



LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY

SELECT COMMITTEE ON ESTIMATES 2014-2015

(Reference: [Appropriation Bill 2014-2015 and Appropriation \(Office of the Legislative Assembly\) Bill 2014-2015](#))

Members:

MR B SMYTH (Chair)
MS M PORTER (Deputy Chair)
MRS G JONES
MS Y BERRY

TRANSCRIPT OF EVIDENCE

CANBERRA

FRIDAY, 13 JUNE 2014

Secretary to the committee:
Dr B Lloyd (Ph: 620 50137)

By authority of the Legislative Assembly for the Australian Capital Territory

Submissions, answers to questions on notice and other documents, including requests for clarification of the transcript of evidence, relevant to this inquiry that have been authorised for publication by the committee may be obtained from the Legislative Assembly website.

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Amended 20 May 2013

The committee met at 9.29 am.

CREASER, MR JOSHUA, Convenor, 350.org, Canberra
CATHRO, DR WARWICK SCOTT, Member, 350.org, Canberra

THE CHAIR: Good morning all and welcome to the second day of public hearings of the Select Committee on Estimates 2014-15. This morning we have got six community groups who are going to come in and then this afternoon we have got the Office of the Legislative Assembly and the ACT Ombudsman. Before we start, there is some housekeeping. Proceedings today are being recorded, will be transcribed and published, and will be circulated throughout the building. After hearings, proof transcripts will be circulated for corrections. If there is something you think you have not said as well as you might have or something that is incorrect, contact the secretariat and we will look at those corrections for you.

If you have seen the pink privileges card there on the desk beside you, could indicate that you have read the card and understand the contents of that card. Yes, they have, good.

If you take a question on notice it would be useful if you said you will be taking that question on notice and the committee would be most appreciative if they could have an answer within, say, five days. With that we will begin. We welcome 350.org and would ask whether you would like to make a brief opening statement?

Dr Cathro: 350.org is a community organisation concerned about climate change. I have just two sentences of background about me. As the Chair knows, I had a long career in the National Library of Australia. That was my professional background early, and my degree was in chemistry. In my retirement, I am doing some voluntary work, including for this particular community organisation, because of the extent that I feel strongly about climate change and its impacts.

Mr Creaser: Thanks for having us here this morning. I wanted to start with a few minutes of comment about the submission before the Assembly and to put it in a broader context. To start on a personal note, I would like to acknowledge that as a young person living here in the territory I am incredibly proud to be part of a jurisdiction where both sides of parliament have committed to acting on climate change. That is notable and quite significant.

Both our emissions reduction target and the renewable energy target support that goal, are considerable and are well worth a mention. Though 350.org, Canberra spans many different people with many different backgrounds, and across many different age groups, that is a sentiment that is held right across our group.

So we are here predominantly to talk this morning about divestment and our fossil-free ACT campaign, calling on the government to stop investing in fossil fuel companies. Our submission to the committee focused predominantly on the risks associated with the government's investments in fossil fuels, but as I said I would like to put that in a slightly broader context.

The divestment story begins with individuals and community groups that have desired great action on climate change and a transition away from the fossil fuel industry. That story, which started out with a few groups, has now grown to include some of the most notable financial institutions and organisations in Australia and across the world.

In 2012, our own ACT Uniting Church created news around the world when it made a public commitment to divest all holdings in fossil fuel companies. The church is one of the first movers in what has become a global divestment movement. In that same year and the next, divestment began to spread like wildfire across the US where cities like Seattle and San Francisco joined, making a commitment to divest from fossil fuels, and campaigns have emerged on hundreds of university campuses and across dozens of churches.

The divestment movement took off here in Australia last year, almost to the day, when the founder of 350.org and well-acclaimed environment author, Bill McKibben, toured down under. Since his inspiring speaking tour, sharing stories from the US, divestment campaigns have emerged in all of the major cities, on 18 university campuses, with many more churches also considering the proposition. Here in the ACT, 350.org, Canberra's fossil-free ACT campaign began to gain public support and the long-running fossil-free aim campaign gained greater prominence and has regularly made headlines since.

The movement continues to grow in other parts of the world and not only are public bodies being called on to divest, so too are individuals who in their thousands are shifting their money out of banks and super funds that heavily invest in the expansion of the fossil fuel sector. Though diverse in their focuses and in their supporters, a common thread runs through the divestment campaigns to date. It is the knowledge that the world has only a limited carbon budget to stay below two degrees global warming, the internationally agreed target.

However, the fossil fuel industry has reserves of coal, oil and gas it intends to burn that represent five times that carbon budget. Quite simply, the future the fossil fuel industry has in mind is not at all the one that we have for ourselves, our children and the community we are a part of. As Bill McKibben says, "If it is wrong to wreck the planet it is wrong to profit from that wreckage."

Through the community-driven divestment campaigns I have mentioned, the intent has been for institutions like churches, universities and local governments which represent the public good to remove their investments in the sector, to sever their ties with this most powerful political lobby and to join with many others in promoting a low-carbon energy future. Recent voices that have got behind the divestment movement include Desmond Tutu, the *British Medical Journal*, Stanford University, one of the UK's most prestigious, and John Hewson, the former leader of the federal Liberals. A recent report from Oxford suggests that the spread of the fossil fuel divestment movement, when compared to those that took place around tobacco and South African apartheid, is growing faster and is having a greater political and financial impact than those previous movements which themselves played significant roles in changing the public and political acceptance of those practices.

As I mentioned, this is a story that goes much further than just these community campaigns. Increasingly, large financial institutions and investors are shifting their position on the fossil fuel sector. There are a few key reasons for this.

As we note in the submission, the recent report by the European financial services company, Kepler, found that \$US28 trillion of fossil fuel assets are at risk globally, either because policies to limit warming of the planet to less than two degrees will require these fuels to remain unburnt or, in the absence of such policies because of rapidly falling costs of renewable sources of energy, will strand these assets. They will no longer be competitive. This has become known as a carbon bubble of sorts, which according to the likes of John Hewson would pale in comparison to the property bubble that spurred the global financial crisis.

The risk of stranded assets in the Australian context is of growing concern. There are plans to double Australia's export of coal, with much of it coming from the remote mines of the Galilee Basin in central Queensland. A combination of falling coal prices, the rise of renewables and a major shift in China away from increased coal consumption is creating huge uncertainty around the prospect of those projects. Analysts such as Deutsche Bank, Citigroup, HSBC and Morgan Stanley have all noted this risk.

On the flipside, there is growing evidence that divestment from coal, oil and gas does not negatively impact on short to medium-term returns. A recent Australia Institute report, which we have commended to the committee, found that, for an institutional investor like the ACT, divesting from fossil fuel companies of the ASX 200 would have negligible impacts on returns.

So coupled with a growing body of financial risk associated with fossil fuel investments, we have seen a growing body of typically conservative financial investors shifting away from the sector. Most notably AMP, Australia's largest fund manager, has divested its sustainability index of fossil fuels and has stated that it is a stable investment proposition.

Hunter Hall, another funds manager, UniSuper, a superannuation fund, are now offering fossil-free options to their customers. Bendigo Bank and BankSA, Australia's fifth largest bank, have committed to never invest in fossil fuels. On the international side of things, recently the FTSE in the UK partnered with the world's largest fund manager, BlackRock, to develop a list of fossil fuel companies on the FTSE to give investors a choice to avoid those companies, if they desired.

So what does this all mean for the ACT? The ACT government, as I noted, have a strong position on climate action and responsible investments. Given their existing public policy position in these areas, we believe it is time that our investment approach matches that public policy position. Given that the government already have a responsible investment policy, we are in a position to quite efficiently make the kinds of changes that we are talking about.

As we have outlined in the submission, we believe there would be several steps before the government would go near making a divestment commitment and we believe those steps are around investigating disclosing the exposure that the government has

to fossil fuel companies and actually giving a dollar amount to that exposure. We believe further research needs to be done specifically into the risks posed by the fossil fuel sector, and this should be done both for companies who have a sole focus on coal, oil and gas projects as well as companies that have fossil fuels as only a proportion of their operations but where that proportion represents a large volume of coal, oil or gas.

Through that analysis, we believe the government should be able to report on both the merits and the challenges of divestment, looking at both the long to medium-term financial risks of continued investment, and whether or not there would be impacts of divesting in the short to medium term. We believe that, through that, then the government would be able to review its responsible investment policy and, we believe, deal with the issue of continued investments in the fossil fuel sector. Our advice to the committee is that that should take within three to six months and be reported publicly.

Once again I would like to thank the committee for your time. I look forward to taking your questions and to finish up where I started. As a young person living in the ACT and someone who plans to continue to live here, I am proud of our existing work in climate change and I hope that in the future I can be proud to say that I live in a territory that no longer invests in expansion of the fossil fuel sector.

THE CHAIR: Thank you for that. How does the territory do this? As you are aware, they have an investment policy and often will buy into funds. How do you determine what the exposure is, and how do you investigate that, in practical terms?

Mr Creaser: We can give some suggestions on how that could be done. Obviously we are not financial advisers. So ultimately the government would have to turn to its fund managers to seek that advice and as you would know, the government employs a couple of firms to provide broader investment advice.

Through discussion with the Treasurer's office, we do know that the government has stated what its direct investments in fossil fuel companies are. There are both those directly held investments and then funds managed by a firm. Through those investments, the Treasurer stated that they expect at least \$125 million invested in companies on the ASX which are heavily involved in the fossil fuel sector. That is coming from the Treasury itself.

But we can also then step back and look at some of the research we have mentioned, to find other ways we could track what level of exposure the government has. The Australia Institute report I mentioned sets out three tiers of investments in the sector: companies that are heavily, solely involved in coal, oil and gas, which is listed under the GCIS or the ASX's oil and gas companies. There are then downstream users of coal, oil and gas, which the report lists as significant because they are burning the coal, oil and gas here in Australia. Then there are a number of companies which the ACT government invests in which are not part of the ASX 200. They fall out of the remit of the Australia Institute report, but they are again solely oil and gas companies. The Treasurer, when responding to our questions about their investments, highlighted four or five of those companies. They fall within the ASX 300.

THE CHAIR: If that is companies that are directly involved and have clearly large exposure, is there a logical follow-on for any company that derives benefit from the

petrochemical industries? And a lot of the things that we use today are based on not even by-products but direct products from petrochemical industries, and I can see Warwick's chemist mind ticking over here. How do we ascertain what we do there or what should we do?

Mr Creaser: The divestment movement has focused on the expansion plans of the fossil fuel sector. That is our core contention. As I said, the industry plans to expand five times greater than our carbon budget. We recognise that fossil fuels do play an important part in the world as we know it and will continue to do so for some time. As you are referring to, within a range of associated sectors like the petrochemical sector, they are quite fundamental to our everyday living. But we believe that the expansion plans the industry has of five times beyond that budget are not acceptable and that investors like the ACT government should be trying to isolate the companies which are most responsible for that expansion push.

As the Australia Institute report outlines, and with those three tiers of investment, those are the companies which are driving the expansion in coal, oil and gas, with their intent predominantly around the energy sector.

Dr Cathro: Could I just add to that? Just for the record, I think I should note that the Australia Institute report actually had four tiers, the fourth one being indirect fossil fuel exposure, and they list a lot of ASX 200 companies that fell into that category.

I think our view is that you have to start somewhere, and our view is that the Australia Institute report, which was called *Climate-proofing your investments* and which we noted in a footnote in our submission, does dissect, if you like, the companies into these four tiers. So we would suggest that an initial focus be on the first two tiers of that report, and that would certainly include companies that we mentioned in our submission like Aurora Oil and Gas, Caltex Australia, Horizon Oil, World Search and Santos, which are all tier one companies in the Australia Institute report. So I think we would be relying on an analysis of other commentators, because we do recognise that the indirect investment in fossil fuels covers a very wide range of companies, but we are looking at the ones that have the heaviest exposure.

Mr Creaser: And for example, just to add something more to that, I did not mention the fourth tier in my initial comments there because the report does not refer to them as candidates for divestment but rather engagement. These are institutions like banks which are indirectly involved with the fossil fuel sector. We are by no means suggesting that they should be considered as a divestment prospect. The government has an established engagement policy through its responsible investment policy. That would be the appropriate approach for those kinds of companies.

MS PORTER: You talked about short to medium-term risk exposure. You said that the ACT government would need to do some more work on assessing the risks involved. Do you have any idea about long-term risks—long-term exposure to this?

Mr Creaser: Is this in reference particularly to divesting, or continued investment?

MS PORTER: To both, really, if you could answer that question.

Mr Creaser: As we have stated in the submission, we believe there are medium to long-term risks which the broader research community is identifying for continued investment in the fossil fuel sector, and that is due to two key reasons. The first is that there is this idea of the carbon bubble. As the Kepler report states, there is about \$28 trillion globally tied up in fossil fuel reserves. If the world acts to stay below two degrees then those reserves will have to stay in the ground. They are above ground financially at the moment, but the world will have to act to keep them underground. In doing so, that would create what people like John Hewson call a carbon bubble, a significant financial shock. So that is a considerable long-term risk for the government to be considering, particularly as the purpose of most of the government's held shares is to meet its liabilities through superannuation.

The other medium to long-term risk that we mentioned in the submission is asset stranding. This is the idea that the proposed expansion, particularly in coal, here in Australia and elsewhere around the world may not actually have a market that is suitable for that level of expansion. For example, if the Galilee coal mine opened up in Central Queensland, it would add about a third of seaborne coal to global supplies, which would continue to depress the price of coal. As I said, there is a range of financial institutions which are flagging that as a significant risk for continued investment.

The other way is to look at the risk factors involved with divestment. We are suggesting the government should investigate what its established risks are from those existing investments and then look at the proposition of divestment. Were it to cut out these major coal, oil and gas companies from the investment portfolio, would that have an impact on its returns and on its tracking error in the investment portfolio?

We are suggesting, from what we are seeing with the Australia Institute report, which has modelled such a scenario of removing fossil fuel investments from the portfolio, that there would be negligible impacts for an institutional investor like the ACT. We would also note that moves by large fund managers like AMP and Hunter Hall, banks like Bendigo and super funds like UniSuper to create fossil-free options which they sell to their customers as safe investment propositions suggest that this is a space that an institutional investor can move into to align investment practice with a public policy position, and in doing so send a very powerful message both to Australia and to the world.

That is another important element to consider in all of this. Obviously we are considering it here mainly with the budget and financial issues, but any institution that has made a divestment commitment has been celebrated around the world.

MS PORTER: When you say “negligible”, you cannot quantify that, can you? What do you mean by “negligible”?

Mr Creaser: Negligible risk of divesting?

MS PORTER: Yes.

Mr Creaser: Again, all of this information is held in the Australia Institute report. To summarise, they modelled an investment portfolio which would cut out the fossil fuel

companies, the three tiers of fossil fuel companies that they recommend divestment from. They then simulated that portfolio looking back over the last 10 years and comparing it to a standard investment portfolio. They looked at the tracking error that would run through those investments—how much that risk margin would change if fossil fuels were not held within the portfolio. The report found that the change in tracking error after divesting was negligible.

MS BERRY: Do you know which companies have fossil fuels that the ACT government has investments in? Is that information publicly available?

Mr Creaser: Yes, the information is publicly available. Through the responsible investment policy, the Treasury releases every three months a list of all companies in which the government invests. Dollar amounts are not associated with those investments but we have the names of the companies.

Some of the notable companies that we can pick out of the most recent quarterly release, which came out on 31 March, are companies like Aurora Oil and Gas, Horizon Oil, Santos—which is receiving a lot of public backlash at the moment for its work up in the Pilliga and water contamination—and Oil Search Ltd. And the list goes on.

We receive this information publicly. We also, through the correspondence with the Treasurer that I mentioned, got his take on what the level of exposure was to the fossil fuel sector. The Treasurer's response was to say that the government has about \$125 million worth of direct investments in the energy sector of the ASX. The Treasurer related those investments predominantly to fossil fuel assets.

We do not yet have the full information as to how much the government is exposed to this sector. One of the suggestions in the submission is that ideally that information would be released on a company-by-company basis, but where there are issues around that which are commercial-in-confidence, as an aggregate that information should be released.

MS BERRY: If the ACT government was to divest, under this current budget what do you think the impact would be?

Mr Creaser: As I said earlier, we are not financial advisers so it is not advice we can give. But looking, again, at the work that has been modelled through the Australia Institute report, and the moves of a range of other investors to shift away from the sector, we believe the government could do this in a way that was financially responsible. Also, as our submission states, we think there should be further investigation of the merits and the challenges of divestment, and that would look at both what the existing risks are from investment in that sector and at what the risk would be if divestment occurred.

MS BERRY: You mentioned a few governments and organisations that have already started divesting. Do you know how they have fared financially? What has happened with their organisations? Have you got any information about that?

Mr Creaser: A number of those commitments I mentioned are being implemented as

we speak, so we do not have the full analysis.

MS BERRY: They are sort of phasing out?

Mr Creaser: That is right. Something worth noting is that in the broader fossil-free ACT campaign, we have made it clear that we understand that it could take a government like the ACT government a year or two or three years to implement the divestment position. We are not suggesting it has to happen overnight.

It is worth noting that when the responsible investment policy was put in place and selective screening was given to tobacco, landmine and cluster bomb investments, I think that resulted in roughly \$40 million worth of investments being removed from the portfolio. That took place in one budget. As I said, we do not have the full amount that the government invests in the fossil fuel sector, but if you consider that it is somewhere around the \$125 million or more margin, depending on what Treasury can tell us, if that was spread out over a few years, the amount per year of divestment might actually be quite similar to what the government has already achieved through the responsible investment policy.

An interesting case to look at is the Uniting Church in New South Wales and the ACT, which manage quite a lot of money. They are currently phasing out those investments and will be doing so over the next three years. They are using a materiality threshold for their process. They will start off with a 40 per cent threshold this year, 20 in the next and so on. Their financial advisers would be telling them that that is a sound position to be taking.

MS BERRY: Do you know if there are other organisations looking at the UnitingCare model for divestment? You mentioned them a lot, so they must be somebody that you hold in high regard. Are other organisations or governments looking at what UnitingCare are doing in the same way?

Mr Creaser: Yes. A lot of other institutions are looking at using a materiality threshold approach to divestment. A number of other churches are making commitments. The Anglicans in New Zealand recently made a commitment to divest. A number of churches in the US are currently going through this process. I would imagine a number of institutions will use that materiality threshold approach.

The other approach is to look at key sectors of the stock market and identify them as fossil fuel involved and to remove investments from them. We do note that there was a committee hearing into the proposed ethical investments bill back in 2012. Mr Smyth would probably remember that the issue with materiality thresholds was a challenging one.

It is something that ultimately we cannot advise on. It is something that should come from ACT Treasury and their investment advisers. Perhaps a sectoral approach as opposed to a materiality approach would be a more effective way for the government.

MRS JONES: We have covered in detail financial investment in a banking or general return sense. Could we turn to your views on the fossil fuel impacts of new developments in solar technology. Our solar farms are built with a fair level of iron

ore use and steel use. Do you have a view on the impacts of the creation of non-fossil-fuel power sources and at what point the balancing act is reached where the investment that uses up fossil fuels in the creation of those things becomes economically viable and, in your view, morally viable?

Mr Creaser: I am unclear on the question. Is it around the use of fossil fuels in the creation of renewable energy technologies?

MRS JONES: Yes.

Mr Creaser: And whether that is considered a financially sensible and morally sensible approach to—

MRS JONES: I accept that you are not financial advisers, but have you given any thought to the fact that these supposedly fossil-fuel-friendly investments use an amount of energy as well as an amount of fossil fuels to be created? At what point are they then environmentally better, in your view? I am not sure that the analysis has actually been done.

Mr Creaser: It is a very good question. A position that Brendan Pearson of the Minerals Council of Australia is really trying to push at the moment is that we must have a continued use of coal. That is true to some extent, and it comes back to the question Mr Smyth asked before about the use of petrochemicals in a range of key materials. There is no doubt that we still need the use of some of these old energy sources in the transition to a renewable low carbon energy future.

MRS JONES: But there will be no point where you will be able to build a solar plant without those sort of investments, presumably?

Mr Creaser: That is absolutely right. What we are suggesting is that we can look at an energy scenario for the world where we continue this reliance on fossil fuels and we support a four or five times expansion in the sector beyond our carbon budget, which would have the associated climate impacts, or we can use what we have remaining of that carbon budget to invest in the renewable sector of the future.

MRS JONES: Do you have any written information about a carbon budget and your views on what a reasonable carbon budget is?

Mr Creaser: We would refer, firstly, to the IPCC's most recent report. It outlines a carbon budget by 2050—what the world has left to burn. According to the IPCC we are about 50 per cent of the way through that carbon budget so far. Another report we would recommend to the committee is that of Carbon Tracker, a UK firm who did the analysis looking at that carbon budget and comparing it to the expansion of the fossil fuel sector. If you are interested in further understanding how the expansion of the sector stacks up against that budget, that seminal work was the Carbon Tracker 200 report.

Dr Cathro: Can I add one thing in response to the question? We are not ideologically opposed to coal, oil and gas per se. What we are concerned about is what happens to the atmosphere. The petrochemical use of fossil fuels in fabrication and so on is not

what we are concerned about. We are concerned about what happens as a by-product, mostly of thermal uses of those products, in terms of the atmosphere. All we are really concerned about is how much warming is going to occur and what is going to be the impact on the 70,000 residents of the ACT that are under the age of 15, the four million Australians who are under the age of 15 or the 1.8 billion people living on the planet who are under that age and who are going to have half their lives ahead of them in the year 2050 because they will only be in their 30s and 40s. So it is really about what happens to the atmosphere, not so much about whether oil or coal are used in petrochemicals. It is not an ideological issue about those products per se.

Mr Creaser: Certainly, and maybe just to flow on a bit more from that, and in response to your question, Mrs Jones, another way to look at it is that we have this carbon budget; let us spend that as cleverly as possible to invest in the infrastructure we need for a low carbon future.

MRS JONES: My concern is that calculations have not been done, so decisions are being made about our future energy investment for the territory without that having been done. I understand it is not necessarily the job of your organisation to do that. The general statement that we should be heading in a certain direction might be all well and good, but if there is not some rigour put behind it then we could be making stupid decisions and we will not know.

Mr Creaser: Is this predominantly about the embodied carbon within a solar array or is it about the economic incentives for—

MRS JONES: I guess it is on both sides.

Mr Creaser: I would be happy to take it as a question on notice and reply with more information on what the embodied impacts are.

THE CHAIR: That might be the appropriate thing to do. Are there any closing remarks that you would like to make?

Mr Creaser: My closing remark is that, as I have said, the government has a very strong public policy position on these issues. We think that there are growing financial concerns about these fossil fuel investments and growing evidence that divesting would not have a negative impact on the territory. Given those two conditions, we think the government should investigate and report on what the merits and challenges would be of divestment, and, if it presents itself as a viable option for the territory, making this commitment to match investments with public policy will send a very strong message to the ACT community. It would be a thing for the government and for all parties in the Assembly to celebrate. My feeling is that that news would reverberate not just around Australia but around the world.

THE CHAIR: Thank you very much. We might finish there. You have taken a number of items on notice. Could we have a response to those within five business days. Once the transcript is available, it will be forwarded to you so that you can read it and make any corrections or clarifications that you feel are necessary. Thank you for attending the estimates committee hearing today.

FEATHERSTONE, MR NIGEL, Coordinator, the Childers Group
WILLIAMS, PROFESSOR DAVID AM, Spokesperson, the Childers Group

THE CHAIR: Good morning, gentlemen, and welcome to estimates. Just to advise you that there is a privilege statement there on the table that details obligations and protections of privilege. If you could acknowledge that you have read and understand the statement that would be appreciated. Both have acknowledged that; thank you. We will be recording and broadcasting this. At the end of the period we will forward you a transcript of the proceedings so that you might review it and, if there are any corrections or alterations required, get in touch with the secretariat. With that, would the Childers Group like to make an opening statement?

Mr Featherstone: Thank you very much for this opportunity to come and talk to you about arts funding and the ongoing support for our very creative city and creative region. I wanted to start by saying that we are very appreciative of the approximately \$30.1 million of investment in the arts in the 2014-15 budget. That investment, we understand, is significant for a relatively small jurisdiction such as the ACT, but we also acknowledge the longstanding bipartisan support for the arts in the Assembly. That too is very much appreciated and we look forward to that continuing for many decades to come.

In terms of the budget, there are a number of infrastructure investments which we would like to acknowledge. One is the ongoing support for the upgrade of the Gorman House Arts Centre and also the upgrade of the Ainslie Arts Centre. They are critical arts hubs for the region and that significant investment is very much appreciated for the city. It also supports the fine arts and community engagement, and those centres do that very well for the whole city. We also acknowledge the recent move of the Megalo print studio to Kingston. The building of the Kingston arts precinct is really starting to get well and truly underway.

We have three significant concerns for the budget and the arts in general. We actually have four. The first, in brief, is the sustainability of the 20 key arts organisations in the territory. They are the backbone of the arts, but over the last 10 years there have been significant cost increases. There are very limited resources and a lot of those organisations are really starting to feel the pinch.

We also note, in terms of the ACT arts fund, increasingly limited support for one-off arts projects. In the last 10 years that has dropped, and I think that we have gone from about \$1.1 million down to about \$700,000 to support practising professional artists, of which the ACT has many of significant reputation.

We also have concern about what is happening next with the Belconnen Arts Centre. I think we would all agree that it is a significant art infrastructure for the ACT generally, but Belconnen in particular. The Childers Group is asking about what happens next in terms of stage 2 for Belconnen.

The fourth area of concern for us—and the Childers Group has been considering this for a number of years now—relates to arts in education. The Childers Group has been advocating the importance of having an arts officer that is funded by the arts who is

actually situated in the education directorate who can build those relationships. Those are our four primary concerns.

In terms of recommendations—and we did put this in our estimates survey—the first is that we believe it is time for there to be an increase to the ACT arts fund. The last increase was in about 2005 and that was about \$500,000. At the time it got the fund up to about \$4.5 million. In the last 10 years the city has grown by about 60,000 people, but the arts fund has only been growing by CPI. That has put the arts fund under significant pressure. So we recommend that sooner rather than later there needs to be a significant increase to the fund of around \$500,000, which would be about 10 per cent. The vast majority of that money would go towards supporting key arts organisations. One of the terrific things about the arts is that that small investment of \$500,000 does a lot of good for the community in terms of the creative life of the city.

The second recommendation is that we advocate, and have been advocating for some time, an economic impact audit of arts funding in the ACT. What does that investment of \$5 million do to the economy?

The third recommendation is around cultural and arts tourism. How can we attract people to the ACT to not only come to the National Gallery and the National Library but also to stay another night to go to the Glassworks, to go to PhotoAccess, to go to Strathnairn? So those are our three key recommendations in terms of the budget.

THE CHAIR: Thank you for that. The arts sector and those that participate in it—I notice in your submission to the budget that there are concerns about the wages that are paid and that we should move to at least bring them on par with the community sector. What work has been done to further that and how much is it likely to cost?

Mr Featherstone: It is a very good and important question, Mr Smyth. We understand that in the last 10 years there has been a lot of work from the ACT government about helping to fund arts organisations, to fund them properly so they can actually pay arts workers properly. One of the issues, and perhaps David can talk to this as well, for our arts organisations is that if you are on \$40,000 and you are working in the Tuggeranong Arts Centre—and I am just using this as a rough example—how sustainable is that? At what point do you think, “I will just go to the federal public service or I will just get a job at the National Library or the National Museum”?

It is difficult to retain staff in the local organisations when the salaries are quite low. I know that there has been significant work and a lot of the funding support has been to support organisations to employ people at competitive salaries, but our hunch is the salaries in general are still quite uncompetitive.

Prof Williams: I cannot really add much more to Nigel’s comment there. It really is an issue where we are able to attract really young, interested and enthusiastic people to our key arts organisations. They come because Canberra has got a really vibrant life and energy, but the funding for the acquisitions is really quite modest. We are losing a lot of talent. We are training them up a bit and they are going on to somewhere else. That is really a waste in the potential that otherwise is offered.

THE CHAIR: You mentioned the economic analysis of the value of the arts to the budget and to the economy. Has any work been done on that? Do we have any idea of what the ACT arts sector is worth?

Mr Featherstone: I do not think so, Mr Smyth. I know it has certainly been talked about for at least last five years that we need to understand the economic impact of the arts. There is only one example that we can think of, and that is the You Are Here festival. We understand that the impact to the community of that relatively small but incredibly vibrant festival was around \$600,000 per annum off a very modest budget. So if we start to think what \$5 million does in terms of the economic impact on the territory, I think we can see that it would be significant.

I think for the Childers Group there is the economic impact, but there is also the social and creative impact. We know that every week thousands of children participate in programs funded by the government's key arts organisations. That has to have a significant impact on the liveability and the creative life of our city. It would be terrific if those sorts of multipliers could be added as well so that we have almost a quadruple bottom line analysis. The Childers Group really cannot emphasise it enough, that need to have an economic analysis done.

THE CHAIR: The last question from me: are you happy with the current arts strategy that the government has and is it worth a longer term view? Should we just let it evolve as it goes? Should there be a direction? Should we have a five, a 10, a 25 or a 50-year strategy so that we can measure where we are going and if we get there?

Prof Williams: I think the key point there is the concept of the arts hubs, and we are very supportive of that. We can see that there is mileage in that, bringing together key arts organisations in the one place. There is a dynamic synergy that flows between them. I cannot see that that is other than a big plus, but we are back to Nigel's earlier point about the viability of those key arts organisations, which really are doing it on a shoestring.

The vibrancy of the city really depends on the energy of the arts organisations in those groupings: Belconnen, Tuggeranong, Civic—with the Gorman House and Ainslie school—and the soon to happen or already happening Kingston precinct with Megalo and the Glassworks. There will be something else happening down there in due course. PhotoAccess is nearby too. I think we could say that those strategies are working very satisfactorily.

Mr Featherstone: Perhaps there are two areas where there might need to be some additional work. Referring to our point earlier about cultural and arts tourism, there does seem to be some work required there. We know that this is a very creative city. It is renowned for that nationally, if not internationally, so how can we build on that so people come to the ACT and know that they can actually spend that extra night? Maybe it is short to medium term, but what happens now the centenary is finished? The Childers Group recognises that Robyn Archer did a terrific job to engage hundreds of thousands of people, but what happens now in 2014, 2015 and 2016 to build on some of those wonderful things that have happened?

THE CHAIR: Ms Porter.

MS PORTER: I wanted to focus on what you were talking about in relation to education and having an arts officer embedded. You talked about many children being engaged already in activities through the different groups that we already have in this city. Are we talking about this arts officer emphasising or working with those groups to increase that scope, or are we talking about the arts officer working with the education directorate and with individual schools and institutions to increase the understanding and the amount of art that young people are exposed to within the school setting? Which of those two are you talking about? Or is it both?

Mr Featherstone: Thanks for that question, Ms Porter. I think the answer is both. In terms of the big picture, we do understand that generally in Australia there is some work to be done to build relationships between the arts bureaucracy and the education bureaucracies. For some odd reason, they do not seem to be the best of bedfellows. We know in other jurisdictions—for example, WA had a similar issue—it was not until they actually embedded an arts officer who was funded through arts money in education that relationships started to improve significantly.

It is something that we have been advocating for some years now. It would be terrific if we could have that initiative. It could be only \$150,000 over three years to have a professional officer to build relationships between the arts bureaucracy and the education bureaucracy, to help open the doors. We know of arts organisations who find it a bit challenging to deal with the education bureaucracy. This person could help open some doors and then build relationships with schools.

It is relationship building; it is door opening; it is getting some really good initiatives so there are better relationships between the arts, the education bureaucracy, and the school systems.

Prof Williams: One of the things that is happening that is rather ad hoc is the artists in schools program. That is a virtue. But if we could have this arts person in the education bureaucracy, I think we would see a quantum leap in the professional development of the teachers, who really are not so far up to speed with their arts experience in terms of delivering the students an arts curriculum. That would be one of the benefits that I think would come out of it. We would see much more dynamic professional development of the teachers in terms of arts education. That could be one of the outcomes that we would be looking for that would be quite measurable.

MS PORTER: Would you also see this person assisting the education directorate and schools in obtaining and understanding more about the research that has been done throughout the world about the value of arts in increasing the overall performance of young people within the school setting, such as in the key areas of literacy and numeracy? Would you see that as a role that this person would play?

Mr Featherstone: I think it is an excellent idea. The research comes in annually that engagement in creative activities, in arts activities, in playing music as a five-year-old, has ongoing impacts on your brain for life—from being on the stage in terms of your confidence, to dancing and how you feel about your body. That research just comes in. It would be a wonderful role for this officer to talk about that research and to advocate it to the schools, yes.

Prof Williams: It is a kind of reminder that the arts are a really key part of education and learning generally. As Nigel said, those amazing results you see are with children's experience in music, the visual arts, creative writing. It really does enliven their whole reception to reading, writing and arithmetic. It is a proven thing. I think that is your point, Mary. Those sorts of things would be aided by having this arts person who could remind people that this is something that is important. And it would be built into professional development programs that I think would flow out of that.

THE CHAIR: Ms Berry.

MS BERRY: This is an area I am learning about. It is not one of the areas that I am an expert in. I confessed to Mary yesterday that the arts were never a thing that I was exposed to as a child. That explains everything. Sport, yes. But I know it is something—it is in the conversation that you have just had right now—that does make a difference to children's learning and lives generally. I am keen to see that develop somehow. But I am interested in learning more about some of the challenges that practising artists face in Australia. Could you give me some ideas about that?

Mr Featherstone: I do not think we have got that much time.

MS BERRY: You can come back, but for my own education around this area, I would be interested. Can you give me some highlights?

Mr Featherstone: Perhaps I will do a minute and David will do a minute. One of the things—the Australia Council has been doing a lot of this work over the last decade—is the incredibly low salary-earning capacity there is for practising professional artists. I understand that the latest figure is that, on average, an Australian practising professional artist will earn \$12,000 a year. For a female practising professional artist, it is \$5,000 a year. Therefore they need to get other work, which then often impacts on their ability to create. So one is incredibly low salaries.

The other is audience development and building an audience for your show, whether it is an exhibition, a performance or a book. In competing with all the other things that a modern contemporary society does, how do you find and build that audience?

Perhaps the third thing for me is actually building your career—accessing infrastructure so you can continue to develop your career. Arts funding like the ACT arts fund is absolutely critical to that—as is national arts funding as well. There are some issues as to where that will happen next.

They would be my three key things.

Prof Williams: All of that flows back to the activities of the key arts organisations. They are the ones that provide the exhibition opportunities; they are the ones that provide the publicity information through their offices; and they are the ones that are providing increasing professional development. It is a tough call, Yvette, but artists are doing it really hard. I was going to say “by the skin of their teeth”, but that is not a particularly good analogy. It is a hard road. The creative life or the lot of a creative person is a real challenge.

Fortunately, most of our artists who are really making it are committed; they are dedicated; they have got this passion; and so forth. They do it getting assistance through the key arts organisations through the various means that they can offer, but it is not an easy life. But as we all know, what would the world be like? What would life be like if we did not have our books, our art, our music, our dance and our drama?

These are things that need to be embedded in the school programs with experienced teachers with professional training opportunities to enlighten their work with the children. As they grow and develop, they move into the key arts organisations support mechanisms and, hopefully, can improve their lot. That is what arts funding is able to do, and increasingly does, but it is still a very hard row to hoe.

MS BERRY: I will just ask one more question about the ACT government's grants for artists in the ACT. What does that look like?

Mr Featherstone: There is the ACT arts fund, which is about \$4.5 to \$5 million annually. That is given to arts organisations. About 75 per cent of that does go to the arts organisations that David is talking about for the backbone infrastructure. That does leave under \$1 million for hundreds and hundreds of practising professional artists. The Childers Group understands that only about a third of the artists who apply to the ACT arts fund can actually be supported, and there are probably another third that deserve support because the quality is really very good. That funding is absolutely essential. But we could draw a graph from 2005 to 2014 when the support to individual professional artists is decreasing. That is only because the costs for key arts organisations are increasing and the overall funding is not keeping up with the demand. It is significant support, but our senses are starting to drop behind the need.

THE CHAIR: We might leave it there unless Mrs Jones has a final question.

MRS JONES: No. Thank you very much for the information.

THE CHAIR: Thanks for attending this morning. Thanks to the Childers Group for the effort they have put in, both in the submission and through your attendance here today. I do not think you took anything on notice, so perhaps there is nothing there, but we will send you a copy of the transcript when it is available. Please could you check it, and if there are any clarifications or corrections you wish to make, we would be grateful to receive those.

Prof Williams: I have just a couple of key points in summing up. There is really the need for that CPI to be a little higher up the list for our key arts organisations and consequently our artists. We think that the idea of the arts audit will bolster the argument. We really do not know the exact value of the economic impact of the arts. We kind of hear about it. We know about it. It feels good. But it is not being translated into dollars, say in comparison with sports, which is a good example. They have done this and been able to show what economic benefits come, apart from the business of improving liveability, opportunity and general good health. So there are those two things—CPI for the key arts organisations and support for the artists, and this idea of an arts audit. We must try and follow that up. Perhaps we will see you again in that context, Mary and Brendan.

THE CHAIR: We will see you again in a different context. We will finish there. Thank you very much. We will now suspend until 10.45, when we will see the YWCA.

Sitting suspended from 10.28 to 10.45 am.

CRIMMINS, MS FRANCES, Executive Director, YWCA of Canberra

MACGREGOR, MS FIONA, Director of Community Services, YWCA of Canberra

THE CHAIR: Welcome back to the estimates committee for 2014-15. We now have appearing before us the YWCA. Welcome, ladies, to the hearing this morning and thank you for taking the time to come and speak with us. In front of you on the desk is a pink card, the privileges statement. Could please tell us that you have read and understand the implications and the protections that privilege offer?

Ms Crimmins: Yes.

Ms Macgregor: Yes.

THE CHAIR: Thank you both. Would you like to make a brief opening statement?

Ms Crimmins: Good morning and thank you for the opportunity to meet with you today and present YWCA Canberra's feedback on the budget and to engage in this important discussion. Let me start by briefly explaining a little bit about YWCA Canberra and the context in which we operate.

YWCA Canberra is a feminist not-for-profit community organisation that has been providing community services and representing women's issues in the Canberra community since 1929. We employ more than 350 staff across the ACT and work primarily in the areas of children's services, community development, housing, youth services, women's leadership, advocacy and training.

YWCA Canberra fundamentally believes that everyone has a right to contribute to and share equally in the benefits of the Canberra community's social, cultural and economic development. It is with this lens that we have examined the 2014-15 ACT budget and would like to highlight what we see as three areas of critical importance.

These areas are important to address not only for our organisation and the community sector, but for the corporate sector, the ACT government and the ongoing economic viability of the territory. They are: affordable housing and homelessness; support services for children and young people, particularly mental health and therapeutic services; and eliminating violence against women and children.

In terms of housing affordability and homelessness, we would like to acknowledge the investment made in the human services gateway, \$322,000, Common Ground receiving \$156,000 and continued support for homeless services at just over \$1.5 million. However, we are deeply concerned that there is no new funding available for affordable and social housing.

While YWCA Canberra supports Common Ground, which will house around 40 people, we know that this program is not a silver bullet. Research tells us that there are currently 1,875 people experiencing homeless in the ACT, that women with children are significantly represented and that the primary cause is by family violence. Common Ground does not house children. Motivated by our desire to be part of the solution, we started our own affordable housing program, which includes seven

housing tenancies for older women.

In respect of housing affordability, women are more affected than men due to their lower incomes, periods out of the workplace for caring and longer life spans. Specific groups are more at risk. The research shows that single older women facing housing insecurity are at greater risk of homelessness. There are limited housing and support options for this group and an affordable housing option is integral to preventing this group from becoming homeless.

Women and children fleeing domestic family violence become homeless due to lack of appropriate and affordable housing. Women with large families on low incomes have difficulty accessing accommodation. Affordable housing plays a central role in allowing women with their families to re-establish their lives. While without sustainable alternative accommodation options, women will remain in unsafe situations.

Recent announcements in the federal budget regarding eligibility for income support to single parents will further exacerbate housing stress for this group of already struggling families. Similarly, recent announcements in the federal budget will have a significant impact on income support for young people in our community and will lead to an increased number of homeless young people.

The ACT government should direct investment towards preventing homelessness, breaking the cycle of homelessness and addressing housing affordability in the ACT. Homelessness and prevention of domestic family violence must be funded.

I turn to therapeutic services for children and young people and support for parents. We applaud the \$4.2 million investment to expand community mental health services, including enhanced care for children and young people, and their carers. However, we have significant concerns that this will not address the growing and critical need for early intervention mental health services for children and young people.

Through our participation in the child, youth and family gateway and the re-engaging youth network boards, it has become increasingly clear that a significant gap exists between the availability of therapeutic counselling services for children and young people and their families in the ACT and community demand for these services. ACT school principals regularly identify this as a growing concern in both primary and high schools that impacts on student engagement and student attendance.

YWCA Canberra has extensive experience in providing services to support children and young people and their families. Currently we deliver a small therapeutic counselling service—circles of support for children, young people and their families—by CSD. Circles of support provides essential early intervention for children, young people and their families to access therapeutic counselling support, as well as support for parenting.

Evidence shows that early intervention through therapeutic counselling has long-term positive effects on children and is beneficial to the individual and the family. Since the inception of this program we have a considerable waiting list. In response to this, we are currently investing our own funds in providing an extension of this service.

With the de-funding of the federally funded youth connections program there is now little, if any, support for at-risk young people to access education, training and pathways to employment. Experience has shown that vulnerable and disengaged young people need significant support to access education and training and to make successful transitions to support the will to work. The ACT budget does not address this gap in support caused by the federal budget's scrapping of the youth connections program.

I turn to eliminating violence against women and children. We welcome the funding earmarked for the Domestic Violence Crisis Service and the Canberra Rape Crisis Centre of \$153,000. However, we would like to draw the committee's attention to the second action plan for the national plan to reduce violence against women and children, which is focused on building and implementing national initiatives to achieve a society that is ultimately free of violence.

With the economic cost of domestic violence and sexual assault forecast to be at \$15.6 billion by 2021-22, it is imperative that sustainable funding for prevention and early intervention, including respectful relationships education, remains a key focus of the ACT government.

The YWCA Canberra firmly believes that an integral part of reducing violence against women and children is primary prevention and that by targeting primary school-aged children we can enact a cultural change that will lead to an overall reduction in violence against women and children in the long-term, as well as building important short-term outcomes for children in terms of forming respectful, violence-free relationships.

We submit that funding to support the second action plan, incorporating a primary prevention program targeting primary school-aged children, be considered as a viable and an effective model to be implemented in primary schools in the ACT. Thank you.

THE CHAIR: Members, we might change the order and start at the far end of the table. Mrs Jones, why do you not start and we will work our way back to this end.

MRS JONES: Thank you for your presentation and the work that you do in our community. I wanted to ask you about English language skills. Access to society is something that you talk about a lot and women having equal access and benefit to that of men. You have got the fortunate position of having access to a group of women who are working in the family day care area whose English language skills are not as fluent as many other members of the community. Do you see any opportunities there for partnership with government through a budgeting process where maybe they could at least know what courses are on offer, advertise the courses that are on offer or have some links made because you have got that network?

Ms Crimmins: Yes, we do. We are a registered training organisation and we provide education to that particular group of women through getting their certificate III and diploma in children's services, but we also link them to English languages through the VET program. We have something like a 95 per cent completion rate of women from a culturally and linguistically diverse background. Unfortunately, we do not have any

funding in the new year for that group of women in our own RTO and all the government funded places are through CIT.

MRS JONES: So at this point in time are you planning to recommend people to CIT? I know you have to do that within the first six years, I think, of arrival.

Ms Crimmins: Yes, you do and we still find that we have families who are willing to go on a payment plan because we provide a supportive and inclusive learning environment for that particular group of women, which is why we have such a high success completion rate.

MRS JONES: Yes, that is fantastic. Would you mind maybe getting back to us with something written about that particular area, just so that I can then pursue it because it is so important for access to equality for the first generation of migrants, not just the second?

Ms Crimmins: Yes, and 80 per cent of that particular workforce is from culturally and linguistically diverse backgrounds.

MRS JONES: That is right.

Ms Crimmins: They are recent or former migrants.

MRS JONES: Thanks very much, Frances.

MS BERRY: Yesterday we heard from both UnitingCare and Shelter ACT about the need for more affordable and social housing in the ACT. You talked about it just this morning. Do you have any idea—perhaps a ballpark figure—of how many units we are short in the ACT for social and affordable housing so that nobody would be living in housing stress?

Ms Macgregor: I think there is a whole range of statistics and data around that and a lot of it is at the national level. One of the things that I think is a critical issue is the overall national shortfall of the building of housing generally in the country. I think that in the ACT part of the problem is the cost of living here and lack of affordability. It is not just the cost of housing on its own that creates pressures.

In our submission we also highlighted what the impacts of the federal budget will be. One of the things that I think we are concerned about at YWCA is the move to actually decommission quite a number of the housing units at Bega, Allawah and Currong flats and along Northbourne Avenue. That will create considerable pressure on the already lengthy waiting list for social housing, because those tenants of course will have priority. They are existing tenants. That could have the significant impact of blowing out the priority waiting lists.

One of the things that I think we are concerned about relates particularly to some large families. There are not a lot of larger houses for families where there are quite a large number of children. Certainly in our own housing program over the last few years we are starting to house more large families in transitional accommodation. Finding suitable further accommodation for them is very problematic.

I think in the landscape around housing, clearly there is a shortfall, but there are other pressures in decommissioning existing developments. Some of those developments have had significant social problems over the years. So it is important to focus on that, but at the same time it will have a significant impact on people already who are seeking priority in social housing.

MS BERRY: I think the committee is starting to get the picture that it is quite a complex issue and that there is no actual number that you can give because there are so many levels that need to be taken into account. Is that a fair comment, do you think?

Ms Macgregor: Yes, and I think the other thing is that there is a lot of invisible homelessness in the ACT, particularly amongst young people. They are couch surfing. So they are homeless. They are secondary homeless young people. We see that through our youth programs, and certainly youth programs across the ACT see that significantly and have done so for quite some time.

Previously at the YWCA, at the Lanyon Youth and Community Centre, prior to my time at the Y, we actually kept swags and we were actually giving out swags to young people in the Tuggeranong Valley. Even last winter we were seeking housing for two young people sleeping rough in Tuggeranong in the winter. I think there is that invisible youth homelessness in particular. The impact of this federal budget in denying financial support to the youth unemployed will have a significant impact on that in this town.

MRS JONES: Just as a supplementary to that—have you finished yet?

Ms Macgregor: No, I have not, but that is all right.

MRS JONES: Sorry. Just on the housing, do you have a target of where you would like us to get to as a community with social housing and low-cost housing? Have you done any analysis? Do you have any actual target of where, in your view, we should be as a community? As we have spoken about before, if a list gets cleared, more people will come onto it. There is always—

Ms Macgregor: In the housing and homelessness sector, we see that there is a need for a range of different housing options. We cannot exponentially keep increasing social housing; that is not realistic. What are the community housing options in the future? But also it is about making housing more affordable so that people are not being forced onto social housing because other housing is so unaffordable.

MRS JONES: For example, it was presented to me not long ago that there is the option of building houses with one bathroom and three bedrooms instead of the standard now of two bathrooms, and that there are very few companies in the housing space providing that. That is another piece of the puzzle also.

Ms Crimmins: One of the other key programs we deliver is a supported tenancy program, which is the intervention program. That only has 12 months worth of funding, and that is another concern if that goes. That is the only early intervention—

to keep tenants not just in public housing but in private housing, and help those in mortgage stress. It is a universal service for anybody at risk of losing their tenancy.

MRS JONES: What does that program do exactly?

Ms Crimmins: It is a supportive tenancy service. We work with the individual families when they contact us. It is a referral service. It will form part of the gateway. But it is an intervention program aimed at keeping people in their homes.

MRS JONES: Yes, but doing budgeting or something?

Ms Crimmins: A variety of different things.

MRS JONES: Yes.

Ms Crimmins: Because there are, obviously, multiple things impacting on them. It can help them connect their children in the school; it can help them with decluttering their home—all the things where they may be at risk of losing their tenancy.

MRS JONES: Social work.

Ms Crimmins: Social—yes.

THE CHAIR: How much is that one year's funding?

Ms Crimmins: That is currently a service delivered by Belconnen, Woden and the Y. Its current funding is just over \$700,000. That is funded through the commonwealth homelessness funding. That has been extended—

MRS JONES: The national—

Ms Crimmins: The national partnership.

MRS JONES: Yes.

Ms Crimmins: That is only extended for the next 12 months, and we have significant concerns that if that is cut our only intervention program will also be cut.

MRS JONES: Is that Belconnen Community Service—

Ms Crimmins: Belconnen Community Services, Woden Community Service and the YWCA. And we take a regional approach.

MRS JONES: Yes.

MS BERRY: You said before, in answer to a question that Mrs Jones just asked about different options for affordable housing—more than just public housing—that the YWCA opened its own home in Spence for older single women. Are those the sorts of things that we need to be looking at because we cannot put an actual number on the types of housing so we need to look at more options for affordable housing?

Ms Crimmins: I think more options, and our lived experience in group housing is that older women would still probably prefer a smaller individual place rather than a group house. We do have small studios within that one house, but it would be recommended that it is a smaller single stand-alone that has low maintenance and preferably a space for a grandchild or somebody to come and stay. The other key thing that the older women tell us is that, in terms of loneliness and social inclusion, the ability to have a pet is important.

MS BERRY: Yes, good. Thank you.

THE CHAIR: Ms Porter?

MS PORTER: Thank you. I can certainly, from my own experience, tell you that I would have much preferred not to have been in a group home when I was in a situation, some very many years ago. And there was the pet I had to leave behind.

Ms Crimmins: It is very traumatising.

MS PORTER: Yes, it was—very traumatising. I house surfed for a while. With regard to the children, though, I wanted to talk about the early intervention and the young people. You were saying it is primary school children as well as older children. How young are these children that are presenting and working with you? And what do you think are the key drivers for children to be presenting with this need for early intervention?

Ms Macgregor: I think there are a variety of things that are occurring within our population of young people. We are no different from a lot of other places in Australia, or the rest of the western world, in terms of the emergence and identification of early stages of mental illness and anxiety in children and young people. I think there are a variety of different factors, including family factors, certainly with young children. Certainly we are professionally identifying more children who may, in the early years, have attachment disorders, for example, where there has not been a secure attachment made between the caregiver and the child. When these problems go unaddressed, you get emerging mental ill health and anxiety.

The program that we currently run was very particularly focused on the middle years, because there are many more programs in the early years in terms of early intervention than there are early intervention programs in the middle years. What we are starting to see—certainly, as we say, it has been confirmed by school principals across the territory—is an increase in the number of children with anxiety disorders and early onset depression, and the need for early intervention so that these problems do not become entrenched.

I think, too, in terms of parents' capacity to parent, and the provision of support for parenting, that is a real area of need that has been identified across the community sector here in the ACT and elsewhere. But there is not a one size fits all approach to support parenting, and parents from all different backgrounds need different sorts of support for parenting. So that is one area that we are trying to develop. Families ACT is currently undertaking a research project into efficacy and the evidence base in

parenting programs so that investment in parenting programs will be the best possible investment in terms of getting the right sort of outcomes.

What we are seeing, particularly in the secondary schools, and this has been articulated very clearly through the re-engaging youth network board networks, is a growing number of young people with anxiety and early onset mental illness who have problematic school attendance and problematic school engagement. Those young people and their families need support and help to get things back on track. One of the worst things for that group of young people who start to not attend school, or attend school sporadically, is that they also become very socially isolated, which then becomes quite a compounding factor for their mental health.

MRS JONES: I have a supplementary on that. There is the housing gateway or the connection point. Can you see a benefit in there being a coming together of all parenting services that are available so there is a one-stop shop for parenting advice and assistance?

Ms Macgregor: There are parenting programs in the ACT, but a lot of them are quite oversubscribed. The other thing is that it is really important to be able to provide parenting programs to parents in a non-stigmatised way. One of the things that we are seeking to do with one of the primary schools in southern Canberra is offer the parenting program through the school so that parents do not feel that they are struggling with issues around parenting; it is a much more inclusive sort of approach. That is really important.

MRS JONES: Lots of people would like information and ideas of what to do.

MS PORTER: Can I ask a supplementary?

THE CHAIR: Yes.

MS PORTER: Just before we leave the subject, do you see within the school system that they are developing the restorative approach to working with the children rather than the punitive approach? If you do not come to school, will there be not punishment for not attending school but rather encouragement? Are you seeing the development of that encouragement to talk about what is happening, with the parents getting engaged and other children getting engaged to assist the child to stay connected?

Ms Macgregor: Yes. That is a really important point. One of the things that we are doing with one of the south side high schools next term is a pilot program to do group work with those young people in high school who are disengaged or disengaging from school because of mental illness. The approach that we are taking in that pilot program, and we are going to evaluate it, is to work in group work with a small number of young people to address some of the issues that they are experiencing; work also with their parents so that their parents can actually support the young people; and, very critically, work with schools and the staff of the school so that they are providing the best possible support for those young people to support their attendance and participation in education. It sometimes is quite a challenge for schools to be able to do that, but it is absolutely vital for this group of young people

that they have that sort of level of support within the school sector. It is just like the reasonable adjustment you would do for people with mental illness in the workplace.

MS BERRY: Do you find that the—

THE CHAIR: We are going to have to move along. We have only got a few minutes left.

MS BERRY: It is about intervention anyway, about the work that you are doing around intervention for children and young people. Is that spread across Canberra, do you think, or is it in particular areas of Canberra where you are finding that issue is most pronounced?

Ms Macgregor: No; it is spread across Canberra.

MS BERRY: Right across? Thank you.

THE CHAIR: You mentioned the funding for the second action plan to eliminate violence against women. How successful was the first action plan?

Ms Crimmins: The first action plan is implemented over two-year cycles. The primary prevention work that we work in, and we delivered it in Adelaide as well, had extremely high outcomes of engaging children in primary school. We have delivered our particular primary prevention program to 900 children. We have worked in seven primary schools in ACT, and it was awarded the violence prevention program in education award in the ACT. That has no further funding. We are not sure if there will be funding announced. They are still developing the second action plan, but in terms of the evaluation that we did on that, in terms of working with young people to understand respectful relationships and choice, the evidence and the evaluation we have done have shown that it was a highly successful program.

THE CHAIR: When is the second action plan meant to start?

Ms Crimmins: It is supposed to have started in June. Unfortunately, even though there is a commitment from the federal government, it has also had \$400 million reduced in the federal budget announcement. We are not quite sure whether that is going to be taken out of primary, secondary or tertiary at this stage; we are still waiting on the details. But there is a requirement that each state and territory is equally supported. We are advocating for more support at primary prevention. That is currently not being delivered in the ACT.

THE CHAIR: How much would the ACT's contribution be?

Ms Crimmins: At this stage, we have not seen what the commonwealth government is actually going to—

THE CHAIR: So it is matched dollar for dollar?

Ms Crimmins: It is matched dollar for dollar.

MRS JONES: Just as a supplementary to that, are you able to provide to the committee some of the documents associated with that program so we can understand better what the program is and how it rolls out?

Ms Crimmins: Yes, and we have written extensively in our budget submission the details of that program. It is primarily working with primary school children, and it is the basis for establishing safe and respectful relationships prior to understanding sexual relationships. It works strongly with the Canberra Rape Crisis Centre program. We work with them. They no longer have their sexual assault program funded, but both those programs would be extremely complementary in the ACT school system, around respectful relationships. They complement one another.

MS BERRY: What happens if that funding is not continued? Does that just stop? What about those kids that you have been supporting? What is going to happen?

Ms Crimmins: Some of the schools are quite prepared to fund it themselves, but we need it to be funded to pay for the staff. The success of the schools we have worked in, across some of the larger schools in Canberra, is that we have a waiting list of schools in the ACT wanting us to continue delivering that program because they have seen the impact. Majura Primary School really adopted it in a whole-school approach. We work with the school; we work with the teachers. We identify peer groups before we go into that school. The first term back this year, they sent us a written thankyou to say that the group we worked with in year 5 has come back in year 6 and they have seen the difference and shift in respectful relationships within that school. That is the feedback we have received from the schools we have delivered it in.

THE CHAIR: We are going to have to close. I have just a final question. Has the closure of the Women's Information and Referral Centre had an impact on the services that you deliver? Have you seen an increase in demand or have you lost services that you used to refer people through?

Ms Crimmins: No, we have not seen an impact, but we would like to see more of an outreach model—something that is not necessarily a mainstream service, but is targeted at the more vulnerable women in our communities.

THE CHAIR: We might leave it there. Thank you very much for your attendance. I do not think you took anything on notice?

MRS JONES: Yes: an outline of the program.

THE CHAIR: The outline of the program. If we could have that within five working days, that would be much appreciated by the committee.

Ms Macgregor: And the family support for women with English as a second language.

MRS JONES: Yes; thank you very much.

THE CHAIR: A transcript will be provided when it is available; you can check it for accuracy. If you have got any corrections or points you wish to make, if you could

provide them to the secretariat, we would be very grateful. Thank you for your attendance.

HEDLEY, MR ANTHONY ROBERT, Vice President, Property Council of Australia
ACT Division

THE CHAIR: The estimates committee now calls the Property Council. Good morning, Mr Hedley. I think you have done this before but just to remind you—

Mr Hedley: For about 20 years.

THE CHAIR: About 20 years worth, there you go. The proceedings are being broadcast and recorded. A *Hansard* will appear. Could you please confirm that you have read the privilege card and understand the implications?

Mr Hedley: I have read it and I understand it. Can I offer an apology for Catherine Carter who normally would be here but has had to go to Melbourne today.

For the sake of brevity, I am not going to make an opening statement. There are just five or six items in the budget which I just want to comment on generally, if you are happy for me to get into that and get it over with quickly. I will deal with some negatives first and then I will deal with some positives if I can do it in that order.

We were very disappointed to note the arrangements in relation to the Land Development Agency. About three or four years ago, the then Chief Minister, Jon Stanhope, directed that the Land Development Agency was to deliver about a third of the land in the territory directly, a third was to be done by joint ventures between the LDA and private sector organisations and about a third of the subdivision work was to be done by private sector companies. Without any positive announcement or definite announcement, the LDA has now moved to 100 per cent provision of land in the territory. There are no more joint ventures and there are no more large-scale subdivisions being offered to the private sector.

We think that is a particularly unfortunate move and we think it is going to have implications for housing affordability but also housing choice. We believe that some of the private sector organisations who have been established in Canberra over the years such as CIC Australia and the Village Building Co have been very successful in delivering both affordable housing and a wide variety of housing and they have certainly delivered subdivisions 20 to 25 per cent cheaper than what the LDA has been able to achieve.

The more expensive land from the LDA impacts on housing affordability. We think that is a retrograde step, and we believe that the directions that Stanhope put in place should be reintroduced. It has also got implications, in terms of housing affordability, of probably driving people out of the ACT and across the border to Googong and Tralee where certainly the end product is being delivered at a much reduced price than what is currently being produced in the territory.

That has got implications for the ACT budget in terms of rating revenue. It has got implications in terms of stamp duty and it has got implications in terms of commonwealth payments to the states and territories in terms of GST payments because the payments are made to the states or territories based on where the

residential addresses are. I note the fact that most of the people that are, in fact, going to be moving to Tralee and to Googong will probably work here and use ACT facilities. So I think there is a flow-on negative impact of the fact that there has been a failure to deliver affordable land in the territory here.

The second item I would comment on is the lease variation charge. For those who are not totally familiar with this, we did have a system of what was known as CHUC—change of use charge—until several years ago and that led to a significant increase in greater residential development in the territory. A lease variation charge was introduced and it has been a singular failure in terms of delivering redevelopment options in the territory.

I think one just needs to look at the Civic area, in particular. There has been one completed project only, the Manhattan project, and that was approved and paid under the old change of use charge. The second project, which is about to start, is the Canberra Club redevelopment. Again that was approved under the change of use and not under a lease variation charge. Notwithstanding the fact that the government recently announced some changes to lease variation charge fees, which we welcome, they still do not go far enough in the opinion of Property Council members to enable a viable redevelopment to occur.

The government has an aim of having 50 per cent of new developments in greater density. We do not believe that has been achieved by any means and it is principally because of deficiencies in the current arrangements for a lease variation charge. The biggest problem is the fact that under a lease variation charge you cannot offset the value of existing improvements, whereas under change of use charge you could do that.

So we believe that the revenue projections in this budget and in previous budgets have never been achieved since lease variation was introduced. It has always got to about 50 per cent, maybe 60 per cent. It has never got any higher than that, simply because it is an unviable fee and charge.

In relation to extension of time fees which the government announced some changes to recently, they have left, however, a number of the early crown lessees in a very difficult position because the changes which were announced by the Treasurer and the Chief Minister did not really deal with the early situation. There are a number of crown lessees at the moment who are looking at fees approaching a million dollars in late payment fees which are not being waived. They are in the unfortunate position of not being able to proceed with their development, principally because when they bought the land the LDA then had the impact of flooding the market because they saw high prices and drove the prices down so that the crown lessees are really caught in a very difficult position at the present time. They have got huge fees and secondly the prices that have been paid subsequently by other people have been much lower, in some instances up to 50 per cent lower.

In Hume and in Fyshwick they were selling land in 2008 at \$400 a square metre. It is now \$157 a square metre, which was the last sale. They are significant differences and coupled with the high fees there is no escape for some of those people. We think that the government really needs to address the issue of those crown lessees.

It is also impacting, I think, on the availability of finance because the penny has finally dropped with the Australian Bankers Association that some of these people are going to be in negative equity and the banks are going to be left in a situation—when I say banks I mean financiers—where they will not be able to recover the amount outstanding on the mortgage because government fees and charges, in the event of a sale or a wind-up, always take priority. So there is a major concern there for a number. I do not know how many. We have been trying to find out, but there might be 100 crown lessees involved that are in strife, but I do not have an accurate figure.

I will comment briefly on general rates. In last year's budget, that is the 2013-14 budget, the press statement referred to a 20 per cent increase in general rates to the commercial sector. The reality, once the rates notices came out, was about a 26 per cent increase. In this budget they are talking about a 10 per cent increase for commercial lessees, but we do not know yet what the final figures are. I suspect, based on last year, it could be another 15 per cent, rather than 10 per cent, but we will not know that until July-August when the rates notices come out and the final UCVs come out.

I also note that the emergency services levy has gone up by 35 per cent on average. Again, it is now tied in to the unimproved capital value. The more valuable the parcel of land, the higher the actual levy. As I said, the budget documents refer to a 35 per cent increase. That is an average across the board. For some, it could be up to 100 per cent if they have got a block of land that is worth \$10 million because you are equating it to blocks of land which might be worth \$150,000. So it is going to be a very significant increase in cost.

What does all this mean? It means that, from the very brief analysis that has been done, the payments by commercial, retail and industrial lessees in the territory to the government are probably now the highest in the nation and, as a proportion of income, are certainly the highest. So you might be paying a little more, for example, in the city of Sydney, but in the city of Sydney if you have got an office block you might be getting \$1,000 a square metre. Here not much is over \$400 a square metre. So your proportion here is much higher. The cost of doing business in Canberra is higher and this does nothing to attract new businesses to the territory when the cost of doing business here is taken into consideration.

The final comment I will make is that we welcome very much the proposal to sell a couple of government office blocks, Cameron offices and also Macarthur House, and we were pleased that the government office block—and the government was floating a month or so ago the idea of the government office block immediately to the south of this area here—did not get up in the budget. We think what the government has come up with, the sale of Macarthur House and the relocation of those bureaucrats into the city or elsewhere, coupled with development rights for the sale of additional apartments and things of that nature, is a sensible move.

We would support the same sort of principle in the future with Dame Pattie Menzies House, the motor registry and other areas progressively, as distinct from, as I said, the big monster office block which was going to be here, which would have significantly exacerbated vacancy rates in the territory. That is all I want to say. I am happy to

answer questions.

THE CHAIR: Thank you, Mr Hedley. How does one address the extension of time, the early situation for those that were bought before the changes?

Mr Hedley: When those crown leases were first sold in 2007-08, there was usually a commencement date of 12 months and completion within 24 months. Subsequent thereto the government, or the LDA, changed the rules and they had commence within 24 months and complete within 48 months. They have now extended it even further out so that, in fact, in some instances, you have got up to seven or eight years to complete a development.

But they are still applying the old rules to those crown lessees, some of whom bought the land when the extension of time fees were only several hundred dollars. They were not aware of the extension of time fees because the government had not announced them at the time that they were purchased. You have just got to simply waive the fees and put them on the same category as the recent changes announced for post-2010 crown leases. But there is a group prior to that date, prior to 2010, who are in a very difficult position. They really are caught in a dreadful bind. They cannot sell the block because the fees go with it, and in some instances they are in a negative equity situation. Those crown lessees just do not know what to do.

It is interesting to note that when the fees were first introduced, I was at a budget lockup and I asked the head of EDD why commercial lessees were involved. He said, "Look, we had some difficulty at the time in the residential sector with people doing land banking. We did not know how to treat mixed use developments—that is, commercial on the ground floor and residential above—so we lumped them all together." At that time the head of EDD made it clear that they would review the proposals within that 12 months and they would be abolishing it for commercial lessees. We were very relaxed about that, but in fact it did not happen. But it has created a major problem for a number of people.

THE CHAIR: All right. The offsets for existing improvements on the lease variation charge—how do you address that?

Mr Hedley: When you are working out the calculation you allow a value for the existing improvements. Everybody knows what the value is; it is a formula. For example, if you take a project such as the Manhattan project just down the road there in Allara Street, there were two office towers there before. Under the change of use, they were improvements. You could take the value off. Under lease variation, you cannot, and therefore it is just not viable, because there is inherent value in the existing buildings. If you take it off, it would enable a number of redevelopments to occur in the city area. What the government has not looked at, and we demonstrated this to former Chief Minister Jon Stanhope—and Jon was always extolling the virtues of the embassy apartments in Deakin, where the old Embassy Motel was—

THE CHAIR: The Ambassador.

Mr Hedley: I think there were 130 apartments there. Because that project went ahead, the government got stamp duty on the sale from the old motel to the new owners,

which in that instance was CIC. I do not know how much the stamp duty was, but I think it was about \$180,000 or \$200,000; of that ilk. The 130 apartments were built. Those 130 apartments were all sold. There was stamp duty paid on all those 130 apartments. About 50 per cent of those apartments are investor apartments, and they are subject to land tax. So under the old motel arrangements, there might have been \$30,000 or \$40,000 in rates payable. Under the new arrangements, you have got 130 apartments probably paying an average of \$1,500 to \$2,000 each, each year. You have probably got 60 or 70 apartments paying land tax each year, and another—whatever that figure works out to be. You have also got the churn associated with the sale of investor apartments with ongoing stamp duty et cetera.

If the government is prepared to forgo some revenue up-front, the payback period is very short. It might be 18 months or two years after the year it is completed and from there after they are miles in front. But the LVC at the present time is stopping those redevelopments. Many of the small developments, whether dual occupancy in the suburbs or developments around the shops, have just ground to an absolute halt. There is a whole industry in Canberra which is not taking place.

THE CHAIR: Sure. A supplementary, Mrs Jones?

MRS JONES: Yes. Can I just make sure I understand correctly? Regarding the crown lease issue, you have basically got developers who have borrowed to buy a block—

Mr Hedley: Yes.

MRS JONES: which now could end up on the market being worth about a third of what they paid for it?

Mr Hedley: Yes.

MRS JONES: Obviously you cannot say exactly, but it is around that. They cannot develop on it because there has been a flood of developments in the area because of land release decisions in crown land areas.

Mr Hedley: And at lesser prices from what they have paid.

MRS JONES: And at lesser prices.

Mr Hedley: Yes.

MRS JONES: We are talking about things like DFO, Brand Depot and so on?

Mr Hedley: The area behind the DFO is a classic case. A number of those blocks out there were sold at or shortly after the DFO site was sold. They were the first sites that were sold in Fyshwick for many, many years.

MRS JONES: And they were sold at a much lower rate for a similar type of development?

Mr Hedley: What happened was that straight after the auction people dived in and

bought a number of those blocks there at high prices. The LDA pinned its ears back and said, “Gosh, we’ve got a lot of money for these sites,” and then suddenly the floodgates get opened rather than having an orderly release of sites. The prices get driven down, so that the last sales in Fyshwick are probably at about 50 per cent.

MRS JONES: So there are these blocks that have not been developed.

Mr Hedley: Correct.

MRS JONES: The earlier sold blocks have not yet been developed because the competition was too fierce because of the new sales at the lower price.

Mr Hedley: Correct.

MRS JONES: You have got people sitting with blocks of land that they really cannot sell, and they are being given a delayed development charge by the government.

Mr Hedley: Yes, and in some instances they have accumulated very, very significant amounts of money—hundreds of thousands of dollars in some instances.

MRS JONES: So can you just give me an example of a rough amount of money we are talking about that someone might have borrowed to buy one of these blocks in order to develop it into a shop or something in the future?

Mr Hedley: I have noticed with some interest that Mr Smyth asked some questions on notice but he has not been able to get answers to the questions because the government advises that under the taxation act they are confidential.

MRS JONES: Right.

Mr Hedley: So it is hard, unless you get some anecdotal evidence and somebody is prepared to bring a notice—

MRS JONES: But you could potentially get that group of people together to present their case as a group, could you?

Mr Hedley: Yes. A number of them are not Property Council members. A lot of them are small developers. Some of them have an ethnic background.

MRS JONES: Yes. So they have borrowed a million dollars or something to buy a block?

Mr Hedley: Yes. Generally, banks would have lent up to about 50 per cent of the purchase price. So if somebody was paying \$2 million you could generally get \$1 million from your bank.

MRS JONES: So they would have had to have about half of that in equity and other property or something like that?

Mr Hedley: Sure; or cash, or whatever. They then are in a situation where they are

trying to get their plans together.

MRS JONES: Yes.

Mr Hedley: Subsequent blocks have come on the market. The prices have dropped from \$2 million to \$1 million.

MRS JONES: All right.

Mr Hedley: So to get an adequate return they are in strife already. The fees are accumulating. In the meantime, they are still paying rates on the commercial levels on the block there. They are trying to get pre-commitments, because in most instances the lenders will not advance the funds to develop the block until you have got a pre-commitment.

MRS JONES: To buy.

Mr Hedley: A pre-commitment to lease the premises.

MRS JONES: Right.

Mr Hedley: So they are in a difficult position. They cannot get a pre-commitment because the rental structure is too high because of the price that has been paid and the fees. In the meantime, the bank is having a long hard look at the situation. As I said, the penny has dropped with the banks that in fact they have advanced a million—there is a million owing and the block is only worth a million—and the longer it goes they are in a more negative equity situation.

MRS JONES: So you end up with bankruptcies if we do not—

Mr Hedley: Yes, and—

MRS JONES: And also these people are basically doing a service to the community in trying to come up with a piece of infrastructure for us all to use.

Mr Hedley: Well, they are trying to spend money. It is not in the nature of a property developer to buy a parcel of land and sit on it—

MRS JONES: No.

Mr Hedley: in the commercial industrial sector. They buy a parcel of land so that they can develop it and get a return on it. There are a number of people at Mitchell and at Hume who are caught in the situation, as well as at Fyshwick.

MRS JONES: I understand Hume's vacancy rate is going through the roof—

Mr Hedley: There is a significant amount down there, and that was also coupled with, at the same time—

MRS JONES: because it is cheaper to operate in Queanbeyan; is that correct?

Mr Hedley: Correct. Down at Hume at the same time there was the issue of the sale of the old Integrated Forest Products.

MRS JONES: Koppers logs?

Mr Hedley: The old Koppers logs thing, to the Walker group, who subdivided the land and have put the land out at reduced prices—if I can use that expression—and those are the market forces.

MRS JONES: I was just trying to understand that.

THE CHAIR: Yes, that is fine. We will move on. Ms Porter.

MS PORTER: Good morning, Mr Hedley. Thank you very much for your remarks earlier. You did not talk much about the increased degree of regulation. You obviously referred to some of the regulation that was impacting particularly. But also on page 12 of your submission, you talk about the increase in regulation generally, the red tape reduction panel and also the regulatory impact statements and assessments. Could you talk a little more about that?

Mr Hedley: It is not a simple process to develop in Canberra. It is certainly simpler for people to go along to an LDA auction and buy a parcel of land from the LDA because all that preliminary work has been done. If you want to redevelop an existing crown lease, then it is a complex, tedious and uncertain process.

If you want to redevelop, you have got to go through a whole DA process in terms of notification. There are opportunities for objections. There are opportunities for a whole range of issues to be raised. It is complex, tedious and expensive to go through the process to meet all the requirements of developing, whereas with an LDA site—for example, those sites in Campbell which were sold on Wednesday of this week—all the planning work has been done.

You have got as of right, if you like, providing you comply with what is in the crown lease. That is simply a much more straightforward process. But it has had the effect of propping up LDA sales and making it more difficult to redevelop existing sites, which is different to the arrangements in the rest of Australia where normal market forces apply in terms of redevelopment without having to go through LDCs, lease variation charges and all the other issues. We will be putting in a detailed submission into the regulatory review task force.

MS PORTER: So watch this space. Is what you are telling me?

Mr Hedley: We have got one executive director and the rest of us are members of the committee. There is a limit to how much time we can put into it and what Catherine can do, but we have a task force working on that at the moment.

MS BERRY: Can you walk me through how the tax increment financing could work?

Mr Hedley: Say that again, sorry?

MS BERRY: The tax increment financing.

Mr Hedley: I am not sure that I understand your question.

MS BERRY: It is about financing for big projects in the ACT.

Mr Hedley: Yes.

MS BERRY: In your submission you talk about how that financing would be implemented.

Mr Hedley: There are some taxation arrangements with the commonwealth government which enable you to have accelerated depreciation and things of that nature in relation to funding projects. That is at the present time. Whether those arrangements change, who knows?

MS BERRY: What sorts of projects?

Mr Hedley: Are we looking at any in particular?

MS BERRY: I am asking you the question.

Mr Hedley: I would rather take that one on notice if I could.

MS BERRY: Sure.

THE CHAIR: Mrs Jones, any questions?

MRS JONES: I want to ask about business rates. We have got this increase in rates for businesses, that companies will be paying on their premises, which is exceeding the rates that households are having to pay.

Mr Hedley: Correct.

MRS JONES: My understanding is that when we have a period in Canberra where people are uncertain about the future, people stop spending. I wonder whether you can make any comment about the Property Council's view about how businesses are coping with the property costs because of this larger increase in the rates. At what point are we going to start seeing foreclosures, sales and so on of property? Do you have any information on that?

Mr Hedley: I guess I can answer that in this way. Borrowing costs from banks are down at probably the lowest level for a long time, and that is very much a plus. If borrowing costs from banks were back where they were a few years ago—at around eight per cent to 10 per cent, then things would be significantly worse.

The point I was making before is that the cost of general rates to the crown lessee as a proportion of the rental income received in Canberra is much higher so that the net amount available for a crown lessee to spend and do other things on work is much less.

It has also been exacerbated in Canberra by a ruling from the commonwealth Department of Finance that local fees and charges are not to be recoverable from commonwealth tenants with all new leases. In the past it was—I am conscious that the Treasurer made this remark: “Just pass it on to the commonwealth.” He was referring to the increase in general rates and fees and taxes.

MRS JONES: If you are a commonwealth tenant?

Mr Hedley: If you are a commonwealth tenant, which is about 50 per cent of the market here. But the commonwealth Department of Finance has made it clear, and that is what was called the net leases, that they want to move on to gross leases. The rate that is quoted is the rate per square metre and there is no recovery of increases and outgoings, statutory recoveries or—

MRS JONES: So could we potentially see federal departments going across the border as well for cheaper rent?

Mr Hedley: I hope not. I hope not. In the past there have been issues when unemployment levels have been quite low in the territory. Employers have made decisions that have not made it more difficult to recruit and retain staff. So when you have had commonwealth agencies out at Queanbeyan, for example, in the past, those commonwealth departments have found it difficult to recruit and retain staff. I guess that with increasing unemployment levels here or a different employment market, it is possible that people would go to Queanbeyan for a job.

MRS JONES: Are you saying that the commonwealth government is refusing to incorporate rates into their tenancy—

Mr Hedley: The new tenancies; the new tenancies.

MRS JONES: The new tenancies; okay, we will probably have a number of historic ones very broadly but over time.

Mr Hedley: Yes.

MRS JONES: And if the commercial rates continue to increase, it may be less attractive for federal departments to remain in the ACT.

Mr Hedley: Absolutely. Adelaide is probably the cheapest place in Australia at the present time in terms of—

MRS JONES: Adelaide?

Mr Hedley: Adelaide, in terms of rental levels and government fees and charges. It is probably the cheapest place in Australia at the moment to have the government conduct some of its business activities.

THE CHAIR: We are approaching the end of our time. I have two quick questions to finish. The prospect of a light rail and a levy on the inner northern suburbs; does the

Property Council have an opinion?

Mr Hedley: I think, again, I do not want to get into a debate as to what the cost is going to be. It will unfold in due course. The Property Council is supportive of sensible infrastructure projects. In due course there will be a decision made about the light rail.

What we would be concerned about from the property sector is that special levies are imposed along the route of the light rail. If there is an uplift in value, that will be shown through the normal course of increase in unimproved capital values and increase in rental payments. We do not see the need for a special levy. In fact, it may be counterproductive. It may, in fact, stop people going into those sorts of areas.

The other concern we have is a longer-term concern. At the end of the day, the property industry in its broader sense is probably the only financially viable industry in the territory in terms that we create 54 per cent of government revenue in the territory. If you take rates and taxes, it is 54 per cent.

If the business case is not properly thought through then it can only be the property industry that can pick up the shortfalls in operating costs and shortfalls in terms of their interest commitments on borrowed funds. Many of our members believe that it is unlikely the private sector would invest in the project unless there was a substantial quid pro quo in terms of additional development planning.

In other words if you said, for example, to a developer, “You can have all the land at EPIC and you can build 10,000 houses on it or 10,000 units on it—

MRS JONES: So long as you—

Mr Hedley: Sorry?

MRS JONES: So long as you also—

Mr Hedley: Yes, and having been involved in the original decisions some 30-odd years ago for the White Industries complex, the buildings down there—the hotel, the convention centre, all that sort of stuff—the only way we could ever get that up and get a free convention centre and get a free casino complex was to agree for the White Industries complex to build all the buildings from the Nara Centre right through to the Finlay Crisp offices.

So White Industries built the Convention Centre, handed it over but they had the rights to all the other land. We think that the way in relation to the light rail, without seeing all the documents, it can work is if you give somebody the rights to EPIC or Thoroughbred Park and say, “Here, you have that. You can do with it what you want but you have got to build a light rail system.” Then there is the question of whether that is the right allocation of resources, anyhow.

MRS JONES: So are you saying that the government could potentially forgo income from other places and other property which we own in order to fund the development of light rail?

Mr Hedley: I understand where you are coming from and who knows what the government will finally decide. As long as it is a proper, rational, sensible decision, that is all we ask.

THE CHAIR: I have a final question. The government tabled the land tax bill last Thursday. Has the Property Council had a look at it and the impact on units?

Mr Hedley: We have not yet, but the implication is that we believe it will lead to additional land tax payments in the rental residential market. We think it will. That may have the impact of directing investment funds away from that sector which may well make that sector less attractive to invest in and therefore there will be less availability, which is what happened when Prime Minister Keating purported to abolish negative gearing. People just left that industry in droves.

There was significantly less availability and the rental market went up. We just need to be very careful when we are tinkering with things that we do not get things out of equilibrium and make a particular class of investment less attractive than otherwise.

THE CHAIR: Mr Hedley, thank you for your time. We will close there. As we have said, a transcript will be forwarded to you. Could you review it. If you have any corrections or comments you would like to make we would be delighted to see them. In respect of any questions you have taken on notice, if we could have the answers in five working days that would be much appreciated. We will suspend the hearing here.

Mr Hedley: Thank you.

Sitting suspended from 11.46 am to 12.13 pm.

CUZZILLO, MS REBECCA, Policy and Sector Development Officer, Youth Coalition of the ACT

JEWELL, MS SARAH, Deputy Director, Youth Coalition of the ACT

THE CHAIR: Welcome to this afternoon's hearing of the committee looking at the 2014-2015 estimates. We now have the Youth Coalition of the ACT with us. Welcome, ladies. The privilege statement is there before you, on the pink card. Have you read the statement and do you understand its protections and implications? They both indicate that they do; that is fantastic. If you take any questions on notice, the committee would like an answer, if we could, within five working days. When we are finished we will provide you with a copy of the transcript of the hearing. If you have any corrections or anything further you would like to add, we would be very pleased to receive that. Would you like to make a brief opening statement?

Ms Jewell: I have a brief opening statement. I am here with my colleague Rebecca Cuzzillo, who may or may not make comment throughout today's conversation.

The Youth Coalition of the ACT welcomes the opportunity to appear before the committee today. We are the peak youth affairs body in the ACT and represent the interests of young people aged between 12 and 25, and the sector for people who work with young people. We are a membership-based organisation with approximately 100 organisational, program and individual members.

Each year the Youth Coalition analyses the ACT budget through a youth affairs and social justice lens. We seek to provide comment on budget initiatives and gaps that directly affect young people, as well as initiatives that young people or the youth sector might have particular views on.

Young people form approximately 20 per cent of the Canberra population. Therefore we believe that the ACT government and the ACT community broadly speaking should take a keen interest in supporting young people's economic, social and political participation.

Broadly speaking, the Youth Coalition is supportive of the vision and values underpinning the ACT budget for 2014-15. We also welcome the Chief Minister's roundtables held in the time between the announcement of the federal budget and the ACT budget.

This year the Youth Coalition's budget analysis highlights education, as well as youth unemployment and under-employment, as key challenges facing the ACT community. These are issues that sit at the intersection of ACT government and federal government jurisdiction. The Youth Coalition acknowledges that changes to federal policy and funding pose significant challenges to the ACT government, Canberra's young people and community services that support young people.

The Youth Coalition has increasingly called for the ACT government to respond to the gaps created by the reduction or withdrawal of federal funding to programs that support young people. Of significant concern to the Youth Coalition is the impending

gap in services to support vulnerable young people to engage in education and employment pathways.

The federally funded youth connections program which currently provides these services will cease in December of this year. This is a hugely successful program which has supported 74,000 young people nationally since 2010 and with 93 per cent of participants still engaged in school or work six months after completing the program. Locally, youth connections supports between 300 and 350 young people each year.

The Youth Coalition is very concerned about the loss of skilled specialist services and workers that currently assist vulnerable young people to transition to further education, training or employment. Our experience is that when youth-specific services close, there is an expectation that young people will seek help from generalist services. However, we find that this expectation is rarely realised.

Our budget submission called on the ACT government to find ways to make sure that young people can continue to access youth-specific programs that assist them to engage in education and employment pathways, and we continue to call for ACT government leadership on this particular issue.

If I can make a broad statement about the investment in education contained within the ACT budget for 2014-15, we had hoped to see more spending initiatives for the Education and Training Directorate. We continue to advocate for greater health and mental health integration in schools and greater engagement in coordination between the community services and education sectors.

The Youth Coalition is pleased to see the adoption of the engaging schools framework in the ACT. However, we are concerned that the opportunity presented by the framework will be missed if there is no clear cross-sector resourcing associated with its implementation. With the current youth unemployment rate of 11.3 per cent in the ACT, which is a Brotherhood of St Laurence statistic, we are increasingly hearing young people voice their concerns about jobs and employment pathways.

In light of this we welcome the young business connect initiative in the budget and seek continued engagement between the ACT government and young people on the issue of jobs creation and support. We also welcome the package of infrastructure investment contained within the 2014-15 budget. We call for ACT government leadership in ensuring that these projects create jobs for those who are vulnerable to unemployment, and young people in particular.

In closing, I will turn to the Youth Coalition's analysis of government investment in community services. We welcome initiatives such as the trial of the human services blueprint local service network in the west Belconnen region and funding for preparatory work on the out-of-home care strategy. We note, however, that many of the initiatives funded under the Community Services Directorate only include funding for one year. We understand that there is intent for future rollouts of the human services blueprint in other regions and that the out-of-home care strategy is yet to be finalised. However, these are key initiatives that must be fully funded in order to fully realise their potential.

Canberra is a fantastic community for young people to live in. However, we still have a way to go to ensure that young people are invested in and able to develop to their full potential. Thank you.

THE CHAIR: Thank you for that. We will go straight to questions. The issue of mental health in education was also raised earlier this morning by the YWCA. How big an issue is it and what sort of action would you like to see occur?

Ms Jewell: The Youth Coalition frequently touches base with young people about issues that they see as key to them individually and to us as a society. A lot of our research comes from the process that we go through to develop our policy platform. As well, every two years we undertake a survey of young people in Canberra.

Our focus on mental health has come through reading the survey results that came from our 2012 survey called “Rate Canberra”. Whenever we engage with young people, mental health is always a top concern. Often it is the number one concern that comes from young people, talking about not only the concerns that they have for them individually but also for us as a society.

At the heart of our continuing recommendation that there is health and mental health integration in schools is that we see schools as one of those first-to-know agencies. We know that, even though we continue to see issues when it comes to young people disengaging from school, the vast majority of young people in the ACT are in schools, so it is an opportunity for people who are in young people’s lives to be aware of mental health issues, and it provides a real opportunity for early intervention.

MRS JONES: Can we get that survey?

THE CHAIR: How big a problem is it? What is the quantum?

Ms Jewell: I do not have the specific statistic with me, and I do not have a copy of the “Rate Canberra” survey with me. However, when we meet with members of the Legislative Assembly, it is one of the publications that we provide. I am certainly happy to have that as a follow-up item to make sure that you have access to that research. We are just about to undertake that survey again in the coming weeks.

MRS JONES: Maybe you could also give us the questions that you are asking in the new survey, so that we know what is coming.

Ms Jewell: Yes, of course.

THE CHAIR: You will take that on notice. If you say it is a problem, how big a problem is it? Do you actually have a number for how many youth and young Canberrans suffer from mental health issues?

Ms Jewell: I do not have that particular statistic to hand. I am certainly happy to provide—

THE CHAIR: But it is available?

Ms Jewell: It would be interesting to see if that particular aspect is available. Our research has tended to ask young people about issues of concern. When we set our top priorities or issues for the year, for this financial year our top priorities are mental health, education and housing and homelessness. In the next six months the Youth Coalition will have more of a focus on mental health. So it is ongoing work that I am very happy to keep members of the committee updated on.

THE CHAIR: Ms Porter?

MS PORTER: With regard to the cross-sector work that you said that you believe there should be more of between yourselves or the youth sector generally and the education sector, and mental health obviously is a key priority for you, are there other areas where you see there should be some additional cross-sector work?

Ms Jewell: We continue to do a lot of work at bringing together the youth sector, the mental health sector and the alcohol, tobacco and other drugs sector. For the last 10 years or so, the Youth Coalition has facilitated a project called the comorbidity bus tours, which is about—

MS PORTER: Sorry; could you say that more slowly?

Ms Jewell: Comorbidity bus tours. Comorbidity is a term that is used when there are multiple diagnoses existing for a particular person. That is an area of continued work and interest for the Youth Coalition. It is the overlap in those particular areas. Also, we are undertaking a number of projects that are specifically about how we can make sure that the Education and Training Directorate, the Community Services Directorate and programs that they fund work more collaboratively and are able to identify issues early on and make sure that they are addressed as well. Our focus to date has been specifically that overlap between education and community services.

MS PORTER: In your discussion with members of the directorate, how receptive have they been? How was that relationship for you?

Ms Jewell: I think we see a lot of promise in initiatives like the human services blueprint, to be able to break down some of the silos that exist, and I think there is a fair amount of recognition that to date the way that the directorates have operated has tended to be focused on their own portfolio areas rather than necessarily the interplay between them. We are very encouraged by the work of the human services blueprint, and hope that that will be a key way to continue to break down those silos and make sure that we are creating a human services system where the client or the person who is seeking help does not need to see what is going on behind the scenes—that there are actually different programs and different bits and pieces.

MS PORTER: Yes.

Ms Jewell: We are very focused on making sure that, from the person's perspective, they get the help that they need when they need it, and they do not need to sort of have too many touch points across too many different programs and directorates.

MS PORTER: From that initial work on the blueprint, obviously that will be going out to further work in the whole of Canberra. One can imagine why at the moment that amount of money that has been allocated is not described in the forward years, because of needing to know what will happen next.

You talked about the ACT government needing to respond to the gaps that have been left by decisions that have been forecast in the federal budget. What kind of message do you think that gives the federal government—if, every time, a state or territory comes and rescues a particular program or fills the gap that is made by the withdrawal of funds by the commonwealth?

Ms Jewell: It is a very interesting question. I think you could have a similar conversation about anywhere where there is that overlap between the federal jurisdiction and the local jurisdiction. With this particular program—we are talking about youth connections—we are talking about a hugely successful program that we know works for the most vulnerable young people in our community. That has been a particular area of concern for the Youth Coalition, and for the youth sector broadly speaking—that particular initiative. Obviously, the Youth Coalition would not seek to make comment about the general relationship between the ACT government and the federal government, although we would certainly acknowledge that there are complexities.

I do not think the ACT government is ever going to be in a position to fill all of the gaps that occur when we see such significant reduction in funding coming from the federal government, not only in terms of infrastructure spending and investment, but also as one of the key employers in town. However, what we are seeking from the ACT government is initiatives that soften the blow. That will really rely on collaborative work between the ACT government, the community sector and the business sector. We are not saying that the burden should sit solely on the ACT government's shoulders, but we are looking for leadership from the ACT government as to these issues.

MS PORTER: Thank you.

THE CHAIR: Ms Berry?

MS BERRY: I have supplementaries to that. You were involved in the development of the human services blueprint? Is that right?

Ms Jewell: That is correct. Emma Robertson, who was the director of the Youth Coalition, sits on one of the governance bodies, yes. So yes; the Youth Coalition was involved in that process.

MS BERRY: You talked about working collaboratively with government, and that was something that came out of the development of the blueprint. Do you think that that sort of work that came from the community services sector up, in working with the ACT government about what the need was and where the funding could best meet that need, and putting people at the forefront of that blueprint and where that support would be, is something could be worked out across other government departments?

Ms Jewell: I would not want to speak too much to the overlap between this particular process and how it would reflect on other directorates, because I perhaps do not have direct knowledge or work with those directorates, but I do think that the approach has been a positive one. There has been a concerted effort to make sure that the director-generals of the relevant directorates have bought into the idea and the process—as well as different community sector representatives.

The Youth Coalition also participated in the design conference that was part of the early work on the human services blueprint. My understanding is that there was particular work around engaging with clients and service users as well. I think a model that engages with all of those different levels is a really positive one, and could be considered by other directorates, but I am unclear as to the direct parallel between this particular process and the potential gap in other areas.

MS BERRY: Do you think that, through the development of the blueprint, young people's needs are being met or will be met in this trial? I know that it is a bit of a hypothetical at the moment, but do you think you got a fair go?

Ms Jewell: I think that there is a great deal of potential in the blueprint. Really what we are waiting to see is how it is implemented. That will be the key. I think it was a great strategic move that west Belconnen is the trial site. From what I understand, there were some services that have had some funding changes, federally speaking, so it is adding support to a region that was going to feel the impact of the federal budget. As to how it will look, yes, we are waiting to see the detail of what the implementation in west Belconnen will look like.

MS BERRY: I am personally quite pleased that the blueprint trial is happening in west Belconnen. I am sure you are too, Mary.

MS PORTER: Indeed.

MS BERRY: I wanted to ask a question about your concerns that you raised in your submission—which is very comprehensive, and thank you for that—about funding in the homelessness sector and what the split between federal and ACT contributions will mean.

Ms Jewell: Can I perhaps ask for a clarification on that question? Is that about the NPAH funding?

MS BERRY: Yes.

Ms Jewell: The writing has been on the wall as to the federal government and their perspectives on national partnerships, so we were quite active in the campaign in March to try and get an answer from the federal government about the NPAH funding. We very much welcome the additional 12 months, but I suppose we have a greater concern, and I suspect that this is also a concern that goes to the fact, as we raised when we were talking before, that funding is only for one year for particular initiatives.

When services only have certainty of their contracts for 12 months, we start to see a

reduction in service and see staff seeking other opportunities well before that contract actually ceases. So even if housing and homelessness support services have got that 12-month extension, it can still undermine services' ability to provide the support that they have been contracted to provide. And often the messaging comes from government that, as we get closer to the end of a contract, the outputs scale back in recognition that people seek other opportunities and a wind-down is occurring.

We very much welcome the ACT government matching the funding under NPAH, but that was something that we expected, as it is part of the terms of the national partnership. However, we do continue to see that in the ACT we are a small jurisdiction, so often services are leveraging federal funding and ACT government funding at the same time. So when one of those pillars is reduced or eliminated, it creates instability in the rest of the system as well.

MS BERRY: I guess what you are saying is that it means you are going to have to be doing more with less?

Ms Jewell: I think that is certainly a part of it, but also that we see an economy of scale that happens when we are able to be matching funding from different governments. It is not even that if half of the funding is taken away, we see a reduction of half. It can undermine the whole structure of how we deliver services in the ACT.

THE CHAIR: Mrs Jones.

MRS JONES: My question is in a couple of parts. The first one is about the changes that have occurred over the last couple of years to youth centres. My understanding is that there have been some closures, and that the intention was supposedly to target programs more out to people. Has that occurred and is there anything in this year's budget that evidences that?

Ms Jewell: You are right. I think what you are referring to is the creation of the children, youth and family support program. Part of that model relies on youth engagement workers. The rationale is that rather than having a central hub where young people can go and services are provided, workers should be out in the community where young people are.

MRS JONES: But where are they?

Ms Jewell: That is a very good question, because what we tend to find is that, without that central hub, because youth work is very relationship-focused, without having the stability of where the workers are it can be difficult to facilitate that youth engagement role. Towards the end of the calendar year last year there was an increase in funding to youth engagement, which we very warmly welcomed. However, we tend to find that youth engagement workers are doing the relationship building to then connect people to services, but there is significant difficulty if there is not the service that that young person needs or if there is not enough capacity within that service to provide that service at the particular time that that young person needs it.

MRS JONES: Are there any lessons that you think can be applied across

government? For example, the same process seems to be going on in women's services at the moment where they have closed down a centre and they are looking to potentially put that out into the community. Are there any lessons that you think have been learnt through this process for when it is rolled out in other areas as well—things to look out for?

Ms Jewell: What we really learnt from the issue that you raised about the closing of youth centres is that young people do not have a designated space where they are welcome and that it can be a very powerful message to a young person to say, "You're welcome here and you can hang out, you can access services." That hub model we are definitely very supportive of.

As to how it would affect other sectors, it could quite possibly have a similar effect. I think there is a tension and a paradox between trying to have services where the clientele is and trying to create a designated space where those people feel welcome. I do not necessarily know how you find that happy balance between needing to do both of those things, because I do think there is a genuine need to have both of those types of interventions.

The lesson for me would be: how do we make sure that we have a service system that is strong enough and linked in enough to the client base to be able to identify how people want services, and how do we then make sure that we are delivering services in the way that that client wants?

MRS JONES: The other part that I want to ask about is the through-care project. I am not sure what that is referring to. In your submission you mentioned through-care. Can you talk us through that? Is that in the justice system?

Ms Jewell: It is in the justice system. It is not an area of particular expertise of mine, so I will give you a brief overview of what my understanding is. It is a program that takes people who are currently in the Alexander Maconochie Centre and links them with community services. We see that there is a key entry point from leaving prison and entering homelessness.

My understanding of the through-care project is that it is about giving people designated workers and giving that worker permission to help that person reintegrate into the community and make sure that they have those employment pathways, housing stability and making sure that drug and alcohol issues are addressed. Ultimately, it is about making sure that people do not return to prison. So it is about reducing recidivism.

MRS JONES: Will the Youth Coalition be putting thoughts on that into the JACS inquiry that we are undertaking at the moment into sentencing and so on?

Ms Jewell: We have not specifically looked at making a submission to that inquiry. We sit on the youth justice implementation—I am not sure of the exact wording, but there is a governance body that we sit on. So we are part of some of the JACS processes but I do not think we have specifically engaged with that review process.

MS PORTER: With regard to sitting on that panel that you referred to, do you have

any comments to make about the diversionary processes that have been funded through the budget previously, and continue to be funded, to divert young people from the court system and from the AMC—or not necessarily from the AMC but from Bimberi?

Ms Jewell: I do not have any specific comments because the Youth Coalition is a team of six. We hold different portfolio areas and justice is not my portfolio area. However, my understanding is that we continue to have a close working relationship with Bimberi. I know that one of the sector development projects that the Youth Coalition runs is the annual Yogie awards, which are the youth worker Logies, if you like. So it is a peer-nominated award. The after-hours bail service was the recipient of one of the Yogie awards at the end of last year. So that would indicate to me that the sector is seeing positive measures in that particular area, although I do not know that much about the detail.

THE CHAIR: On the youth centre closures, which centres have closed?

Ms Jewell: I do not know the exact answer to your question but they used to be regionally based. I know that Club 12/25 in the city continues, the Junction is there and Anglicare still function there. There is also a youth centre in Woden that is still really well attended by young people. My understanding is that there was one in Gungahlin that closed, but I do not have the exact list.

MRS JONES: Can you come back to us with the list? Take it on notice.

THE CHAIR: Could you take on notice and find out what centres have actually closed and whether it goes beyond the government-run? What was the name of the program that replaced them?

Ms Jewell: The programs are all funded under the children, youth and family support program, which then has particular services such as case management and youth engagement. So the youth engagement workers are the particular service that have tended to be used as a replacement, but that is facilitated by different service providers in different regions.

THE CHAIR: So it is fragmented?

Ms Jewell: Yes.

THE CHAIR: Is it the view of the Youth Coalition that the loss of these central hubs, as you call them, has been to the detriment of young people in the ACT?

Ms Jewell: I think it has definitely made things more difficult for young people to get the support that they need because there is less of a central place that they can go to and know that they will find someone who can link them up to the support they need. It is certainly not that there has been a complete elimination of that service. It is just delivered in a very different way.

THE CHAIR: Is it perhaps time to review the closures and the effectiveness of the replacement program to see whether the youth of the ACT are getting the services

they require when they require them and where they require them?

Ms Jewell: My understanding is that the children, youth and family support program funding runs until 2016. I would assume that there would be an evaluation process as part of that.

THE CHAIR: But if it has made it harder to contact youth—as you said, there is no central space or welcoming space for them—why would we let it go until 2016 if it is not working?

Ms Jewell: There is also an element that, whenever you create any great systemic change, you need to have ongoing evaluation and a feedback loop, but at the same time you need a program to run for long enough to do a proper evaluation. Certainly one of the issues that we continue to raise is that there need to be places where young people know they can seek support. We would very happily engage in evaluation processes with the ACT government, but we would not necessarily call for an evaluation of just that aspect of the program at this stage.

MS PORTER: One of the things that was discussed at the time of the women's centre was the increased use of the internet, smart phones and all of those things. We know young people very much access and use that technology. Are you getting any evidence that these programs that are now more fragmented, as Mr Smyth described them, are making use of that kind of technology in order to reach out to young people so that they have a virtual hub in any way?

Ms Jewell: This goes to the issue that we were discussing before of making sure that young people can get help no matter what way they are seeking it. I think it is really important that those initiatives exist and that we make the most of online ways of seeking help and information. There are very positive websites such as ReachOut.com, which is run by the Inspire Foundation, who are based in Sydney. I am not aware of any particular online or app ways of delivering services or providing information that are specific to the ACT. However, we would be generally supportive of any initiatives like that.

We know that young people—in particular young men—often seek information online as their number one go-to place and that young people seek information from their friends as a key referral pathway or help-seeking behaviour. So if we can make sure that information is available in whatever way that young people seek help or are seeking help for their friends, that would be beneficial.

MS BERRY: Is there a chance that we could include the Youth Coalition on the call-back list that we develop? They have done such a comprehensive submission and I have so many more questions that I want to ask but I am reluctant to put pressure on a community organisation like the Youth Coalition by asking all of my questions. It might be easier just to call them back.

THE CHAIR: It is a private discussion for the committee to have, I suspect.

MR BERRY: Certainly.

THE CHAIR: The recall day is there, and that is an option. We would like to thank you for your time. Ms Cuzzillo, would you like to make a closing statement? You have done so well so far.

Ms Cuzzillo: No, thank you. No further comments.

THE CHAIR: Thanks for your attendance today. We will provide you with a copy of the transcript. Please look at it. If there is anything you want to correct or clarify, please provide that to the secretariat. We would be grateful to receive it. With the questions you have taken on notice, if we could have the answers back within five working days so that we can do our job too, we would be very grateful. Thank you for your attendance.

Sitting suspended from 12.46 to 1.59 pm.

Appearances:

Dunne, Mrs Vicki, Speaker of the Legislative Assembly for the Australian Capital Territory

Office of the Legislative Assembly

Duncan, Mr Tom, Clerk

Duckworth, Mr Ian, Director, Business Support

Skinner, Mr David, Director, Governance and Communications

Barrett, Ms Val, Director, Hansard, Technology and Library

Carr, Ms Melody, Chief Financial Officer, Governance and Communications

THE CHAIR: We will now begin the afternoon session of the estimates committee for the 2014-15 appropriation bill for the ACT. This afternoon we have the Legislative Assembly and the Speaker, Mrs Dunne, and we welcome you all. Have you all read the pink privilege statement and do you understand the protections that it affords you?

Mrs Dunne: Can you explain it to us, Mr Smyth!

THE CHAIR: They are all nodding assent, so that is a good thing. We have a gallery for the first time. So for those in the gallery, welcome. If you would speak one at a time and clearly into the microphone as we are being recorded and broadcast. Any questions you take on notice, we would ask you to respond to within five working days. At the end of the proceedings we will get the *Hansard* to you. Any corrections or clarifications you wish to make we would gratefully receive. Madam Speaker, welcome. Would you like to make a brief opening statement?

Mrs Dunne: Thank you Mr Chairman. I am quite happy to make a couple of brief introductory remarks about the Assembly's budget for 2014-15.

After consulting with the Standing Committee on Administration and Procedure last year, I submitted three budget proposals to the Treasurer for consideration by the budget committee of cabinet. These proposals were to replace the obsolete audiovisual equipment to ensure the continued operation of the Assembly's web-based broadcast of proceedings. The equipment was so old it was being held together with bobby pins and gaffer tape. There was a real risk that we would lose the capacity to provide that service. Another was to replace ageing office furniture for members—not members' staff; members' staff got new furniture in 2012 or thereabouts—and staff of the Legislative Assembly, and the other was to appoint and remunerate the ACT Legislative Assembly Commissioner for Standards.

All of these budget proposals were successful. As part of the budget process, I had an opportunity to appear before budget cabinet to discuss the resourcing requirements of the Assembly, which I found was a useful exercise, allowing the legislative branch of government to put its case through me directly to the executive. It is my understanding that this had been the practice in the past but had lapsed. I believe it was of enormous value. It continues to be of enormous value for the Assembly and assists in realising some of the high ideals embodied in the Latimer House principles.

On that matter, as a result of that process and others, the Assembly and the Chief

Minister's department are in the process of finalising budget protocols because the requirements for formulation of the budget for the Legislative Assembly are a little different from line agencies. We had some problems with some of the documentation which has been accommodated in those protocols, which are not completed but are in their final draft.

One of the issues that I would like to touch on whilst I am touching on the Latimer House principles is that we are in the process of appointing a consultant to review the Latimer House principles in accordance with the continuing resolution.

Other areas that might be of interest to members relate to the recent determination by the Remuneration Tribunal which saw a number of changes in the way in which members' entitlements and salaries will be managed and also, coming up, the introduction of the Office of the Legislative Assembly act which will culminate in the swearing of an oath by a range of officers in the first half of July.

I have asked the Clerk and other staff to be here with me today. Between us, I hope that we can answer any questions that you may have.

THE CHAIR: Thanks for that. Why do we not start where you finished? The officers of the Legislative Assembly: what are the implications for the Assembly and what are the implications for its budget?

Mrs Dunne: There are no real implications for the Assembly. It is an increased workload for the Speaker but not for the Assembly staff or for the Clerk. I want to make it perfectly clear that the chain of command is the officer to the Speaker—so the Auditor-General or the Electoral Commissioner to the Speaker, not via the Clerk. The Clerk has his own legislative responsibility, but it does not extend to second-guessing statutory authorities. There is not really an increase in work for the staff of the Legislative Assembly; but probably for my office.

THE CHAIR: You might be aware, or you might not, that we spoke to the Electoral Commissioner and the Auditor-General yesterday, and we have actually got the Ombudsman after you this afternoon, in recognition that these are the budgets for the year in which they commence. Are there any budget implications?

Mrs Dunne: I do not think that there are any budget implications for the Legislative Assembly. I was involved in the budget implications for the Electoral Commissioner. There was some money that was resting in JACS which we managed to wrest from JACS through the negotiation of the budget. Some of the administrative money that covered the costs of administration of the Electoral Commission JACS wanted to keep in the first instance, but they gave it up.

THE CHAIR: The upgrade of the audiovisual system is \$383,000. What does the Assembly get and how does the taxpayer benefit by the expenditure of that money?

Mrs Dunne: I think that the taxpayer benefits by having access to the live streaming, the webstream and audiovisual replay. All of those issues were in jeopardy if the equipment that we had fell over. We have taken a middle path in what we could have gone with. What we will have is fairly much state-of-the-art but fairly simple digital

technology. The technology we currently have is analogue, so we will probably see an improved quality of the video streaming and the like but, as I have said before, it was becoming problematic as to whether it would continue.

Some of the other parliaments have a sort of formal TV suite with producers and camera operators and they take control of any audiovisual feed, for any purpose, that goes out of the parliament, like up on the hill across the lake in the federal parliament. They do not have cameras on the floor or anything during debates as all the footage from debates is provided through the audiovisual equipment that is available and run by the parliamentary staff. We are not proposing to do that. It would be a substantially larger upgrade. This is \$300,000 to continue to provide the services that we currently have.

THE CHAIR: So that is 383. What does the \$81,000 over the four years therefore cover? That is on page 26 of the portfolio statement, I think it is called.

Mrs Dunne: I think that is the time to ask Val.

Ms Barrett: That is for support, Mr Smyth. We currently have an arrangement with the vendor of the current system for support. One of the reasons for doing this is to try to increase the support base so we are not so reliant on a single support person. We are hoping that Shared Services will be able to take more of a role in supporting the servers that are on the network rather than our just renting some space in their data centres. That has been one of the primary objectives of this, to try to make it more sustainable and more able to be integrated with the ICT network.

THE CHAIR: Thank you.

MRS JONES: Just as a sup to that, if I may? The upgrade in the technology of the cameras in the chamber: does that allow for clips to be cut out of it or for us to have access to cut clips out of what we have said or done?

Mrs Dunne: The potential is there, but we have not got that far. I would be happy, though, Mrs Jones, to have that conversation through administration and procedure about whether or not that is desirable and the extent to which it is doable.

MRS JONES: I suppose it would depend on what other members wanted, but I imagine it would be useful. Thank you.

MR COE: As a follow-up to that follow-up: will the digital files actually be available or would it still only be through streaming?

Ms Barrett: A replay of the service is available already through the Daily on Demand service so that you can go back and look at particular bits after the event.

MR COE: Sure. But that is still through the streaming, though, isn't it?

Ms Barrett: Yes, it is through your PC. We already have the capacity to take from our files particular images that people might like. It becomes more of a resource issue than a technology issue because it is something that obviously takes us some time and

we would have to staff that. It is technically possible. There will be some resource issues, though. We rely on a very small number of people to provide our broadcasting services, so it would be a question of when we would be able to do it and the quality. The quality is not brilliant, but with the new digital cameras it will improve.

THE CHAIR: Ms Porter.

MS PORTER: Thank you. Good afternoon, Madam Speaker, good afternoon, Mr Duncan, and everybody else. The Electoral Commissioner, as the chair just said, was with us yesterday. Obviously there needs to be some plans put in place to accommodate the proposed changes of the size of the ACT Assembly. Could you inform the committee what arrangements the Office of the Legislative Assembly is putting in place to accommodate this change?

Mrs Dunne: At this stage, nothing formal, and that is at my insistence. Earlier in the year when various political parties expressed their views about what the size of the Assembly would be the Clerk and I had a discussion about the way forward. I took the view, and I still take the view, that, although it is quite likely that this will happen, I did not want to be seen to be pre-empting things.

I know that staff of the Legislative Assembly have had discussions with the architect of the building about extending the capacity of the chamber itself, which I understand is not as complicated as I had first imagined. I know that various people have views about the things that we need to do.

When the legislation passes, which I envisage will be in August, then I would see that we would have a working group, which would be led by the Legislative Assembly, by the Clerk, but would involve some people from CMD, on the accommodation changes that are necessary, and they are substantial. The amount of work—not so much in the chamber but elsewhere—to accommodate extra members will be substantial.

I understand that we can currently seat 23 in the chamber. The two gaps on either side between the straight benches and where they curve are sufficient to put in another desk, essentially, so I was surprised that that seems to me to be a relatively easy fix. I was concerned because I thought initially that we would have to put an extra row of seats behind the current crossbenches. I was concerned for security because that puts the people who sit in those benches very close to the public. Unlike any other parliament, the public gallery is on the same level as the members, and there is very little space between them; you have to move the bar. The sort of solution that we are looking at is probably less work and less troublesome in terms of security than I originally envisaged.

MS PORTER: So those plans are more or less in your mind?

Mrs Dunne: They are in our mind, but there has not been anything formal. There has not been a formal approach and a setting up of something because, although it is probably fairly inevitable, I just think it is too early to do that.

MS PORTER: Okay. So no plans for a mezzanine floor at this stage? So this is a joke?

Mrs Dunne: Yes.

MS PORTER: You mentioned the furniture before.

Mrs Dunne: While we are on the furniture, could I just clarify—

MS PORTER: Yes.

Mrs Dunne: Someone wrote me a note that said that the non-executive staff got new furniture after the 2008 election, not the 2012 election, as I had said before; sorry.

MS PORTER: The additional money that is in here is for furniture. Could you just clarify that?

Mrs Dunne: It is for desks and visitors' chairs for members and for some members of the Office of the Legislative Assembly who are still working on the old furniture that was here when we moved in in 1994.

MS PORTER: Okay.

Mrs Dunne: When I became the Speaker—and I remember walking around to see how people were settling into their offices—I was particularly appalled at the state of some of the members' desks. Mrs Jones in particular had an appalling desk which was just covered in coffee ring marks and things like that. They were in a terrible state. I think Ms Berry's was pretty awful as well. Somebody took that up and turned it into a budget initiative, for which I am very grateful, because I think the quality of the furniture that members themselves have is very poor.

MS PORTER: I promised Mr Duckworth that I would ask a question about—this is a joke; it is a joke.

Mrs Dunne: I hope there is no money changing hands!

MS PORTER: No; this is absolutely a joke. This morning when I came to work I was joking with him and I said, "An issue for me is those lifts." When I came to work yesterday, one was out of order again.

Mrs Dunne: One was out of order, yes.

MS PORTER: I just wondered how we are going to overcome this issue. We are going to have more people using them in future, as we have just been discussing. I just do not know how we are going to overcome this issue. I know we have had them fixed umpteen times. It is rather like this business of fixing the security passes at the moment, and the swiping. We seem to be continually doing this. I am concerned about the expenditure of money in this regard, and how we can get on top of these issues so that we will not keep spending this money. That is not a joke.

Mrs Dunne: No. I understand your concern. I came into the building about 1 o'clock today; I was carrying a whole swag of things and I pressed the button for the lift. I

said to Peter, "Is that lift open?" I said, "This one is working." I sort of walked in and pressed the button and said, "Do you promise?" He said, "I cannot promise." I did think, "I wonder if it is a good excuse for being late for estimates if I get stuck in the lift." I do appreciate that it is a real problem.

THE CHAIR: Not in your own building.

Mrs Dunne: It is a real problem, and there is the issue of putting good money after bad. Before my time as Speaker, they eventually had to replace the lift at the front because it became uneconomic to keep repairing it. I do not know whether Ian might have some view on that.

Mr Duckworth: The issue with the lifts, just to clarify for the committee, is that they are actually relatively new lifts. It is pretty undesirable. The particular lift closest to the members' entrance doors which has been repeatedly failing is an issue that we have raised with our master building maintenance contractor. They have a subcontractor who specialises in lifts. It has had a number of memory cards taken out and replaced. It is an issue that we are continuing to make very strong representations to our contractor on. It is not good enough, but I must say that the lift company continues to scratch their heads as to what is actually the cause of the problem. The lift does not seem to align properly to each floor as the doors open, and it goes into a failed state.

MS PORTER: I hope it does not do what that lift in America did the other day—or wherever it was. But thank you very much, Madam Speaker. Through you, may I ask this: are we covered by insurance or is it still under guarantee, under warranty—that particular lift that has been fixed umpteen times?

Mr Duckworth: I would have to take that on notice rather than give a response that may not be entirely accurate.

MS PORTER: It would be interesting to know.

Mr Duckworth: I am going to take that on notice.

MS PORTER: I have a few more questions, but I will leave them for later. Thank you very much.

THE CHAIR: Ms Berry?

MS BERRY: Madam Speaker, I am interested in how the Legislative Assembly opens up to allow the public to come and visit the place. One of the great things that I have been able to be part of since I have been in here is the school parliaments as well as the citizenship ceremonies and bringing people in to have an opportunity to have a look at their government or their building. Do you think there is an opportunity between now and perhaps when changes might occur later on down the track when we could open up the Legislative Assembly for people to come and have a look at before any changes are made?

Mrs Dunne: Well, I—

MS BERRY: To see it as it is now and then as it grows.

Mrs Dunne: Just by way of background, I am also very pleased with the community engagement. According to figures that I have been provided with by Neal, we had something like 1,909 people visiting through various outreach activities. That is school debates; the constitutional convention; the youth parliaments; the University of the Third Age; the public service seminars; and the new citizens reception nights, which are extraordinarily successful and a great boon to members of the Legislative Assembly—and, I think, to the people who come in; I think they find them extraordinarily beneficial, and I think they get a great buzz out of them. People send you emails afterwards to thank you, and you get a very warm welcome.

The other things for which there are plans this year include an Older Persons Assembly, which is now going to become a biennial event, once every two years. And the thing that I have particularly been keen about is the opening up for community groups, where we have 15 to 20 people at a time. We have had the Lions, the VIEW Club, the Belconnen Arts Centre, Probus clubs, Rotary and Neighbourhood Watch. Menslink are coming in a few weeks time. There will be a reception for the University of the Third Age. And the Aboriginal and Torres Strait Islander Elected Body is planned later for this year. They are a great way of getting people into the building.

It is a mixture of learning and social. There is Neal and his staff in the education office. Neal Baudinette and his staff run a brief tour sometimes with an art tour attached and then an opportunity to meet members. They are great functions and people really appreciate them.

We have not had an open day for some time. I think the last one was for the 20th anniversary. I think you make a good point, Ms Berry, about perhaps having one before we reconfigure the building. The open days have not been wildly successful, but there is an opportunity for people to come in and I am very keen to find as many opportunities as possible.

MRS JONES: We might need some roadside signs.

MS PORTER: Social media.

Mrs Dunne: And a sausage sizzle.

THE CHAIR: Any other questions? No? Mrs Jones.

MRS JONES: Thank you. I have got some standard questions I have been asking across the board. I would like to know how many reports of bullying have been made in the OLA; what the process is for them to be processed and unpacked or dealt with and how many were substantiated or resolved; and whether there have been any cases of sexual harassment lodged and whether any of them were substantiated or resolved.

Mrs Dunne: I cannot say that I am aware of any, but I will be happy to take that on notice and give you the level of detail.

MRS JONES: Thank you.

THE CHAIR: Mr Coe, our second visitor. Welcome.

MR COE: Thank you. Is the Assembly bound by whole-of-government contracts?

Mrs Dunne: Sometimes. I think that sometimes this is a problem for us. There are things we do for efficiency's sake. Sometimes I think that impinges upon our autonomy as a parliament as opposed to not being just another arm of government. There are things like having the same travel agent as the rest of the government in terms of making those sorts of arrangements. Sometimes I think ICT is a problem for us. There are issues about the security that is necessary to run a parliament well, and I have some concerns about that. I would be open to looking at a more independent approach to ICT as the opportunity arises. Nothing definite has been done on that, but it is certainly something that I have discussed with staff. Do you have anything in particular that—

MR COE: No. I am just curious as to whether the Assembly is actually bound or whether it is an opt-in type arrangement for everything.

Mrs Dunne: In the sense that we have to comply with the financial management act, yes, there are things that we are bound to do. We have to follow the same processes, so there are thresholds for tendering and things like that. Are there any things where we do not have any whole of government?

Mr Skinner: Without seeing a particular contract, it would be difficult to say we are bound or not bound by particular contracts. But, of course, the office of the Assembly has a degree of independence that many other agencies do not. We can sometimes use that independence to enter into our own arrangements. We take many of these issues on a case-by-case basis. If there was a question about a particular whole-of-government contract, we could look into that for you.

MR COE: I guess an example would be the electricity contract for the ACT government that was awarded last year, I think.

Mr Skinner: I suppose that is a contract that has been entered into at a whole-of-government level. Obviously, with the economies of scale it has been able to achieve, we end up being well served by that contract, in my analysis. I am not sure that would be one where we would wish to play our independent status card, if you like.

MR COE: Is that locked in or just assumed?

Mr Skinner: We avail ourselves of that contract because the tariffs and the rates are attractive. They are likely to be better than we would be able to achieve on our own. Does that answer your question?

MR COE: Yes.

MRS JONES: Just as a supplementary to that, if I may—with government contracts that we enter into as part of the OLA, do we have a statistic of how many of those are

ACT-based businesses, how many are taken up external to the ACT, and what is the value of those, the difference?

Mrs Dunne: No, not at whole-of-government level. I think you would have to ask that of perhaps procurement solutions or Shared Services.

MRS JONES: In that case, any contracts that we enter into solely as the OLA—whether there are any ACT versus—

Mrs Dunne: We will have a look.

MRS JONES: Thank you.

MS BERRY: Supplementary, please?

THE CHAIR: Yes; sure.

MS BERRY: I have a question regarding the cleaning contract here in the Assembly. Has the Assembly ever considered moving from early morning services, as I think it is now, to a daytime cleaning service?

MRS JONES: What would be the reason for that?

MS BERRY: It is better for the cleaners. It is better for their lifestyle, but it also provides an opportunity for the Assembly to be cleaned in a different way.

Mrs Dunne: I think the answer is no, but I will ask Ian.

Mr Duckworth: I can confirm that it is not an issue that we have contemplated.

Mrs Dunne: That does not say that we are not open to the suggestion. I do not think anyone has ever made that suggestion. They have never made that suggestion to me.

MS BERRY: There you go.

THE CHAIR: I have some budgetary questions. On page 26, under “Technical adjustments”, we are losing \$1,000 in the 2013-14 outcome. What is that \$1,000? Then there is nothing until 2017-18, when we receive \$83,000. Why do we have to wait that long for a further technical adjustment?

Ms Carr: It is just a readjustment of the CPI. In 2013-14 we undertake a CPI adjustment that will vary sometimes. It is 2¼ per cent, and throughout the year it will change to, say, 2½ per cent. So it is just a reduction in CPI. Moving forward, the CPI is done on a different schedule and calculated for that year. It is just the outyear when we get towards the end where it will make a difference.

Mrs Dunne: With that figure of \$83,000, there is a similar figure in almost every budget line in the budget. I would be interested to know what it is, because it is in the last year of the outyears.

Ms Carr: That is right. There is \$83,000 for the territorial entity. The \$138,000 you will see in the controlled entity is for the outyears; it is just a CPI adjustment as you bring those outyears into the budget papers.

Mrs Dunne: Does that mean that it adjusts for 2014-15 dollars over the course of the outyears?

Ms Carr: We have already done the CPI adjustments for those figures, for, say, 2014-15. The outyears are always in line with it. We are appropriated on the funding that would be—for example, you will see that in the 2013-14 budget, in the controlled entity up at the top, the appropriation says \$7,669,000, and it gives exactly the same figure for 2017-18. So we adjust those figures for the CPI moving forward.

THE CHAIR: On the following page, page 28, reference is made to resources received free of charge. They are quite substantial. What are the resources received free of charge?

Mrs Dunne: The main resource received free of charge is advice from the Government Solicitor and PCO for drafting. They are the main ones. Are there any others, Tom?

Ms Carr: For the controlled entity, we have rental accommodation that is a resource received free of charge from the territorial entity, because the territorial entity owns the building on its balance sheet.

Mrs Dunne: And OLA notionally pays rent to the territorial entity for the space that they occupy.

THE CHAIR: What does it cost to rent the OLA space?

Ms Carr: It is actually worked out on a methodology based on per square metre. Then there are other calculations that come into consideration with building management fees as well.

THE CHAIR: Then across on page 29, reference is made to your “intangibles”. What are they?

Mr Skinner: That intangible—

Mrs Dunne: It is that warm feeling that you get when you deal with the Speaker. I think that is worth \$26,000.

MS PORTER: I did not get any warm feeling when I was the Speaker.

Mr Skinner: I believe that intangible asset represents our records management system, which is OLARIS. It is a TRIM-based records management system. That has been depreciating over the years. I think it was initially priced at \$50,000 or thereabouts.

THE CHAIR: So it is just decreasing—

Mr Skinner: It is just being amortised over the period.

MS PORTER: I recognise that we are very much in a joking mood this afternoon, obviously.

Mrs Dunne: It is Friday afternoon.

MS PORTER: My second question is in relation to page 24, where it is stated that one of the purposes for 2014-15 is, if I can find it, to provide staff to enable the Assembly and committees to operate efficiently. I was wondering if you have had any representations to increase the staffing of the committee office. Are there any plans to do so in this coming financial year?

Mrs Dunne: There are no current plans because we had a restructuring of the committee office at the beginning of this Assembly, which I think I will let Mr Duncan, the Clerk, speak more about.

Mr Duncan: Madam Speaker is correct. We did do a review of OLA's operation after the commencement of the act. That did identify an extra ASO 6 position and an upgrade of two other positions in the office. So that is the only upgrade—

MRS JONES: It is a bit difficult to hear, Mr Duncan.

Mr Duncan: I am sorry. We upgraded those positions. We survey members every year. In fact, I understand that members' offices are slowly responding. Sometimes we get feedback through that process about requests for more staff. I must say that I have not heard any requests in the last four months identifying any shortfalls in any staff. With that, we could always do with some more and you could always do with some more across the office, but I have not heard any of those requests, Ms Porter. But if they come, we will address them.

Mrs Dunne: One of the things that I am very pleased about with the restructure is that there is more of a career structure within the committee office. It was a very flat structure with the head of the committee office and then the committee secretaries all at the same level. Now that has been adjusted so that there are two levels.

People can come in mainly at an ASO 6 level and then would have the prospect of progressing through the ranks because there is more of a structure there, which means that we can develop our own skills, rather than poaching people necessarily from the hill, which is not bad, but I think we also need to develop our own career structure. I am very pleased with the changed structure in that regard.

MS PORTER: I will just put on record my continual chestnut, if that is the correct terminology. I believe that the head of the committee office having a dual role—office head and also secretary to a committee—does not work effectively because it is very difficult for that one person to have those two roles. Whoever that person might be, I believe that those two roles should be separate. Every time I fill in the survey, I say that. I believe that that could be continually reviewed as to how that could be managed in the future, within the resources that the committee office has.

Mrs Dunne: Happy to take that on board.

MS PORTER: Thank you very much, Madam Speaker.

THE CHAIR: Ms Berry.

MS BERRY: I have a question regarding our recycling system here in the Legislative Assembly. I am currently the compliance officer in my office. Some of the people—

Mrs Dunne: Do you want to do it for the rest of the building as well?

MS PORTER: I am the compliance officer in my office.

MS BERRY: That was my question: has there ever been a compliance review of the recycling system that we currently have in the Assembly?

MRS JONES: You police whether people put bananas in the right bin?

MS BERRY: That is right; that is me.

Mrs Dunne: I do that in my office.

Mr Skinner: Ian, are you happy for me to take this?

Mr Duckworth: Yes.

Mr Dunne: I think that was a hospital pass.

THE CHAIR: That is why he is called Duckworth.

Mr Skinner: Yes, we are actually part of the ACTSmart office program, which is an accredited program run by ACT government. We are actually accredited every year. They come in and do an audit and make sure that we have got things like signage and we look at how much waste we are producing by volume, and all those sorts of things. We have been accredited now for I think three or possibly four years. There is a sort of assurance process and we have been meeting their requirements so far. Are there particular concerns that you have about compliance?

MS BERRY: Just the concerns that I have raised within my own office.

Mr Skinner: Yes, I think it would be fair to say that there are pockets of non-compliance around which types of waste go in which waste streams.

MS BERRY: Tell me where they are and I will sort it out.

Mr Skinner: But it is a difficult one because essentially we are asking people to separate out their waste into different waste streams. Essentially, the cleaners will come and pick them up and deposit them in the correct receptacles at the end of the process. So I think—

MS BERRY: What is the compliance? What does that mean?

Mr Skinner: They go around making sure that we are complying with all the elements of their policies, that we have got good signage showing where things go. Also, they look at the volumes that we have going through the paper waste stream, the waste-to-landfill waste stream, the recycling waste stream. We have also got a compost waste stream. They are sort of mapping our activity, if you like, and seeing that we are heading in the right direction.

MS BERRY: Where does the compost go?

Mr Skinner: You know that there is a compost bin?

Ms Berry: Yes.

Mr Skinner: And there is actually another receptacle in the loading bay where that is all deposited.

MS BERRY: Does that just go out to—

Mr Skinner: I will pass over to Ian on that one.

Mr Duckworth: If I can just chime in on that one, we have just changed contractor. There are about four companies locally who claim to retrieve and compost that material. We have had some difficulties with performance under that contract. Recently we had a bin that was so rancid that we actually gave the cleaners permission to stop putting compost in there because the contractor had failed to come and collect it.

We have engaged a new contractor only in the recent weeks. I have not had reports yet about how that is going, but this is our third contractor. So we are bracing ourselves for the possibility that if this is also unsuccessful we may have to revert to eliminating the compost waste stream, in which case we would go back to two bins instead of three because quite simply there is no point in separating it out if it is going back together again.

Mr COE: Would a worm farm in the courtyard do the trick?

Mr Duckworth: It is not the first time that that has been suggested, Mr Coe, but it was someone from a different party.

MR COE: The past Speaker, even?

Mrs Dunne: No, before that, Mr Coe.

MS BERRY: Maybe a community garden in the Assembly.

Mrs Dunne: In the now-disused fountains.

MS BERRY: Yes, there you go.

THE CHAIR: You never know. Mrs Jones?

MRS JONES: What processes will the Assembly be putting in place to ensure that changes to members' entitlements under the Remuneration Tribunal will be implemented smoothly and with enough information to members about the taxation implications in this type of register?

Mrs Dunne: I think you probably would have heard a sort of collective sigh of relief from the staff of the Office of the Legislative Assembly when the remuneration determination came down.

MRS JONES: They love their jobs.

Mrs Dunne: They loved it. They love that people will not have to be arbiters of what is DOA-able in the future. They love that eventually they will get rid of the administration of cars. They assured me that even when all of those things are gone, they will still be very busy people, and they will still need all the staff that they currently have.

But as things currently stand, there have been a couple of pieces of information. You will recall perhaps that the week before last the Clerk wrote to everyone saying that he was making an approach to the taxation department in relation to the \$15,000 communication allowance, as to whether it can be paid exempt from the PAYG system.

We are awaiting a response from the taxation department. If we do not have that response by 1 July, that money will be initially paid with the tax component taken out, and if we get an exemption, then it will become tax free. We are hoping that we will get a definitive answer before 1 July, but I do not want anyone to get into trouble with the taxation department. If it is unclear, I would rather that members pay the tax and then got a return later at the end of the financial year than our making a presumptuous decision that got people into trouble.

The Remuneration Tribunal says that the Speaker and the Chief Minister need to make guidelines in relation to the use of the communications allowance. There are some—my view is that the guidelines should be “keep very good records” and “be truthful with the tax man”. But I think the staff here think that I probably need to say a little more than that, but it will not be much more than that.

I have not yet initiated a discussion with the Chief Minister, but I think that we should have similar guidelines, that there should not be any real disconnect between what executive members can do with their communication allowance and what non-executive members can do. But I will be having a discussion about the guidelines with the Chief Minister.

MRS JONES: And will the executive members' ability to produce material be at all affected by the fact that now there is an allowance for that as well or do they also have unlimited entitlement within their offices?

Mrs Dunne: I think the big change has been that now executive members have access to a fund of money that allows them to communicate with their electorate when previously they did not. They did not have access to anything like DOA, which allowed them any sort of communication with their electorate. So in many ways there is a much bigger boost to the salary of and the provisioning for executive members than there is for non-executive members, because that sort of \$9,000-ish that we have as DOA has been converted into \$15,000, essentially. At some stage it will be tax free, either as it goes in or when you claim it back on your tax, whereas executive members did not have anything like that before.

MRS JONES: So we should look forward to more newsletters in our letterboxes; is that what you are suggesting?

Mrs Dunne: Yes, executive members will be able to put newsletters in the letterboxes, whereas they may not have had the resources to do that except out of their own pockets before.

MR COE: I have a supplementary. I am a bit curious about the guidelines and what impact they would have, if at all. Regardless of whether it was taxable income or pre-tax income, the guidelines, as far as I am able to interpret, would have zero impact, because what is deductible or not is an issue for the tax office. It has nothing to do with your guidelines.

Mrs Dunne: That is why I think the guidelines should be “keep good records, talk to your tax agent and be truthful with the tax office”. I agree with you, Mr Coe; there are some broad guidelines in the determination that say what the communication allowance can be used for, but other than that, I cannot see that there is much more that I can add to it.

MR COE: Even on that issue, the determination does have some criteria, but it is taxable income, and any deduction gets deducted from taxable income. I am at a loss as to what the Remuneration Tribunal’s restrictions actually mean. In actual fact I think it puts members in a very awkward situation. We have to, in effect, publish our tax returns. Is that how we are going to verify whether we have complied with the Remuneration Tribunal?

Mrs Dunne: I do think that this finally becomes an issue between individual members and the tax department. I think you are right. There are things, for instance, where the determination uses the words “publications for a non-political purpose”, or “non-party political purpose”. I presume that they have set aside \$15,000 for that sort of communication, but if I choose, out of my salary, to put out a publication that says, “Vicki Dunne, Canberra Liberals, is the greatest thing since sliced bread. Vote 1 Vicki Dunne,” I can do that out of my salary and it is perfectly tax deductible. I am not quite sure how I can demonstrate that I did not pay it out of this bucket, but out of this bucket over here.

MR COE: Which is in fact the same bucket.

Mrs Dunne: Which is in fact the same bucket.

MRS JONES: It is just that some of them may be taxed.

Mrs Dunne: One of the things that I would be suggesting, and I will be suggesting in the guidelines, is that members might like to keep what is called a communication allowance in a different account. It is up to individual members what they do with it. They might not want to use it and turn it into salary. That is their call.

MR COE: Has any of that been conveyed to the Remuneration Tribunal?

Mrs Dunne: No, I have not communicated with the Remuneration Tribunal since the determination was made.

Mr Duncan: Can I just add to what Madam Speaker said, Mr Coe? The Remuneration Tribunal said that the Chief Minister and the Speaker may issue guidelines. So we have drafted some guidelines for the Speaker, but just in recent days. The Speaker may choose not to issue guidelines. And you are right: it might be just between you and the tax office. But I think Madam Speaker is heading in the right direction in that you have the tax law, and then you have the Remuneration Tribunal's determination, which gives you \$15,000, but the Remuneration Tribunal sets some sort of purpose for that \$15,000, and that is the reason you have been given that money by the Remuneration Tribunal. The Remuneration Tribunal wanted to give the opportunity for the Speaker and the Chief Minister to make any guidelines if they saw fit, but it may well be that you do not need guidelines at all.

MRS JONES: As a supplementary to that, what legal position does the Remuneration Tribunal have to determine how people spend salaried money?

Mr Duncan: The only way members get money is through the Remuneration Tribunal.

MRS JONES: But what determination do they have to legally enforce how it is spent?

Mr Duncan: None.

MRS JONES: There you go.

Mr Duncan: I do not think.

Mr Duckworth: Certainly, Mr Coe's and Mrs Jones's questions are questions that have been directed at me by other members in recent weeks. As the Clerk mentioned, our understanding is that the tribunal was setting out what it intended the allowance was for.

To pick up Mrs Jones's supplementary question, I do not think the tribunal sees itself as having any role in acquitting or reconciling the expenditure of members. Madam Speaker mentioned in a response a moment ago that, as an MP, in Australia you can incur expenses. The ATO, under their taxation ruling specifically for members of parliament, recognised that there are certain expenses that are allowable as deductions

from income. I think the concern of the tribunal was—and it is reflected in comments that they made—that they were very keen to say what they intended the communications allowance was for, and that they did not want there to be any suggestion that they were funding members of parliament for things like campaign expenditure.

MR COE: I think that is right and proper, but it goes back to the guidelines and what status they could have. I know it does say that the Speaker and the Chief Minister “may”, but I would go as far as saying you cannot issue guidelines.

Mr Duckworth: The guidelines, Mr Coe, may just deal with a very logistical issue. For example, as Madam Speaker mentioned, we have written to the tax commissioner seeking a PAYG class variation. The advice that we had from our tax advisers was that, in order to make that request, there was going to be a requirement to do that annually and any new members coming into the Assembly had to make their tax file number available. So the guidelines might say, “If you are a newly elected member, there is this allowance that will be tax free.”

MR COE: Sure. That does make sense.

Mrs Dunne: But I would envisage that the guidelines are minimal.

MRS JONES: It is more of a logistic arrangement?

Mrs Dunne: Yes.

MR COE: With regard to the survey, a relatively recent undertaking with regard to library services, I was wondering whether it was possible to get an update on that survey and whether any changes came about as a result of it.

Mrs Dunne: Honestly, I cannot recollect the survey. I will leave it to Val to answer the question.

Ms Barrett: Yes, it was called a client needs analysis. It reported in September last year. It was a study into the needs of the library across the ACT public service that we also provide services to, and members and staff. I think it would be fair to say that people needed quite a lot of encouragement to give us their views and there were a few focus groups and so on. But it was a very worthwhile study because it gave us a better insight into the sort of help that people wanted. The biggest issue is that there is probably a lack of awareness of what the library can offer and what we can do for people. Also, probably, people want to be able to help themselves. They want us to have the resources that we can make available to them online. One of the problems is that we have a very limited budget, so we cannot afford to have huge databases of useful journals.

Apart from the training and awareness issues, which we were aware of, and we have to promote the services we do have a bit more often, what we have done recently is to revamp the library intranet to put much richer information on it and to try to make it easier for people to access things that they need themselves. We are also looking at the alert services and how we can customise individual members’ alerts. The new

intranet, we hope, will be released next week. We will also be trying to talk to members and staff about exactly what they need to find and then how we can help them find it.

We are too small to provide a proper research service like the parliamentary library would be able to do, but we are trying to spend our small budget as usefully as we can on the sort of information that people need, and it is largely news articles.

Without pre-empting anything, I am in discussion with the Clerk about perhaps getting some more funds, if they are available internally, to do a few more things like subscribe to more news databases. We are also looking for a cost-effective small digital repository so that we can have more information like past media releases and press clippings, because we have a program for trying to digitise more of the older ones. We actually have a small collection of digitised media releases but we do not have the technology or the storage capacity to be able to make them readily available online.

So it has been a very useful document. It actually had about 54 recommendations. Some of them were very low key and did not require a lot of expenditure, but some of them do require expenditure. So over the next few years at least we have some good information for planning purposes. The report is available somewhere. I would be very happy to let this committee know exactly where they can find the report because it has some useful reading in it.

MR COE: There is space in the digital repository!

Ms Barrett: Yes, once we have the digital repository.

Mrs Dunne: Mr Chairman, we might circulate to members and staff a summary of that and a direction to where they can find the full report.

MR COE: I participated in that and I thought it was a great process.

MRS JONES: As a supplementary to that, on the research service that we cannot offer, has there ever been any consideration given to the ACT Assembly having some sort of subcontracting arrangement, when there is space and when there is time, to the federal government's research service? They really have that capacity up there. From my experience on the hill, they are not always used 100 per cent either. Have we ever investigated subcontracting to them for last line off the peak?

Mr Duncan: Mrs Jones, it has been raised a number of times and there are lots of possible benefits. The issue has been resources from both our end and availability. From the parliamentary library's point of view, their first priority will be members and senators. So they would not be able to give a reliable service. This is from discussions going back many years, so do not hold me to it, but the view was that even if you were able to stump up the resources to have access to those facilities, we would still have to give members and senators first priority, and parliamentary committees.

MRS JONES: Sure, but even the very lowest members of the federal parliament only

have to wait for a few days, so even if we waited a week for a response, and if we paid only when they were able to provide a response, it would still be a very valuable service for people doing long-term policy investigations and when we really cannot find that information anywhere. There is nothing tailored on a research basis, and we have to allocate staffing resources from within our offices. Especially as we go to a bigger Assembly and we want to be a better or a more mature jurisdiction, it is pretty impossible sometimes, I would imagine, even for ministers, to necessarily have the academic background that they want and need.

Mrs Dunne: I am happy, Mrs Jones, to revisit that issue.

MS BERRY: Just before we finish, Madam Speaker, are you aware that it is “bring your pet to work week” next week?

Mrs Dunne: We will fill the courtyards with dogs and see how that goes.

MS PORTER: If they are houstrained, Madam Speaker, can they not come up to the offices?

Mrs Dunne: I do not know.

Mr Duckworth: In the break I had the opportunity to take a briefing from our facilities manager in relation to the failing lift. I can certainly confirm that there are no additional costs for us with these failures. It is covered by comprehensive maintenance under our contract. The fault from yesterday has been rectified and a part has been replaced. It has had a complete lobotomy. In computer terms, it has had new motherboards, circuitry and so on. We are hopeful that we have seen the end of the problems. Certainly, with your main concern earlier, one of the questions was whether or not it is costing us, and there are no additional charges.

MS PORTER: Thank you for getting that information from the facilities manager.

THE CHAIR: We will close because we now need to speak with the ACT Ombudsman. I forgot to do it yesterday but the award today for the best comment goes to the Speaker for her comment about the warm inner feeling you get when you deal with the Speaker. And yesterday’s—

Mrs Dunne: Do I get a prize?

THE CHAIR: best comment was from Gordon Ramsay of UnitingCare at Kippax, who said that being in the sector is like building a plane whilst it is flying. They are the best two comments so far for estimates. I remind you that, for anything taken on notice, you have five working days in which to respond. The committee, of course, looks forward to your responses. A *Hansard* will be distributed when it is available for your perusal. If you have any corrections or any information that can assist the committee, we would be grateful to receive that.

Sitting suspended from 2.58 to 3.12 pm.

Appearances:

ACT Ombudsman's Office

Glenn, Mr Richard, Deputy Ombudsman

Lee Walsh, Mr Rodney, Senior Assistant Ombudsman

THE CHAIR: We will resume for the final session this afternoon of the estimates committee inquiry into the 2014-2015 budget. We now welcome the very first appearance of the ACT Ombudsman at an estimates ever. With that, we are very grateful for your attendance at what I understand was late notice. In front of you on the table is a pink card; it is the privilege statement. I need to bring it to your attention and ask whether you are aware of what the privilege statement extends to you and your obligations under that. Both gentlemen acknowledge that they do.

Hansard will be recording and it is being broadcast. At the end of the session, when the transcript is available, we will give you that for your perusal. If there are any corrections or clarifications that you wish to make, we will be delighted to have them. With any questions that you may have to take on notice, we ask that you respond within five working days. We would like to extend to you the opportunity to make a brief opening statement.

Mr Glenn: Thank you very much, Chair. First, can I express the apologies of the Ombudsman, who unfortunately had a longstanding commitment interstate today and was not able to make it.

Chair, as you say, this is our first appearance before this committee. We are very happy to come and talk about the work we do with ACT government agencies and the ACT community. As you would be aware, the ACT Ombudsman is housed within the office of the Commonwealth Ombudsman. It is a separate statutory position under ACT legislation, but we run the business out of our commonwealth offices and are able to achieve, we think, some good efficiencies as a result, by being able to leverage the larger scale that we have with our commonwealth colleagues.

Our role, as you would imagine for that of a parliamentary ombudsman, which we will become on 1 July—although I think the label is effective for our current status as well—really has two main components. The first is to receive and entertain complaints from members of the community about the operations of ACT government agencies, about the administration of programs, and to seek to resolve those complaints if we can.

Equally important, though, is our role in relation to public administration as a whole, to achieve improvements in the standard of public administration both through the resolution of complaints and through the provision of advice and assistance to agencies along the way.

To that end we spend a lot of time working with ACT government agencies to help them improve their complaints handling mechanisms so that they are able to deal with issues that members of the community raise with them, without them having to flow through to us to be resolved in the Ombudsman's office. That is an important function because it increases the efficacy of public administration in the ACT and inevitably

there will be enough work for us to do in dealing with the very hard cases once the agencies have had a go at resolving matters themselves.

We also provide a service in relation to ACT Policing whereby we hear complaints about ACT Policing and provide an inspections regime in relation to coercive powers exercised by the ACT police. Again it fits in with the idea of giving assurance around the steady improvement and the correct disposition of powers within the ACT community by the public sector as a whole.

Chair, you mentioned that you were not able to see us in the budget papers. Our funding for the ACT function is derived from a services agreement that we have with the ACT government, mediated through the Chief Minister's directorate. So the appropriation actually sits with the Chief Minister's directorate. We receive funding of approximately \$1.1 million a year, which can be roughly divided, in terms of how we spend that, about 50 per cent into the ACT Ombudsman function and 50 per cent into the ACT Policing oversight function. I might leave it there and I am very happy to answer any questions.

THE CHAIR: Thank you very much. The \$1.1 million in next year's budget: is that an increase on this year's budget?

Mr Glenn: Approximately \$1.1 million—it is \$1.089 million, I think—is what we received this year. We understand we will receive the same or with a slight increase in the coming year. The agreement itself has an increase of about two per cent year on year.

THE CHAIR: Is that adequate for the amount of work that you do on behalf of the ACT, can we have a refund or do you need additional? Is there work not carried out because of a lack of funding?

Mr Glenn: I do not think there is work not carried out as a result of a lack of funding. We could always carry out more if we had more, but I think it is probably about right for the type of service that we are providing. The emphasis that we have been putting recently is on working at the front end—working with agencies on their complaint handling, trying to get ahead of issues by inviting agencies to tell us about new things that they are doing. I think that has proved to be particularly effective and complaint numbers have been falling as a result.

It is a significant investment to do that because it is a constant conversation with the agencies and a very steady line of work, as opposed to some of the more sporadic complaints work that you can get. I trust that the Ombudsman will not criticise me for saying so, but I think we are about right on resourcing, on current function.

THE CHAIR: Where do the complaints, in the main, fall? Is it bullying, is it sexual harassment, is it a failure of service delivery? How do they fall?

Mr Glenn: It varies quite a lot. Looking at some of our statistics and at some of the complaints we have received this year, for the Community Services Directorate we have had a total of 63 complaints this year, which is one of the higher directorates. That, we think, is mostly being picked up through issues arising in public housing.

They can vary from the administration of the housing program itself through to complaints by tenants about others.

MS PORTER: Other tenants.

Mr Glenn: Other tenants. We know Housing do a lot of work to try and resolve that, and we are in very close contact with them to try and work through those issues. Our next or largest area outside Policing is in the Justice and Community Safety Directorate. It is Corrective Services that is driving the bulk of that activity, and that is generally prisoners raising different issues. On the nature of those issues, I do not have a breakdown in front of me, but they can range across a whole level of seriousness. But they are our big areas of activity. The next highest picks up in TAMS. It is mostly out of the TAMS part of that directorate, so it goes to trees and the usual community concerns around those types of issues.

MS PORTER: With respect to your becoming an officer of this Assembly, I have two questions around that. Does that cause any difficulty, that shift in your relationship in the office that you are housed in, being with the Commonwealth Ombudsman? Is that difficult or not? The second question is: does it alter in any way your budgetary requirements? Is there a need for some additional money? It is really building on what the chair mentioned. I am wondering if that is an issue for you in any way, and how you see your role. Will there be any need for any staffing changes of any description? What, if anything, will change for you?

Mr Glenn: In terms of being able to reconcile the two offices within the office, if I can put it that way, I do not think it causes us any great concern. The mechanism by which the Commonwealth Ombudsman is also appointed as the ACT Ombudsman exists in a mixture of ACT and commonwealth legislation, and that will continue, and our capacity to provide the service is going to be just the same.

The main operational changes for us will be the reporting lines. Annual reporting would be to the Assembly via the Speaker as opposed to the Chief Minister—to the Assembly via the Chief Minister, effectively. We would also need to look at the new arrangements for funding the office. I think the existing arrangements will continue into next year, but the officers of the Assembly legislation has a mechanism for funding officers of the Assembly which is slightly different. We would need to go through that process as we go forward, and that involves the Speaker, committees and so forth.

In terms of whether we would need any staff changes, I think not. We have some very good people working in the ACT space at the moment, but we do have the capacity to bring people across from our commonwealth side if we need to supplement staff, and to provide people with new opportunities as time goes on.

On the point of money, what we really need to do is see what the Assembly's desire is for activities of the office. If there are new things that the Assembly would wish the office to do, to look at particular issues, to refer matters to the Ombudsman or to seek a different style of Ombudsman intervention into the ACT public sector, that would potentially have cost impacts that we would need to look at. But I think we would need to see what that is when we are having a conversation on however the Assembly

might like us to take on the functions that we have, or that we are going to have under the new regime.

MS BERRY: Maybe this goes to the response you just gave: how do you engage the community in where you will be compared to where you are now?

Mr Glenn: For us, the challenge of engaging the community really stays much the same. The status that the Ombudsman will have as an officer of the Assembly is interesting, but I suspect it is not going to be a major feature for individual complainants. What I sense from individual complainants is that they are looking for the sense of independence, the willingness to help and a place to be able to raise their issues. That is really about the stance of our office generally. I do not think that will change very much as a result of becoming an officer of the Assembly.

Outreach and awareness raising in the community are always issues for offices like ours. It becomes more difficult in a resource-constrained environment where we quite understandably dedicate more resources to doing the job than to promoting the doing of the job. But we do maintain links with community organisations, and we seek to make sure that we find the mechanisms where our story can be told, so that community organisations know about us and can tell their clients.

Equally, our work with agencies is about improving their complaint handling and their public administration, and also enabling them to promote us through their engagements with citizens. One of the most powerful things that we have in the commonwealth jurisdiction, for example, is in agency correspondence saying, “If you are dissatisfied with this result, you are entitled to complain to the Ombudsman.” With that sort of messaging being reinforced in all of the communications, that is very useful for us. We seek to do the same thing with the ACT.

MS BERRY: Just on the complaints that you receive, how many of the complaints that you receive are complaints that you act on? How many would you knock back?

Mr Glenn: We might take that on notice.

MR HANSON: In table A1, I can tell you—matters finalised is 587.

MRS JONES: Total finalised?

MR HANSON: Yes. So no investigation, there were two categories for that—195 and 264—and total finalised was 587.

MS BERRY: How do you make a decision about which ones you knock back and which ones you go ahead with?

Mr Glenn: That is an interesting triage process that begins with: is the complaint within jurisdiction or without a jurisdiction? If you get through the first gate, it is then an analysis around whether this is a matter that has been raised with the agency concerned first, because we would not investigate a complaint unless the agency has had a first go at that. So that is one way to push things back. There are analyses around whether this is a complaint that could be agitated in a court or a tribunal.

Typically, we would not investigate those because the individual has another avenue, a more appropriate avenue.

Once you get through those, it is then into an assessment of the complaint itself, and the investigation process may commence. We also have a mechanism that we have been working very hard with agencies on, which we describe as a transfer. If we receive a complaint, we can begin the investigation. If it looks like it is capable of resolution by the agency if they had another look at it and perhaps tried a bit harder, if I can put it that way, we will send it back to the agency, with the complainant's consent, and say, "This is where we would like to go. If you are dissatisfied after another period, you are welcome to come back to us and we will reinvigorate our investigation."

That has actually proved to be a very powerful mechanism to get things resolved by agencies themselves. But it does tend to change the way our statistics are represented, because what we are actually doing is funnelling a whole lot of work back into the hands of agencies rather than taking it ourselves.

THE CHAIR: Mr Hanson, I assume you were reading from last year's annual report. Mr Lee Walsh, were you going to give us the current financial year?

Mr Lee Walsh: I can certainly give some updated figures for 1 July through to 31 March. The year-to-date figure is we received 318 complaints and finalised 312.

Mr Hanson: I am out of date.

MS PORTER: So when you refer to it being within jurisdiction, is that as simple as it being an ACT agency that a person is complaining about or is it a New South Wales or commonwealth agency? Is that the jurisdiction you mean?

Mr Glenn: That is the start of the question, and then it is, "Is it a matter that could be dealt with by the children's commissioner or is it a human rights matter or the health commissioner?" Firstly, is it an ACT matter? If it is an ACT matter, then is it within the Ombudsman's jurisdiction or within the jurisdiction of another oversight agency within the ACT?

MS PORTER: So when a person comes to you and directs a complaint to you that really belongs with a not-for-profit community organisation but because it is funded through the ACT government the person coming to you thinks it is the correct channel, where do you refer those matters to?

Mr Lee Walsh: As far as possible, if we can provide a contact within that agency, we will try and do that. The important part is to ensure that the person has attempted to try and exhaust the remedy or review process that might be available within there. So we do not leave them hanging; as far as possible this is where we try to provide that end-to-end service. We will try to refer them back to a corrective point. But we are certainly very, very conscious of the concept of referral fatigue where an individual contacts you and you say, "It is not me," and they hang up. That is probably the worst reaction, so we try to provide a bit of an example for ACT government agencies and those that are contracted by the government to show how we should be handling

concerns raised by citizens.

If I could add to Mr Glenn's point, too, in terms of those matters we might not be able to assist on; even those which fall within jurisdiction, we also ask ourselves whether we can provide a better remedy by our involvement. If we cannot, we will explain that to the individual as well.

THE CHAIR: Mr Hanson, you have a supplementary?

MR HANSON: Yes, it goes to the complaints. In the annual report, the figure for financial remedy is 14. You may have a more up-to-date figure on that. Some questions about the financial remedies are: how much have they been—without involving the nature of the case; what are they for; and then how are those determinations made? Is a decision made by the agency to pay someone out, or is that a matter that has been resolved by the court or by arbitration? What is the process?

Mr Glenn: We will need to take the detail of that on notice, if we may.

MR HANSON: Sure.

Mr Glenn: But just to the general point about the nature of the financial remedy, it could be that a particular payment be reinstated that perhaps was denied, if that is the nature of the complaint. Occasionally—and I am not sure if we have had this in the ACT jurisdiction—it would be for some reason a person has suffered loss because of some part of the administration and that person should be compensated for that. Typically they are not large amounts, and they are only recommendations from our office that this should occur. None of them are pursued through the courts or tribunals from our end; they are simply our assessment of what a fair resolution of the matter would be.

THE CHAIR: Mrs Jones with a new question.

MRS JONES: In previous years the ACT Ombudsman has addressed the issue of a culture of denial and defensiveness in ACT government. Can you update us on your assessment of whether the culture still exists, how entrenched it is, how difficult it has been to change, and maybe what tools have been offered for improvement? Do you have special resources to assist with addressing this issue?

Mr Glenn: I think there is a very strong and positive culture of proactive complaints handling within the ACT public administration. I think they are showing incredibly good signs of being able to embrace the idea that a complaint is a valuable source of business intelligence and that resolving complaints is in everyone's interest to be able to assist citizens to go about their business and agencies to concentrate on their core business.

Mr Lee Walsh: I will add that the complaint handling forums we have been convening for all ACT government agencies to send their complaint handlers to is part of that process of trying to show best practice in that regard. Certainly the hope from us very much is that if agencies have a complainant who comes forward with a particular concern, it would be less about the agency saying, "It wasn't us," and more

about, “Please tell us what your concern is,” in an attempt to try and deal with that.

I think that also goes to our process of trying to return the matters which are capable of resolution back to the agency. In one sense, there should not be an attempt to say, “It’s not ours; go to the Ombudsman.” It should really be about an end-to-end servicing of the citizens. That is where we would see that. It is continuing improvement. But with a change of officers, we try to provide that proactive training and assistance and a bit of support, and they can contact us if they are having particular difficulties.

MRS JONES: As new people are employed?

Mr Lee Walsh: Into complaint handling roles. Occasionally you will have a rotation of staff. Some people are particularly well able to deal with public concerns without showing defensiveness, and I think proper selection and training of individuals in those roles is quite critical.

MRS JONES: Has that improved?

Mr Lee Walsh: I think it is a process of continuing to help people understand where they can improve. I do not think there is ever a cut-off point where it is good enough. I think there is always that expectation from the public that people continue to try and deal with their matters in a reasonable and sensible way.

I think it might have engaged the notion of the types of remedies the office provides. We pride ourselves on the better explanation, which would almost seem to be ironic, but it is one of those things where sometimes the person at first instance has not quite understood what their concern is or what the response from the agency is, and getting a better explanation of that sometimes goes a long way to helping them deal with the outcome.

Mr Glenn: One of the things we have done very strongly across all of our jurisdictions is to move ourselves from a space where we only deal with complaints, we surprise agencies when we criticise them and we come out and slam people to one where we are quite deliberately saying, “We are here as part of the institutional fabric of public administration to improve things generally and to help you to improve. The way we will do that is to get in early, to help train your people, to give you fair warning when we have found something we think is wrong so you can either fix it or to have a plan to fix it when we go public about it.” We want to make sure that agencies at a senior level—this requires some investment from our office as well—take the view that dealing with complaints is important and that the Ombudsman’s office is there as a strategic partner in being able to do that as opposed to someone who is going to come and whack them around the back of the head with a four-by-two.

MRS JONES: Does that ever leave you feeling at all that you are not free to criticise when things are not done properly?

Mr Glenn: No.

MRS JONES: Can you say whether there has been then a real improvement in the

period since that comment was made?

Mr Glenn: Certainly it does not leave us in any doubt about our capacity to be much more robust if we need to be. In fact, I think it helps because we develop relationships that allow us to be more robust and engage in those sorts of issues. Certainly we credit the decline in the number of complaints we have seen coming through the ACT jurisdiction since those comments were made to the effort we have put in with agencies and that agencies have put in with us to get ahead of the game and to do better.

THE CHAIR: A new question, Mr Hanson.

MR HANSON: How do you work out your line of demarcation with the Human Rights Commission, in particular the Health Services Commissioner and other elements of that body and other areas where people can make complaints so that you can make sure that you are not doubling up addressing a complaint that is being dealt with by three other areas of the ACT government and the Human Rights Commission? Do you have a process around that?

Mr Lee Walsh: Certainly. We can apply the jurisdictional lines on that from the legislation, but we also have fairly good communication with all those bodies. If an individual revealed to us that they had raised their complaint, we will often say, “Who with?” That gives us sometimes a first line of whether they may have multi-listed a complaint across several agencies, and we will work out who is in the best position to provide a remedy.

Mr Hanson, as you will know, the way someone will frame a complaint may not be the actual issue which is capable of resolution by the Ombudsman or the Health Services Commissioner or the human rights commissioner even. Distilling from the facts and the concerns what the issues are that we can help them oftentimes helps us guide that matter toward the appropriate body that can assist.

To make the point again, provided the person has returned to the agency correctly and attempted to exhaust that process, the ability to know what the next steps might be are sometimes informed quite well by the agency itself saying, “Look, we can’t take this any further. We think we’ve exhausted the review opportunity available to you. If you have concerns about this, the appropriate person is the Ombudsman or the Health Services Commissioner or human rights.” This is where, in one sense, agencies working well and communicating with complainants can eliminate a lot of that opportunity.

Certainly it is a live issue for us to ensure that people are not multi-listing a concern and to make sure that the agency best able to provide a remedy efficiently and effectively is an important one for us. Open communication between the offices is a very important, and we engage in those discussions quite openly with those agencies.

MR HANSON: Does the Health Services Commissioner refer to you as well? Is it a two-way street where they will come up with things that they think are better placed with you?

Mr Lee Walsh: Absolutely. If they have a matter that better sits with us they will refer it or at least raise it with us to see if it is something that we would be in a better position to receive given the background or the history or the concerns or what the person is seeking in terms of a remedy. Absolutely.

THE CHAIR: How would somebody find the ACT Ombudsman? Are you responsible for the web page or is the ACT government responsible for the web page?

Mr Glenn: No, we are responsible for that. We look after our own web pages. We have a web presence. We have a range of collateral brochures, the sorts of things that we can distribute, although realistically that is a diminishing part of our business because it is very expensive. We maintain listings in community directories and those sorts of things for people to be able to reach out to us.

THE CHAIR: So the website entitled “Australian Capital Territory Ombudsman” with a big “O”, that is yours?

Mr Glenn: That is us.

THE CHAIR: Okay, because when you log on to “About us”—

Mr Lee Walsh: Without seeing the screen, of course.

THE CHAIR: Sorry, kind of hard, but when you log on to the site, the tab that says “About us” has another tab that says “Organisation chart”, but it is blank and does not go anywhere. Is there a reason for that?

Mr Glenn: Can we take that on notice?

THE CHAIR: Yes, that is okay.

Mr Lee Walsh: There certainly is not a reason for it, but there is a solution.

THE CHAIR: There you go; that is what estimates is all about—getting to the gritty stuff. So how do people find out about the Ombudsman? How much of your budget is committed to advertising and proactive activity?

Mr Glenn: I do not have the figure in front of me. It is a very small amount for advertising. There is promotion through *White Pages* listings and those sorts of things, the website and some of our brochures. We rely on free services like community directories and so forth and we rely on the good work of agencies to be alerting people to our presence and to their right to contact us.

Other things are through word of mouth, through speaking events and those sorts of things which we attend. All of the agencies we speak to that are in the kind of integrity oversight space are struggling at the moment with the idea of promotion into the community and outreach. It is an incredibly resource-intensive exercise. It is something we are aware of and we try and work within the envelope that we have to be able to do it.

THE CHAIR: Do you ever do surveys or determine how well known the office is within the ACT community? Canberra is a very well-educated population and those in the know do know the process and the system. Most of us either have worked or are working in the public service or know somebody who has. But those who are on the margins and are disadvantaged are often there because of that lack of education. How do we contact those people?

Mr Lee Walsh: I was going to say, the interaction with the agency at the first instance. If we were to run, theoretically, a very large television campaign, for instance, we would get a proportionate number of inquiries. But they are most likely to be inquiries where, if they have not been interacting with the agency, the chance of them having attempted to resolve the matter with the agency would be—

Mr Glenn: Slight.

Mr Lee Walsh: Yes. So we would have to probably be returning a number of those ones. But in terms of actually making surveys or outreach to determine whether people recognise the term “ombudsman”, that is not something that we are doing.

I guess one of the points to look at too is that with younger people these days really it is all about mobile technology. They will Google a term until they find something that bounces through that. But that is a fair question to put, if nothing else. I guess that is where we really need to think into the future: are young people using the *White Pages*? They are if they know the term. Otherwise it is the interaction with the agency.

With Housing, for instance, you might have Bob, a person who has difficulties with reading. Certainly it is a part of that agency’s responsibility to ensure that, if they have exhausted the complaint as far as they can but not been able to resolve it, they then have a natural tendency, quite rightly, to say, “We cannot do anymore, but here is the next port of call.” So that is where that complaint handling forum I mentioned to Mrs Jones is important, to make sure they understand there is a point beyond themselves that can be of some assistance.

Mr Glenn: And equally, other service providers are very helpful in this space as well, people like ACT Legal Aid, for example, who can assist with referrals. Many of us in this area spend a lot of time doing referrals, as we talked about before, and it is a very cross-fertilised area where people are being directed in ways that are going to be most helpful to them.

Mr Lee Walsh: As part of that question, we are, next year, hoping to convene a small parliamentary ombudsman network. That will not be a small network but a network of parliamentary ombudsmen in the smaller states and territories, hoping to, if we can, understand better what they have been doing to reach vulnerable people within resourcing that they have available to them and see whether we cannot learn and share a little better. That is certainly one of the initiatives that we are hoping to strive towards next year within the resourcing envelope that we have got.

MS PORTER: I was just going to say, maybe for the young people, you can develop an app. I am not into apps, by the way, in a big way, but I believe the young people like to think they are fascinating and wonderful and they can link into where to go.

“Have you done this, that and the other?” can be in the app.

Mr Glenn: Apps, Facebook, Twitter, all of those sorts of different platforms are very interesting and I think are clearly going to be part of a suite of things we will need to look at in the future, as we find the resources to—

Mr Lee Walsh: I was going to restrain my colleague and say, “Given the broken link, we might try to moderate expectations and get that up first.”

THE CHAIR: Ms Berry.

MS BERRY: Just relating to the issues around vulnerable people and what sort of support they can get for putting in their complaints, people who might not have higher literacy methods or might not even be able to write or know how to put in a complaint, do they get support directly from the Ombudsman or do you get them outside support to put together a complaint, if that is where it needs to be?

Mr Glenn: Typically, it is support from within our office. We have a number of avenues through which people can enter our service and make a complaint, but by far the largest is the telephone service that we have. People will ring up. They will be able to speak to an officer about their complaint and we will seek to record what it is they are complaining about and work with them to understand what it is that is actually driving their issue. And that is a very significant part of our business because, of course, people come to us with their stories, not with a very nicely pre-packaged, “I had problem X with agency Y.” So our staff need to be very alive to the need to extract information from people and assist them to bring their story out and to be able to interpret it in a way that then we can engage with it and agencies can engage with it.

MS BERRY: And for some people, their complaints could be quite complex across a number of agencies?

Mr Glenn: Yes.

MS BERRY: So you could maybe knock off a few agencies through their complaints processes, but then others you might have to actually go forward with the complaint?

Mr Glenn: That is right, and they can flip between jurisdictions because a person might have a housing issue and a Centrelink issue. So both sides of our office come into play in that.

MS BERRY: How many actual staff do you have?

Mr Lee Walsh: Dedicated to the ACT Ombudsman service?

MS BERRY: Yes.

Mr Lee Walsh: About 2.7—I should say three bodies, but 2.7 is the allocation.

MS BERRY: How many people?

Mr Lee Walsh: But we have, then, access on an as-needs basis to investigation officers. So this is how we manage a demand that might peak, spike or fall at different points in time, but 2.7 dedicated to the ACT function. That goes across the reporting. It goes into notional investigation, training, agency liaison, complaint management forums, the provision of training to agencies, and our bite-size seminar series has reached 800 ACT public servants this year. So that has been also important in helping with that culture change too.

Mr Glenn: Our total complement is about 136 people, and many of those are in the investigations area. So that is the pool of investigators that we can draw from to look at ACT matters.

Mr Lee Walsh: I should add too, we also have an inspections service that we provide for the law enforcement space, and that is an individual within that count of three.

MRS JONES: That is what I want to go to, the police ombudsman role. Can you give us a bit of a report on what you have done over the last 12 months in that space, what you have found, how many complaints and whether there are any ongoing concerns that you were hoping will be resolved by that agency?

Mr Glenn: In the year to date, 1 July 2013 to 31 March 2014, we have received 84 complaints. We have finalised 83 in that space. Obviously, the nature of community policing is such that you will get questions about use of force. You will get questions about the actions of police in those kinds of spaces. I think a more detailed encapsulation of what we have been dealing with throughout the year will form part of our annual report for the end of this financial year but I am happy to take any specific question on notice. Is there a particular area?

MRS JONES: I am interested in culture and whether you have made any recommendations around change to culture and whether they have been taken up.

Mr Lee Walsh: I will have to take that on notice.

MRS JONES: Of the 83 or the 84, yes.

Mr Lee Walsh: Certainly.

Mr Glenn: Now, as part of that ACT Policing function, we have an inspections role in relation to the use of the coercive powers that we are talking about.

MRS JONES: Is that random inspection?

Mr Glenn: Control operations, surveillance devices and the assumed identities in the child sex offender register—that is a planned program of inspections over the year and I think we are in the throes of finalising our report for the period ended 31 December, I think is where we are up to. Those inspections are based on statutes so that they follow a set routine every time, and I think the snapshot of that is really that there is a high level of compliance with the obligations that are set out in the legislation. We have not reported a significant issue with those, I think, in a number of years. So it is has been very pleasing.

THE CHAIR: Just as a supplementary, of the 83 resolved, what percentage was upheld?

Mr Lee Walsh: I will have to take that on notice.

THE CHAIR: Mr Hanson.

Mr Hanson: I have no further questions, thank you.

THE CHAIR: Neither do I. Do any members have more questions?

MS PORTER: I have a peculiar question. Do you find that there are particular times of the year when there is a spiral?

MRS JONES: Friday the 13th, for example.

MS PORTER: No. I was just thinking around times when there are spikes, ups and downs, maybe around budget time, when we make announcements and things like that or when the federal government makes announcements. Is there a spike during those times or after those times?

Mr Glenn: I do not think so, not in the ACT space. Interestingly, our tax jurisdiction in the commonwealth space follows a very predictable series of peaks and troughs around tax time and refund time and so forth. But across the ACT jurisdiction there is not a pattern that is obvious.

Mr Lee Walsh: It is often predicated by some sort of policy issue being implemented, coming in on certain timelines, that kind of thing. But that would not be a regular occurrence. That would be as and when.

MRS JONES: People expect something but it is actually something different that is happening and they want to know why.

Mr Lee Walsh: It can be a gap in the expectations.

MS PORTER: Expecting a little bit on what? Mrs Jones was asking you about the cultural responses and things like that. It occurs to me that if there are particular times when people are wanting to make a lot of complaints, this may create a stress within the agency which, when the phone calls are coming through, the listening ability of the officers on the end of the phone becomes less and less over time. I guess a part of the training that you do within the agency is about effective listening, how to deal with difficult conversations. Is that true?

Mr Glenn: It certainly is.

MS PORTER: To enable you to unpick what is the issue?

Mr Glenn: Certainly there is not a predictable ebb and flow of complaints but there are correlations that you can see. One might expect, if you had a significant change in

the ACTION bus timetable for example, there will be an increase in complaints in relation to ACTION after that. Yes, there are two avenues we work on. One is at the front end, to say, “What is your communication? How are we going to build people’s expectation so that they do not get surprised by this?” And at the back end it is to say, “You know people are going to complain. What is your plan to deal with it?” And that goes to: are you people going to be able to keep listening? Can you tell us exactly when you are going to do this so that we now when our phones are going to run hot—those sorts of inquiries?

Mr Lee Walsh: And that proactive engagement with agencies as to the policy design level has been a relatively newer approach that we have been taking. So in our agency liaison we say, “Please engage us early, not after we start receiving calls.” That helps us predict but it gives us an opportunity to give advice and assistance based on previous campaigns or deployments of new initiatives, just to ensure that basic errors are avoided and certainly to avoid that situation where people then receive lots of complaints. That is certainly our approach and there should be very few surprises from a new policy perspective. Certainly we do test what mitigation strategies agencies have in place if something were to come up.

MRS JONES: So you are saying you are the new-age, sensitive ombudsman now?

Mr Lee Walsh: I can even go further and say it is the informed, pre-informed ombudsman. Rather than reacting to complaints, it is about trying to be responsive to what we know may be coming in the future.

THE CHAIR: We might call an end to it now that we know the lunar cycle has nothing to do with complaint spikes in the ACT. We would like to say, gentlemen, thank you for appearing today on this first for the estimates committee at least. We will provide you with a transcript when it is available. You might look at it. If you have got any corrections or improvements you would like to see, please contact the secretariat. And any questions that you have taken on notice, the committee would be very grateful if you could reply within five business days. With that, thanks very much. The committee will resume on Monday at 9.30 am, when the Treasurer will appear for the main game.

The committee adjourned at 3.56 pm.