ActewAGL. You talked about per capita. We have slightly more staffing resources than we had previously. We have also swapped some of the consultants for staff. Whilst the average usage has gone down, our total use has only gone up fractionally and it is probably less than a moderate increase in resources.

THE CHAIR: Minister, page 64 refers to the age profile of the staff. We all know that there is an ageing population in the ACT. Would the LDA be expecting to employ more people over the age of 60? If you look down the list of the numbers of people employed, it is not the highest number, obviously. You would not expect it to be, but I am just wondering about the future.

Mr Robertson: As you can see, we have got nearly twice as many people in the 55 to 59 age group as we have got in the 60 to 64 group. I would imagine that, yes, we will have a few more go in there. I think the good thing, though, when you look at that age profile, is that we do have a diversity of people across the range. We do not have any below-20-year-olds, but we have a couple of 21 and 22-year-olds. We have been very fortunate over the last year or two with our recruitment in that we have recruited very good people at all age levels. So we certainly do not have any age discrimination. Over the years each of us notches up into some of those different categories.

MR COE: I have a couple of questions on staffing. Firstly, I am curious about the number of staff in general, as to whether that has increased. You said you are bringing some of those services in house. How does that affect revenue? Also, on page 107 of the report, in the cash flow statement it shows an increase of about \$1 million for employee payments. I also note that on a couple of pages before that employee expenses went up, by a couple of million dollars. So it can't just be entitlements; it must actually be cash payments as well.

Mr Robertson: The total expenses involve a lot more than just employees. You would be aware that over the last couple of years the LDA's task has gone up significantly. A bit over two years ago, the LDA had a land release target of about 2,200. I think 3½ thousand blocks were released in 2007-08; in 2008-09 it was a similar number. In fact, one of those numbers was 4,200-and-something; I forget the exact figure.

Mr Stanhope: 4,339.

Mr Robertson: Thank you, Chief Minister. Certainly, since the middle of 2007, with what we have released in those last two complete financial years and the current financial year, it is now starting to push 9,000—sites for 9,000 dwellings.

With staffing, you need people to work on those things. The LDA has also changed its profile; there are a lot fewer contractors than we had previously. With some of that, we have had some of the pre-existing contractors who we have converted to staff positions. With others, we have replaced contractors with permanent staff. In a direct like-for-like comparison, we achieved some significant savings in that process.

With respect to the amount of work that we have got on at the moment, I have mentioned the impact of the consultation, for example, but there is also development occurring in Franklin, on Flemington Road, in Bonner, Kingston foreshore, the preparations for Molonglo, plus all of the work that we are doing at Hume West, EpiCentre, section 26 in Fyshwick and a whole lot of individual sites on the commercial land release program. Yes, our resources have increased, but they have also increased proportionate with the work that is required.

It is always illustrative to do comparisons with peers when it comes to this. I am very conscious that the LDA, over the last couple of years, has had revenue and dividend returns to the ACT government and community. When you compare those figures with the government land organisations elsewhere in the country, we are about mid-range in terms of staff numbers—40 per cent, for example, of VicUrban—but with our revenues, our release numbers and the range of activities around commercial, industrial and residential releases, and what we are doing with community consultation and the dividends we are paying back to the community, we outstrip all of the other government land organisations. So whilst in the normal inter-jurisdictional comparisons the ACT is a bit of a minnow, when it comes to land development the LDA is one of the largest and is doing some of the best work around the country, as evidenced by the UDIA awards, the Institution of Engineers awards, the HIA awards and other things that we win.

MR COE: In the cash flow statement, the “original budget 2009” column, that is the amount as printed in the budget in May, isn't it?

Mr Robertson: Yes, that is correct. That is the original budget.

MR COE: Since May, to when this was produced, it was out by \$1 million in employee payments. Is that correct?

Mr Robertson: Sorry?

MR COE: This year's budget papers stated that for employee payments, as on 107, it would be \$6,166,000. Is that correct?

Mr Robertson: Yes.

MR COE: The actual was \$7 million—an extra \$1 million. Why, given that the budget was printed pretty close to the end of the financial year, could it have been \$1 million out?

Mr Robertson: I think there is a 12-month difference in the figures, with a comparison.

THE CHAIR: Mr Coe, could this be taken on notice?

MR COE: Is that answer correct?

Mr Kelly: There is a very quick answer. The budget that you are talking about was produced in April 2008 and those figures are computed as at 30 June 2009. So I think you are 12 months out of kilter there.

Mr Robertson: And it was during that period, too, that we made the substantial changes with the contractors and others. Also, there was the sheer volume of work that we are doing. So it was over that period that we escalated our work for Molonglo and a wide range of other releases that I mentioned.

THE CHAIR: Thank you, Mr Robertson. Thank you, minister and officials.

Mr Stanhope: Thank you very much.

THE CHAIR: Other questions will be taken on notice, and we will get a copy of the transcript to you. The hearing is adjourned.

The committee adjourned at 3.31 pm.