

**LEGISLATIVE ASSEMBLY FOR THE
AUSTRALIAN CAPITAL TERRITORY**

SELECT COMMITTEE ON ESTIMATES

(Reference: Appropriation Bill 2002-2003)

Members:

**MR G HUMPHRIES (The Chair)
MR J HARGREAVES
MS R DUNDAS
MRS V DUNNE
MS K GALLAGHER**

TRANSCRIPT OF EVIDENCE

CANBERRA

THURSDAY, 18 JULY 2002

**Secretary to the committee:
Mr P McCormack (Ph: 620 50142)**

By authority of the Legislative Assembly for the Australian Capital Territory

The committee met at 9.09 am.

Appearances:

Mr T Quinlan, Treasurer, Minister for Economic Development, Business and Tourism, Minister for Sport, Racing and Gaming and Minister for Police, Emergency Services and Corrections

Chief Minister's Department—

Mr R Tonkin, Chief Executive

Mr P Harris, Deputy Chief Executive

Mr P Gordon, Executive Director, Office of Business and Tourism

Mr P Hextell, Director, Accounting

Ms S Marriage, General Manager, Bureau of Sport and Recreation

Canberra Tourism and Events Corporation—

Mr R MacDiarmid, Chief Executive

Mr C Sanchez, Finance Manager

Mr N Slater, Acting Manager, Tourism, Development and Research

Stadiums Authority—

Mr D Harley, Chief Executive Officer

Gambling and Racing Commission—

Mr T Curtis, Chief Executive Officer

Mr P Collins, Manager, Coordination and Finance

Department of Justice and Community Safety—

Mr M Ockwell, Executive Director, Corporate

Mr B Lenihan, Director, Resource Management

Dr T Murney, Director, Services, ACT Policing

Mr D Jory, Criminal Law Justice Group

Mr M Castle, Executive Director, Emergency Services Bureau

Mr J Ryan, Director, ACT Corrective Services

Australian Federal Police—

Mr J Murray, Chief Police Officer for the ACT

THE CHAIR: I call this session of the Select Committee on Estimates to order. I thank the minister and officers for being in attendance. I will go through the housekeeping. Just a reminder that we have an arrangement for the provision of information to ministers about requests for technical or detailed information that might be required on future days. We will attempt to give you notice of what we might require so that you will have a chance to come to the meeting fully armed with that information.

I remind ministers and officers that the arrangement for the taking of questions on notice is that we ask for answers to be provided within three full working days. We will make the transcript available as soon as possible to the minister's office and the departmental contact officer so that witnesses who have undertaken to provide information can be sure of what it is they are to provide and get it back within the time indicated.

We will now go through the list of items on today's agenda. As with the practice we have announced. I will ask members present to indicate which items they wish to ask questions about so that we will be able to eliminate potentially some areas where questions are not going to be asked and therefore officers will not need to hang around.

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As before, I ask the minister to ensure that they are still available back at their department so that, if for some unforeseen reason questioning is necessary, they can be brought back here, but being in attendance here all the time will not be necessary under this arrangement. We will have questions on the Chief Minister's Department's overview statement and capital works output, the Canberra Tourism and Events Corporation, the Stadiums Authority, the Gambling and Racing Commission, Emergency Management, Correctional Services and the Australian Federal Police, so everyone will be required to be present today.

The proceedings are being broadcast to specified government offices and the media may record proceedings and take visual footage. Witnesses should understand that these hearings are legal proceedings of the Legislative Assembly, protected by parliamentary privilege, which gives you certain protections but also certain responsibilities. It means that you are protected from certain legal actions, such as being sued for defamation for what you say at this public hearing. It also means that you have a responsibility to tell the committee the truth. Giving false or misleading evidence will be treated by the Assembly as a serious matter. I ask that each witness on coming to the table state their name and the capacity in which they are appearing.

I remind members of the committee particularly and other members that our schedule is for hearings today on the matters I have just read out. Tomorrow we will not be meeting. The community organisations originally foreshadowed for hearing tomorrow will now be heard by the committee on Monday, 29 July. Minister, do you have an opening statement that you would like to make in this area?

Mr Quinlan: No.

THE CHAIR: I think you have arranged for officers of Treasury to come back today in case there are any questions about the capital works program. There was some question yesterday as to whether we were dealing with capital works in general today. Do any members have any general questions about the capital works program?

MRS DUNNE: I think I asked all the general ones I wanted yesterday.

THE CHAIR: I want to ask about the link program, but it may be better to ask that question of the Minister for the Arts when he appears on Monday or Tuesday. I have no specific questions, and no-one else does, about the capital works program. However, I will note that it seems like this will be the last time that Mr Ronaldson will appear before the Estimates Committee. I know how distressed he will be at not being able to have further appearances before the committee! I thank him for his many valourous efforts before the committee in past years.

Let us go into general questions about sport and recreation, business and development programs and economic development.

Mr Quinlan: Will we be dealing with business programs first?

THE CHAIR: We will take general questions on all those areas. As usual, we will take a broad overview of the sorts of issues people want to deal with. Are you ready to deal with sport-related issues at the moment?

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Mr Quinlan: It is your call, Mr Chairman.

THE CHAIR: If you have officers here who can help answer the questions, we might as well begin with those.

Mr Quinlan: Sport, I understand, is listed for 2 pm and the bureau is not here.

THE CHAIR: No, that is not the way the program has been constructed. We are dealing with output class 2, economic development, sport and recreation, according to my program.

Mr Hargreaves: It is in two sections.

THE CHAIR: Which I assume means that there will be a continuous discussion about it. If you are not comfortable with dealing with sport now, I am happy to defer it until later; there is no problem with that. We will deal with business programs now. Are you ready for those questions?

Mr Quinlan: Yes.

THE CHAIR: Minister, I will start with a question about the status of Labor's knowledge fund. In your financial statement for the 2001 election, you costed Labor's knowledge fund at about \$1.5 million for, I think, 2001-02, 2002-03. I understand that, although the program is funded for this financial year at \$1.5 million, it will rise to \$3 million next financial year and in the outyears. What is the reason that the government decided to boost the extent of funding for that program?

Mr Harris: My name is Peter Harris. I am deputy CEO, Chief Minister's Department. The knowledge fund itself is a reconstruct from the election commitment. It involves the \$1.5 million proposed in the election commitments. It also includes the \$3 million in the forward estimates for what was R&D funding, so it also includes the rollover of \$1.5 million committed in appropriation act No 2 of the last financial year. Effectively, the \$1.5 million from last financial year, the \$1.5 million in the current or the new financial year and the \$3 million from the forward estimates add up to a \$6 million commitment for the knowledge fund in the current financial year.

THE CHAIR: It is \$6 million in the current financial year.

Mr Harris: Yes, in the 2002-03 financial year.

THE CHAIR: And what are the amounts in the outyears?

Mr Harris: I will just need to look that up.

MR SMYTH: Budget paper No 3, at page 164, says it is \$3 million for each of the outyears 2003-04, 2004-05 and 2005-06, but are there add-ins to that?

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Mr Harris: No, you are quite right, it is \$3 million, followed by \$3 million, followed by \$3 million in future years. The R&D grant scheme, I think, finished in this financial year. There was a \$3 million commitment for that. As I say, that has been placed inside the knowledge fund and structured to fit the knowledge fund requirements. For the coming two financial years, 2003-04 and 2004-05, there were no forward estimates for R&D and now there is \$3 million for, effectively, the knowledge fund. So what had been, if you had looked in last year's budget papers, a \$3 million forward commitment for R&D which finished in 2002-03, there are now two outyears for \$3 million for the knowledge fund in 2003-04 and 2004-05. We have \$6 million in there.

THE CHAIR: Of the \$6 million this year, \$3 million is new money.

Mr Harris: In practice, \$3 million is new money, that is right, \$1.5 million from the knowledge fund commitment from the just finished financial year and \$1.5 million in the new financial year, and \$3 million already had been there for R&D.

THE CHAIR: Is any of that money made up of money that was formerly in the business incentive scheme?

Mr Harris: No.

THE CHAIR: So that that scheme is separate and continuing.

Mr Harris: There is a separate scheme for business incentive, the ACT business incentive fund, and the commitments in relation to that relate to payroll tax exemptions already made.

Mr Quinlan: I don't think the business incentive fund had forward cash commitments at any stage anyway.

THE CHAIR: No, that is right. Does what you say, Mr Harris, imply that there was some sort of winding down of business incentive scheme arrangements in favour of the knowledge fund? How will the knowledge fund work vis-a-vis the old business incentive scheme?

Mr Harris: No, there is no winding down. In fact, it is clearly an increase in the funds available for the purpose of supporting knowledge-based investments in the ACT economy. The business incentive fund/business incentive scheme, which was its predecessor's name, arrangements are quite separate and are dealt with quite outside the arrangements for the knowledge fund.

As I said, the knowledge fund effectively picks up what had been a \$3 million R&D scheme and has turned it in the current financial year into a \$6 million available pool of funds for a broader purpose, that is, knowledge, which, given the structure of the scheme on which we will be announcing details next week, will give an opportunity to cover potentially a much wider range of purposes than just R&D, but in that broader schematic of supporting knowledge-based investments in the ACT economy.

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The business incentive scheme/business incentive fund arrangements are effectively able to continue, but based around the same sorts of propositions that occurred in previous years, that is, judgments around proposals put to the government to say a particular business has a substantial expansion available to it as long as it gets some incentive support from the government.

MS DUNDAS: Can you explain how people will be able to access funding through the knowledge-based scheme?

Mr Harris: Yes. As I said, announcement of the details of that is, I think, planned for the 30th. Peter, is that right? Yes, the details of that are planned for announcement on the 30th; but, in outline, we will run a seminar series for potential applicants to give them information on how to put forward proposals. As to the description of knowledge, which is probably difficult to translate from a concept into a practical question about who qualifies, we will actually provide advice on what that might cover.

There are different constituent elements of our planned knowledge fund. They will cover equity investment, proof of concept development for business and commercialisation of a concept. In addition to that, the knowledge fund picks up the government's election commitment to improving the management of high-tech start-ups. So there are four areas inside the knowledge fund where potentially you might be able to qualify. There are different qualifying criteria designed, which we will announce on the 30th, for each of those potential investment areas. Different types of firms at different stages of development would potentially qualify for one or more of those areas of support.

MS DUNDAS: How much of the \$6 million will be given to business?

Mr Harris: It is all intended for business.

MS DUNDAS: Management costs and those kinds of things are not coming out of the \$6 million allocation?

Mr Quinlan: Internal management?

MS DUNDAS: Yes.

Mr Harris: In terms of our own, no.

MS DUNDAS: And the seminar costs and advertising costs?

Mr Harris: The seminar costs definitely will come out of that but that is, effectively, assisting people in applying. If you view it from the perspective of a business, we will be providing them with support for that. How do you apply? If I was in business, I would be saying that that is an advantage to me.

MS DUNDAS: What happens at the other end? What is the ACT public getting for its input of money?

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Mr Harris: The primary benefit that will come out of the knowledge fund is to ensure that the ACT economy continues to grow in ways in which, I think, there is broad community support, that is, we see ourselves as a knowledge-based economy. We are, effectively, in a competitive contest with other jurisdictions globally, but certainly within Australia, for future business investment in the ACT which provides employment. This is a primary mechanism for ensuring that we remain in that contest.

MS DUNDAS: Will there be contract commitments for businesses which get the money to ensure that they stay in the ACT or those kinds of riders?

Mr Harris: There will indeed be requirements to ensure that the primary direction of support is for business activity based in, or related to, the ACT. I should provide a caveat on that. Where it is a knowledge-based business, it is difficult to ensure that the knowledge isn't spread terribly easily. In fact, you would not want to do that because, in my view, it is counterproductive. For example, an ACT business which has a particular concept to develop does not want to exclude itself from the possibility of selling and therefore setting up a marketing presence in Melbourne or somewhere else, so we would not be excluding people on that basis. But we want to have a primary link with the ACT and we want to encourage continuation of the operations of these businesses in the ACT. So that is a fundamental focus inside the scheme.

MS DUNDAS: Is there a timeframe attached to that? Do they have to have their primary focus in the ACT for two years, five years or 10 years after the funding?

Mr Harris: No, horses for courses. We will be saying to people that we want to impose an obligation to ensure that they are going to ensure that the benefits remain in some form inside the ACT, but we will adjust it depending on the nature of the businesses.

THE CHAIR: What sort of application would you get up under the knowledge fund that you would not have been able to get up under the R&D grant scheme?

Mr Gordon: My name is Peter Gordon. I am executive director of the Office of Business and Tourism. As Mr Harris mentioned, there are a number of different elements to the knowledge fund, ranging from equity investments to the strengthening of management high-tech start-ups, as well as investing in the actual commercialisation process. The commercialisation investments have two elements. One is a new element called proof of concept. Previously, the R&D scheme was about helping people who had already proven their concept to take the idea to the point of marketability. To be able to work with inventors and scientists to help them get their concepts ready to be taken to commercial markets is an important new development.

The other additional bit is that, in addition to providing for the commercialisation of particular ideas and innovations, we will be able to invest in what is called industry capability. A group of scientists or inventors may need a particular machine or a bit of equipment which is not necessarily unique to their needs. To pick a topical area, in the plutonics area there are some generic materials and machinery which are required to take plutonics into the next stage. The knowledge fund will have the ability to acquire that type of equipment which will be used by more than one individual or company.

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THE CHAIR: Why wouldn't the R&D program have been able to fund that kind of thing?

Mr Gordon: Because the R&D program was specifically designed to go to the inventor, the single inventor.

THE CHAIR: Not to the commercialisation stage?

Mr Gordon: To the commercialisation stage; but, to the extent that they would need equipment that they could not have afforded, the R&D scheme just did not have the flexibility to take that extra step.

MR SMYTH: Of course, it could have been done through the business incentive scheme.

Mr Gordon: Sure.

Mr Quinlan: To pick up on the business incentive scheme, there wasn't actual funding in the business incentive scheme. The business incentive scheme had, in fact, settled, I would say is the best word, to a scheme for payroll tax waivers and a lease or land grant process as opposed to cash forward funding.

THE CHAIR: Sometimes it had cash money.

Mr Quinlan: I understood that, after some spectacular problems, there was a commitment by the previous government to eliminate the cash grant process.

THE CHAIR: No, I think you will find it was—

Mr Quinlan: There wasn't any funding for it.

THE CHAIR: No, it was generally funded from business. There wasn't a discrete fund, but it was generally funded from business. I must correct you there. There was a general desire to avoid cash grants, but not a complete ruling out; it was generally avoided.

Mr Quinlan: Just have a look at them and you will see the pattern.

Mr Harris: Probably the substantive difference here is that, although a discretionary investment may or may not be made by a government under a scheme like the business incentive scheme, under the knowledge fund a business now has confidence to know that. There is a scheme designed for the purpose. If you qualify—applications are competitive, but you are a pretty fair chance of getting it—you will move from a discretionary option, probably known to some but not to all, to a scheme that we are now going to market quite actively. We are saying that if you are in this game and you want support, we have a means of providing the support.

THE CHAIR: Minister, you said in your pre-election statement that you wanted these knowledge fund enterprises that were being resourced in this way to be a return on investment made by the ACT, so that eventually the fund might be able to break even, that is, it would invest in these things and produce a return. What is the target you are

setting for that kind of return? What do you hope in the medium term to be the amount that you will get back by making these investments?

Mr Quinlan: From the general perspective, that is to maximise. This concept has come from a paper I delivered to, I think, the ALP annual conference in about 1998, so it has evolved somewhat. I will let Mr Harris give you the detail on the investment dimension.

Mr Harris: As I said earlier, this is one component of the fund, but I think the intention will be to place our equity investments jointly with venture capital funds in the market and utilise their skills in assessing the quality of investments; so it is not, effectively, the government or the public service making a judgment on this, but in fact a venture capital fund. We are intending, effectively, to share risk with the venture capital fund, saying to them, "We have money available for this purpose. You can prequalify to have access to our money. Where you find ACT-based potential equity investments in knowledge-related industries that you would like to support, we are prepared to share the risk with you." In that sense, therefore, we stretch their money further, but we do not make the due diligence judgments by bureaucratic mechanisms; we make them through market-related mechanisms. So our rate of return, to answer the point of your question, will be, effectively, determined by the skills and judgments of those market-related managers.

THE CHAIR: I understand your statement as saying that you aim to break even and then to use that to fund other projects.

Mr Harris: That is correct.

THE CHAIR: What is the timeframe for doing that? When do you expect that the investment would be returned? In other words, surely you would set some targets.

Mr Harris: But we cannot tell you that in practice because it is, effectively, like saying, to take a biotech start-up, "How many years will it take to earn a sufficient return for us and our venture capital fund partner to decide to sell out?" It may be two years, because they have put an IPO out and have obtained a substantial new market and want to take their cash out because they have got other investments to make, other opportunities have come up, or it could take 10 years.

THE CHAIR: Surely every private sector enterprise of that kind would have a business plan that would actually set such targets.

Mr Quinlan: Yes, but they would vary from business to business.

Mr Harris: And fund to fund.

THE CHAIR: Indeed. But as an overall target, surely you would be saying that you want to have some parameters in which to make a return to the ACT. This is not just about giving money out; it is about strategically investing in emerging enterprises and emerging ideas in the territory, isn't it?

Mr Quinlan: Yes.

THE CHAIR: Surely you have got to set some targets as to how much you expect to get over what period.

Mr Harris: No, I do not think that that is right. It is an inflexibility that would, effectively, put our judgment in place of the market manager's judgment. What we are really trying to do here, as I said, is to stretch the venture capital dollar further and absorb risk with them. It is their judgment about whether it takes two years, five years or 10 years. As the plan—I am talking about the plan, not the actual result—they may well assess that they want to make this investment and the likelihood is that we will be getting our money out in two years time because they are very likely to go to the market soon. Alternatively, they could say that the nature of this investment is one where it is their assessment that we are probably in there for up to 10 years, as some venture capital investments potentially plan. I do not think anyone in venture capital really goes, to my knowledge, much beyond that sort of timeframe. Usually, they are trying to get the money out earlier.

Mr Quinlan: Part of the rationale behind this and our role in it is to provide what is termed patient capital in some cases. It is often said that venture capital does not and that, in fact, venture capital in itself can be counterproductive because, immediately the capital goes in, the next process is to find a return and a sale point at a higher level. What we want to do is to make sure that the development, whatever it might be, stays resident here because it is not sold off prematurely as well, so there is going to be an element of patient capital in this.

THE CHAIR: I understand all that, but on individual investment decisions you might not be able to say that this investment should come back to the territory with some sort of return for a specified period. We don't know what the timeframe is for individual programs, but you are in the business of being, effectively, a business that is looking at putting money out there and getting some sort of return over that period, because you say that you want to have a return on those investments sufficient to fund other projects. In fact, you talk in the statement about breaking even. In those circumstances, any business out there that was into venture capital would set itself some targets. How can you not set yourself targets in that respect?

Mr Harris: We set the target according to their target.

Mr Quinlan: It is a negotiated target.

THE CHAIR: As a business, you have to have some sense of what you want to achieve overall.

Mr Harris: Not necessarily, because the concept here is not so much that we are a business; effectively, we are sharing risk with someone who is a business and therefore the judgment that we are prepared to have if we find the right kind of investment is their judgment. This is what I mean by saying that we are not going to put the bureaucratic call in front of the market-related call. We are actually going to piggyback on the expertise of a number of venture capital funds. We will take their judgment about what the right timeframe is or, alternatively, we won't invest.

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THE CHAIR: How do we as members of the Legislative Assembly know that this fund is actually achieving something? How do we measure whether it is actually doing what the government says it is going to do, that is, return an investment to the ACT?

Mr Harris: It is our intention to publish a list of investments that shows where we put money over time. You may or may not know that the government's predecessor already has investments out there through venture capital funds. Those are probably fairly non-transparent in the current environment. Since we are going to go down this path, one of the key requirements is that we are able to show people with, effectively, an annual report. I am not quite sure how we will structure that, but the idea is to say what we had available for equity investment and where we put it, the nature of the firm. I do not think we will be going into commercial-in-confidence information, but it would be obvious that we had placed money with firm A and venture capital fund B is, effectively, the party that is doing the sharing of the risk.

THE CHAIR: In other words, you will not be disclosing individual venture capital exercises, particular enterprises into which you have put money, but you will have to indicate some kind of overall situation.

Mr Harris: That is correct.

THE CHAIR: If you are going to have a report which provides an overall picture of where the fund is actually going and what it is actually producing, why can't you give us targets for what you expect it to achieve so we can measure whether it is doing what the government expects it to do?

Mr Harris: Because, based on the discussion that I have had with the fund managers, and I believe Mr Gordon has had other discussions with other fund managers, the concept that we want to keep this ACT-based creates a bit of concern about bureaucratic interference. That is not negotiable from our perspective. We are saying, "Don't deal with us if you are not prepared to deal with us on an ACT firm related basis, because that is what we are investing in." But if you add that we want our money out in two years or three years and the venture capital fund is—

THE CHAIR: I am not suggesting that, Mr Harris.

Mr Harris: That is a target.

THE CHAIR: I am not suggesting any particular timeframe for any particular venture. You say that this would be being bureaucratic. It would not be being bureaucratic; it is what the shareholders would demand of a private sector company that was investing in venture capital. They would want to know how the company was doing, whether it was actually getting money back and how that amounted to a good return on their investment in that company.

Mr Harris: They would.

MR SMYTH: Mr Chairman, perhaps we can identify it in a different way. How much of the \$3 million that seems to be the long-term amount for the knowledge fund will go to equity investments?

Mr Harris: The intention is \$1.5 million per year.

MR SMYTH: When would that become sustainable? When would you start to get a return back so that the ACT investor would not have to keep feeding the fund? As you said earlier, some of them will have a return in two years and some will take 10 years. Is it \$1.5 million for 10 years? What size do you see the pot being and when do you see it reaching self-sustainability?

Mr Harris: We will be able to tell you that after we have committed to the venture capital funds that we are prepared to prequalify, but we can't say right now. So, right at day one. Effectively, we are not even at day one because we haven't started to prequalify venture capital funds.

Mr Quinlan: If the point of your question is whether we have factored into the outyears a return, within this framework, no, we haven't. It certainly is beyond that. This is being treated, quite frankly, as an expenditure item. This is not capitalised, this is not a loan, this is not put to balance sheet.

THE CHAIR: But you have not sold it as that. You have sold it as a way of investing and getting a return.

Mr Quinlan: Yes, so, isn't it good? We have actually put it within the operating budget, we have been able to provide it, and then beyond that there is the intention and almost certain prospect that there will be returns above that.

THE CHAIR: Another way of putting that is that because investment in business enterprises, and we talked about some of those yesterday, has been so risky for ACT government, the best way of avoiding falling flat on your face is not to set any targets, so no-one ever has to be told, "Well, you set this target and you haven't met it." Isn't that what is happening here?

Mr Quinlan: As opposed to the targets that were previously set? What are we talking about? We are talking about business.

THE CHAIR: At least, by setting targets we are being honest in trying to set a benchmark for what is going on. You are not setting any targets.

Mr Quinlan: So your target was zero, was it?

THE CHAIR: We had various targets in various areas, but I am asking you the question. What are your targets?

Mr Quinlan: We are dealing with high tech, we are dealing with knowledge-based industries. This is not something on which you can say, "Right, let's put a four-year timeframe." I could sit here and say—how long does this budget go for?—four years. Would that make you happy?

THE CHAIR: Are you saying that you will return on the investment in four years? Is that what you are saying?

Mr Quinlan: No, I am saying that I could sit here and say that.

THE CHAIR: Perhaps you should.

Mr Quinlan: But it is only until we go into some of the industries and look at the particular enterprises that we might be supporting, whether it be biotech or something like that, and we settle a contract and a deal with the venture capitalist and the company, then the deal is struck. I think we want that fluidity in the process. We don't want another bureaucratic hurdle that says that if they don't pay within five years, no matter what the possible benefit might be, we will throw that one out.

MS DUNDAS: To put it in reverse, what will you take as an acceptable risk over any kind of period? You said that 10 years is usually the benchmark in terms of venture capital. Is that the benchmark that you are taking? Are you going to say seven years or 15 years? What will you take as an acceptable risk?

Mr Quinlan: I have to keep saying this but, depending on the individual venture, seven years or 10 years. But for some we would say that we would want our money back a lot quicker than that because of the nature of the deal.

MS DUNDAS: But there is also nothing stopping you from saying that 20 years will be fine.

Mr Quinlan: Theoretically.

Mr Gordon: Can I answer that differently, please? I understand the nature of the question. I think that the way that we have represented it, however, is that the way that opportunities are financed through access to conventional finance, banks in particular, has proven to be vastly inadequate with respect to reasonably high risk, innovative new companies, new opportunities. The venture capital market, in part, came into being as a direct result of that. So you have a risk capital phenomenon which is occurring all round the world and Canberra has always lagged behind access to that sort of risk capital.

In the past two years we spent \$8 million on resourcing specific R&D-type opportunities which may or may not be convertible into businesses. What we did not have in the past, however, was the opportunity to look at some of those opportunities and consider whether the right way of capital assisting that commercialisation opportunity was as a form of investment as opposed to a grant. That opportunity just did not exist.

What we have got now is the opportunity to go to the market, to the people who manage these risk funds, venture capital funds, and say if there were additional, as the minister says, patient capital also available to them, how would that affect their investment decision on the basis of a more comprehensive suite of capital access opportunities, some of which are grants and some of which are normal commercial loans. As we know, in some areas that we have looked at in the past, the returns are potentially enormous. To use a company that doesn't mind being used as an example, Seeing Machines: if they get their next contract from the USA to install their gear in thousands of cars, the

opportunity that we could have as an investor in that Canberra-based company would be extraordinary.

There are opportunities there. The access by those small, innovative companies to the right sort of financial capability has always been limited in Canberra, and this provides a different sort of opportunity. In terms of a return, what we would be going to the market with when we start talking to the venture capitalists would be a statement that we are interested in having essentially a revolving facility, a facility which replenishes itself every now and again and which, as the budget papers say, looks to break even; in other words, having continuous access to that sort of investment opportunity.

MS DUNDAS: On that point, Mr Harris has told us that half of the ongoing money in this budget will be for equity investments. Is the other half—the proof of concept, the commercialisation and the IT start-ups—for direct grants and hence the equity investments need not just to get back their return but to double their return to continually fund the proof of concept, commercialisation and IT start-up grants?

Mr Tonkin: My name is Robert Tonkin. I am chief executive of the Chief Minister's Department. No. The point is, Ms Dundas, that there are two components to the knowledge fund initiative. One component is this equity investment process which, if we are successful, ultimately will become a revolving opportunity. Not everything we invest in will make money; that is the nature of the field of in-debt enterprise, to do your money cold in lots of areas.

It is almost impossible to predict the winners. In fact, the more you understand an investment opportunity in high tech, the less likely you are to make money out of it, because somebody else will have already figured it out. It is very difficult to pick the winner but you would hope, given the range of R&D in this city, that there will be some which will be successful and you will get an unpredicted windfall gain out of that investment, which can be tipped back into the fund.

MS DUNDAS: Into the investment fund.

Mr Tonkin: Into the investment side. The balance of the rest of it is simply grants. The benefit we get out of that in the territory is not a fiscal return to the budget but an economic return to the economy, represented in the form of employment and economic activity more generally, and that is like we do in a range of other grants across the community.

MS DUNDAS: Considering the difference in those two areas, one is a grant program and one is an investment return program, why have they been lumped in as one and we cannot see them separately and perhaps then clarify this whole situation a little bit better?

Mr Harris: The reason for putting them together is that they are integral components in a sequence of potential support for a firm throughout its entire life, so that you can come up with an idea and obtain support for research and development. You can obtain support then to prove up the commercial concept that goes with that, which is actually like creating a model of something, a seeing machine. You can then gain support for commercialisation of that seeing machine, marketing, convincing somebody to buy it from you who is actually going to invest the squillions of dollars that are required to

export it round the world, and at the same time you can find some patient capital. So it is a through the life of the high tech entity.

MS DUNDAS: Will the business then make four applications or will you just give them a pool of money and say that from this pool of money you expect X, Y and Z? Would there be four different applications?

Mr Harris: Potentially, but over the life of a firm like that, you are talking some years, so it is not just four applications today. Different firms are at different stages.

Mr Quinlan: Some of them are going to fail at some point.

MS DUNDAS: Yes, I understand.

MR SMYTH: We have heard that the pool might top itself up every now and then and we have heard that, if we are successful and if we have an unpredicted windfall, we will actually reach sustainability. Is it honest, therefore, to say that this fund can be self-sustaining, when, as we all know, these are unpredictable markets?

Mr Harris: It is exactly as honest as any other venture capital firm because that is what we are doing, we are piggybacking on a venture capital firm's judgments.

MR SMYTH: Except that it is sold in the document that the chairman has referred to as a self-sustaining fund; that is the objective. We are hearing now that you cannot tell us when, you cannot tell us how and you cannot tell us what will happen. It sounds to me like you might as well be buying lotto tickets if you are going to use words like "every now and then", "if we are successful", and "unpredicted windfall". People use the same sort of language when they buy a lottery ticket.

Mr Quinlan: So, Mr Smyth, you wouldn't do this?

MR SMYTH: No, I would suggest that it is a more honest approach to say that these are grants, which is the approach we took. The second point I would like to make is that, as Mr Gordon said, we spent \$8 million on R&D grants over the last two years. You have just said that of your \$3 million fund per year, half will go to equity and half will go to grants. In effect, you are now spending three-eighths of what we spent on R&D grants. How can you say that you are committed to building a knowledge-based economy when you have just slashed the grants program by that dimension?

Mr Quinlan: Did you spend \$8 million in two years on R&D?

MR SMYTH: Your own staff have just said that to you; \$8 million on R&D grants in two years.

Mr Gordon: They actually spent about four; they committed eight.

Mr Tonkin: The point, Mr Smyth, is that, as the government has pointed out, the R&D funding was stopping at the end of the financial year we are now in, so this program continues a level of investment into the future. The amount of the outlays—you could add them up—is sitting in the forward estimates and there is nothing in the budget

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documents which talks about a revenue line, so any return that might come from the equity investment part of this activity is beyond the forward estimates. In other words, it has the effect of being a grant. They are pure expenditures at this time. We are going to get, we hope, some return on that investment in the future, so that the investment by the territory multiplies itself into the future.

Mr Harris: But the simple arithmetic is as follows: the commitments in the last two years on R&D were four and four in budget figures from government. The commitment this year is six. Six is larger than four.

MR SMYTH: Please explain the six. Would you break the six down into the components?

Mr Harris: As I did earlier. The three previously committed for R&D, one and a half rolled over and one and a half new, those commitments made under this government. Thus, in terms of the new money devoted to knowledge versus the potential money available from the previous government for R&D, we have a new three.

MR SMYTH: Except that we had four in our estimates.

Mr Harris: No, three.

MR SMYTH: Therefore, it is a cut.

Mr Harris: No, your estimates for this year were three, this current year.

MRS DUNNE: Where is the one and a half rolled over?

Mr Harris: The one and a half came out of Appropriation Act (No 2).

MRS DUNNE: You appropriated money and everything in Appropriation Act (No 2) was absolutely urgent, but you haven't spent it?

Mr Harris: No, because we had no fund guidelines.

MRS DUNNE: Why was it absolutely urgent to appropriate it in Appropriation Act (No 2)?

Mr Quinlan: It seemed urgent at the time, Mrs Dunne.

MRS DUNNE: It seemed like a good idea at the time.

Mr Quinlan: Yes.

MR SMYTH: Like the hospital funding, which was urgent at the time and hasn't been spent at all.

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MS DUNDAS: Mr Tonkin, you said that any return was outside the forward estimates, and that is fair enough in terms of investments, but, if there is any return, will that money then go back to business through self-sustaining the fund, will it go back into general revenue or will it go to another program?

Mr Quinlan: They are questions for the future.

MS DUNDAS: But what are you thinking at the moment?

Mr Quinlan: If, in fact, we find that this is successful to that extent, then it would seem a good idea to keep going in that regard because we would be creating employment, we would be building Canberra as a knowledge-based economy. We can talk about a knowledge-based economy and the knowledge capital, but every developed area in the Western world is pursuing the same objective.

MR SMYTH: St George's *Trends* magazine said last year that Canberra is the IT capital of Australia. The acknowledgment of one of the most influential banking and investment firms around the country is that we have already achieved that; we are the IT capital. Your portrayal that you are going to make it the IT capital is, I think, overstated.

Mr Quinlan: I cannot see a great deal of evidence of Mr B. Smyth having done a lot in terms of a knowledge-based economy, let me tell you.

MR SMYTH: If you want to resort to personal attack, fine, but it is your budget that is under scrutiny here.

Mr Quinlan: If I can finish what I was saying, Mr Smyth, I will say this much: we need not only to work hard but also to spend.

THE CHAIR: Mr Smyth was actually asking a question.

Mr Quinlan: No, he wasn't.

THE CHAIR: He was making a statement or asking a question, which he is entitled to do. Do you want to continue what you were saying?

MR SMYTH: The point is that I think it was last year that St George in its *Trends* booklet did the analysis and said that Canberra is the IT capital of Australia. We at that stage had double the national average of firms, for instance; the population employed in IT industries was double the national average. That was an independent assessment. We did not pay St George to make that assessment of the previous government's activities.

Mr Quinlan: I don't think they made it of the previous government's activities. You are drawing a connection that I don't think is valid.

MR SMYTH: I think they mentioned things like the commitment to firms like TransACT and the commitment to things like the R&D fund that we had that said we were the knowledge-based capital, we were the ICT capital of Australia.

Mr Quinlan: I don't think so.

MR SMYTH: You can disagree. Take it up with St George.

Mr Quinlan: I would like to see it, then. I would like to see that reference to you.

THE CHAIR: Let's not have such an exchange; let's ask questions. Do you have a question, Ms Tucker?

MS TUCKER: Yes. I am interested in the statement from Mr Harris or you that you are continuing with the business assistance scheme as it was, the scheme whereby you give concessions, waivers, et cetera. Is that what you said? Is it going on as it was?

Mr Harris: No, sorry. We have a scheme, but the nature of how you qualify for it is different.

MS TUCKER: Can you give the committee information on that or is that in here?

Mr Harris: I can. In fact, I think I heard you ask about this yesterday, so I wrote myself some notes and was hoping I could lay my hands on them fairly readily. The basic proposition is that people who now seek assistance will go through an assessment process which involves a judgment being made on the employment generating capability primarily of the proposal put to us. There will be an assessment committee chaired by the public service. For accountability reasons, I want a senior manager who has signed off on the potential benefits that are available. We will use advice from the private sector as and when appropriate.

Judgments will be made by the minister as to whether assistance is warranted, and he will have the discretion to take it to cabinet. Importantly, there will be written advice from Treasury on every proposal that we put up for potential assistance here, and that written advice will be separately generated and provided to the minister in his role as Treasurer so that there is a competitive view on the validity of the benefits that are potentially claimed here.

That process differs. I wasn't associated with the previous process, so I am not trying to make a complete characterisation here of those things not necessarily having occurred, but the way we have designed this new scheme has very much been driven around the concept that clear accountability must lie for the commitment of public funds where they are, effectively, of a very discretionary nature. Who gets it, how they get it and why they get it is a highly judgmental matter under a thing like the business incentive scheme or the business incentive fund that was provided earlier.

My overall characterisation is that I think we have tried to strengthen the accountability processes which tend to justify why we made these judgments and what we expect to get out of them. That is the primary difference, as I understand it, but I cannot claim to you that I was associated with and therefore have a deep knowledge of the previous system. Mr Gordon does and we have, effectively, generated this between ourselves.

MS TUCKER: I am interested in knowing how that enhanced accountability will be made transparent. Will that information be tabled in the Assembly? How would we have access to that?

Mr Harris: In terms of the individual proposals supported under the fund?

MS TUCKER: Yes.

Mr Harris: I don't have an answer to that.

Mr Gordon: Full details are published in the annual report.

MS TUCKER: You have given us an overview of how you have enhanced accountability. Is that something that you can give to the committee in writing?

Mr Harris: I believe that you will find that the guidelines for this are going to be launched shortly as well. We can certainly provide the committee with a copy of those guidelines when the launch occurs, or as soon as we can.

MS TUCKER: I would be interested. Is there any ESD frame in there so that you will look at that aspect of it? I would have thought that that would be something that would have to come with the Office of Sustainability anyway, that those sorts of principles would be integrated into this sort of decision making, as in all areas of decision making. Is that in there now?

Mr Harris: If I can characterise the difference between the business incentive fund and its predecessor as being discretionary judgments and therefore very much uniquely made around, as I said, a firm coming along and saying, "I have a substantial expansion option and, with your support, I can create this increased level of employment." That is highly judgmental, based around the nature of that. What I call the generic programs are the ones where we are clearly publishing, as the knowledge fund is, a set of guidelines.

The sustainability characteristic is important in the generic ones, and in the judgmental ones it will depend very much on the nature of what has been put to us, but I wouldn't want to over-characterise that. I think it will be a much larger factor inside the knowledge fund, as an example. We have a specific commitment and effectively, therefore, we are marketing the concept to people under support for improved management for high-tech start-ups, for example, of them putting together triple bottom line business planning rather than standard business planning, as an example.

We are trying to inculcate that, but through the generic programs, as I said, it tends to be—I am just being totally frank about it—that these business incentive scheme or fund proposals are very strongly driven by the firm concerned. They have an idea, they are prepared to put a lot of money into it, they want a specific level of assistance from the government and it tends to be a yea or nay. So I don't think I could characterise to you that it is easy or even applicable in many cases to put sustainability characteristics into that judgment. It certainly is for our generic programs, which are, of course, the much larger part of our assistance, so that is where we are emphasising it.

THE CHAIR: Who makes the decisions on grants or investments? Is it the knowledge-based economy board, is it the minister or is it the department?

Mr Harris: In the generic program area, like the knowledge fund?

THE CHAIR: In either program.

Mr Harris: The knowledge-based economy board has contributed to the framing of the knowledge fund, contributed advice on how we structured it, and they have a role in providing advice on proposals assessed under the knowledge fund.

THE CHAIR: But who makes the decision?

Mr Harris: The decision is the government's.

MS DUNDAS: Can you tell us who is on the knowledge-based economy board?

Mr Harris: I can.

THE CHAIR: Sorry, if you could just answer the first question. The other proposals, who makes those decisions? Does the minister make them?

Mr Harris: The minister.

THE CHAIR: In both cases the minister makes the decision.

Mr Harris: That is correct.

THE CHAIR: Sorry, you had a question. Do you want to continue the question you were asking before?

MS TUCKER: Yes, please. I am not quite happy with the answer. Maybe I did not understand it. You were saying that you were going to say yes or no and that obviously the firm wanted support. I do not understand why you said that the sustainability frame isn't relevant.

Mr Harris: Because, as I said, the proposition tends to be put to the government, "We want this from you or we won't invest." So it is a yes or no decision around whether we are prepared to provide that.

MS TUCKER: But the yes or no decision is surely informed by the concerns—

Mr Tonkin: To pick up your point, Ms Tucker, on the nature of the proposition or the activity being proposed, we would certainly look at that from the point of view of sustainability. Is that the sort of activity that you would want to see undertaken in the territory? We can both think of types of activities which we would say would be of questionable value in terms of the environmental impact or social impact that you wouldn't want.

MS TUCKER: Yes.

Mr Tonkin: So that is part of the decision.

MS TUCKER: Are you saying that you do that when you say yes or no?

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Mr Tonkin: If someone comes along and says that they want to do this thing, the members of the Assembly could quickly form a view that there are some things that you would not want in the territory. It is not always black and white.

MS DUNDAS: Will the Office of Sustainability be drafting guidelines for this process?

Mr Tonkin: No, but they will be involved. When proposals come up, because both areas sit within the Chief Minister's Department, it is standard practice that issues get referred to the other areas: "What do you think of this sort of proposal?" It is part of the normal policy clearance process going on.

MS DUNDAS: So individual applications and proposals will go through the Office of Sustainability.

Mr Tonkin: We have capabilities in the department which will contribute to the way you assess these things. A small Office of Sustainability has been established. They are managing a bigger process, but they have the capacity to assist, as does the policy group, which looks at issues from a social point of view as well.

MS DUNDAS: They have the capacity to assist, but will they be assisting in every case?

Mr Tonkin: Yes, they will be part of the process.

MS DUNDAS: So the applications will go through the Office of Sustainability.

Mr Tonkin: They will be consulted, as necessary, on these things. You don't want to build a 58-step process for every event, because all you are doing then is shuffling paper and wasting time and resources.

MS DUNDAS: But if the government has a commitment to sustainability, then it should be a key step.

Mr Tonkin: It will really depend sensibly upon the nature of what is being proposed. There is a whole pile of proposed activities of a commercial R&D nature or whatever which self-evidently have no impact upon sustainability. That is a fact. You wouldn't go through that just for the sake of having a check list and ticking the box.

There are others where there is a question or where you are not sure. Then you go through the process. But you do not want to build a system that says everything has to go through 48 steps, otherwise you are just running a paper chase for no productive effect. The whole point of sustainability, after all, is to educate the broad bulk of the public service who are making recommendations about these sorts of things. You cannot conceive that there is just one little area that is going to be the judgments set on sustainability. We want them all to understand what these principles are.

MS TUCKER: Can I continue on that? At the moment we have an Office of Sustainability that is in its very early stages and I understand that at this point you cannot really say exactly how the Office of Sustainability will help inform government decisions.

Mr Tonkin: True.

MS TUCKER: But you are saying that at the moment you do take into account principles of ESD.

Mr Tonkin: Sustainable principles, yes.

MS TUCKER: I am interested in knowing exactly how you make that assessment. I am assuming that you have something in writing that would help the committee understand how you apply that particular concern to decisions at the moment.

MRS DUNNE: Mr Chairman, can I interpose here? I don't want to distract, but Ms Tucker keeps saying ESD and Mr Tonkin keeps correcting her and saying something else. Can we actually work out whether we are all talking off the one hymn sheet.

Mr Tonkin: The concept of sustainability that we are operating under is the triple bottom line, so the social, economic and environmental aspects of sustainability. The language goes backwards and forwards. As shorthand, people talk about environmentally sustainable development. We are talking about sustainability of which that is one aspect, but there is also a social aspect of sustainability.

MS TUCKER: I think we all agree that it is the triple bottom line. That is fine; it is a language thing.

Mr Tonkin: Triple bottom line is the total language.

MS TUCKER: Yes. It is agreed that it is the triple bottom line. If that is how you want to talk about it, that is fine.

Mr Tonkin: To come back to your point, when the guidelines are made available for how this process works you will see it in there. When the government comes forward, as I recall the Chief Minister undertaking to do, about the process for the sustainability mechanism, you will see the process there as well.

Mr Quinlan: Because it is within the Chief Minister's purview, it is not for me to actually define in exact terms what the Office of Sustainability will do in the long run. But I do not envisage that we will have, effectively, the sustainability police. I do actually think that what we are trying to do is to build the processes of sustainability and the principles of sustainability into what we do.

MS TUCKER: Are you talking about the Office of Sustainability now?

Mr Quinlan: Yes.

MS TUCKER: I am interested in what you are doing meanwhile, that is all.

Mr Tonkin: Meanwhile it is this judgment set that the people that we have can participate.

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MS TUCKER: It is just a broad judgement set.

MS TUCKER: It would be interesting then to see, for example, in an assessment of particular assistance or an incentive that was given to a company or business, how you did that. You must have some documentation to support that.

Mr Tonkin: Essentially, there will be a proposal.

MS TUCKER: Maybe the committee could see an example. If you do not have a set of guidelines but you bring it into your thinking, I am assuming that that would be documented.

Mr Harris: There is a process, yes.

MS TUCKER: Would it be appropriate for you to give the committee an example?

Mr Harris: Can we give you a descriptor of how we go about assessing? We are not talking about the generic programs; we are talking about a discretionary program under ACTBIF, the business incentive fund, is that correct? Yes, we can do that.

MS TUCKER: That would be interesting. There were some miscalculations, I suppose you could say, with some business incentives that were given over the last few years and we ended up with, for example, an oversupply of technology parks, business parks. I remember having a discussion in estimates last year or the year before about whether, in making a decision to support a business, you look at the issue of supply and demand and whether it is reasonable to support a new idea if the demand is being met.

With regard to, for example, the so-called business parks that exist at the moment, I would be interested to know what your government thinks it can do, Mr Quinlan. We have one at Watson which was supposed to be a technology park, from memory, and it has mental health consumers in there and quite a number of other groups that would not fit into that category. We have the Brindabella business park, which was supported by a previous government as well as the federal government. What do you think you should do? Are you trying to work with that issue, because it is very unclear now and I think it is quite silly to be leaving the situation as it is? I would like to know what you are doing with that.

Mr Quinlan: We have had several meetings with stakeholders in relation particularly to Downer and Watson. That is an issue.

MS TUCKER: That is the business end. The business incubators as well are in that pool. Are you talking to them as well?

Mr Quinlan: Yes, certainly. We want to ensure that, if they are to survive or go on in their current role, they can do so viably and pretty well cheek by jowl as they are. The problem is yet to be resolved. I do not have the final answers on that at this point because they were set up under different mechanisms. The Watson campus, I think, is leased through the CIT.

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MS TUCKER: I have been asking for a while about that. That was one example where there was, I understand, a 10-year contract; is that right?

Mr Quinlan: I think so.

Mr Harris: It is a long-term lease, yes.

Mr Quinlan: At Watson, yes.

MS TUCKER: Can you get out of that?

Mr Harris: There are conditions which would enable us to change the lease, yes.

MS TUCKER: I have been asking about that for three or four months and I am wondering about what you are doing.

Mr Quinlan: Hang in there.

MS TUCKER: Are you getting there?

Mr Quinlan: We are working on it. The Downer campus is also coming up for renewal.

Mr Harris: We have now got them on the same path.

MS TUCKER: The fundamental point there, as I am sure you are aware, is that it is a public asset and we do have a situation where you are funding community organisations to go there and they pay a lot of rent to a private trainer. It is a fine trainer. I am not saying that there is anything wrong with the training body that has the lease, but that building is a public asset and I am not quite sure why you would want to continue with handing responsibility to the private sector to manage that building and collect rent and give such a small percentage, I think it was 10 to 15 per cent, to CIT. I do not understand the business sense of that. I do not understand why that makes sense at all. If you can explain it to me, I will be grateful.

Mr Quinlan: Ask the people to your right how the thing was set up in the first place.

MS TUCKER: If you have not worked out whether it makes sense, I would like you to.

Mr Quinlan: Kerrie, I have called for an examination, started the process, and we will come up with a solution that is a whole lot better. If it needs changing, it will be changed, but it will be changed in a fashion that will not have a negative impact upon people who have quite openly and honestly become involved in the whole thing. We want it to work for the future. And it is not the only campus in the ACT that is under review.

MS TUCKER: No, I know it isn't. Since you have been in government, have you given any waivers, exemptions or concessions to businesses?

Mr Harris: We have some under consideration. I do not think we have signed anything.

Mr Gordon: I don't think so.

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Mr Harris: No, I do not think we have signed anything. When you say waivers, do you mean under the business incentive fund? As I believe the minister mentioned earlier, we have varied lease conditions and things like that. If you were referring to the previous issue, we have actually addressed some lease conditions.

MS TUCKER: Under the business incentives scheme?

Mr Harris: No. I was not sure whether you had gone on to the business incentives scheme or were still on the question of—

Mr Quinlan: We have got some under consideration now. There have been some applications, I have to say, that, at least initially, have been refused.

MS TUCKER: If you do accept them, does that get given to the Assembly in any form?

Mr Quinlan: I think that is an annual report job as well.

Mr Harris: Yes.

MS TUCKER: You said that you had varied lease conditions.

Mr Harris: I thought you were still on the Canberra Technology Park versus other incubators. On those issues, we have certainly changed some lease conditions.

MS TUCKER: Are you still going to be offering incentives to businesses because of the bidding war going on between the states? Is that a pressure that you are feeling?

Mr Quinlan: Yes.

MS TUCKER: Is there any way that states and territories can combine to try to stop that? It seems to me as though it is really the community which is losing out and that industry is laughing all the way to the bank.

Mr Tonkin: There have been previous ministerial councils where firm and clear undertakings have been made by states and territories not to continue to compete in this area. Those undertakings have proved to be less than fully effective.

THE CHAIR: Mind you, we have never had all Labor governments before. It must be a real opportunity now, Mr Tonkin.

Mr Tonkin: I couldn't possibly comment on that, Mr Humphries.

MS TUCKER: Maybe Mr Quinlan could?

Mr Quinlan: What is that?

MS TUCKER: You have a different environment here. Why don't you do something?

Mr Quinlan: Can I borrow your magic wand?

MS TUCKER: We are losing a lot of revenue as a result of that. It is a serious issue.

MR SMYTH: Can I ask for confirmation of something you just said? Since you have come to government, there have been no grants approved and some applications refused?

Mr Quinlan: Yes, some not refused at this stage, I don't think, to the point of total rejection, but back to the drawing board. Some of them have been quite spectacular, let me tell you.

Mr Harris: Perhaps I can add a clarification to that. We have made offers which have not been taken up. So it is not just a blanket refusal; we have made offers and they have not been taken up.

THE CHAIR: You have made a counter offer to the request that they have made.

Mr Harris: Yes, a counter offer. I don't want you to be misled here. As ever with these things, it is back and forward.

MRS DUNNE: I have some questions on the knowledge fund. I am sorry to have to bring you back, but I want to do so. We have established that there are no targets for making the revolving fund self-sustaining—"self-replenishing from time to time", I thought were the words that Mr Gordon used—but are there other targets? Have you set targets notionally or more in concrete? If it is not going to be self-replenishing, let's be honest and say that it is not going to be self-replenishing, it is a grant scheme. For a grant scheme, do you have targets for increased economic activity?

Mr Quinlan: Would you like to rephrase that question?

MRS DUNNE: No, I don't want to rephrase the question.

Mr Quinlan: You might not get an answer at all. If in asking questions you are going to say, "Let's be honest and change things," which I infer that you are saying we have previously been dishonest, I will not be answering those questions.

MRS DUNNE: Mr Chairman, the point I am trying to make is that there are no targets for the sustainability of the revolving fund. We have actually winkled that out today. So it isn't a replenishing fund in any substantive way and you can't actually set any targets or any performance indicators for how it will work as a replenishing fund. I want to move on to other sorts of performance indicators.

Mr Quinlan: What we tried to say to you and you appear not to want to hear is that in a knowledge-based economy there will be projects and propositions come forward so different and unique that they will require their own individual targets, objectives and time lines to be set. Does that make it reasonably clear?

MRS DUNNE: It is perfectly clear, Mr Quinlan; you don't have overall program targets for this project in terms of when it will be replenished.

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Mr Quinlan: What we are saying to you, Mrs Dunne, as well is that we would think that an arbitrary overall target would be misleading, if we said we had one. I could happily sit here and say, "How is it going? Five years, good-o. Are you happy with that?" It would reduce the proposal to the oversimplistic nature of the question.

MRS DUNNE: What the committee is looking for, Mr Chairman, is not something that is arbitrary, but something that is thought through. You haven't got thought-through targets.

Mr Quinlan: It has been.

MRS DUNNE: No, what you said, Mr Quinlan, was that you had an idea in 1998 that you put to the Labor Party conference and since then some members of the Chief Minister's Department have fiddled with the idea, let's be frank. But what I want to ask, and I will ask the question, is: do you have any targets in terms of increased employment, increased business activity, or are those things too arbitrary as well?

Mr Quinlan: There are some of the small business schemes that we have spoken about that have employment number targets.

MRS DUNNE: No, I am talking about the knowledge fund.

Mr Quinlan: That they have a specific number, no. As I have tried to explain to you but you don't want to hear, that sort of arbitrary target, in terms of the complexity of the industries with which we want to relate, devolves to a nonsense. That is my answer. I can give you that answer again if you like.

MRS DUNNE: No, I don't want you to just keep repeating yourself, Mr Quinlan. Do you know of any other venture capital organisation which does not have any sort of target or performance measure?

Mr Harris: I think the difference here is that they are soliciting in the market for funds and therefore to attract investors they put particular frameworks quite legitimately around the bids that they are seeking from private equity or from other parties.

Mr Quinlan: From what little I know of venture capitalists, I don't know any venture capitalist that thinks as simplistically as you would have them.

MRS DUNNE: Can Mr Harris continue now?

Mr Harris: Whereas our intention is to match with a number of venture capital funds and, depending on their nature, some may say, "I intend to close this fund within seven years. I am only looking to make investments of less than \$3 million. I am only interested in these three fields, because that is where we are our own experts." But another one may say something quite different. We are prepared to match with any of them in order to give ACT-based firms the best opportunity to get access to some of what I call our risk support funds, because that is what it is in the end, it is risk support, risk sharing.

We do intend to replenish the fund but, because of the nature of venture capital funds being unique, and definitionally they are unique because they are competing with another venture capital fund for your money and they will want to differentiate their product, we are trying to match with all of them, or a number of them at least. So we can't say that we are only in it for seven years for these three areas, as a standard venture capital fund might try to do. We are actually trying potentially to match with all of them. We will prequalify a number of them and that will narrow down then, as we do the prequalification, the actual characteristic of our matching funds. But it will happen, as I said, induced by our ability to select from the market those who are prepared, basically, to work around the single absolute requirement that in some way our money goes to investing in ACT-related firms. That is why we don't have a characteristic.

MRS DUNNE: How will you know if you have succeeded, if the money has been well spent, given, as we know, that it is a risky business, and no-one is arguing the toss about that? Will you be able to look back in five or 10 years and say, "This really worked, and I can point to this that demonstrates that it has worked?" How will you know? Are we just about having a warm inner glow or are we going to have a measurable outcome?

Mr Harris: You will have a measurable outcome in as much as at any given point you will know how much you have invested, what returns have been received and how much has been lost in the absolute. As we have said and, I think, established, not every venture is going to be successful. At a point in time we can say, "We have invested out there and all those investments are still good. This one and this one are returning, on the plus side, but that investment failed." We can actually tell you that from a reverse measure. If that failure rate grows inordinately, then we are failing overall.

MS DUNDAS: That is for performance indicators on the equity side. What of performance indicators for the other half of the fund?

Mr Harris: We are not necessarily selecting investments for any single characteristic other than the breadth of our preparedness, which is to invest in knowledge-based industries in the ACT, so that some of them may generate a substantial employment base, but it tends not to be that way. Some of them may generate substantial linkages with firms that then set up in the ACT, but I do not think that you can say, "I want this as the pre-eminent characteristic here," because the pre-eminent characteristic is actually risk sharing in the venture capital market in the ACT. Beyond that, to start saying that you need always to get an employment benefit in the first three years from this investment tends to exclude somebody who is not going to do that but might do something else that is quite important. I could alternatively have a very long list of all the characteristics and just say that I am happy with any of them.

MS DUNDAS: To ask Vicki's question again: for the part of the fund that is not venture capital, in five years time how will you know that your grants program has been successful?

Mr Tonkin: It is an outcomes-based assessment.

Mr Harris: There is an evaluation process that is done for the current R&D scheme and there will be an evaluation process for this one.

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Mr Quinlan: If you set milestones within each of the—

MS DUNDAS: Can we grab a copy of that?

MRS DUNNE: What are the milestones?

Mr Quinlan: The milestones are unique to each one.

MRS DUNNE: If you are going to have an outcomes-based assessment, what are the acceptable outcomes?

Mr Harris: If you look at something like a proof of concept grant—

MS DUNDAS: So it is negotiated individually with each organisation.

Mr Tonkin: I will start off quite simply and say if these are proof of concept grants, and we give a number of grants during the year for that, have the concepts been proved out; in other words, is there a completion at the end of the process? Has there been an outcome? If we just give someone \$X and it just disappears into the ether, then you would do an assessment which says that that was not terrific as it did not work, and you would go back and look at it.

I will go back one step. We set out a series of criteria, which the minister says are going to be announced shortly, on how you go about doing those grants. Then you assess the applications for that particular line of grants. You do some and you see whether they worked or not. Have you got an outcome? That is a bit of a judgment. Was that a satisfactory outcome for that thing? If you were getting a series of failures you would ask yourself whether you had an effective set of criteria for doing that and whether that was the right way to go. You would run the model for a while to see, the trick in each case being that you make sure that you don't just set a dollar target at the beginning of the year for this particular thing and make sure you shuffle all the money out. Things have got to pass the hurdle test of the criteria to get selected.

MRS DUNNE: So you do have selection criteria.

Mr Harris: Proof of concept criteria. In the equity-related area, as I said earlier, the criteria are the criteria of the fund managers that we prequalify, because our intention is that the public sector doesn't do the due diligence; actually the market does the due diligence and we piggyback on them.

MS DUNDAS: I am actually asking you about the other half, the proof of concept, commercialisation and IT start-ups.

MRS DUNNE: Sorry, I am asking about both.

Mr Harris: In terms of the grant-related programs, there are criteria required and I think you will see those when we do the announcements on the 30th for how people qualify under each of the grant-related areas. So there are selection criteria.

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MS DUNDAS: I guess I am asking the same question ago, though: how will you know that it is successful?

Mr Harris: The evaluation process that applies to the current R&D scheme is under way at the moment and the evaluation process is of a similar nature. I don't think we have actually said whether we would differ them very much because evaluation tends to be that you get a set of commitments from a firm in relation to what they are going to do with the money and what the results are expected to be and, as they near the end of the commitment period, you send out an evaluation team to say whether they did what they needed to do. Obviously, they met the milestones or they did not get the money, but the question is whether the overall outcome actually succeeded or not. We will have an evaluation process attached to these things as well.

MS DUNDAS: Thank you.

MR SMYTH: Mr Harris, in the process outlined you said that when you are looking at making these investments, part of it will be an assessment by business, qualified by an assessment by Treasury. The question is actually for the minister, given that he is going to be quite schizophrenic at the end of process in that he will be putting on either his business hat or his Treasury hat. What is it, Minister, that you will be looking for?

Mr Quinlan: Sorry?

MR SMYTH: Let me start again. Minister/Treasurer, earlier it was said that BusinessACT would be making recommendations after it had been through the process and that, at the same time, Treasury would be looking at the proposals. As the minister, as the person who will accept advice from both sides, what are you looking for? What do you see as the future? What sorts of things will you looking for that you think will be good investments for the future of Canberra?

Mr Quinlan: Off the top of my head? First of all, let me say this much: in the overall context in terms of business development we accept the very high probability—the certainty, I guess—that a major part of our future is in knowledge-based industry. However, it is our desire to diversify the economic base in the ACT as much as possible. Information is the product, but if we can build on Canberra as a regional centre, if we can actually create some manufacturing prospects, and there are some, and widen the scope of our economy, I would like to do that. If we can build the ACT as a genuine regional centre and transport hub, which would be difficult because, effectively, if we look to our west we will see Dubbo at the crossroads of Australia virtually, or north, south, east and west, then there will be material product flowing through the territory and that would give some prospect of manufacture and/or fabrication industries. But we will have to work really hard to build those.

MR SMYTH: So the knowledge fund will be used beyond—

Mr Quinlan: No, the knowledge fund is for knowledge-based industry at this stage. Business incentive in general is as wide as is possible. A lot has been said, as you know, about the growth of the private sector in the ACT. I think it is now being accepted that, in large part, the growth of the private sector in the ACT is only a function of outsourcing by the federal government and a change in the method of delivery of the

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same service, and that the business volume and business activity are still dependent upon the public sector or federal government spending and, to a much lesser degree, our own spending.

It is not surprising that the biggest manufacturing industry in the ACT is printing and publishing, because it is the hard copy end of an information-based economy. But we are, as you are aware, working on the development of a white paper, a serious exercise, in order to try to identify the full dimensions of the prospects for the ACT economy, whether it be in tourism and dimensions of tourism such as ecotourism. We can all bandy the words around when we are on a podium, but to actually try to build on them is different.

In a general sense, my own target would be to try to broaden the economy as much as is practicable. But we also accept that the logical growth industries will be knowledge-based industries. Some of the philosophy behind the funds we have put forward, and I would love to put more funds forward, is, in fact, to try to capture the development and the research that happens in the ACT and to retain the development and exploitation—my friend Mr Gordon is fond of saying that Australia is about the only nation where exploitation is a dirty word—of the development that happens here.

We are committed to that process. I do think that the granting to the ACT of a large slice of the ICT centre of excellence will and ought to become the nucleus of a business cluster which will go beyond the estimates of what the ICT itself will generate. Some of that, hopefully, will be building on existing SMEs within the ACT and some of that will be the development or importation of other SMEs and large corporates. On the day that it was announced we got at least two approaches from corporates. I know that Mr Harris got one and I certainly got a sounding out from the large multinational corporates as to how they might be associated with the operation of that, so we will need to build on that. Is that a reasonable summary?

MR SMYTH: It is a reasonable summary of where you intend to go. Thank you for that. It does not tell me how you will balance the head over the heart. The passion that will come out of business will be looking for opportunities. I suspect that the heavy-handed Treasury will be very cautious. What approach will you take? How do you balance as a minister at the head of a process the right to choose which wins and which does not?

Mr Quinlan: I guess, Mr Smyth, that we all think that we are in the middle of a spectrum in terms of whatever judgment we make about propensity to risk or risk aversion. But, quite clearly, what we have done is set up a process that does have a dimension of risk in it. That is the intent of the system. In terms of our budget, they are not huge sums. As I said earlier, I would like to be putting more in, and maybe we will in the future. Maybe, if it does reap harvest returns early, then those funds can be rolled back and increased upon because the law of probabilities or the actual experience tells us that it is a worthwhile process to increase it.

Treasury's role is Treasury's role. Treasury's role is about challenging and verifying the claims, the probabilities and the calculations that are involved in a process, because we have seen in this town a couple of times, I have to say, over the last six or seven years some spectacularly inadequate business plans that have been used to justify very large expenditures. We do not want to go down that road.

MR SMYTH: Except, often business opportunities appear as a very small window. Will your system allow responsiveness to that need of business, to say, "Look, we may go here, but we would rather go there." Will you be in a position to be responsive to the needs of business?

Mr Quinlan: I hope so, but we won't be railroaded.

Short adjournment

THE CHAIR: We will continue with questions on economic development. I want to ask about job creation. I assume that that sort of thing would come under economic development. The small business employment ready program is being funded this year and next year at about \$250,000 a year. It is a very good program, giving pointers to employers wanting to take on staff. It is not getting funding beyond this two-year period. Why is that?

Mr Quinlan: That is a "we'll see how it goes" job. It is not a program on and on and on. It is not a program which we have said that we will now start and have the department of small business ready and just keep it going indefinitely. We will run it for a couple of years, see how it goes and remain flexible in terms of what programs we might or might not institute. It was a concept mentioned before the election in our platform which, I think, does offer some prospect and I do hope that it will be embraced. I have spoken to people involved in micro-businesses and there seems to be a clientele waiting for it when it commences in about September.

THE CHAIR: I have one other quick question about the employment program. The director of ACTCOSS, Daniel Stubbs, has set up an unemployment task group and that group has identified reducing long-term unemployment as a high priority. In fact, they have said that it should be a priority for the ACT government. There is nothing that we can see in the budget about long-term unemployment. Is this something that you believe is not a priority or do you believe that it is embedded in other programs?

Mr Harris: I have had a meeting with ACTCOSS, with Daniel Stubbs and others, for the purpose of the white paper and have asked for advice from them on their priorities. This was specifically stated as an area where they thought that there was a substantial need. My hope is that we will get proposals from them for something that can be picked up and utilised in the white paper.

In terms of the current proposals or current programs that we have available, we also have the employment opportunity centre program, which is a potential mechanism by which people who have been out of the workforce for a long period can get access to necessary skills for making themselves job ready. Broadly, that area is covered by substantial Commonwealth government programs and what we are trying to do is to fit into the cracks. With the resourcing that is available to the ACT, that is probably the wise course, rather than duplicating the Commonwealth programs. Therefore, in terms of the substantive outcome on long-term unemployment, as you say, ACTCOSS has an agenda in that area and we are hopeful that they will put something to us that we can potentially pick up in the white paper context.

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MS DUNDAS: On the small business employment ready scheme, this morning you mentioned that you had employment targets set for that scheme. Can you tell us what they are?

Mr Quinlan: I think the number was at 500.

Mr Harris: No, 250 a year and two years.

MS DUNDAS: By providing information on legislative procedures and deadlines and complying with the law, you would expect small businesses to be able to employ an extra 250 people per year.

Mr Quinlan: That is the target.

Mr Tonkin: This is specifically for individual businesses which at the moment do not employ anybody. Lots of people start off as a sole trader and the big hurdle is how you actually get into the business of employing your first employee. With all the regulations, you have to understand how to actually go about doing it. You need a program to help people get past it. Once you have done it once, it is easier to keep going.

MS DUNDAS: So it is specifically a program targeted at sole traders and micro-businesses.

Mr Gordon: There are about 15,000 small and micro-businesses in Canberra. We believe that if over time the majority of them can eventually employ at least one extra person you would actually change the labour market dynamically.

MR SMYTH: But it does not involve an incentive; it is just an education program and an assistance program to work through the method.

Mr Gordon: Yes.

MS DUNDAS: There isn't actually any money for people to employ.

Mr Gordon: No, it is to fund a provider to help them reduce their fears or their anxieties about taking on extra staff.

MS DUNDAS: And we will know from the annual reports and in estimates next year whether we have reached the target of 250.

Mr Gordon: Yes.

MS GALLAGHER: Presumably, the way it works is that, whilst it would not be a direct grant to that business, you would actually be reducing the costs of that business by providing them with the information that would otherwise cost them money to go out and get.

Mr Tonkin: Yes, and their time. If you are a sole trader, when do you do this stuff?

MS DUNDAS: How will businesses access this information?

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Mr Gordon: The opportunity to access the range of services available is very widely published on our website and through a range of public seminars and other contacts that we have.

MS DUNDAS: Is this basically about updating BusinessGateway or whatever it is?

Mr Gordon: It is not about updating the business network. It is about updating the things that are on the gateway. In other words, you get into the gateway to find out where the assistance can be found.

MS DUNDAS: But that is where the money is going.

Mr Gordon: Not to the gateway, no. We go to an external business advisory service.

MS DUNDAS: That will provide information through the gateway and seminars.

Mr Gordon: Yes.

MS DUNDAS: How will sole traders, many of whom do not have the funds to join the chamber or other organisations, actually find out about this service?

Mr Tonkin: Small individual enterprises go to our seminar programs, which have been running for a number of years very successfully. They come often to CMAG. It has been one of the best things that we have been doing. They come to those sorts of things. We publish as widely as we can. We have a small micro-business board now which is composed of people from that sector who can help promote and target. There is a range of mechanisms to inform people. The aim is to try to help them with the things they cannot do themselves because they haven't got the time or don't know where to look.

MR SMYTH: Mr Harris spoke of feeding ACTCOSS' information into the white paper. What is the timetable on the white paper and when will we see the effects of it?

Mr Harris: It is hard to answer the latter question because a lot depends on what the government does with the information that comes out of the white paper, how much of a preponderance of weight is given to long-term strategic thinking versus short-term and medium decision making. The intention is that there will be components of both, so it is hard to answer the latter part. In terms of the timeframe for the white paper, certainly we will have something available in less than 12 months. I have not been given a specific deadline by the minister to work to. I do have an internal working concept of a deadline, but we do not have a published one, I don't think.

MR SMYTH: Perhaps a question for the minister, then: what happens in the interim? You said at the budget breakfast that we are coming off a peak and you have placed great store on the fact that you have an economic white paper coming. We are now hearing that we won't get anything out of that for less than 12 months. What happens between now and next July?

Mr Quinlan: I think we have been discussing through the course of the morning what happens between now and July.

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MR SMYTH: I don't see anything particularly new in what we have discussed this morning.

Mr Quinlan: I doubt if you ever will, Mr Smyth.

MR SMYTH: Unemployment is going up 0.1 per cent per month and is now up to 4.6 per cent. There was a report this morning that the commercial vacancy rate in Civic is up. We know that building starts are down. What are you doing from the time of your election until, say, July next year when you get your white paper to keep the economy working? How are we going to get back up to that peak under your government?

Mr Quinlan: We have a slight disagreement, I think, about the actual association between ACT government activity of the recent past and economic peaks within the territory. It is quite clear that the dynamics of the economy are changing within Australia. We had a week or so ago a reasonably dramatic press release from yourself or Mr Humphries, I forget, about unemployment ramping up to 4.6 per cent or something. I think the all-time record low in the ACT is about 4.2 or 4.3 per cent. It certainly has been much higher, on average, than 4.6 per cent, anyway. Because it has gone from 4.3 per cent, I think, to 4.6 per cent in recent times, I don't think is time for panic yet.

But we have in the budget a number of business programs. We have talked about business incentives. We have talked about the government's investment in the centre of excellence, which, I think, is a great contribution to the potential of the ACT. We have talked already about the schemes that we intend to help promote business activity. I happen to believe that the business sector in the ACT is quite robust and resilient. It is quite a unique business community, I believe. But there is within this budget what I believe is a sufficient raft of business incentives and funding being directed towards business development as opposed to being delivered towards meeting unmet need across the community in the social welfare area and the disability services, which have turned out to be, we find, not in very great shape.

I think we have created balance, but it is very easy to say, "Why not more?" The reason why not more is that we have set our priorities. I think that we have got what is probably the most rational and structured set of processes to develop business in the ACT for some time. I am quite satisfied with the adequacy of that between now and the production of the white paper—and even beyond the white paper, exactly what can be done? If we really do a serious white paper and you and everybody else contribute to it, and I think that that will happen, then there is still a lot to be done beyond the publication of that white paper to make it a reality.

My intention in my time in this place is to try to get more structure into the development of business in the ACT and the most appropriate targeting that is possible. That is the white paper. In the interim, I think that the raft of measures that are inherent in this budget are quite sufficient, given the balance of priorities in the government, as I have said. I would say and other ministers will say to you, I guess, in the course of these hearings that we would like to spend more, but there is, of course, a limit and there is a necessary selection of priorities. But I am quite satisfied with what we are doing today and what has been done, particularly capturing the centre of excellence, which I think

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then gives us a real prospect for a quantum leap in employment in the ACT outside the public sector.

MR SMYTH: But it is hardly a raft of programs. You might describe it more appropriately as a set of floaties. I mean, you have one program that will deliver 250 jobs and you are going to back up the national capital tourism project, but isn't it true that the government is a government of delay? We are delaying the Gungahlin Drive extension, we are delaying the link project, we are delaying the glassworks, we are delaying on the stepdown facility and we are delaying the prison. The government seems to be a government of review and delay and we are not sure what will happen in the interim. I have not heard anything in what you have said to assure me that you actually have a plan for the next 12 months to keep unemployment at its all-time low and to grow the nation's capital.

Mr Quinlan: Let me say that what we are doing in a number of the areas that you have mentioned is, as I have said, taking a rational and sensible approach. This follows a government that was noted for spectacular fiascos. Whether they were a function of haste or incompetence, I cannot quantify; but certainly we do not intend to take the ACT where we have been taken over the last seven years.

MR SMYTH: You won't take the ACT where it has been taken in the last couple of years: the lowest unemployment, the highest public sector growth, and a decline in the number of room vacancies in the hospitality industry. I would have thought anybody would have wanted to take their economy where we have had it. You mentioned spectacular fiascos. You might like to list them. We have a different view on what they have achieved and what they will achieve in the long term. You, of course, have a different view on what they have achieved, but in the main they have contributed to the economy and they have created jobs and will create jobs into the future. What you are saying is that nothing will be happening until the white paper appears.

Mr Quinlan: No, I am not saying that. I did not say that and, Mr Smyth, I would appreciate it if you did not put words in my mouth.

MR SMYTH: I am at a loss as to what has happened. We have your raft of programs which have turned out to be a set of floaties. There is one for the left arm, which is about 250 jobs in small business. There is another one to back it up, the national capital education and tourism project, which, of course, we had started and Mr Humphries had funded as well. What would give business confidence in what you are doing, given that one of the recent surveys said that small business confidence in the ACT and government policies is on the decline?

Mr Quinlan: I think it is accepted, Mr Smyth, that the nation faces some decline in economic activity. If you deny that, then it is very difficult to actually explain anything beyond that. The ACT is not insulated from the impacts of the national economy. You have made reference to our unemployment level. In the first year or two of the Howard government and maybe even the last of Keating, we had some quite severe public sector cuts, but unemployment in the ACT has been the lowest in the land consistently from years before local government. It has been consistently lower.

It is not a function necessarily of brilliant government because, as I said, the hallmark of the government of the last seven years was quite the opposite. Almost everything that the government actually had their hands on turned to—I will tone it down a bit; I won't use the obvious description. I think you'll find that that is not attributable to something that previous governments have done necessarily. The governments in the ACT can assist at the margin and, with the programs that we have got, we are working to increase economic activity in the ACT. But to delude oneself that the ACT government, in itself, has total control over all the economic influences that impact on us is to be just naive in the extreme.

MR SMYTH: I have not said that, so you too might not put words into my mouth. If you are only a government at the margins—

Mr Quinlan: I did not say that you said it.

MR SMYTH: What are you doing at the margins and why are you wasting money on a white paper if, by your own admission, you can't have any effect?

Mr Quinlan: I think you will find that most of the people that I have spoken to in business and industry in the ACT believe that the white paper is a very good initiative and do not consider it a waste of paper. I would quite happily accept their assessments above yours.

THE CHAIR: Do you have any questions, Ms Dundas?

MS DUNDAS: A few. Female unemployment in the territory has risen 26 per cent over the last six months. Can you explain this and do you have any programs to help women get back into the workforce?

Mr Quinlan: Ms Dundas, I recall your press release on this 26 per cent increase in female unemployment. I think it went from in the order of three point something—

MS DUNDAS: We are talking about 800 more women becoming unemployed over the last six months.

Mr Quinlan: But can we actually put it in perspective, because I think the press release you put out was out of context? What we have, I think, in current times is female unemployment still below male unemployment. It has been fairly consistently below male unemployment. There has been a slight turn upwards, but female unemployment is well below male unemployment in the ACT.

MS DUNDAS: It has increased significantly over the last six months. I am talking about 800 more women becoming unemployed over the last six months. I am wondering whether you have an explanation for this and whether you are going to do anything about it.

Mr Quinlan: No, I don't have an explanation for it and it is not a situation nor balance of figures that would say to me we need to bias what we do in favour of women. The figures that I see do not argue for specific programs targeted at female unemployment.

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MS DUNDAS: Do you think it is worth finding out why there has been this increase in female unemployment over the last six months? It might not be significant enough to have female targeted programs to address it, but do you think it is not at all a concerning trend?

Mr Tonkin: The participation rate can vary, which can drive your unemployment number up. If you have a situation where people are more confident about the prospect of being employed, they will enter the workforce. If their aspirations are not met by the opportunities, the unemployment rate can rise simply from that factor alone. Sometimes you get a funny effect in the rates. It is a question of the nature of where the female unemployment is. Has there been a downturn in the retailing sector which is not clear? That is one area where it can vary up and down, depending on the time of the year, if you like. The retail sector is more buoyant at the Christmas period than it is in the middle of the year, so you get that sort of porpoising effect on the numbers.

Mr Quinlan: The reason, as the graphs would show, is that it is just a case of an overnight, almost, leap in the participation rate. That number of women have come in and said that they want to work and there is an upturn that coincides. If there is a surge in participation, that means people wanting to be in work first.

MS DUNDAS: So we have more women wanting to be in the workforce?

Mr Quinlan: Yes.

MS DUNDAS: That would be a positive thing, would it not?

Mr Tonkin: That is a positive. The other factor is that the sampling can have an effect in the territory, the scale of the territory's population and the way that the Bureau of Statistics does its sampling. They acknowledge that they can go from sampling a series of normal households to sampling a series of group houses just by the random nature of what they do and all of a sudden they hit upon a bunch of people who are unemployed, just left university, or whatever, and, because the scale is so small, all of a sudden you can get a change. You have to look at it over a longer time series.

MS DUNDAS: I am looking at it over the last six months.

Mr Tonkin: Yes, but even so, you can still get perturbations. Remember, the ABS were telling us for years that we had 310,000 people in the territory and they have now sussed up to the fact that they understated it by 9,000, which was a 2.4 per cent error. That is just one of the things that happened with their methodology. Normally, that is just a glitch. But we do notice in some of the statistics we get that, because the sample size is so small, you get this unexplained effect.

Mr Quinlan: If you have small business assistance programs, you are statistically helping more women than men anyway, automatically, because, particularly at the micro level, there are more women in smaller businesses than there are men.

MS DUNDAS: Could some of the statistics be explained by the fact that women are known to have more casual jobs and, whilst they are working highly unstable casual jobs, they are now trying to find full-time employment? Is the small business ready

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scheme looking at full-time employment or casual employment? Those are the only new jobs that are part of this budget. Which kinds of jobs will they be?

Mr Harris: The participation rate, I believe, is based around people who are prepared to register for work and prepared to work more than 15 hours. The 15 hours certainly is the unemployment definition and therefore the chances are that it is also the same. I don't know that for sure. Whether it is driven by the trend that you are talking about, there is no doubt that that has been there and has been there for a very long time. For most of the previous decade, I think, there has been a substantial additional presence and much greater overall growth in part-time and casual jobs and they have tended to be picked up more by the female population than the male population.

I think that causal link is definitely in there. Whether it drives what happens in the ACT in the last few months or not, personally I think it is not terribly productive to have a policy based around these things because they will vary. The better kind of policy is the one that we have with the employment outreach centre, previously the open access centres arrangement. They have now been brought together for a more efficient structure which offers, as I said, skills to make people job ready, because that tends to be when you are re-entering the workforce after a long time out and that tends to be women who have had families and that sort of thing and are now preparing to go back in. You need additional skills to make you, as it were, job ready, and that is what that particular program is aimed at. I do not believe that there is any characterisation in that program that requires it to be for women, but I think women will be most likely to be able to access it and take advantage of it.

Mr Gordon: And long-term unemployed.

MS DUNDAS: That's fine. Going back to my question on the 250 jobs that you expect to be made out of the small business employment ready scheme, will that just be people working more than 15 hours a week? What is your definition of job? Are they casual jobs, full-time jobs, permanent jobs?

Mr Harris: The intention with the program is to assist a business in jumping that hurdle of knowing what they have to do about occupational health and safety, what they have to do about knowing their commitments under industrial awards and that sort of thing. If you are a sole trader and want to pick up your first employee, it could be all too hard, so why bother. When you form the intention of wanting to employ someone and this program cuts in and enables you to do that, I do not think we are intending to say to someone that they should get this assistance only if they are prepared to employ someone full time. So the answer to your question, in substance, is no, we are not going to say that it is a full-time or part-time job that prequalifies.

MS DUNDAS: But you have put a figure of 250 on that. Are you judging that as 250 full time, 250 part time or 250 more than 15 hours a week?

Mr Harris: It will be 250 jobs that businesses are prepared to offer, and they may be full time or part time.

Mr Quinlan: And they would qualify under the participation rate.

Mr Harris: Yes.

MS DUNDAS: People working more than 15 hours a week, so that you expect out of the small business employment ready scheme that there will be 250 more people this financial year working more than 15 hours or more per week.

Mr Harris: That is right.

MS DUNDAS: Thank you. Going back to the economic white paper, you and Mr Smyth had a long discussion about it. I am looking for a simple answer here. Twelve months down the track when you do have the economic white paper, what do you think it will produce? What outcomes are you looking for out of the white paper?

Mr Quinlan: The outcome I am looking for is a more strategic approach to government involvement in business promotion, but also a raft of information that is available to business itself.

MS DUNDAS: What kind of information?

Mr Quinlan: Where the economic prospects genuinely are. There has been a lot of work done in the ACT. To the credit of past governments, there has been a fair amount of work done on prospects in the ACT. But the work has tended to be about whether we can think of anything else that we might do in the ACT, as opposed to a more dispassionate analysis of distillation, some hard-headed distillation, of those prospects down to the genuine prospects, the real hopes of development within the territory. That will be information for government orientation in terms of how it attempts to assist business because, remember, we talked about how we are working at the margin. Also, it will be an information document for the community of the ACT to work with.

MS DUNDAS: You are looking for it to include prospects for business in the ACT. We already have a commitment to an IT, communications, knowledge-based economy. Will there be any prospects outside that? I know that you cannot predict the future and that is probably what you are going to tell me, but do you envisage at this time that there will be anything outside of that communication, IT and knowledge?

Mr Quinlan: The answer is that there could be. If you look outside, it is now the middle of winter, the sun is shining, it's a clear day: is this a good place to have a film industry? We have a wine industry in the ACT. Does that and can that translate into a gourmet trail? We have got now a burgeoning olive growing industry in the ACT, or in and around. We are thinking of the region in terms of the white paper. Is there a genuine prospect that we can actually develop the tourism dimension of what we have got? We have got a wine trail. Can that be a more sophisticated tourism process?

I met with some people at lunchtime yesterday involved in the environment. Certainly, there is within the town enthusiasm to be involved in ecotourism because we are already doing some of that. As well as there being a growth in knowledge-based industries in terms of the production and service industries, there has been a growth in knowledge tourism, for example. Canberra is a unique place in terms of knowledge tourism. All of these things one might think of off the top of the head, but we will actually need the hard-headed look to inculcate those things and whatever others that can be thought of

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that we have not conceived of but may come up into the paper. Give them at least a test of some rigour and say, "Right, let's see if we can do something in those areas."

MRS DUNNE: Minister, what is knowledge tourism?

Mr Quinlan: It is where people, instead of travelling for fun and personal gratification, are actually going for intellectual gratification and learning. I forget what it is, but there is one tour or experience at this stage that goes from, I think it says, underground to outer space. It actually looks at the ACT and its environment and natural habitat, right through to Tidbinbilla and space. People participate in that sort of tourism not to get a suntan and not to eat and drink well, but to expand their horizons in terms of understanding the ecology or the world at large, or the universe for that matter.

MS GALLAGHER: To follow on from the question of Ms Dundas, we had a lot of talk this morning about the knowledge fund and knowledge industries. You have alluded to the fact that the white paper will look at diversification and the economy in industry. Will it also look at how we can encourage job creation at a wider range of levels? I think that a significant problem in the ACT is the fact that we have highly skilled occupations and maybe there has not been enough emphasis placed on creating job opportunities for people who choose to work at a level that requires fewer qualifications or less education. Will the white paper look at that?

Mr Quinlan: Yes. It is actually called an economic white paper, so it is about economic development, which, by inference, implies jobs. But it should look widely. We have had some debate over recent times about education. You can look at education from a number of areas. Certainly, it is the right of everybody to have access to education. Education is about the growth of an individual, but from a government perspective it is also about investment. We have talked about the educated population being our primary resource, so you can go as far with education as saying, "If we want to grant."

I will take the particular example in terms of education of Ireland. It is a Catholic ethos that you won't get anything but you will be given an education. That was the standard Catholic family ethos back in the suburbs when I grew up. The Irish did that and their greatest export was their own people, but they still educated them because that is what you gave your kids, education. Of course, now that they have got a kick-on from their smart use of the EC and early membership of the EC, their kids are coming back and they have got this resource that is ready-made to go back into industry in Ireland and the biggest problem they have is traffic jams. They cannot keep up with the growth.

MS DUNDAS: I have a question on the ICT centre. I want to know how the grant of \$10 million for land for the ICT centre actually fits in with the question that Ms Tucker raised this morning about the oversaturation of business centres and technology parks in the ACT.

Mr Quinlan: I will leave most of these things to Mr Gordon because, to his credit, he was in this up to his eyebrows. I think it is necessary that the ICT itself be, effectively, an adjunct to the ANU. We do not want it on the campus because, effectively, it will be involved in that dirty word "exploitation", but it is common sense, I think, to actually build it proximate to the ANU.

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MS DUNDAS: Such as the ROCKS area?

Mr Gordon: The proposition was to reflect the significance of the contribution by the ACT government in offering a block of land, unspecified, in that broad precinct that we call West Civic, which is the connection between the ANU and that part of the central business district. The nature of the building itself is not clear yet. However, we do know that there has never been such an institute established in Australia before which has the four initial orientations of research, education, commercialisation and linkages with the rest of the community and the rest of the world in the way that this particular facility will have. Its building requirements will be unique in that it will be, essentially, a research place. However, there will be large elements of teaching and significant volumes of commercial activity happening next to it or within it. The nature of the building itself is something that has not been scoped properly yet.

MS DUNDAS: Do you have any ideas about where it will be in West Civic as it is rapidly filling up?

Mr Quinlan: Several.

MS DUNDAS: When will we know more specifically?

Mr Quinlan: When we know.

MS DUNDAS: Is there a timeframe on the development of the ICT site?

Mr Quinlan: Yes, there is.

Mr Gordon: We are in the final stages of forming the legal entity itself. When that is done, the legal entity would then negotiate with the various governments and other organisations that have made offers of support.

MS DUNDAS: Do you expect to know within six months or 12 months?

Mr Gordon: I would certainly hope that within six months we will have made some initial decisions.

Mr Quinlan: There is money involved here.

MRS DUNNE: How big a block of land do they need, or don't we know that yet because we don't know what it will look like?

Mr Gordon: The essential core of it in terms of building a room for about 100 scientists and then related technicians and students is somewhere around 4,000 to 5,000 square metres. That, in itself, is relatively modest, but that is only the core. That does not allow for additional business development.

MRS DUNNE: Is that 4,000 or 5,000 square metres of floor area?

Mr Gordon: Yes.

MS DUNDAS: What are we going to get for our money out of the ICT?

Mr Quinlan: Jobs plus.

Mr Tonkin: Take no more than five minutes!

Mr Gordon: There is a number of ways of answering the question. If I can go down two paths concurrently: the Commonwealth's contribution of \$130 million over four years is the single largest investment that any government in Australia has ever made in this type of activity.

MS DUNDAS: Is the \$130 million from the federal government over four years to the ACT?

Mr Gordon: No, the winning bidding consortium of which we are obviously going to be a part. That \$130 million leveraged about twice as much again. The initial 4½-year financial horizon provided a budget of over \$300 million. Our negotiated position is to have about a third of that total expenditure delivered within the Canberra economy. So new money of about \$100 million over the next 4½ years will be spent in Canberra.

That is specified in a variety of ways. As I say, 100 full-time scientists, about the same number or more technical positions and about 100 PhD students as well. You have got, essentially, a net 300-person job increase in 4½ years. The 10-year plan, however, is for a \$1.1 billion facility across Australia, of which we expect to retain again about a third. Over 10 years, it is about \$300 million of new money. It is not hard to work out how many jobs are in \$300 million.

Mr Harris: And Peter has restrained himself from talking about the spin-off benefits that come from the commercialisation that goes with it. It is the direct benefit that Peter was talking about.

MS DUNDAS: We are talking about 300 jobs for skilled or upcoming skilled people. Can you talk about the spin-offs for the broader population of the ACT?

Mr Gordon: The reason the Commonwealth government and various other governments were so active in supporting this is that Australia has a dreadful record in commercialising intellectual property, the exploitation of intellectual property. Because of the way this organisation has been established, the research commissioned will be commissioned because it has very likely prospective commercial applications. Therefore, the hundreds of millions that will be spent on research will be spent specifically in areas that are exploitable. Because the scientists are here and because we have a very strong connection with the local business community, particularly the smart small business community, we expect a lot of those people who create the ideas and the opportunities to actually stay in Canberra and commercialise them, so we will have over 10 years a variety of smart new companies appearing all the time.

MS DUNDAS: We might be able to fill our oversaturation of IT business parks through the ICT centre because we have got smart people staying here with their businesses.

Mr Quinlan: Maybe. It just depends on how the businesses want to cluster.

MRS DUNNE: What is MetaWizDom?

Mr Tonkin: MetaWizDom is a product of Wizard software. It is a software system which enables a person like me who, InTACT will tell you, is relatively unskilled in computing to load data onto a website. In other words, instead of having to have experts running your website, you have a software system which is very user-friendly to enable you to establish and maintain websites and the technology to support that sort of process. That, roughly, is what the MetaWizDom product is.

We have a whole-of-government site licence which we acquired from Wizard and a number of our major interfaces utilise MetaWizDom, like Canberra Connect. The budget thing is that BusinessGateway is being rehosted from a federal government site to our site making use of MetaWizDom and the money that is there in a capital sense is for adapting the MetaWizDom technology for that particular site. The licence gives you access. You have therefore to build your particular product on that and that is the cost of it.

THE CHAIR: The funding for BusinessGateway is ongoing and there is the expense this year of \$461,000 in establishing or starting up the new software. Why was recurrent funding necessary to go with it if there was already base funding?

Mr Tonkin: You have to continue to maintain and operate the system. We used to have it hosted for free by the federal government, and they withdrew that. We are replacing what we were getting for nothing, in broad terms.

MRS DUNNE: Is the \$215,000-odd of recurrent expenditure the cost of feeding the data into it?

Mr Tonkin: Feeding in the data and maintaining the site, which is not a free good. That was the form of assistance we used to get from whatever the federal department was.

MRS DUNNE: Previously, we did not pay that \$215,000-odd.

Mr Tonkin: No.

Mr Harris: We have been since the shutdown occurred recently. Basically, we are running on their good graces currently and we cannot afford to keep doing that. They have actually withdrawn their support mechanism for our site, so this is for us to create our own and then, as the CEO was saying, we will have to keep maintaining that. With every software program there is always maintenance of the software—not just the adding of data, but the maintenance of the software, as in patches, fixes and things that will occur over time

Mr Quinlan: Licence fees.

Mr Harris: Yes, licence fees.

THE CHAIR: We will broaden the questioning now by moving to sport and recreation as well.

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MR PRATT: Minister, do you have people here who can assist you in answering questions about the Chisholm oval upgrade?

Mr Harris: It is not one of our programs.

Mr Quinlan: Urban Services has now got the playing fields.

MR PRATT: Can I ask about the sports facilities improvement program at this point or is that also a DUS activity?

Mr Harris: It comes under DUS.

Mr Tonkin: Just to clarify that, a change in the administrative arrangements post-election transferred the responsibility for maintaining sports grounds and such facilities to Urban Services.

MS DUNDAS: Does that include the Manuka Oval upgrade?

Mr Tonkin: No, the ones that are responsibilities here are Manuka and, separately of course, the stadium.

MR PRATT: Does that mean that the sports bureau does not have operational control over the allocation of funding for ovals in general? Okay, DUS carries out the administration of those ovals, but is there no operational or priority control over that exercise by the Bureau of Sport and Recreation?

Ms Marriage: My name is Sue Marriage. I am general manager of the Bureau of Sport and Recreation. The only part of facilities management or development that the bureau still has a function over is actually the planning of facilities. There is also the sport and recreation development grants program, which is a \$2.4 million grants program. There is a capital assistance grant process in there that organisations can apply for. It is really a case of working in conjunction with DUS on the planning of facilities and then they work on the management and the maintenance of the facilities.

MR PRATT: Are the budget allocations for the maintenance of those ovals controlled by the bureau, or is that again a DUS exercise?

Ms Marriage: That is a DUS exercise.

MR PRATT: Nobody can tell me at this point whether the level of funding for the ongoing maintenance of ovals in general is at the same level as it has been in past years? Do I need to talk to Bill Wood about that? Okay.

THE CHAIR: You can talk about sports grants.

MR PRATT: Okay. The Chief Minister's Department is shown in this budget as getting a \$6.5 million allocation for spending on programs and services for sport and recreation. It not clear to me where that breakdown or allocation is to be found in the budget. Could you specifically point out where in the budget those allocations have been catered for?

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Has the government come to any clear decision so far about how this funding will be allocated to benefit the Canberra sports and recreation program? Minister, where in the budget is the funding for the commitments that you outlined in your media release of 25 June in which you covered a series of activities—for example, a \$180,000 grant to women's sports teams for 2002 and provisions in funding to encourage older participants in sport? Do you want me to go through those point by point?

Mr Quinlan: No, we will probably have to take that on notice and give you those. If they are not listed in the budget, I cannot recall the details.

Mr Tonkin: Just to begin the clarification, Mr Pratt: the page you are referring to is page 46 of budget paper No 4; is that right?

MR PRATT: Yes.

Mr Tonkin: The \$6.5 million is the total cost of that activity, including the staff employed by Ms Marriage in her enterprise, both the bureau and the academy. There is the Bureau of Sport and Recreation, which is the policy and grant management organisation, and the academy, which is the coaches and such. That is all in here as well. As Sue said, the grants program specifically is \$2.4 million. Does that include national teams?

Ms Marriage: No, there is a national teams program as well, which is for \$570,000, but that is within that programs and services area.

MS DUNDAS: Can we have that breakdown, because the press release that came out with the budget went into detail about which national teams would get which amount of money under the grants program? I am having the same problem as Mr Pratt of actually finding that detail in the budget papers.

Mr Tonkin: It is one of the quality features of accrual accounting presentations.

MS DUNDAS: To follow up on that, I would like to have a specific breakdown of the \$250,000 that is being spent to promote AFL. How much of that is going to the North Melbourne Kangaroos and how much of it is actually going to genuine amateur programs in the ACT?

Mr Quinlan: Virtually all of that \$250,000 goes to the Kangaroos.

Ms Marriage: That is right.

MS DUNDAS: How much money are we spending on developing junior AFL teams and on amateur AFL games in the ACT?

Ms Marriage: Those actually fit under the grants program as such. The local AFL organisation receives triennial operational funding of \$45,000 a year and within that they do their junior development program.

MS DUNDAS: That comes through their triennial grant.

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Ms Marriage: That is their triennial grant.

MS DUNDAS: Does that come out of the other grants program?

Ms Marriage: That comes out of the \$2.4 million worth of grants.

MS DUNDAS: We are actually spending \$295,000 on the AFL.

Mr Quinlan: It is not enough, really, is it?

MS DUNDAS: Considering we are spending \$250,000 on the North Melbourne Kangaroos.

Ms Marriage: It all depends under the grants program because they have an opportunity to apply for capital assistance and equipment grants as well, and other program assistance as well, so it varies year in year out.

MS DUNDAS: Can you provide us with more information on when the three-year funding to the AFL will be up? Can you tell us whether we are actually getting any benefit out of spending \$250,000 on North Melbourne?

MR PRATT: Yes, what does the 250K buy for us?

MS DUNDAS: Could we get a winning team?

Mr Quinlan: They have played 10 games here and won nine of them. We are good for the North Melbourne Kangaroos.

MS DUNDAS: Yes, we are \$250,000 worth of good for North Melbourne, but what are we getting out of it?

Mr Tonkin: The commitment at the time was that the government would pay for those games and that the AFL would contribute to development of the code in this area.

MS DUNDAS: Is the AFL giving any money to anyone?

Mr Tonkin: They are not giving any money to us, but they are through their own activities, which are outside of government, which is their business.

MS DUNDAS: Like the children's charity trust and things like that.

Mr Tonkin: Promoting the code in the territory was the commitment that the AFL would make. It is not a role of the government to do that, but the AFL said as part of the undertaking under the previous government that they would kick in and contribute.

MS DUNDAS: Can we get the details of that agreement?

Mr Tonkin: I do suggest, Ms Dundas, that that is something you should talk to ACTAFL about. It is not a government thing.

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MS DUNDAS: If we are giving \$250,000 as an ongoing agreement to the North Melbourne club with the return being the promotion of AFL in the ACT, I would just like some details of that promotion. Is it just being nice to ACTAFL and helping them out or is there anything more specific that you can tell us?

Mr Tonkin: All I can tell you is that that is something that you should take up separately. It is not the government's concern; it is something that they undertook to do with the local AFL organisation.

MS DUNDAS: So we are actually giving \$250,000 for nothing.

Mr Quinlan: No.

MR PRATT: Surely, government would need to know what the AFL's contribution is going to be to the presence of the Kangaroos in the ACT. Are you satisfied that they are investing enough to make it worthwhile for this government to continue investing \$250,000?

Mr Quinlan: Mr Pratt, I will certainly look at that. I have had discussions with the AFL but, remember, this is an agreement signed by the previous government that is on foot. I think it has still got a year or two to run, at least one more year.

MR PRATT: I appreciate that.

Mr Quinlan: The AFL is interested in its going longer, and I have had some discussions with both the AFL and the Kangaroos, but it is an AFL agreement. There is a package that the AFL is committed to in terms of promotion in New South Wales, a package that I am not really satisfied with, I've got to say, in terms of execution. But at this stage it is an agreement that we inherited.

MS DUNDAS: I fully understand that and appreciate that.

Mr Quinlan: It is an agreement that, at this point in time, we are not saying is a bad agreement or whatever; we are just saying that we will take a look at it. We have three premiership games here. The last game had an attendance of 9,500 people and had, apparently, a high interstate visitation rate. The Collingwood game early in the year, in particular, had a high rate and I can remember that there was virtually a halt to local sales of tickets so that we could, as they put it, sell it to the Collingwood tragics in Melbourne.

MR HARGREAVES: Who won that game, Treasurer?

Mr Quinlan: I think that was the one that the Kangaroos lost.

MS DUNDAS: Maybe, but I am not certain, the Kangaroos beat the Swans when they played at Manuka, but my question is: what are we getting for our \$250,000?

Mr Harris: There is an analysis of the benefits that come from the sponsorship that has been provided.

MS DUNDAS: Can we get a copy of that analysis?

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Mr Harris: We can provide you with some information on that, yes. I haven't seen the analysis myself. I am advised that an analysis has been done which demonstrates the benefits and, as ever, I am being cautious in saying that I can give you what that says.

MS DUNDAS: Treasurer, you indicated that the whole agreement is up for renegotiation within the next two years. What are you looking for out of it?

Mr Quinlan: I would certainly be looking for an economic justification for our investment, but how you measure that is very subjective in terms of tourism and in terms of the public good of providing a whole sector of the population with elite Australian rules, a population that has ready access to elite rugby union, rugby league, women's soccer—our blokes couldn't make it—and basketball, and the encouragement that it gives kids to participate in sport, et cetera, so it is not going to be a process of saying that I can put a number on that and give you a simple answer which gives it a pass mark or not; it is very subjective.

MS DUNDAS: Are you looking for more games or more investment in the local community? There are the other benefits. You don't just get an economic benefit out of sitting out in the fresh air watching a great game of sport.

Mr Quinlan: We are looking for all of the benefits that it can offer, but we would want a decent bottom line in terms of tourism. We would want a bottom line in terms of encouragement. It is very difficult to quantify, but I will be asking that the people directly involved do their best to quantify or at least articulate the benefits of the AFL games coming to Canberra.

MR HARGREAVES: I want to ask a question on general financial support to sport in the territory. It has to do with the nature of the distribution of sports grants. It is my understanding, and I would be pleased to be corrected on this, that essentially the grants go to incorporated associations or incorporated bodies—peak bodies, generally speaking—and the support to junior sport and women's sport is actually distributed from that point down. I am interested in knowing what involvement the bureau has in ensuring that an appropriate amount of the resources finds its way from the peak bodies that receive it all the way down to the junior teams? An analogy that I would be thinking of in the AFL context would be, I suppose, ACTAFL or AFL New South Wales and all that. Do we get appropriate support for, say, the Tuggeranong Bulldogs under-9s? How do we make sure that they actually get it?

Ms Marriage: The peak body organisations, with their triennial funding, are required to come into a service agreement with the government, or with the territory as such, and within that they identify what they are going to provide in the way of coaching, volunteers and management improvement, and that can go right down to club level. That has to be signed off before the actual funds are released to them. They also then have to acquit that grant and make sure that they meet 70 per cent of what they have listed in that service agreement. We are quite stringent in that process in trying to ensure that junior development is considered in there and women's activities are as well. When it comes to the greater distribution of grants, operational assistance is only for peak bodies, but that only makes up about half of that grant funding, about \$1.2 million, so there is still

\$1.2 million of opportunities for clubs to apply for assistance for projects, programs and equipment, which is usually what the clubs are actually looking for.

MR HARGREAVES: In the criteria that you set for these peak bodies to satisfy before they get funding, is there any connection between that and the government's desire to enhance women's sport opportunities? Is there going to be a bias put into that criteria?

Ms Marriage: We look at specific criteria every year. Women's sport has always been identified as one of those criteria. For example, with ACTAFL we have always had criteria in there that they have to make relationships with women's AFL and contribute funding to women's AFL. Also, with cricket there is an identification there that they have to make relationships with women's cricket and provide assistance to women's cricket.

MS DUNDAS: If it is the case that it has always been the way that women's sport has been identified, why did we need to change legislation in the last sitting so that there was more scope for gambling organisations to provide funding to women's sports? As the Treasurer said at the time, there was an identified need, that women's sports were not getting the money that they needed. If you have always had the process of identifying women's sport, why was that the case?

Mr Quinlan: I think you have to realise that the funding that we give is not the complete package for sporting teams.

MS DUNDAS: The sponsors.

Mr Quinlan: Yes. In fact, what we are trying to do in that legislation is to redress the imbalance in sponsorship, which is over and above. That is the next layer.

MS DUNDAS: Are you confident that the government funding has always been well distributed across junior women in all forms of sport?

Mr Quinlan: You can never be certain. I have introduced a bias this year in terms of the aged and we have put a program in place in terms of sport and recreation for the ageing. We have actually put some of the resources into programs to encourage activity in old people. That is something that was part of my sporting policy. Similarly, we have made some changes in terms of the elite teams' support. We have created equity where there wasn't equity before. That has been a deliberate change this year.

MS DUNDAS: And a very good change.

Mr Quinlan: The legislation you are referring to is not part of this. It is part of trying to redirect the sponsorship dollar, which is far more dough overall than we can rustle up within the budget.

MR HARGREAVES: To continue down the track I was going before we got sidetracked, you mentioned that one of the things that you do is to insist that, for example, ACTAFL provide funds to women's AFL. I think you mentioned also the same thing for cricket. Is the AFL required to tell you how much money they actually provide for women's AFL?

Ms Marriage: I think it is not so much the point that it is finances for them; it is support to them. With most of these organisations it is actually support. Therefore, if ACTAFL are running management improvement programs, they are also incorporating women's AFL into those activities. That is where the key of that operational funding actually gets used. Operational assistance is usually there purely for the administration of the sport. It is how they develop their public office, how they run themselves on a day-to-day basis. It is really making sure that the services and the support are then also provided to the junior clubs and to women's sport as well.

MR HARGREAVES: You mentioned that this has been the case for some time. You said that you are very stringent in checking out the acquittals of these things. Are you satisfied that the AFL has provided that support, whether it be intangible support, cash or whatever criteria you have just described? We will not go down that track again as it took a bit long. Are you satisfied that that has actually manifested itself as a benefit to the women's AFL?

Ms Marriage: What they have put in their service agreement is what they are required to meet. Therefore, if they identify that they are going to run management improvement programs with the women's AFL, then there is a ticking off of that. That is how we operate. So there are quite clear outcomes that they have to meet.

MR HARGREAVES: And they have been doing that for how long?

Ms Marriage: The triennial funding commenced as at 1999. Every year since then all of those peak bodies have been required to provide service agreements between themselves and ourselves.

MR HARGREAVES: Would you be able to provide me with a copy of the service agreement between the AFL and the bureau, say, back to 1999?

Ms Marriage: That would not be a problem.

MR HARGREAVES: Thank you. I will give you an indication of what I am concerned about. Whilst the AFL may have indicated that it is providing support to women's AFL, I suspect that that support has only just started to flow. I would like to make sure, if it has just started to flow, that it actually comes in a torrent from now on. That just gives you an indication of the interest. Thank you.

THE CHAIR: I have a question about sporting facilities. It could be for Urban Services, but I will ask it anyway because I understand that this is a commitment that you personally made, Minister, during the recent ACT election. The Weston Creek Community Council raised it with me and they are anxious that it be raised in the Estimates Committee process. I refer to increasing the size of the Arawang netball car park. There have been problems with access to those courts in Stirling. They tell me that you had given a commitment that that car park would be doubled to accommodate very heavy pressure on it. It did not appear in this budget that I could see. Are you aware of whether it is being delivered?

Mr Quinlan: I do not think it appeared before the election, actually. Any commitment I made was best endeavours; anyway, it will still be best endeavours. I think that it was during the lead-up to the establishment of the new Defence Housing Authority establishment at Stirling. Because there are so many netball games concurrently there on weekends, Stretton Drive becomes almost impassable and we did get involved in opposition with trying to address that problem. In fact, part of the problem was addressed purely by line marking in that car park, as I recall. That, because it created order out of disorder, improved the car park capacity by 25 or 30 per cent or something like that immediately. I do not think the issue has been mentioned since the time that I was saying that we would try to get the other buggers to do something about it, but it is a good point and it is something that we ought to follow up.

THE CHAIR: It was mentioned in the Weston Creek Community Council budget submission to you and they have asked me why it has not appeared in this year's budget. Can they expect it in next year's budget?

Mr Quinlan: We will certainly have a look at it. That particular problem is a real issue. It has slipped through the cracks, but it is a real issue.

MRS DUNNE: I am not familiar with this netball court, but there are parking problems at almost every netball court that I, as a parent, have ever visited in the ACT and there are needs for upgrades across the place. Sometimes it is about traffic management. The one out at Lyneham would be a lot safer if you made it one way. Again, if you marked the lines you would have better parking. But that is a particularly dangerous place. As minister for sport, do you think that it is your responsibility—maybe it is the responsibility of the Minister for Urban Services—to make sure that somebody does not get run over in the car parks, because they are a disgrace?

Mr Quinlan: Yes.

MRS DUNNE: Is your commitment to fixing up the Weston Creek car park a firm commitment, a suck-it-and-see commitment, or what?

Mr Quinlan: That is a “we'll look at it” commitment. It is not in the budget, as Mr Humphries has pointed out. As far as I know, it is not in the budget, so it has to go into the melting pot. But I do agree with Mr Humphries that that particular one is a problem. I don't know the Southwell Park car park well; but, if it is dangerous, yes, it is a responsibility. Southwell Park has been there a long time. If it has suffered from lack of attention from previous governments and needs fixing, we will fix it.

MR PRATT: I applaud the fact that a further \$1.035 million has been forecast for sport and recreation policy development. How far is the government into the detail of that policy development and when will you be able to address which programs you are going to allocate that funding to?

Mr Tonkin: Mr Pratt, it is not a further amount.

MR PRATT: It is consistent with previous allocations, isn't it?

Mr Tonkin: Yes.

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MR PRATT: So it is a continuation.

Mr Tonkin: It is roughly how much is spent on that area year on year.

MR PRATT: I applaud that there has been a continuation. Are you down to detail yet on where you think you might make those allocations?

Mr Quinlan: There is a pretty comprehensive summary on page 48, isn't there?

MS DUNDAS: I have a quick question about page 48. Under "Quantity of Measures" there is a reference to the drug testing of selected athletes and a target of one. Is that the drug testing of one athlete?

Mr Tonkin: No, it is an activity measure. One of the things we have done, you will find, right across the Chief Minister's Department and, hopefully, in other areas is that we have sought this year to obliterate the nonsense of previous years where we built up this system of counting every particular activity and it became a silly game. We were running a program of drug testing. That is why the measure of one.

MS DUNDAS: So it is one program of drug testing.

Mr Tonkin: Yes. Some of these quantity measures are just silly nonsense.

Mr Quinlan: Yes, we do need to sort them out.

MRS DUNNE: How many people do you drug test?

Ms Marriage: In each year we define in an agreement with ASDA, the Australian Sports Drug Agency, how many athletes to test and, particularly, how many we educate as well. In the last round of drug testing there were over 200 drug tests.

MRS DUNNE: At what level is that? Is that for elite sports?

Ms Marriage: It is at the elite level. It is for people who have made it into ACT squads and to open competition within the ACT.

MR PRATT: Is that the same level as previous funding?

Ms Marriage: Yes. We actually have an agreement with ASDA year in year out that we negotiate. They also provide an education program in which we focus on about 570 to 600 athletes.

MS DUNDAS: On that education program there was a lot of scandal—I think that would be the right word—last year when an elite netballer did not pass a drug test and she claimed that that was due to her drink being spiked with Rohypnol or another illegal substance. Does your education program just cover sporting drugs, such as steroids and enhancement drugs, or does it actually cover broader drug use, drink spiking and those kinds of things?

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Ms Marriage: We have just negotiated to do a social drugs program, which is exactly that; it is actual spiking of drinks, et cetera. We have just had a grant to ASDA and ourselves to go through that and develop that up. We have done a pilot already with some athletes and it will be running from, I think, September or October. It is actually in response to that situation.

MS DUNDAS: Fantastic.

MR PRATT: I cannot see the detail on where the drugs education activity is being funded. Can you tell me, please, what level of funding is being allocated?

Ms Marriage: It is a \$60,000 agreement between ASDA and the ACT.

MR PRATT: Is that a continuation of previous levels of funding?

Ms Marriage: Yes, it is.

MS TUCKER: On page 48 there is a reference to administering the Stadiums Authority Act and a target of 6. What is that about?

Mr Harris: Board meetings.

MS TUCKER: I know that we will be dealing with the stadium later, but I would like to ask a question now. Going further on to the details in terms of the financial performance of the Stadiums Authority, I guess the user charges revenue section is what the government gives to the m. Is that the revenue guarantee?

Mr Harris: It covers revenue to the two prime sporting teams that use the stadium as well as revenue to the stadium itself.

MS TUCKER: Because that goes out in expenses pretty quickly. Is that going out to the teams?

Mr Tonkin: Sorry, Ms Tucker, we just do not have at this instant our person to answer you at that depth.

THE CHAIR: Is that Mr Harley?

Mr Tonkin: Yes.

Mr Quinlan: He can give you the details.

MS TUCKER: It is a fairly general question. We could probably start on it.

Mr Tonkin: It would be helpful if he heard the question.

THE CHAIR: He is here now. Do you want to repeat the question?

MS DUNDAS: Are we going to deal with the stadium now?

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THE CHAIR: We weren't going to start on the stadium until after lunch at this rate.

MR PRATT: It might consume a bit of time, too.

THE CHAIR: Yes, I think it could be quite a big topic, so I would prefer to finish any general questions on sport and recreation or economic development now and go on to specific parts of that program, as per the agenda, after the lunch break. Are there any other general questions?

MS TUCKER: I want clarification, if that is okay, that Mr Quinlan will be here when we are looking at the Stadiums Authority.

Mr Quinlan: Okay.

THE CHAIR: There being no further general questions about sport and recreation or even economic development, we will break now for lunch and resume promptly at a quarter to 2 with the Canberra Tourism and Events Corporation and then the Stadiums Authority, as per the published agenda.

Luncheon adjournment

THE CHAIR: Moving to CTEC, I will start by asking about the funding of CTEC in the future. A report by the *Canberra Times* of 16 July quoted the chief executive of the Canberra Tourism and Events Corporation as stating that he hoped that the ACT government review would recognise that CTEC was significantly underfunded and that the review would recognise CTEC was underfunded by millions of dollars. The projection for the funding of CTEC is approximately \$14.5 million in 2002-03, \$13.8 million in 2003-04 and \$10.063 million in 2004-05. What is the plan for CTEC in terms of funding? Is there a disparity between what Mr MacDiarmid expects and what has been provided, or is there a plan to provide for that shortfall to be made up in other ways?

Mr Quinlan: Let's start with the payments from government. The payments to CTEC in general are scheduled to increase probably by indexation, effectively. Next year's budget is \$6.6 million, then \$6.8 million, \$7 million and \$7.1 million.

THE CHAIR: Are you reading from somewhere in the budget papers or is that a government briefing?

Mr Harris: It is our internal construct of the CTEC budget. I can get it photocopied.

Mr Quinlan: It probably would be useful for you guys to have it.

Mr Harris: Should we get it photocopied?

THE CHAIR: That would be nice, thank you. That is the internal funding. There is, presumably, external funding as well.

Mr Quinlan: Yes. The funding is broken open up and you can see some funding that will not carry through—the Masters Games, for example. That goes through to the conclusion of the Masters Games. You can detect from looking at the forward projections that we have only funded in our budget the car race for the term of the car race contract at this point. The AFL contract has two years to run. That is in there. The rest of it is fairly consistent. Floriade is consistent. The Canberra Convention Bureau is consistent. Base funding is consistent. That is shown on the copy that will be here shortly.

THE CHAIR: Are you saying that the decline in ACT government user charges over the next few years is the product of the ending of a number of programs or activities for which funding has been provided?

Mr Quinlan: Yes. There it is. If you look at the base funding, you will see a base funding effectively just indexed. You will see Convention Bureau funding indexed. You will see the V8 car race for the duration of that contract. You will see the Masters Games to the occurrence of the Masters Games. You will see AFL for the duration of that agreement.

THE CHAIR: You do not exclude the possibility of there being other projects. If, for example, the V8 car race doesn't continue, you obviously have the possibility of bringing forward other programs to take its place.

Mr Quinlan: Yes. At this point in time, I cannot tell you what it would cost us to back out of the car race if it did not continue but, as minister for tourism, I would be looking, at least in the shorter term, to replace the exposure that the car race gives us with some form of burst while the funds are in the budget.

THE CHAIR: Let's turn to the car race for a moment. I understand that the government is reviewing its position. When are we likely to get an announcement about what it is going to do with the race?

Mr Quinlan: Fairly soon.

THE CHAIR: In the next month?

Mr Quinlan: Yes.

MS DUNDAS: You have budgeted for \$4 million for the race until the end of 2004, but we know that we had to have a further appropriation to give extra money to the V8 race and it has been running at a loss.

Mr Quinlan: Yes.

MS DUNDAS: Is it realistic to budget for that figure or should we be budgeting for more, with the assumption that it has yet to break even?

Mr Quinlan: Certainly, the major thrust of the negotiations that have taken and are taking place is in an attempt to bring the race within the budget that was previously set for it, and that is largely one of the criteria that we are employing in our judgment.

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MS DUNDAS: For the next two events.

Mr Quinlan: Yes.

MS DUNDAS: One at the end of this financial year and one at the end of the other financial year.

Mr Quinlan: Yes.

MS DUNDAS: In your discussions about whether the ACT government will stay committed to those two races, you are looking at break-even policies.

Mr Quinlan: Meeting budget. That is not breaking even. That is \$4 million invested in it.

MS DUNDAS: Okay, you are looking at meeting budget. Are you also looking at keeping it at the same time, place and location?

Mr Quinlan: I think there has already been a public statement that the NCA will not support a change in the date to a different time, and we need their approval to run the race each year.

MS DUNDAS: You did not answer the time question. Are you expecting to have it during the same long weekend?

Mr Quinlan: I think that is the only option available to us.

MS DUNDAS: Can we expect later in the year a further appropriation bill to help match losses through the race?

Mr Quinlan: I think you would have to say that that is probable, on the interim results that I have got. There will have to be some form.

Mr Harris: It won't actually be encountering the loss until pretty late in the financial year if it is greater than \$4 million.

Mr Quinlan: But the loss from the race we just had. From what I know, because the detail is firming up every day, the race exceeded budget this year.

MS DUNDAS: When will that information be available?

Mr Quinlan: Pretty soon.

MS DUNDAS: Again, the next month?

Mr Quinlan: Yes.

THE CHAIR: Are there any other questions on CTEC?

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MR SMYTH: Yes, I have a few questions. The government has a nine-point tourism plan and specific emphasis has been placed on developing the ACT's destination image. How do you intend to achieve that?

Mr MacDiarmid: My name is Ross MacDiarmid. I am CEO of the Canberra Tourism and Events Corporation. There is a review currently under way with two consultants who are interviewing members of my organisation and all those who are involved in the industry to determine a number of things. What is the appropriate approach to destination marketing? What are the needs of the local industry in terms of product development and packaging? What are some of the supply chain issues? And, in the context of all of that, what role does CTEC play in ensuring that we can address those concerns or issues that may arise from that review process?

MR SMYTH: And then what will happen?

Mr MacDiarmid: We will, in fact, have a plan and a business case for investment that basically sets out a program for the next three to five years on the sorts of things we should be addressing to ensure that we achieve the level of visitation and publicity value that the national capital of Australia should have.

MR SMYTH: Given the nine-point plan and the ACT tourism master plan which, although it is the industry's master plan, we accepted and I assume the current government has not rejected or said that they won't fund, part of that was to develop industry development plans for a number of sectors—wine, tourism, adventure-based tourism, many of the things that the minister spoke about this morning. Is the funding for the development of those plans included in the CTEC budget, is it to come from another source, or will funds be diverted from CTEC's primary role as destination marketer to accommodate those plans?

Mr MacDiarmid: We have already run three workshops with the industry to identify the sorts of things that need to be done in the way of developing the industry in the ACT and the region. It is our intention to use the existing resources we have—that is, human resources and whatever other resources we can scrape up—to ensure that the product development initiatives and industry development initiatives that we would have in the plan I was referring to earlier can be implemented, recognising that part of the process may very well involve a realisation that there is a greater contribution that industry could make towards its own development as well as contributing towards the range of initiatives that we arrive at.

MR SMYTH: Will money be diverted from marketing as such? I was at a dinner earlier this year with the tourism minister when Trevor Mules actually asked for an extra \$10 million to make all these things happen. Does it mean that there will be a diversion of funds from Canberra as a destination to the development of the plans?

Mr MacDiarmid: No. Equally, we are currently questioning internally whether the funds that we have for what you describe as destination marketing are actually being effective. It is a case of an ad appearing in a weekend magazine in Sydney is a very expensive advertisement, but who is the target audience? Are we being effective? Do we know the outcome of the use of those funds. Is there better use of those funds in industry

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and product development and in just having the tools of trade that are required, such as brochures and other fundamental materials.

Mr Quinlan: In terms of progress, for example, I will be launching a backpacker strategy at the end of this month and the next plan is an adventure tourism strategy.

MR SMYTH: Launching the actual strategies or the development of the master plans?

Mr Quinlan: No, the actual strategies.

MR SMYTH: From where will the funds come? If there is to be no diversion of funds, and we are told CTEC is stretched already, where will the money come from for the development of the next series of plans and strategies?

Mr Quinlan: CTEC, as far as I am concerned, is stretched in as much as it is doing what it did before and, as Mr MacDiarmid has just advised you, how we do things is under review. It will always be under review. That is a large part of what we have CTEC for. It is not just to repeat. It is a process of planning and building strategies itself.

MR SMYTH: We have seen the press release from the industry. Its concern is that there isn't enough money for destination marketing. The previous tourism spokesperson was critical of me for not having enough money for destination marketing. I cannot see any additional money for destination marketing in the outyears. Do you now accept that the strategy of the previous government was actually correct and the criticism therefore was unfounded?

Mr Quinlan: There is no chance of me accepting that anything the previous government did was correct. If we can just forget that for the rest of the day, it might save us a bit of time and get us out early.

MR SMYTH: If you accept that we weren't doing it well enough previously, how are you doing it better, given that there is no additional money in the outyears for CTEC?

MRS DUNNE: The review.

Mr Quinlan: The review itself was a commitment made before the election. I wasn't the tourism spokesman before the election, but it did seem to me that there was a certain amount of disparate views in the tourism industry that weren't being tied together. I can advise this committee that in the early months of the new government I spent a considerable amount of my time interacting with various segments of the tourism industry. As you are aware, it is not an industry that you can actually draw a hard line around because it drifts into the accommodation industry, it drifts into the hospitality industry and it drifts into the retail industry, so it is very difficult to put an exact line around it. But there were, I perceived, some communication difficulties and lots of people wanted to come along and place their case.

I have had, as I said, quite a number of meetings. I think that a lot of the communication problems are being reduced and being reduced very rapidly by the good work of Mr MacDiarmid and marginal changes in the board and the perceived need for review of CTEC itself is not nearly as strong today as it was back then, because improvements

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have been made. At the same time, there are a number of stakeholders in the tourism industry that are anticipating the review and want the review to occur so that they can formally put their particular points of view forward to that. So it is being conducted and it is being conducted over a relatively short period of time in seven weeks. It is a bit broader; it is not a look now at CTEC as such, but it is a look at the tourism industry; in particular, communications and channels within the communications industry.

With all the cynicism that does arise, quite understandable, about reviews, I don't think this one can be described as a waste at all; it think it will actually assist. I have actually said to quite a number of people in the industry that, if they don't feel that their particular sectorial peak body or council is representing them, they should go and change it because we actually do need to get the thing working together. I do believe that it is working a lot better than it was before. Certainly, I am not getting the same clamouring at my door that I got in the first few months.

Mr Gordon: One of the questions that the reviewers are asking is that if we have had a new, very major national institution built on the shores of the lake which is attracting, by its own estimation, more than the number of visitors it thought it would get, but yet the visitors to all of our institutions combined really haven't increased at all, why is that so? If we had a net increase in supply but no corresponding increase in the volume of tourists, how then does CTEC work with those national institutions to ensure that we get the return on that museum investment? That is the different approach that we are trying to extract from this review process.

Mr Quinlan: I have met with the major attractions as a group and the major attractions have expressed a clear willingness to integrate their promotion with the promotion of Canberra generally and other smaller attractions in the territory much more than has happened before, so that we are actually going to work with them and they are happy to integrate more the promotion of, say, the War Memorial, the gallery, Parliament House and Questacon.

MR SMYTH: You mentioned the adventure-based tourism industry and the launching of a strategy there. One of the groups came to me and urged me to put on the table some public liability insurance to protect their industry as part of what you refer to as the dog's breakfast package, but which was actually a response to the industry feeling very insecure. I have asked the Parliamentary Counsel to draft legislation very similar to the Victorian legislation, which the industry referred to me. Are they wrong in asking for that protection?

Mr Quinlan: No, but certainly some of what has arisen out of your little stunt has not been helpful and there are people now asking for signatures on waivers which will not stand up in court. There is an inherent problem there, a problem that we have had to try to remedy in terms of public advice as to, in fact, just how effective or not effective waivers might be. To make waivers work within the adventure tourism industry, we would need the federal legislation, the Trade Practices Act, to be amended and that would have to be done very carefully because, you may or may not be aware, there are limitations on just how much you can sign away your rights.

MR SMYTH: In fact, you cannot sign away your rights.

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Mr Quinlan: You cannot, so there does need to be probably a little bit more discriminate approach than the quick fix.

MR SMYTH: It is hardly a quick fix. Indeed, one of the groups that have come out in favour of the package of reforms I have put on the table is, in fact, the tourism industry council, saying that they welcome what we in the opposition have done. Are they wrong in saying that the reforms that I have proposed are going part way to meeting the needs of small business people in the tourism industry?

Mr Quinlan: The exact detail of what they said I haven't got in front of me, but they may well have been misled by the degree of confidence that you showed in what you were doing, Mr Smyth, and they may have been misled in terms of what your moves might or might not do for them.

MR SMYTH: The moves, in fact, are based on what the tourism industry has said to me. These are the reforms that they have actually asked for.

Mr Quinlan: Okay, but if they are reforms that have a significant risk of what could be catastrophic failure, I think we ought to be just a little careful—or not a little, we should be a bloody lot careful in what we are doing in this particular exercise. As you are aware, there has been a considerable amount of work done, particularly within the heads of treasury meetings. I know that people out there want an instant fix, but there isn't an instant fix. There are a couple of patches that can be put in place.

MR SMYTH: Given that you have proposed instant fixes for the not-for-profit sector, why aren't there similar quick fixes for the business community? Why have they been abandoned by your government?

Mr Quinlan: I do not think that I have done a quick fix. Describe the quick fix that I have done for the not-for-profit sector?

MR SMYTH: Your response to my package was that you have looked after people, like stamp duty waivers for the not-for-profit sector.

Mr Quinlan: But that is not a fix. That is just financial assistance. What I am talking about in terms of fixes is the legal structure that will define what is negligence and what is due care. The ministerial council, including the Commonwealth, have decided that this is such an issue of complexity that they want to appoint an eminent panel to make sure that we come up with legislation that, in fact, improves things and doesn't make things worse because, if the new legislation were flawed, that would only increase the amount of litigation. One of the contributing costs to this insurance imbroglio in the first place is the level of litigation, so we need to be actually moving in the right direction.

MR SMYTH: But the communique issued by the ministerial council on the activity that is being undertaken by the states and territories, and ultimately a large amount of it will actually happen in the state and territory jurisdictions, has a series of blanks across the ACT. New South Wales has been undertaking a large amount of activity. Queensland and Victoria have done some work. The ACT is just blank the whole way across. The reason we put our package was that various industries—adventure-based tourism, the equine industry, business councils and the medical industries—all came to us and said

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that nothing was happening and asked us what we would do. I saw that Dr Phelps actually said yesterday at the press club that, unfortunately, things cannot be allowed to happen slowly because the next wave of activity in renewals will come about in October and something will have to be pushed through quickly.

Mr Quinlan: I certainly expect that the medical profession and their lobbyist will be speaking out for the maximum benefit of the medical profession. That is going to be, quite clearly, a part of the process. Jon Stanhope has already made some public pronouncements about disappointment with the medical profession in terms of the demands for change. It has to be remembered that, in large part, the problem with medical indemnity has been the collapse of the medical profession's own fund, their own management.

THE CHAIR: We are getting off tourism. Do you have some questions, Ms Dundas?

MS DUNDAS: Yes, I have some questions about the national capital education tourism project that CTEC manages. I understand that it was part of the centenary of federation year last year, but you have now granted \$200,000 per annum for the next three years to this project. Is this funding being matched by the National Capital Authority?

Mr Quinlan: Not any more it isn't.

Mr Tonkin: No.

MS DUNDAS: Are there any partners to this project?

Mr MacDiarmid: The National Capital Authority are a partner, but not in a financial sense. They will provide administrative support to the use of the federal government rebate that goes to the schools as a way of compensating for the costs of getting to Canberra of the tourists.

MS DUNDAS: Is that \$15 rebate still going to continue?

Mr MacDiarmid: Administered through the National Capital Authority.

Mr Gordon: That is \$15 multiplied by about 150,000 or 160,000 students, so it is a substantial contribution from the Commonwealth.

MS DUNDAS: Are there any other partners, administrative funding or otherwise, such as the Parliamentary Education Office?

Mr MacDiarmid: Not in a financial sense, no, but there is a strong degree of interest from the federal parliament in supporting this program.

Mr Gordon: The Parliamentary Education Office do run programs for all the students. It is a major contribution for which the project does not have to pay.

MS DUNDAS: I understand that Ansett Australia was a major sponsor of the centenary of federation program. It is now not in a state to continue that sponsorship. Is there any discussion about replacing that sponsorship?

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Mr MacDiarmid: The manager of the program is a very enthusiastic and very committed salesperson and he is sourcing all sorts of opportunities for ongoing sponsorship of the program.

MS DUNDAS: But none have been confirmed at this stage.

Mr MacDiarmid: No, not at this stage, but I beg you to watch this space, because I suspect that you will see that there will be some sponsorship coming from other organisations for this program.

MS DUNDAS: What will be the benchmark set for this program over the next three years?

Mr MacDiarmid: One of the challenges that has already been established for the ongoing program is that we achieved 130,000 students in the last 12 months. I think he is going to try to continue to increase the number over the next three to five years.

Mr Quinlan: There is a further measure that has been taken that will be repeated, I am expecting, and that is return visits by the kids and their families. One of the major reasons we have continued the funding is that there is a very solid proportion of return visits to Canberra of families independent of the program.

MS DUNDAS: The money will be used to promote Canberra as well as providing services to the students once they are in the ACT; is that where the money will go?

Mr Quinlan: The fallout is the promotion of Canberra, yes.

MS DUNDAS: But how is the program marketed?

Mr MacDiarmid: The funding that is provided by the government, along with whatever other sponsorship is obtained, goes towards marketing the program nationally. In that process, the ACT is clearly heavily profiled. When they are here there is, obviously, ongoing promotion of all the different attractions the students get to attend. They take that information back to their home base and provide it to their parents which, as the minister has just pointed out, provides a good opportunity for repeat visitation.

MS DUNDAS: Just with the rebate, do you know how much the National Capital Authority has budgeted for and is there a point where they will say that you have got too many students and they cannot afford it any more?

Mr MacDiarmid: No, the National Capital Authority is only providing facilitation or administrative support to the program. Are you talking about the rebate?

MS DUNDAS: Yes.

Mr MacDiarmid: The rebate which is provided by the federal government relates to the number of students that actually attend the ACT.

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MS DUNDAS: It is administrated by the NCA, but the funding comes from the federal government.

Mr MacDiarmid: Yes.

MS DUNDAS: Have they said that there is an upper limit?

Mr MacDiarmid: I am not aware of it.

MS DUNDAS: So we can have 10 million students.

Mr MacDiarmid: Bring it on!

MS DUNDAS: But there isn't a line.

Mr MacDiarmid: I don't think there is. I think that they will pay a certain amount as rebate on the basis of that student coming to Canberra to see the national capital.

MS DUNDAS: I also have some questions about the visitors centre.

MRS DUNNE: Just before we move off there: Mr MacDiarmid, how do you test whether the return visitation by families is successful?

Mr MacDiarmid: One of the things we will be needing to do in the ensuing years will be to research the people who come to the ACT on what it was that actually motivated them to come here. Was it, in fact, a program such as the national education program or was it for other reasons? We don't have access to that sort of research material, but we hope that in the future we will have the ability to research and to find out exactly why people do come to Canberra. There is broad information but, in terms of the details, it is not as clear.

MRS DUNNE: How broad is it and where do you derive the broad information from?

Mr MacDiarmid: A range of different organisations. The Bureau of Tourism Research provides us with an extensive range of material. The University of Canberra does some research as well on demographic analysis and so on. Our own research is quite limited at this stage, but it has been improving progressively over the last two or three years.

THE CHAIR: Okay, on to the visitors centre.

MS DUNDAS: There is provision for a capital injection of \$135,000 for the visitors centre. What is that going to be spent on?

Mr MacDiarmid: Principally spent on repairs and maintenance, a refurbishment. There are significant leaks in parts of the building.

MS DUNDAS: How old is the building?

Mr MacDiarmid: Six or seven years old. It is relatively new but the design, I think, was part of the problem. But the funding is going towards fixing up the problems principally.

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MS DUNDAS: The statement of intent for CTEC states that the corporation's commercial activities consist of sales of advertising space in publications within the visitors centre and other advertising promotional vehicles. Does that mean that tourist operators and tourist organisations need to pay to have their leaflets at the visitors centre?

Mr MacDiarmid: We get some commission for actually providing the space and also providing the opportunity for people to book through the visitors centre. It is a commission. It is the standard practice throughout all of the commission's facilities, all the facilities around Australia with all the other state tourism organisations.

MS DUNDAS: If a tourist operator comes to you with a bunch of leaflets and asks you to put them in a display, do you then charge for that?

Mr MacDiarmid: It is more to do with the advertising than the space that they may occupy. In the *Celebrate* magazine, for example, which is our major magazine, the industry provides the material but they actually pay for the space that they occupy in the magazine itself, and that includes the sponsors. If it is a large advertisement to appear in the visitors centre, then we actually charge them for the space.

MS DUNDAS: But not for the leaflets.

Mr MacDiarmid: Not necessarily for small leaflets, no, not if it is obviously going to be valuable to us and provide them with some support.

MRS DUNNE: Is there any quality control of the sorts of leaflets going in?

Mr MacDiarmid: Yes.

MRS DUNNE: If a fly-by-night tourist operators come along—

Mr MacDiarmid: No, we are talking about reputable ones.

MRS DUNNE: These are people you know and you know what the product is.

Mr MacDiarmid: Yes, the reputable organisations.

MR SMYTH: The tourism industry has asked me to ask whether, if, for instance, the race did not continue in the outyears, that money would remain in tourism for promoting other events.

Mr Quinlan: I guess that is a question for cabinet to determine at the end of the day, but the remaining funding that is already in the budget, I would be certainly hoping and pushing for that to remain and become some sort of extra promotion and identification of Canberra. I am a little cynical, I've got to say, about the value of the exposure that the race happening here gives us, but nevertheless there are claims that it does raise the name and we do need to keep doing that, so as minister for tourism, I will be fighting to keep that money in if the race doesn't continue, but that is an "if".

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MR SMYTH: On the future of the National Convention Centre, there is \$200,000 for a feasibility study. What will that do and what will it get us?

Mr Quinlan: The convention centre is from my perspective, and I think generally agreed, unsatisfactory in a number of ways. I would observe that it was probably unsatisfactory the day the doors opened. We are examining the options for inclusion in the ACT of a better convention facility. Whether that convention facility is in the same place or not remains an open question, but a fair amount of work has been carried out with a view to ensuring that we have a facility suitable to Canberra and suitable to the market to which we could really appeal. At the end of the day, it might mean that there is a size limit on a convention centre in Canberra, because conventions and trade displays combined can be very large. But the money is there to allow us the capability to do some sensible planning and evaluation and move towards the possibility of improving the convention facilities of the territory. The facilities, at the end of the day, might end up being plural.

MS DUNDAS: Will that money go to an external contractor or will there be an internal review?

Mr Quinlan: That money, I would anticipate, will end up going mainly to external contractors because the internal people are working on it as part of their role anyway. Officers within Rob's department have certainly devoted a considerable amount of time already.

MS DUNDAS: When do you expect the tendering process for that to start?

Mr Quinlan: We have got a long way to go on this one.

MS DUNDAS: But the money will be spent this financial year?

Mr Quinlan: That money, yes, that is intended. That is not a lot of money in terms of the overall result, but it is a project, whether we like it or not, that is going to take quite an amount of time. It will probably involve the National Capital Authority in approval. Any of the logical sites and the size of the thing will probably involve quite a number of layers before we actually get to turning a sod, unfortunately, if we do turn a sod.

MRS DUNNE: If it weren't to be an augmentation of the existing convention facilities, where would you envisage its being built?

Mr Quinlan: I haven't got a definite site, but there are certain parameters that dictate. With conventions you are talking about the cream of tourists in as much as the tourists that attend conventions tend to stay a bit longer. Instead of 1½ days or 1.7 days, it is the core of a week. There are quite often partner programs that involve a lot of the tourism facilities. They generally tend to dine out and spend. So those parameters dictate that you should put them somewhere near where they can spend.

MR SMYTH: The planning our city strategy, which is the actual delivery document that started with our city, creating our city, and became planning our city and all the work that PALM has done say that the convention facility with the casino and hotel is the

anchor for that south-east quadrant of Civic. Are you talking to or have you spoken with PALM about how they would view moving it out of that area?

Mr Quinlan: Yes, we have. The answer is yes.

MR SMYTH: Let the *Hansard* record the whisper in the air.

Mr Quinlan: Some quite detailed work has been done. There have been sites identified which I am not prepared to identify now. I don't want any speculation on it whatever. I want to get to a point where we can move forward. Yes, we have done quite a lot of work and there are pretty plans, pictures and different coloured blocks all over the place, all that bit that you would expect.

MRS DUNNE: But that is before the consultancy has been let.

Mr Quinlan: Yes, there is some material already, but it has still got a long way to go in terms of getting down to what you want in the facility. The modern convention centre is going to be a very complex facility. The accoutrements that go into the modern convention centre are quite hi-tech, and all the electronics and gee-whizzes that you need. There is a long way to go.

MR SMYTH: The figure that we were being quoted when we were in government for an upgrade of the existing facility was something like \$40 million. To build a brand new one, I have heard a price range of anything from \$120 million to \$250 million.

Mr Quinlan: Yes.

MR SMYTH: What sort of target will you be setting when you go for this consultancy?

Mr Quinlan: We haven't set ourselves a ceiling because we need to know the capability but, quite clearly, I wouldn't be telling any secrets to anybody in saying that we would be looking to build a convention capacity in combination with other development and it would be, effectively, a joint venture development. Exactly how much we can get depends on the finances and the mathematics involved in the rest of the development and what we can get tacked onto it for our troubles because we own the land and we have secured the relative approval.

MR SMYTH: For the new convention centre that the Western Australian government is building, I believe that they are putting in something like \$120 million. What are you willing to give away for that sort offset? What value does a developer get?

Mr Quinlan: As little as is possible. I just don't have some numbers to give you, but I am aware, first of all, that there was a \$40 million price tag put on upgrading that convention centre down there. Remember also that the consultant that did do that \$40 million estimate was working for the hotel which happened to be using the convention centre. We are certainly talking large licks of money.

MR SMYTH: And additional time to build a brand new facility.

Mr Quinlan: Yes. It is not going to appear overnight.

MR SMYTH: Given that the PKF report of March or April last year said that the need is urgent, that the decline has already started, as was evidenced by losing CHOGM, and that the work that has been done has confirmed that, can we afford to wait the three or four years that it will take to bring such a project to fruition?

Mr Quinlan: I would prefer not to, but there are physical limits on the process. Let me tell you, Mr Smyth, that the urgency didn't start at the beginning of this year.

MR HARGREAVES: Treasurer, could I ask a question on that one? Mr Smyth just said that that report was known about in April or May of last year. Do you recall anything being in the budget of last year to cover the really super-urgent thing that emerged at that time?

THE CHAIR: By 1 May!

Mr Quinlan: There might have been. I cannot remember a specific amount—I haven't memorised the whole document—but not as I recall.

MR SMYTH: Perhaps it is because Mr Hargreaves is not part of the cabinet process and does not understand when the budget goes to bed. Maybe he will get a seat in the next revision of the Stanhope government.

Mr Quinlan: Mr Hargreaves has made a valid point.

MR HARGREAVES: I am wounded. It is about time we had some excitement here, Mr Smyth. You were starting to put everybody in the gallery to sleep.

Mr Quinlan: I think Mr Hargreaves, by his question, has made a very significant point.

MS TUCKER: I seek clarification. I thought that at one point we were being told there would be a visitors centre at the airport. I seem to remember that there was some talk about that when CTEC relocated. Is that not correct?

Mr MacDiarmid: We have a booth there now, but it is not actually a physical building, no.

Mr Quinlan: I rather think, Ms Tucker, that that was part of the rationalisation for having the CTEC headquarters out there, a thing that was done in the past.

MS TUCKER: But you have a booth in the airport itself.

Mr MacDiarmid: Yes, we do.

MS TUCKER: What is available in that booth?

Mr MacDiarmid: We have a person who is there all the time to provide advice to potential tourists and they have the standard tourist material, which includes the *Celebrate* magazine and/or a little leaflet about Canberra and a little map as to where to go and what to see.

MS TUCKER: How well is that being utilised? Have you evaluated that in terms of the cost of having it?

Mr MacDiarmid: We are currently in the process of talking to the airport group about relocation to a more central position. At the moment, it is tucked away near the bistro, but I think it is part of the redevelopment opportunity for us to relocate to where most of the travellers coming into Canberra via the airlines will actually have a chance to see it.

MS TUCKER: Are you saying that you have evaluated it and it needs to be moved?

Mr MacDiarmid: We haven't done a formal evaluation, but intuitively you can sense that where it is located at the moment is not the best position. In terms of its value, again intuitively without doing a formal evaluation, it should be out there and should be more prominent.

MS TUCKER: What does it cost to have that person located there?

Mr MacDiarmid: The person is a volunteer. I have to say that one of the extraordinary things about the Canberra Visitors Centre is that a lot of the people who are there are actually volunteers and receive a relatively small amount in remuneration—in fact, in some cases virtually no remuneration other than their travel costs to man the place. If you haven't had a chance to go out and talk to some of the people, they are passionate, enthusiastic and really committed Canberrans, and they are doing it for virtually just the recognition they get. It is wonderful.

MS TUCKER: I am interested that CTEC provides strategic support for the sustainable development of tourism in the ACT. Could you explain how you provide that strategic support?

Mr MacDiarmid: At this stage, we are still in the process, through the review that is currently under way, of determining how we will do that. We have an involvement with organisations involved in ecotourism—the Tidbinbillas, for example, and some of those sorts of organisations—as they are clearly part of the attraction of Canberra. We need to make sure as we move forward that whatever plans we have in place recognise the importance of ensuring the environment is not damaged, ensuring that the attractions that are nature-based ecotourism are going to be protected.

MS TUCKER: It says in your act, in fact, that you have to have regard for the principles of ecologically sustainable development, so it is of concern to me to hear that you are just working out how you will do it. Surely you have a way of doing it as you have had an obligation to do it for years.

Mr MacDiarmid: We are a marketing organisation and recognising the act does require us to be cognisant of ensuring that whatever marketing we do and whatever promotional activity does take into consideration the importance of protecting the environment. We haven't at this stage spent time talking to those organisations about what they do to ensure that the environment is protected. That is part of the review process that is currently under way. In our own analysis and planning we need to make sure that, in hoping to significantly increase the number of visitors to the ACT and the region, we do

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take into consideration the impact it may have on the environment, as I should say Australia is doing as it considers a wave of international tourists that is likely to double in the next 10 years.

MS TUCKER: Yes, that is right; there are real questions about the impact of increasing numbers of tourists all round the world, so that is very important. But the question isn't really just about nature tourism, either. The frame of what we have agreed to here today, which we will call the triple bottom line approach, needs to be applied to events that you hold as well. You are not just marketing; you hold events—for example, the V8 car race. How did you apply the triple bottom line approach to the decisions to hold that event?

Mr MacDiarmid: Being new to the organisation, I don't know the answer to that question. I don't know what the process was in determining the environmental impact.

Mr Quinlan: It wasn't a CTEC decision, anyway. The decision was taken on a higher level than that. It was a decision taken on high and referred to the Assembly.

MS TUCKER: But they do have a legislative responsibility to take into account the environment. I understand that you are new, Mr MacDiarmid, but Mr Tonkin might be able to assist with some explanation of how CTEC has actually taken its obligations into account.

Mr Tonkin: I think that there are two parts to the answer. The first part is that when the race was initiated it was pre these policy commitments. That is the first part.

MS TUCKER: No, it is in your act, I'm sorry.

Mr Tonkin: Triple bottom line was pre that. But I think you will find, going back in memory, that when the race was being established, certainly when it was being run, there were studies done on noise transmission and pollution transmission. Work was done at the time to determine whether the conduct of the race was damaging, producing unacceptable outcomes, which are the sorts of things you are talking about. That was actually part of the evaluation, as I recall, pre and then after the first race. What parameters of noise would be created by routing the thing where it was going, et cetera, was done, because the primary effect of the car race is the noise disruption. We have enough cars zooming around the city at any rate, but it is primarily a noise problem and studies were done about the noise at various points.

MS TUCKER: I do recall that.

Mr Tonkin: Which is conforming with the requirement of the act.

MS TUCKER: I guess the question I have, then, is for Mr Quinlan. Are you going to have those standards seen as acceptable in your government? Obviously, an issue of concern to the community is the exemptions and credits that are given for events and so on. That is a value judgment. Do you intend to raise the standard?

Mr Tonkin: Ms Tucker, I am not aware that there were exemptions and credits in relation to that particular event. There are in relation to Fairbairn Park, I think; there are a certain number of events they can undertake. But I don't recall any exemptions or credits for the V8 car race. I could be wrong, but I just don't recall any.

MS TUCKER: You may be right. I cannot recall if there were or not, but I know that there are, as you said, for Fairbairn. I am still interested to know whether the noise impact conforms to current standards. Clearly, it has been of concern to lots of people in the community. Regardless of whether it meets so-called accepted standards, do you accept that a race like that is an acceptable intrusion in the city?

Mr Quinlan: Do you mean do I think the race should be called off because it makes noise?

MS TUCKER: I am wondering whether you are interested in looking at those issues. Just say no, that's fine, if that is your answer. It is not a good answer, but if that is what you think.

Mr Quinlan: I will have to take a bad mark on it, but the negotiations that have occurred in relation to continuation of the race have not taken into account the impact on the environment because it is already happening, it is not a change to the impact. Certainly, a lot of the pursuits within a community do have some impact on the environment. Us being here is an impact on the environment. It is, yes, a compromise and the evaluation of the future of the race will not take into account noise, the fuel efficiency of the motor cars or environmental considerations at this stage, because it is there and the evaluation parameters will be really the value of the thing to the city in economic terms and in social terms inasmuch as there is a whole class of people out there who enjoy motor sport and who, I think, have some rights in terms of attending motor sports.

MS DUNDAS: I have a question that follows on about the V8 race. Is one of the evaluation measures about access and safety for pedestrians and cyclists who use the lake area and the parliamentary triangle area most days of the year but are denied access during the lead-up to the race and during the race?

Mr Tonkin: They are not denied access.

Mr Quinlan: I think it is clear that every effort is made to achieve access. We have had some interaction with at least individual cyclists because there were screens put up which some cyclists didn't like because they thought they might be in danger of not being seen earlier. There was a compromise there inasmuch as the screen also inhibits people slowing down or stopping to rubber-neck the race and create an even greater danger. It has got to the point where the layout, the screening and the setup have taken as much consideration as can be taken for all people who want to use the area. But it is not exclusively biased towards cyclists, no.

Mr Tonkin: All those measures are checked by WorkCover. You might smile, but the WorkCover organisation is a rather vigilant, appropriately so, organisation in terms of public safety and they have to sign off on all the arrangements for the car race, be it access by cyclists, pedestrians or whatever, whether there is access for ambulances, the

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whole array of stuff, otherwise Ms Plovits will not sign on the bit of paper that says that the race can proceed. She is certainly capable of saying that it won't proceed, I tell you.

MS DUNDAS: The systems currently in place for pedestrian and cycling access or otherwise are at the optimum and they are not part of the discussions in your ongoing negotiations about the race for the next couple of years.

Mr Quinlan: They are not part of the negotiations for the continuation of the race. But the configuration around the race, what has been done and the way it has been set up, has changed from year to year. There has been, quite clearly, a concerted effort to try to minimise disruption, to minimise the set-up and down time. That has changed each time. Let me say that if there is a genuine need for some change, then it should be articulated and it would be taken into account.

MS TUCKER: On the timeframe for producing those guidelines for supporting sustainability and tourism activities, when do you think you will have them?

Mr MacDiarmid: The 10-year review or the 10-year plan by the Australian Tourism Commission, we will feed into that process and, obviously, from that we will also be able to draw down the sorts of guidelines that they will try to implement nationally. I think it would be appropriate for us, not only through the review I have described that is taking place now but also through that particular federal government initiative, to see what comes out of that and then try to ensure that we are consistent with the national approach to the issue of sustainability. It would seem crazy for us to be at odds with whatever they are trying to do across the rest of the states and territories and therefore, of course, nationally. That is a very important process that is currently under way as well.

MS TUCKER: When was that due to report?

Mr MacDiarmid: I am just trying to recall. The consultation process is complete now and I think the report is due in October or November, so this side of Christmas. That has been initiated by the federal minister, Mr Joe Hockey.

THE CHAIR: We have now finished with CTEC. Thank you, Mr MacDiarmid. We will move on to the Stadiums Authority. I have a question about major sponsorship. What is the likelihood of getting a naming rights sponsor for the Canberra Stadium any time soon?

Mr Harley: My name is Danny Harley. I am the CEO of the Stadiums Authority. I think that our position now, having been there for 12 months, is certainly a lot stronger with the repositioning of the stadium as Canberra Stadium than it was with the previous title of Bruce Stadium. Certainly, the positive response we have had to that philosophy being put in place earlier this year has led to a number of initiatives and approaches from corporate organisations. I am reasonably confident that we will be moving this year with some sort of attachment with greater sponsorship, be it total naming rights or be it associated naming rights, bearing in mind that I think it is important that we do try to keep the integrity of Canberra in the naming, otherwise it loses the impetus of the change in the first place. That is not to say that, if the dollar is right, we should not consider any proposal put forward on its merit.

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MS TUCKER: I am interested in the figures on page 366. I assume that one of the amounts there relates to the guaranteed revenue payments to the Raiders and Brumbies. Is that so?

Mr Harley: Ms Tucker, are you talking about the reference to user charges and the ACT government?

MS TUCKER: Yes, I am. It decreases significantly in 2004-05 and 2005-06. I am interested in how you are going to manage with such a decrease.

Mr Harley: The current revenue guarantees to the major hirers, being the Raiders and the Brumbies, expires in the 2003-04 budget figures. We are negotiating with the hirers as to what the position will be going forward. That is, as I said, under negotiation at the moment. Discussions have opened.

MS TUCKER: What is your position in the negotiations? Won't they just say that they will go if they can't get the money they want? How are you going to win that negotiation?

Mr Quinlan: With business acumen, charm and persistence.

MS TUCKER: What would happen to the stadium if they went? How does this work? I don't understand that. We have got this huge stadium and there seems to be this stand-off whereby they can say that they want a certain amount of money and a certain guarantee or they will go somewhere else. How can you negotiate if that is the position? What else would you do with the stadium? I notice that you are going to have lots of concerts, but how many have you had so far?

Mr Harley: We did not have a concert in this past year that I have been involved with. In this financial year, 2002-03, we will be holding an event in October called Celtic Crossroads over two nights and we are currently finalising agreements for another major event to be held in February next year.

MS DUNDAS: You say in the budget papers that you have to hold six other events over the 2002-03 financial year.

Mr Harley: Yes.

MS DUNDAS: You have only got one booked and one almost confirmed. Do you have any idea where the other four will come from?

Mr Harley: The actual terminology is "other events, including concerts, music festivals and community sporting events". Next Wednesday night we will hold our soccer international for the year—Colo Colo versus the Australian under-23s. We are looking at holding the ACT junior rugby union grand final days on September 14 and 15, as a community event. We have Celtic Crossroads, which will be over two nights. The event we are looking to finalise in February would be held over six nights, so we have actually achieved the mark at this early stage of the year. When we talk about events, we talk about per night. One event over six nights is actually six, if there is more than a 5,000-person attendance.

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MS DUNDAS: You have mentioned the junior rugby as being a community event. Will they still pay user charges? Will they have to pay hire charges?

Mr Harley: We are looking at some of our key corporate sponsors getting behind that activity.

MS DUNDAS: And cover the hire charge cost.

Mr Harley: Yes.

MS TUCKER: Getting back to my question, I do find the figures startling. I am interested in knowing how you think you can achieve that. It is a serious question. It is two-thirds. Can you explain how that would be possible? You say that you are negotiating. If you are not able to negotiate that—

Mr Quinlan: Why aren't we able to negotiate that?

MS TUCKER: I would have thought that, if there were this capacity for the Brumbies and Raiders to go somewhere else if they did not get the deal they wanted, you would not have a very good bargaining position here. We have this huge place and, clearly, we have to have somebody using it. I am just intrigued to know how you can get there.

Mr Quinlan: Ms Tucker, we are not inviting you to be part of our negotiating team, quite clearly.

MS TUCKER: This is not news, I am sorry. I am not breaking some news to you, am I?

Mr Quinlan: No.

MS TUCKER: I do not know that much about the football scene, but I know that this has been going on for a long time and they have been saying that they will go somewhere else. It is not news.

Mr Harris: If we put a number in the budget now, we are effectively foreshadowing our negotiating position, so we don't put a budget number in until we have actually completed the negotiations. You are doing this right up until the last minute. You know that there is an inevitability that people will assert to you that they will leave and you will counter them by asking where else they can go and would that meet the NRL's broadcast requirements. So, as a negotiator, we have to preserve as much of our position as possible, which is why we do what is in here.

THE CHAIR: That is the approach we took on the Canberra medical school, by the way, but it did not seem to wash.

MS TUCKER: Can you tell me how much the government has paid out in revenue guarantees? I would like to know that.

Mr Harley: \$2.1 million is the maximum per year.

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Mr Tonkin: That is the maximum we might pay if they meet their attendance targets. Mathematical formulas apply. If the Raiders are having a good year, they have maxed out their guarantee. If they are having a poor year—

MS TUCKER: You don't have to pay so much. I understand that.

Mr Harley: The minimum is about \$1.78 million.

MS TUCKER: Do you have a record of how much you have paid in the last two years?

Mr Harley: For the Stadiums Authority for the last year it was around \$1.78 million.

MS TUCKER: Is that what you paid in revenue guarantees to the Raiders and the Brumbies?

Mr Harley: Yes.

MR PRATT: Could I ask either the minister or Mr Harley a question? Let's look at the estimates for 2003-04 and 2004-05 and perhaps comment on planning that ought to be taking place anyway in the next financial year. Given that the western option for the Gungahlin Drive extension would go through the western boundaries of the AIS and cut through about 50 per cent of the present hard car parking area dedicated to Canberra Stadium, 45,000 square metres—

Mr Quinlan: It is not hard parking.

MR PRATT: I am talking about the area immediately outside Canberra Stadium, between Canberra Stadium and the CIT. That is a hard parking area of about 45,000 square metres. From looking at the proposed route, about half of that is going to be cut out. Do you provide for that in the budget in terms of the estimates for 2003-04 or 2004-05? What sort of money do you anticipate being required to replace the lost car parking for the area immediately outside Canberra Stadium and what plans do you have in mind to replace the 60,000-odd square metres of lost car parking west of the AIS, that large expanse of grass and gravel which the stadium must depend on for all large events? What plans do you have in mind? Where would you transpose the 100,000-odd lost square metres of car parking and what sorts of costs are we looking at in terms of ensuring that Canberra Stadium retains its integrity through the construction period and beyond?

Mr Quinlan: I am not sure that we have got specific capital works yet identified to make that change, but generally the replacement car park would have to be at the north of the stadium, the north and moving north from the eastern car park.

MR PRATT: You won't have space there, Ted.

Mr Quinlan: I think you will have.

MRS DUNNE: Isn't there a running track to the north of the eastern car park?

Mr Quinlan: No, that is to the south.

THE CHAIR: Isn't the AIS to the north of the stadium?

Mr Quinlan: The AIS is to the north-west of the stadium. You go up past it to get to the gate.

MR HARGREAVES: I take a point of order, Mr Chairman. We seem to be having a four-way discussion here. Can we bring it back to the estimates perhaps?

THE CHAIR: The question is: how will we provide for car parking at the stadium with the change?

Mr Harley: In the current configuration, there are 5,500 car spaces. At the very most, we used 3,200 for a Super 12 final last year.

MR PRATT: That is both sides.

Mr Harley: That is both sides. There are up to 1,500 car spaces currently on the eastern side and the remainder is in and around the stadium and on the western side. Obviously, there would be a requirement to increase some car parking on the eastern side to compensate for some of the losses on the west. However, the point remains that we used only 3,200 of the 5,500 car spaces for the biggest event we have held there of 27,000 people.

THE CHAIR: How many spaces do you think we would lose with the road going through on the western side?

Mr Harley: It depends on what is the final configuration.

THE CHAIR: But you must have looked at the plans that have been published. That would give you some idea of what sorts of losses we might be facing.

MRS DUNNE: What is there now for a start?

Mr Harley: I would say that we are looking at losing about 2,000 spaces on the western side. On the eastern side, there is no hard standing, other than that very close to the stadium itself. It is all basically clear land and gravel, so it is not a major issue as far as what needs to be done to prepare the ground that is there to the north of that for increasing the eastern capacity. Again, it depends on the ingress and egress from the highway itself. Obviously, the plan would be to try to allow for an easy flow off into the car park.

MR PRATT: Would you agree that, during a major event, the zone down the western side of the AIS is always parked to full capacity for all major rugby games. Certainly, for the 29 to 30 games, including the four World Cup rugby games that will need to be played in 2003-04, that capacity would always be totally taken up. For the piece subsumed by the road—as I say, about 60,000 square metres—are you going to find space on this side? You have already got these two car parks here. There is little space left to manoeuvre. Certainly, there is no space north of the stadium between the stadium and the AIS.

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Mr Harley: We have identified a space on the eastern side for a further 800 car spaces, near the ActewAGL grid, those paddocks nearest to that.

MR PRATT: Okay. There are no plans to go up in terms of having multi-storey car parking? There are no plans for doing that as a way of compensating? Okay.

MRS DUNNE: If all the car parking, on your analysis, Mr Harley, goes to the eastern side, what does that do for traffic flows within the Bruce precinct when you have a major event like a rugby match?

Mr Harley: Given our performances this year with trying to manage the situation, as long as we maintain a simplified first-in-best-dressed policy with the car parking, I shouldn't imagine it would be that much different, really, for the six or so events that do require that bumping out of car parking on an annual basis.

MR PRATT: For the 2,000 car spaces at least which you agree would need to be found on the eastern side, what sort of funding would you anticipate?

Mr Harley: I don't know.

MRS DUNNE: What you are saying is that there are 2,000 car spaces on the western side and you are going to substitute that with 800 on the eastern side, is that right, so that most of the access and egress will be on the eastern side?

Mr Harley: All I've said is that there is room for an additional 800 on the eastern side and I envisage us losing up to 2,000 on the western side; so, if you do the maths, there is obviously a requirement. However, we have only ever used 3,200 out of 5,500 car spaces.

MRS DUNNE: But my point is that if you are going to have all your access and egress on the eastern side, whereas now it is roughly evenly distributed between the eastern side and the western side, aren't you going to have major bottlenecks both coming and especially going from a match, because people come over a more staggered period but they all leave at once?

Mr Harley: When you are trying to get 3,000 cars into any space and everyone is trying to arrive at the last minute and everyone wants a seat on the centre field line, you are going to have some sort of chaos. We just want to make sure that it is organised.

MR SMYTH: Has the advanced planning for this begun? Is there money in this year's budget to plan for the future parking needs of the Canberra Stadium?

Mr Harley: No.

MR SMYTH: When will that money appear, Minister?

Mr Quinlan: I think that degree of planning could be catered for within PALM. I don't think we are talking about the planning of some major complex. We are talking about moving car parks, for God's sake.

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MR HARGREAVES: And a dirt one at that.

Mr Quinlan: Put a bit of gravel on it and roll it in, yes. A huge expense! Huge!

MR SMYTH: The long-term view was that there would be possibly a need for high-rise car parks in this area. Are you saying that that won't happen now?

Mr Quinlan: Yes, I think that question was answered while you were out.

MR SMYTH: Given that the timetable has been confirmed for the western route, when will the work be done to establish the car parks?

Mr Quinlan: I don't know. In good time.

MR SMYTH: Aren't you very interested?

Mr Quinlan: No, it is not a case of not being interested. This is not a major issue. We might want it to sound like it is a major issue, but we are talking about, as Mr Harley said, additional open parking for 800 motor cars.

MRS DUNNE: So we have got a net loss of 1,200 car parking spaces?

Mr Quinlan: Yes, and an oversupply of 2,300 or 2,200.

MR SMYTH: Given that you have now decided that it cannot be built on time and on budget, which was your election commitment, when did you find out that it wouldn't be on time and on budget?

Mr Quinlan: The road?

MR SMYTH: The Gungahlin Drive extension.

Mr Quinlan: Probably a couple of days before that was announced.

MR SMYTH: A couple of days before the announcement.

Mr Quinlan: As I recall. I have to confess that, even though I am a member of cabinet and I am Deputy Chief Minister, I have viewed the debate on the Gungahlin Drive extension with a certain bemusement and I really haven't taken an abiding interest on a day-to-day basis because I don't really think that it has been the most edifying of debates that we have had in the territory.

MR SMYTH: No, we don't, either, given the way that the community has been let down on this. So, as minister for sport, you are not particularly interested at this time in the future—

Mr Quinlan: For God's sake, can we just stop this "you're not interested" or whatever? I have told you—

MR SMYTH: You said that you haven't paid it any attention.

Mr Quinlan: I think I have answered a question in the Assembly. It is not beyond the wit of mankind to be able to set up a car park for 800 motor cars. Therefore, I don't really think that this is a particular issue that requires a great deal of deep and meaningful consideration. Do your best to beat it up but, sorry, it's just a car park for 800 cars.

THE CHAIR: Ms Dundas has a question.

MS DUNDAS: On a slightly different topic, going back to the stadium, in the figures on page 366 it is predicted that the equity position of the authority will recover from being \$1.5 million in the red at the end of June 2002 to being almost \$0.9 million in the red by June 2003 and actually going into the black by 2006. What is your thinking behind the increase? Where will the money be coming from?

Mr Harley: Just to correct you, that is the equity from the start of the period. The total equity at the end of the period, or June 2002, will be \$881,000 in the red.

MS DUNDAS: We are still seeing it going up over the estimates, going from negative to positive.

Mr Harley: The reason it was negative in the first place of \$1.5 million from last year is not because of the financial performance in terms of the operating statement; it was a transfer of liabilities from Bruce Operations Pty Ltd, the final instalment across to Stadiums Authority, which was \$2.3 million.

MS DUNDAS: So that was a one-off.

Mr Harley: That was a one-off which was probably treated as a transfer of liabilities, rather than an administrative expense, and that was the reason that the authority was \$1.55 million in negative equity going into the start of this year. The surplus of approximately \$670,000 brings it to the \$881,000 figure at June 2002, and the projection on reasonable surpluses going forward, based on the fact that we have achieved a strong surplus this year, would indicate that we would be in the black as far as equity is concerned within the next few years.

MS DUNDAS: How did you achieve a strong surplus this year?

Mr Harley: Through a combination of maximising revenues and achieving efficiencies in expenses.

MS DUNDAS: Did those efficiencies include job losses?

Mr Harley: No, we have actually increased by one our organisation.

MS DUNDAS: What were the revenues that you maximised? Were there more Brumbies games?

MS TUCKER: Or government revenue.

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Mr Harley: No, the increases this year, particularly the strong areas, have been the diversification of revenue streams in our corporate facilities and our catering commissions from establishing a caterer now on a long-term basis of five years and we hope to increase our revenues. Going forward, they are areas that we would consider to continually grow, in particular the membership side of things, which allows us to grow as well as the additional ground hire from events that we grow as the organisation moves forward.

MS TUCKER: Can I follow that up? Does moving out of the red here include government revenue, the revenue guarantee?

Mr Harley: Exactly, yes.

MS TUCKER: So you are taking into account that seriously big reduction of government revenue when you see yourself getting out of trouble here.

Mr Harley: The actual “user charges-ACT government”—that is, the government appropriation—will be reducing over the next few years to \$890,000 in 2004-05. This year, in 2001-02, the \$3.647 million attributed \$2.1 million to the revenue guarantee, \$350,000 to the purchase of catering assets, and \$564,000 to the annual repayments for the video replay board. Obviously, our surplus of approximately \$669,000 brings it into that square point.

MS TUCKER: So the revenue guarantee was \$2.1 million of that \$3.6 million.

Mr Harley: \$2.1 million of the \$3.647 million is called the revenue guarantee, that’s right.

MS TUCKER: You said before that you were spending \$1.78 million per annum on the revenue guarantee, you paid that.

Mr Harley: No, last year. That is the minimum, but the maximum is \$2.1 million. It is a mathematical equation depending on performances.

MS TUCKER: I thought you said that you had paid \$1.78 million?

Mr Harley: That was in 2000-01, not 2001-02; 2001-02 will be that \$2.1 million.

MRS DUNNE: Minister, if you haven’t made provision in the sports budget or the stadium’s budget for stadium parking, is it contained in the \$32 million for stage one of the Gungahlin Drive extension?

Mr Quinlan: I would expect that it should be, but I will have to check on whether it is. It may be something that is not in the budget. I don’t expect it to be huge; it probably fits within the realm of minor new works. But has it been specifically identified? Possibly not.

THE CHAIR: There being no further questions of the Stadiums Authority, we will move on to the Gambling and Racing Commission. I welcome the representatives of the Gambling and Racing Commission. I would like to start with a question about revenue

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from interstate lotteries. I understand that, in response to a question on notice, we were told that revenue from interstate lotteries was down by \$1.2 million last financial year on the estimate that was made at the beginning of the financial year. What is the reason for that drop in revenue?

Mr Curtis: My name is Tony Curtis. I am the chief executive of the ACT Gambling and Racing Commission. There are probably a number of reasons, but the major one that comes to notice is the fact that there haven't been a great deal, in number, of carryover jackpots, which apparently has a great impact in terms of turnover on lotteries. Last year there were a number of carryovers that exceeded \$20 million, which had consequential effects of increasing revenue, and they were occurring fairly frequently. That hasn't been the case in the current financial year.

THE CHAIR: Presumably, revenues in New South Wales and Victoria are also down for the same reason.

Mr Curtis: That is correct. Our observation is that there has been a general downturn in gambling revenue, just slightly, across all facets of gambling in the last 12 months, the exception being sports betting, where there has been a substantial increase.

THE CHAIR: The answers to the same set of questions indicated that the revenue from the casino tax was down by about \$340,000. What was the reason for that?

Mr Curtis: Major renovation works were carried out in the casino during the last financial year. That was over a period of six to 10 weeks. I think a number of tables were closed for almost that entire period and hence there was a downturn in patrons. But I think that, in line with the general downturn in people gambling, that is also impacting on the casino.

THE CHAIR: The review of gaming machines is still in train. When can we expect to see the final report of that inquiry?

Mr Curtis: We have just concluded the second phase of community consultation in respect of the review and the commission is currently preparing its final policy paper which, as you would imagine, is a fairly extensive document. We are proposing that the new legislation will probably see the Assembly in December.

THE CHAIR: Are you both preparing the final report and preparing legislation to go with it?

Mr Curtis: No, we are preparing a final report and recommendations will be contained in the report that will go to the government and the government will sponsor the legislation in the form of an exposure draft.

MRS DUNNE: It will only be at the exposure draft stage by December; is that right?

Mr Curtis: No, we are anticipating that we will be at the exposure draft stage probably in the latter part of September.

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MRS DUNNE: Just going back a step, Mr Curtis, you said that gambling revenue in all sectors except sports betting was down and sports betting was up substantially. Is there an overall trend downwards or upwards or is the situation stable? Is there a shift from some modalities into sports betting or is there a shift down?

Mr Curtis: Just within sports betting?

MRS DUNNE: No. Are gambling revenues up, down or stable?

Mr Curtis: They are constant when compared to last year. However, one of the major operators, Canbet, is continuing to experience substantial growth. But that is mainly offshore money.

MRS DUNNE: Is that for only one sports bettor?

Mr Curtis: No, there are others.

MRS DUNNE: I know that there are others, but is only Canbet experiencing a spurt in growth?

Mr Curtis: Any growth of note. The others are fairly constant, just slightly increasing.

THE CHAIR: I turn to the issue of the racing ministers meeting that followed the altercation with New South Wales about betting in the ACT and the impact of sports bookmaking and so on in that regard. An article in the *Canberra Times* of 21 May suggested, Treasurer, that you had said that you would utilise the taxation regime to control licences. Have you utilised the taxation regime in some way to control the proliferation of bookmakers licences as you, I think, suggested in that article of 21 May?

Mr Quinlan: I think I suggested that I might. But, as a function of the meeting and as a function of the position that we took in the Adelaide meeting in particular, at this stage we did not have to make a specific commitment to limit bookmaking licences.

THE CHAIR: Sorry, “as a function of that meeting”. Are you saying that the threat or the foreshadowing of that happening was mainly for the benefit of New South Wales and that, if the gambling ministers meeting did not require some sort of defensive action on the ACT’s part, you did not propose to proceed with any limitation on the number of bookmakers licences?

Mr Quinlan: As I recall, what I was trying to communicate, whether I communicated it well or not, was that if I found myself in a position where I really had to limit the number of bookmaking licences in the ACT, otherwise fire and brimstone would rain upon the ACT and we could be put out of business—and, trust me, we could be put out of business—then one of the few mediums that I had to limit bookmaking licences was a stepped taxation regime which would have made us unattractive.

The legislation, as it stands now, says effectively that anybody who complies with the legislation will be granted a licence. We did not want to go to the point of saying that we will now make that some sort of discretionary “may be granted a licence” if I or we so deem. I have to say that we came away from particularly the Adelaide meeting very

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satisfied with the work that officers had done on the Thursday and the ministerial conference and council on the Friday. We were in a far better position post-Adelaide than we were pre-Adelaide.

MRS DUNNE: What did you do to make Mr Face blink?

Mr Quinlan: Stared him down.

MRS DUNNE: Or was he really staring you down.

Mr Quinlan: No, I think that we, at officer level and at ministerial level, garnered support from other states. We fairly forcefully put our position. Let me say that there was a lot of negotiation—suspend standing orders for five minutes and come back—so positions were effectively hammered out. Exactly what makes somebody give ground in a negotiating process you will never know. Exactly what they expected out of the negotiations in the first place you will never know because positions are ambit. But I think Mr Face was fairly serious and Mr Face did a lot of about-face in Adelaide.

THE CHAIR: Was the situation just like a Mexican stand-off and you will return to the negotiating table at some stage in the future, or has he backed away?

Mr Quinlan: The return to the negotiating table is October. The officers' group is working on a number of issues. Some of the positions that New South Wales wanted to take are, effectively, untenable anyway but, quite clearly, there does need to be agreement across states and territories as to how these things are handled, how the future is handled, otherwise, as electronic communication breaks down physical barriers, there could be a very significant shift, particularly in the racing industry, and the racing industry itself could suffer, because the presentation and product of the racing industry, as you would be aware, depend upon a share of the overall revenues taken from gambling on that industry and not just on the gate on the day. There is still a considerable amount of ground to cover, but the ACT is no longer in the spotlight to the same extent as, say, the Northern Territory remains in the spotlight.

If we ever get to a situation where there is a stand-off, it is likely to be the rest of Australia versus the Northern Territory. Because we happened to be bundled up with them before doesn't put us on the same team forever, because I think that the taxation regime that they have implemented in internet gambling and the company that they are keeping put them in a different spotlight than we are in. I think we have actually gone a long way to covering that ground.

Let me say at the same time that I am concerned as to why New South Wales behaved as they did. I am concerned at the structure of New South Wales, the fact that the New South Wales TAB owns Sky Channel, that the ownership of Sky Channel confers upon New South Wales considerable clout in the whole process, particularly over regional racing clubs, us in the territory and the Northern Territory. I introduced at that Adelaide conference three papers based on the New South Wales position of monopoly and the industry is addressing the ongoing ownership of that monopoly. Certainly, other states are actively examining alternatives for themselves.

The biggest state in terms of the provision of product in racing is Victoria. Victoria is a net exporter of racing and has been hitherto happy to do so under the gentlemen's agreement, but there will get to be a point where they might reconsider their opinion and there might be some fragmentation then. We don't want to see that because we cannot afford to have all of the structure that the larger states can have. We are, effectively, a provincial racing club within New South Wales. It is at the whim of Sky Channel whether our racing is broadcast. We are not happy with that, so there is still work to be done.

MRS DUNNE: On the subject of the face-off with Mr Face, how much of it is really to do with the company that the Northern Territory keeps and its being convenient to have a fight with more than just the Northern Territory as an opening gambit?

Mr Quinlan: It had to do with the Northern Territory and the introduction of a very substantial bookmaker, but it also had to do with the transfer of a very substantial New South Wales bookmaker to the ACT.

MRS DUNNE: It is not just about Mr Tripp; it is also about Con Kafataris.

Mr Quinlan: Yes.

Mr Curtis: Mr Chairman, I think it would be fair to say that the catalyst for the dispute was the relocation of Sportingbet from Vanuatu to the Northern Territory and I don't think it is any secret that, en route to the Northern Territory, they visited the ACT; however, they withdrew an application for a licence after some discussions. I don't think that it is a secret also that a person by the name of Mr Alan Tripp was associated with that company. I understand that, on advice from the Northern Territory, that person has now severed his relationship with the company which led to the licensing in the Northern Territory.

I think that there has also been quite a deal of posturing on the part of New South Wales and perhaps a misunderstanding as to the extent of sports bookmakers in the territory operating on racing. In effect, I think turnover is in the order of \$15 million a year on horse racing, which only returns to the territory in the order of \$150,000 a year. I think our colleagues in New South Wales were of the belief that the turnover was probably in the order of \$500 million or \$600 million a year. There is no doubt that they are concerned about the relocation of Sport Odds, which is owned by the Kafataris brothers, to the ACT, but thus far their turnover on racing has not lived up to the expectations of New South Wales.

I guess that this all could lead somewhere down the track to a concern as to where these people ultimately locate if we reach a uniform standard of regulation and taxation and the consequences to the Northern Territory of those people relocating elsewhere, perhaps to a more palatable climate, and I don't think I would include Canberra in that equation. It is not going to be an easy thing to resolve. What is called a cross-border betting task force has been established by the ministerial council and, as the minister indicated, the task force is due to report to ministers towards the end of October, early November.

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MRS DUNNE: Do you envisage, Mr Curtis, that the task force and its findings might hose down some of the posturing from the larger states and some of the larger racing organisations which seems to me to be part of the problem?

Mr Curtis: The major concern from all of these jurisdictions, including New South Wales and Victoria, is that there has been a shift of punters from the TAB to the corporate bookmakers and the percentage of turnover that is going back to the racing industry, which I think is in the order of 8 per cent, from the TAB will have an effect on racing in those major jurisdictions. At the same time, I thought it interesting to note that Minister Face shared the ACT's concern about support for regional racing and the impact of the Sky Channel monopoly on the operations of some of their major country centres, so I think we have a lot in common with New South Wales in that respect.

THE CHAIR: When you were having that face-off did you obtain legal advice about the compatibility of the position that New South Wales was putting to you and the national competition policy, the argument that to do the sort of engineering that he was talking about would have meant a contravention of national competition policy?

Mr Quinlan: Yes, we took legal advice on the various dimensions of sanctions that New South Wales might apply as direct sanctions. However, you have got to remember that just by the sheer programming of Sky Channel, by demands made in the contract with Sky Channel, New South Wales can do tremendous damage anyway. If they wanted to, they could be inside the law and still be doing so. It would be borderline, but it would be down to us to try to prove that when they are broadcasting Kembla Grange races they are doing it to spite us.

MRS DUNNE: And the Dapto dogs.

Mr Quinlan: Yes, the Dapto dogs.

MRS DUNNE: Mr Curtis, can you tell me how many sports betting licences there at the moment?

Mr Curtis: I haven't got the exact number with me, but I think it is six at the moment. One of those has not been operational for in excess of 18 months, that is, Capital Sports, I think it is known as. That has recently changed hands, involving an acquisition by a consortium which, I understand, are predominantly Americans. But they haven't approached us.

MRS DUNNE: Before they could operate, you would have to go through all the probity checks and that sort of thing.

Mr Curtis: That is right.

MRS DUNNE: Buying the licence is not enough.

Mr Curtis: No, you can buy the company and a licence comes with the company, but—

MRS DUNNE: But they can't activate that licence.

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Mr Curtis: The principals have to undertake probity.

THE CHAIR: You have had some people selling New South Wales lottery products in the ACT mention some concerns they have about not being able to access those products in the near future or having some devaluation of those products. I haven't spoken to the people concerned directly, so I am not sure what their concerns are. Do you happen to know what the concerns might be about?

Mr Curtis: The only thing that I think would come near to it is that there has been some discussion going on with New South Wales Lotteries, as there has been with Tattersalls, concerning the proposed code of conduct but, following a meeting as late as two days ago, I think those concerns have now been resolved to the satisfaction of both sides and I don't anticipate any more problems with the development of the code and its ultimately coming before the Assembly, hopefully within the next four to six weeks.

MS DUNDAS: I have a question about the ANU centre for gaming research. I understand that there is a research project this year on adolescent gambling; is that correct?

Mr Curtis: We have had discussions with the Australian National University, the new gambling research centre, and the department of education with a view to the initial project being one that focuses on adolescent gambling. What led us in that particular direction was the recent visit of a Canadian expert in gambling who suggested that the work that had been conducted in Canada suggested that intervention at adolescence was probably the way to ultimately affect the degree of problem gambling that affected the community.

Our discussions with the ANU and the department of education are only at a preliminary stage, but we are anticipating that before year's end we will have a significant project under way involving adolescents in the ACT. It is interesting to note that I heard last week that the federal government, through FACS, is also looking at a similar project to be conducted nationally. It is possible that we will link into that in some respect.

MRS DUNNE: Perhaps they could pay us to do it.

Mr Curtis: Yes.

MS DUNDAS: You are expecting the project to be up and running by the end of the year. Do you have any idea how long the project will take?

Mr Collins: My name is Phil Collins. As Mr Curtis said, we have had preliminary discussions. It would be a fairly significant project involving a lot of cooperation, obviously, with Education. We are just at the scoping stage. We haven't put a timeframe or a time line together on the project. There are also lots of ethical questions to be sorted out, particularly involving asking adolescents questions related to gambling and that sort of thing. It will not be a quick project by any stretch of the imagination and it will involve a lot of preparation. The actual conducting of it that we envisage with the cooperation of the schools probably would not take particularly long in itself, but then there would be a fair amount of analysis of the data collected.

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MS DUNDAS: Should we expect in either the 2003-04 budget or the 2004-05 budget money to be set aside for implementation of any of the recommendations?

Mr Quinlan: That's a long bow.

MS DUNDAS: I am putting it in their timeframe. It is going to be a long project. Is the government looking at putting aside money to go with any recommendations?

Mr Quinlan: The government would be willing to look at doing that sort of thing when the government saw the recommendations and the findings.

Mr Curtis: In our preliminary discussions with Education we have actually examined that issue of where we might go just as part of the scoping exercise. There are a number of programs already in place within the schools in terms of education in respect of issues like drugs and they have suggested to us that gambling education could become part of that program.

MS DUNDAS: You have already had those discussions with the department of education.

Mr Quinlan: That is correct.

MS DUNDAS: On a different point, the statement of intent on page 12 talks about targets and performance measures. Objective 2 is to ensure compliance with statutory payments of taxes and fees, with an expected target of 30 per cent. Is that target related to actually ensuring compliance or to the time of inspectors inspecting whether people are complying?

Mr Curtis: It is the total time of inspectors actually inspecting.

MS DUNDAS: What is the expected target of compliance with statutory payments of taxes and fees?

Mr Quinlan: It is 100 per cent.

Mr Curtis: Yes, 100 per cent. The 30 per cent refers to the time actually in gaming venues, clubs and that sort of thing, auditing, checking and making sure that the venues are complying with all requirements, basically.

MS DUNDAS: Can you tell us whether you are meeting the 100 per cent target for compliance with statutory payments of taxes and fees?

Mr Quinlan: How would you know?

Mr Curtis: We are in collecting it and taking action in respect of those who don't comply. In the last financial year—I don't have the figures in front of me—we took action against a number of gambling machine licensees who had not complied with their obligation to pay the tax by the due date.

MS DUNDAS: How many organisations did that?

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Mr Curtis: It would probably be no more than half a dozen. The longest outstanding period of non-payment was, I think, in the order of 10 days.

MS DUNDAS: The 30 per cent of time spent on monitoring is actually working.

Mr Curtis: Yes.

Mr Collins: That 30 per cent is in the clubs. We also spend, obviously, a lot of time ensuring that the correct tax is collected, it is verified, it is accounted for, and all those procedures and processes are quite appropriately and correctly put in place. That 30 per cent really just refers to being on the ground in the venues.

Short adjournment

MRS DUNNE: Could you give me a progress report on the establishment of the gambling research centre at the Australian National University?

Mr Curtis: I do not have the exact date that the deed was signed, but I understand that it was late May. What has transpired since then is that the Australian National University have advertised the professorial chair position and I understand that they are in the process of recruiting a person at this time. We have had a number of discussions with them concerning the proposed research agenda for the next 12 months. As you would be aware, the deed requires the research centre to do certain things as part of its contract arrangement with the ACT government, including such things as conducting workshops and seminars and establishing a website. I understand that that is all now in the process of getting under way.

MRS DUNNE: What would be on the website, for instance?

Mr Curtis: I've got no idea.

Mr Collins: I think the website will incorporate the various pieces of research that are done on gambling and problem gambling round the world. It will be a database that will allow people to search for that type of research and also, I assume, current issues to do with problem gambling, but essentially a database of information.

MRS DUNNE: Will the commission have any input to the selection of the professorial fellow?

Mr Curtis: Yes, the Australian National University asked the commission whether it was prepared to put one of its members on the selection panel for the professorial chair and the chairman of the commission, Mr Broome, has accepted that invitation.

MRS DUNNE: What will be the establishment of the gambling research centre unit at the ANU? Apart from the professorial fellow, what other staff will be there and what will be their capacity?

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Mr Curtis: What the funding of the centre entails, as far as the ACT government is concerned, is simply the establishment of the chair, which entailed a \$1.1 million contribution which was matched by the Australian National University, but that will also pick up an assistant to the chair. The centre itself will seek funding from other sources, including grants, and there is a number of options there available to them. They will also tender for external contracts—for example, with the research that is likely to come from the ministerial council on gambling and the establishment of a research agenda through that body.

MRS DUNNE: We have put \$1.1 million into it and that will be for a term of 10 years, from recollection; is that right?

Mr Curtis: That is correct.

MRS DUNNE: What will happen to the money at the end of 10 years? If we decide to pull out, what will happen?

Mr Collins: The \$1.1 million contribution is essentially in perpetuity, but we have a money-back guarantee for up to 10 years. If we wanted to pull out before that, as I understand the deed, we have that agreement.

MRS DUNNE: Will that \$1.1 million be depreciating over that time?

Mr Collins: The \$1.1 million will go into an endowment fund, matched by the ANU's \$1.1 million, and the interest on that will pay for the salary of the professorial head. The ANU will bear the risk if the interest isn't enough to cover the salary of the professorial head; so the \$1.1 million is, as I say, in perpetuity for as long as the ACT government wants there to be that centre and that professorial head. It could go on for as long as both parties wished, I guess.

MRS DUNNE: Do you see our contribution of \$1.1 million as being that, as a result of that, we will get so much research per year?

Mr Collins: We haven't mandated how much research or how many projects. The deed says that they have to undertake a number of seminars, and I can't remember the exact figure. They also have to furnish an annual report on their activities for the year and, I guess, report on how they are building up the centre and what the output of the centre is, particularly in terms of research projects.

Mr Curtis: It may be that the commission would supplement funding to the centre in the case of some specific one-off research that we might want to conduct—for example, replicating the major survey that was done last year. That, obviously, wouldn't be able to be done within the centre's existing funding arrangements.

MRS DUNNE: That was the survey done by the centre on gambling.

Mr Curtis: AIGR, yes.

MRS DUNNE: You would envisage replicating that at some stage in the future as a sort of progress.

Mr Curtis: Yes, the plan is that we would probably do that every three years.

MRS DUNNE: I am sorry, I cannot put my hand on the piece of paper at the moment, but yesterday we were provided with a range of savings from various organisations as part of the 0.5 per cent productivity razor gang. I have it now. I notice that there is a reference to \$350,000 this year and in the outyears as a saving, which is, I presume, part of the \$500,000 gambling money, the presumption being that we would get \$350,000 worth of research per year out of the ANU centre. Are you confident that that is what is going to happen?

Mr Quinlan: The short answer is yes. We have now got the different avenues for that degree of research to be done, so we do not want to reinvent the wheel internally as well.

Mr Curtis: It is difficult to assess what return we will get until that is evaluated after at least a year of operation of the centre, but I would be confident that we would get that value out of this specific arrangement with the ANU.

MRS DUNNE: Mr Curtis, if you did not have the \$350,000 of gambling research money taken from you in the outyears, would you have the projects and the wherewithal to continue to commit to \$500,000 worth of gambling research?

Mr Curtis: I think it is probably best to put it in this perspective: discussions were held with Treasury concerning the identification of savings in portfolio agency budgets and, during those discussions with the Deputy Under-Treasurer or the deputy chief executive of the Treasury, the issue of possible one-offs occurring in future years was raised and they will be addressed if and when the need arises. For example, if an education process of some description were to arise as a result of a project that was done in future years, then we would go back to Treasury with a request to obtain funding for that particular project.

MRS DUNNE: But it would be more comforting to know that you actually had the money to bank rather than having to go cap in hand to the Treasury to get it.

Mr Curtis: I think the difficulty was, though, that the commission had not expended the \$0.5 million set aside each year up to date and, from what we have been able to determine in the first 2½ years of operation, that amount of money was probably excessive, given the amount of research that we had conducted. I think it was a case of the commission not wanting to be throwing money willy-nilly at any project that might come along; there ought to be a targeted approach to research. In that respect, I am comfortable with the \$150,000 per annum in addition to the arrangements with the ANU. Of course, a need may also arise, as I have suggested, somewhere down the track. For example, we may want to conduct a television advertising or education program and they are, obviously, very expensive. Should that arise, we will go back to Treasury with a specific request for additional funding.

MRS DUNNE: But it could be that when you get to the end of the research project that Ms Dundas was talking about before, which seems to be something that is pretty well targeted from last year's research, you might actually be into the government for more funds to turn the research into program reality.

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Mr Curtis: I guess that is a possibility.

MRS DUNNE: Moving along from there to gaming machines, what is the cap? What is the current number of gaming machines?

Mr Curtis: The cap of 5,200 has not—

MRS DUNNE: Sorry, I didn't mean that. How many gaming machines have you got out there?

Mr Curtis: I understand that it is just short of 5,000 at the moment. It has been for much of the year just in excess of 5,000, but another club recently went under and those machine numbers have been returned to the pool. I think it is important to note in respect of the cap that, in the 2½ years the commission has operated, there has been only one successful application for additional machines, and that was during the past financial year and involved one club obtaining an additional 15 machines.

MRS DUNNE: That was to be my next question. You have read my mind.

THE CHAIR: I have a quick question about unclaimed lottery moneys. I read somewhere in the papers that there was \$700,000 or something like that in unclaimed Victorian lottery winnings. What measures do we take in the territory, if any, to advertise unclaimed moneys for interstate lotteries?

Mr Curtis: We do not advertise them, but my understanding is that through an arrangement with the respective treasuries the money is returned to the territory.

THE CHAIR: Right, so the territory owns it until someone claims it.

Mr Curtis: That is correct.

Mr Collins : It is returned approximately 12 months after that particular draw.

THE CHAIR: Are you saying that you have 12 months in which to claim it, otherwise you lose it?

Mr Collins : No, it is retained by the Victorian Treasury for 12 months. If there is no claim made on that, then it is transferred. It comes back through us as unclaimed moneys and is transferred to Treasury from there.

THE CHAIR: It is not put in a trust fund, I assume; it is just put into consolidated revenue and used until someone comes along and claims it.

Mr Collins : I don't know, Mr Chairman. As I say, we just transfer it and we account for it as a separate line in the budget statements. In fact, it is increasing, or has increased from last year.

Mr Curtis: It is just swept through a commission account back to Treasury on a weekly basis.

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Mr Collins: It is reported monthly and swept straight out of the account the day we receive it.

THE CHAIR: There are no further questions for the Gambling and Racing Commission. Thank you, gentlemen. Minister, I have discussed with your officers a slight rearrangement of the next couple of appearances. The suggestion is that the Emergency Services Bureau and the Australian Federal Police now follow and Correctional Services come last. Does that arrangement suit you?

Mr Quinlan: As long as we finish by 6 o'clock.

THE CHAIR: You sound extremely enthusiastic, so I will take that as yes. I call officers of the Emergency Services Bureau to the table. I will start by asking a question about the performance indicators on page 293. The targets and outcomes for 2001-02 have been met, which is great, congratulations. The same targets have been set for 2002-2003. Is our position improving or deteriorating each year? Is it easier or harder to achieve the targets each year?

Mr Castle: My name is Mike Castle. I am executive director of the Emergency Services Bureau. There are some trends in particularly the number of incidents we are actually attending. Those percentages are all increasing to varying degrees. There has been an increasing of some resources to match that. There are some initiatives that we have taken in ambulance and in fire to better position the resources, and I think we are achieving those reasonably comfortably at the moment. So we are maintaining, is probably the best description.

THE CHAIR: There has been no dramatic deterioration or improvement.

Mr Castle: No. But we have actually increased the resources of, particularly, the single response units, which was an initiative of last year. It actually allows us, particularly in ambulance, to maintain.

MS DUNDAS: Have we reached best practice? Is there any room to get better and to reach incidents faster?

Mr Castle: I think you can always attempt to achieve better outcomes. We have in terms of ambulance the best response times in the country, in the jurisdictions. That may also be a factor of our small geographic size, but we are achieving good response times there. As to whether we can get faster, you can always get faster, but it will take more resources probably to do that. So it is a balance between meeting targets and trying to achieve the best possible outcomes with the resources we have got.

MS DUNDAS: Because you are being maintained at what you claim to be such a high level, extra resources to improve efficiency just aren't a priority at this point.

Mr Castle: I suppose we will always take more resources because the best explanation of what we are actually finding, as I said, is that we are keeping our head above water at the moment, but we have had some instances. For instance, our number of incidents of white powder post-September 11 has increased, so our usage of some of the resources

has picked up. In ambulance, our population is ageing, and in the Productivity Commission we do recognise that we have been, I think, the fastest growing in the over-65 category for the last three years. I would have to check that. But that is actually an influence. We anticipate that our number of ambulance responses will increase. That has been the trend. Over the last three performance years we have gone up some 25 per cent in the number of responses. But that goes back to that issue of the deployment patterns that we are now using and the resources we have put in place to help us meet those good response times.

MS DUNDAS: Just to follow up on that, if I may: you have an estimated number of incidents attended and the target for 2001-02 meets the estimated outcome. There is a note saying that there has been an increase in 2002-03 due to a greater number of calls requesting medical assistance.

Mr Castle: They are the ones that are actually forecast to be increasing at a greater rate. For the others we are forecasting there that we are actually about the same.

MS DUNDAS: You are forecasting that you will get more calls for ambulances, but you did not get more calls during 2001-02 to lead you to this assumption; it is more research that has led you to this assumption.

Mr Castle: No, for 2001-02 we are just saying that the estimated outcome was on target when this was printed, but we would not know until the end of the year, which we do now know, and it is more.

MS DUNDAS: What is that figure?

Mr Castle: It is 24,565.

MS DUNDAS: Is the target for 2002-03, with those revised figures, a little bit too low?

Mr Castle: No, not necessarily. We actually stay with the targets and then report whether we are over or under. We don't know whether it will continue on.

MS DUNDAS: You don't know whether the increase in incidents was just a blip.

Mr Castle: No, there is a trend, and that is what we are actually forecasting. Whether we actually forecast more and whether we can actually achieve the same level that we did this year plus some will depend on our deployment strategies and the nature of the calls that we actually receive. You have to analyse it in terms of the type of call to you.

MS DUNDAS: Do you think the increase in calls requesting medical assistance is based on the health first phone line?

Mr Castle: No, I don't think it is.

MRS DUNNE: What do you think it might be, Mr Castle?

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Mr Castle: I think it is an ageing population and a slight increase in the population. Generally, we have an ageing population, so the nature of the calls will, of course, pick up heart attacks and that sort of thing. As we age we get more requests for ambulance assistance.

MS GALLAGHER: And your statistics would support that.

Mr Castle: That is what is actually occurring at the moment. Whilst the statistics don't show specific increases for the other services, two of the services are very much climate driven, that is, the bushfire service and the emergency service, with storms, bushfires and so forth, and the nature of the fire brigade is changing. Going back to post-September 11, the type of incident that you are actually responding to, a hazardous materials incident, takes a lot more resources. Whilst the number is not increasing, the mix is changing.

MS DUNDAS: On that point as well, you have a cost per head of population for response activities and you are actually predicting a reduction of 5 per cent for emergency response activities. Given that you are now having more response intensive calls and you are expecting the number of incidents to go up, how do you expect to meet a 5 per cent reduction in costs?

Mr Castle: Those costs are the mathematical formula that actually comes from the cost per head of the actual cost of responses; in other words, the services that we put in place. The nature of the services depends on spare capacity or whatever within the services themselves, so you have got a standing operating structure where, even if the fire service does not turn out, you have got a cost and you have to save costs.

MS DUNDAS: Does the fact that you are actually attending more incidents mean that it is cheaper to run?

Mr Castle: Yes, it drives the cost down, the cost per incident will automatically go down and you will reach a point where you then start to see a drop off, mainly in your response times, because you are not getting to those incidents with the same speed because your services are more tied up in those incidents.

MS DUNDAS: We are fast approaching equilibrium.

Mr Castle: I am not too sure I could actually model that at this particular stage; it is not an exact science. I would not hazard a guess. We are keeping our head above water at the moment.

THE CHAIR: I wish to ask about the arrangements now for provision of emergency services in Woden. I take it that the plan to build a JESC in Woden has been abandoned, not merely postponed.

MRS DUNNE: And that is the saving in the table we talked about previously.

THE CHAIR: Indeed. What are the plans to upgrade the fire station, the ambulance station and the police station?

Mr Quinlan: There will be a new police station constructed.

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THE CHAIR: On the same site as the old one.

Mr Quinlan: No.

THE CHAIR: Do you know where yet?

Mr Quinlan: Yes. Do you know where the Woden Youth Centre is? What is the name of that street?

MRS DUNNE: Callam Street.

Mr Quinlan: Callam Street, yes. Along that block.

THE CHAIR: When is construction due to start?

Mr Castle: What we are actually doing at the moment is working through relocating the design. We are taking the police component and working with the AFP to put the design of the police component onto that block. We will go through then a design and lodgment process to actually start. When construction will start is maybe six months off yet.

THE CHAIR: Obviously, you will be taking out some car parks to be able to do that. I assume that the space would provide room, if that was desired for a joint emergency services centre, for other services to be accommodated as well.

Mr Quinlan: No.

THE CHAIR: There is a very large car park there.

Mr Quinlan: We are not taking it all.

Mr Castle: The car parking space next to the youth centre is long and narrow. The area does not have a name. There is a set of lights there that come out of the structured car park. Directly opposite the structured car park.

MRS DUNNE: Is it on the Southern Cross Club side or the Hellenic Club side of the youth centre?

Mr Castle: The Southern Cross Club side, where the car market is.

THE CHAIR: Where the car market is or above where the car market is?

Mr Castle: The block that the car market operates on the weekend.

THE CHAIR: It is right down next to Hindmarsh Drive.

Mr Castle: No, because that has moved; they are no longer there. That is part of the realignment of Callam. They have been moved for 12 months.

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MRS DUNNE: It seems with the incoming government that you have abandoned the JESC concept for the Woden Valley. If you ever wanted to reinstate the JESC concept when you saw that it works properly, would there be scope, given the Callam Street realignment, et cetera, to accommodate a joint emergency services complex on that site?

Mr Quinlan: No, there wouldn't be.

Mr Castle: No.

MRS DUNNE: So you have cut off all options for a joint emergency services complex.

Mr Quinlan: We have cut off options for three-way emergency services. We might consider on Athllon Drive a dual ambulance/fire centre. This is a fairly serious decision and this decides that we are going to have a separate police station. That is what we are developing.

MRS DUNNE: On the table that was circulated yesterday, the saving on the cancellation of the JESC is shown as \$7.837 million. Is that net of the \$5 million for the police station or is the \$5 million somewhere else?

Mr Quinlan: No, it is net.

Mr Castle: But in accounting terms—Brian might correct me if I am wrong here—the \$7 million allocated to the JESC has been truncated and a new amount of \$5 million is now being allocated to build the police station.

MRS DUNNE: The \$7 million was for the full project.

Mr Castle: It is for the cancellation of the JESC.

MRS DUNNE: For nearly \$8 million you were going to get a new police station, a new fire station and a new ambulance station. We are not going to do that. We are going to have a \$5 million police station and possibly somewhere down the track we will build on Athllon Drive or somewhere else a new fire station so that you can house the Bronto in the centre of Canberra and a new ambulance station.

Mr Quinlan: At this stage, there is no plan to build in Woden beyond the new police station. That is the decision.

MRS DUNNE: What you have done is abandon any upgrade of other emergency services in Woden.

Mr Quinlan: Not totally abandon maintaining them in good order and condition, but certainly we have decided that the current facilities are adequate for the purpose, yes.

THE CHAIR: You are abandoning the upgrade.

Mr Quinlan: If you like, yes.

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MS GALLAGHER: Presumably, the decision not to go ahead with the JESC was based on reasons other than purely financial. Mrs Dunne was talking about the \$5 million cost. The point being made is that you are not getting your money's worth if you are going to spend \$5 million as opposed to getting three. Maybe you could tell the committee about why you have decided just to build a new police station rather than a JESC.

Mr Quinlan: Yes. One of the major considerations in the placement of the police station, to start with, is visibility. What this particular exercise does now is it puts a police station effectively in proximity to the Woden bus exchange and it makes it visible. We considered that necessary. There were considerable objections to a JESC on Melrose Drive—there was a site identified on Melrose Drive—and there virtually isn't another site in that precinct that would accommodate satisfactorily a JESC.

MRS DUNNE: So you folded.

Mr Quinlan: On the Melrose Drive one?

MRS DUNNE: Yes.

Mr Quinlan: Effectively, we decided not to pursue it there. You can add the colourful language if you like. It is a bit late in the day for me to be bothered with that.

MRS DUNNE: I need to keep you awake.

Mr Quinlan: You will have to work harder. We have made the decision that we want a visible police station and we want it in that precinct. We have therefore said that we do not intend to continue with the JESC. We feel that the current facilities for fire and ambulance are well placed and satisfactory. But we certainly did look at it along the way. The only other satisfactory site on which you could put a JESC, I think, would be down Athllon Drive and that would take away the visibility of the police station. So this is the decision as taken, yes.

THE CHAIR: I would have thought that the visibility on Melrose Drive would have been much greater than the visibility on Callam Street. It is a three-lane road and the number of users on Melrose Drive would be far greater than on the other street.

Mr Quinlan: I do not know what the two traffics are, Mr Chairman, but what the site on Callam Street does is it give us, I think, visibility and it also puts it in close approximation to the Woden bus interchange and the car park.

THE CHAIR: To make a point, the present police station is extremely close to the bus station.

MRS DUNNE: It is surrounded by it.

Mr Quinlan: But not visible.

MS GALLAGHER: It is hidden in the bus station.

Mr Quinlan: It is hidden by it.

THE CHAIR: That is a problem you could fix by taking down some walls, of course.

Mr Quinlan: The current police station is entirely inadequate.

THE CHAIR: I realise that, but the point I am making is—

Mr Quinlan: Access-wise and position-wise.

THE CHAIR: I am talking about the question of visibility. The visibility of the station in respect of the bus interchange has been useless; there has been no impact. I suspect the most crime-ridden place in Woden is right underneath the police station, in the bus interchange.

Mr Quinlan: The current police station site is inadequate in terms of size and it is not visible from the Woden bus centre.

THE CHAIR: Yes, I agree with that, but the point I am making to you, if you think proximity to the bus station matters, is, I suggest, that it doesn't.

Mr Quinlan: We want obvious proximity.

MS GALLAGHER: The minister is saying "visibility" and you can't see the police station—not proximity, visibility.

THE CHAIR: Yes, but if that was a problem, you would have been able to knock down the walls around the police station and put up more signs and you would solve the problem.

MS GALLAGHER: You are, aren't you?

THE CHAIR: You are not; you are moving it further away from the bus station and you are also putting it on a street where it is actually less easy to see it. Many more people would see it on Melrose Drive than would see it on Callam Street, I submit.

MS GALLAGHER: Maybe people in cars, but not pedestrians. The pedestrian traffic is much bigger down that end.

Mr Quinlan: Lots of cars go in there for shopping, too, by the way, lots of cars.

THE CHAIR: You would have thought that Canberrans are people who use their cars and visibility from the street is probably pretty significant.

MR HARGREAVES: Mr Chairman, I suggest that, as Mr Murray's force has some interest in this, he be asked to come to the table. I would be interested in asking for the police perspective on the location, if that is not too much trouble.

THE CHAIR: Okay. While he is coming forward, I will ask a further question of the minister about this? The arguments for building a JESC were arguments primarily about the functionality of the three services, possibly four services if you take ACT Emergency

Services into account. Isn't that a factor which has been thrown out in this exercise? Don't you miss out on an opportunity now, because of the parlous state of the police station, to fix that, an opportunity which you are not going to get again for 20 or 30 years?

Mr Quinlan: Are we talking about common showers and common toilets, chummy communications or something else?

THE CHAIR: I am talking about lots of commonality—the use of similar facilities, training together, the chance to conduct operations and planning in the same space, and the opportunity to break down what have been in the past some very significant and concerning barriers between the three services, and I'm talking particularly about police, fire and ambulance services.

Mr Quinlan: Certainly, we are not going to have them on one site. They are in very close proximity to each other, in the same precinct.

THE CHAIR: Yes, but they don't communicate at the moment, which is the point. The point has been made for a long time to successive governments that there is a problem with those services not working coherently and cohesively, partly because members of those services don't understand exactly what the other services do. You fix that problem, in part, by putting them on the same site and assisting them to actually work together. The feedback I used to have from the Gungahlin JESC was that, as far as the ambulance and fire people were concerned, there was some value and benefit in that joint co-location. Is that of no value to the government, or is it a matter that you have just decided to put below other factors?

Mr Quinlan: Mr Humphries, at this stage, and maybe it is a sign of maturity in the town, I am not aware of great communication problems between the services.

Mr Murray: Mr Chairman, would you like me to talk to that?

THE CHAIR: If you would like to, Mr Murray, yes. Please say who you are, for the record.

Mr Murray: My name is John Murray. I am Chief Police Officer for the ACT. I think your observations are right, if you take it back two years. I came to this territory when there was an obvious lack of communication between the three services. The heads of these three services have worked consciously over the last two years to get to fix that. I am confident now, as we sit here and talk about it, that we have, through the establishment of a forum which is comprised of myself, the CEOs from ambulance and fire, and Mr Castles, to deal with three issues, really.

One is to set up common policies and practices which exist between the three agencies. The second is to establish issues of communication which affect all three of us as well. The third is getting together and training in exercises that we jointly set up and practice. I hope I am not sounding overconfident here, but certainly I do feel confident that there have been great inroads made in that area. The other gentlemen present, I suggest, would attest to the fact, as I am saying, that there has been a significant improvement. In fact, we are enjoying very good relationships currently.

THE CHAIR: Can I inject a note of cynicism here? I can recall asking similar questions 10 years ago at estimates committees and being told that cooperation between the services was at a high level and they were working well together and there were physical fights on the sites of accidents between firemen and ambulancemen, or more often firemen and policemen, because of the way in which the services were jealous of each other and failed to understand what each other was doing. I am glad that, at the top level, the top brass are talking to each other, but isn't it really a matter of that filtering down further and has it really been sorted out and solved?

Mr Murray: I will ask the others to comment, but my observations are, through getting down to the bottom through the subcommittees we run through these three dimensions I mentioned, that there have been significant improvements. I do acknowledge that two years ago there were problems; there were, I would suggest, serious problems. We have all worked hard at it and I am fairly confident—as I say, I hope I am not being overconfident here—that we exist now with a very good relationship.

MR HARGREAVES: I am interested in the locality of the new police station from a number of perspectives on which I would like you to comment, Mr Murray. One is the proximity to youth services, as I am aware that one of your priorities is prevention and working with young people to stop the culture and things like that. I would be interested in your views on the proximity of the Woden Youth Centre and whether that particular corner of the Woden Plaza area, to use the old terminology, is a considerably more, shall we say, dangerous area to be in for things such as attacks on motor vehicles, personal attacks, people being stabbed in the Hellenic Club's car park and that sort of thing. Will the positioning of it there, now that the Burnie Court area has been removed, enhance the interaction of the police officers with the areas in which they are going to be required to perform their job?

Mr Murray: If we are talking purely about the site, I see it as a good site, for some of the reasons you have already mentioned. One is that it must be prominent so that people will recognise this is a service from policing they can get. The other is proximity to the likelihood of a service provision for the areas you have mentioned. Another is how able are police services to get out of that area to broader areas in the vicinity. I would say that for each of these three areas it is well sited and I see no problems with the actual siting of the building.

MR HARGREAVES: Before the police station at Erindale closed down and moved to Tuggeranong there was a youth centre almost on the doorstep, so there was a possibility of interaction between police and the youth centre fairly quickly. With the move to Tuggeranong, there is a bus interchange and there are two major shopping centres between the police station and the youth centre. I see that as sometimes being a bit of a barrier to effective communication between the young people and the police to break down a lot of the stereotypes and the barriers. Do you think that having those two centres located fairly close to each other will actually assist in that culture change that you have been trying to effect, or will it be a barrier to it?

Mr Murray: It might be too optimistic to suggest that geography is going to fix that. To have a better liaison between police and young people requires a philosophical shift rather than a geographical one. You could be 10 yards apart but miles apart in

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philosophy. What we are trying to do through our programs is to have police people better informed about the benefits of preventing crime and try to encourage young people away from crime. To that end, eventually it might be the case that proximity becomes an issue, but in the first instance I don't think it is.

THE CHAIR: Isn't it also true that police stations can become fortresses and that what happens inside the walls is jealously guarded as a privacy issue, that they aren't happy about people looking in and seeing what is going on, except on open days and so on? The argument has been put forward, including by your predecessors, that there may even be a case for not having a police station in Woden at all to encourage more mobility and encourage police in Woden to be in cars, on foot or on bikes so that they are actually moving around, not based in a building which has high walls around it.

Mr Murray: The siting of a police station is for the provision of a service which we invite people to come into. That doesn't negate or obviate the need for people to be walking about or driving about. They are two different functions. Insofar as the fortress you mentioned is concerned, if that is the impression that people get, I regret that. That is not what is intended. But the glass walls that are put up are essentially for issues of safety. That people might come into a police station to do harm to police is, in research terms, a real one as police people have been injured or killed.

THE CHAIR: I am not arguing against high walls as a physical need for a station. I am saying that there is a mentality that goes with that that prevents people actually moving out. The best example is the present Woden police station. Things are going on all around the station and the people inside do not interact with that because the walls are there to prevent them actually going out and doing something. You would think that the walls of the police station would be the safest place in Woden, but the reverse is probably the case.

Mr Murray: Yes, I think that goes back to the other point I made, that you could distinguish between the functions of the police on duty at the time. Today, for example, at Woden there would be people in the police station receiving accident reports and other claims for service of some sort and it is not expected that they move outside the building. Strategically, we have people in place in patrol cars or walking the streets there who will provide the service you are talking about. I think it is too much to ask of a person in a police station to say, "I want you also to keep your eye on the bus interchange, shoplifters or the larrikins up the street doing drags in their cars." That doesn't mean that we are not attending to them. It means that we have other police attending to that. The police station is a recognisable building to which we attempt to attract people to provide that service to them. I see it as two distinct features.

MR HARGREAVES: Will the new station be home for the detectives normally housed at Woden?

Mr Murray: We moved the detectives from Woden to Tuggeranong. That was done about six months ago.

MR HARGREAVES: Was that a permanent move or one in anticipation of this?

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Mr Murray: Again, it was more of a managerial philosophy move rather than geography. It was to get a stronger, bigger force of people in the one building, and that decision was taken by the superintendent.

MR HARGREAVES: On behalf of the people of Tuggeranong, I thank you very much.

THE CHAIR: We have actually drifted from emergency services to police services. Perhaps they are closely related.

MR SMYTH: I have some questions. Mr Murray raised response times. Mr Castle, my memory, and I could go and get the brief I have a copy of upstairs, is that the site on Melrose Drive was chosen because it had the best response times for all three services of any of the sites.

Mr Castle: The response time, from our perspective, is ambulance and fire; that is what I think we actually provided. The response time for the police is for John perhaps.

MR SMYTH: All right, just for ambulance and fire.

Mr Castle: For ambulance and fire, what we actually did was look at the response times and improving in a particular area, that is, the Yarralumla area. The response times at the current station are not bad; in other words, they are not—

MR SMYTH: But they could be better on Melrose Drive.

Mr Castle: They could be better into a particular area, but if you move the station you will have marginal effects on some areas in doing that. If we were moving to a new site, that particular site would pose some improvement in a particular area, bringing it closer this way, if you like, towards the city.

MR SMYTH: I appreciate that this is a political decision. This one is for the minister. Minister, what will you do if the public servants—it probably won't be the same public servants, because that was about the Alexander and Albermarle buildings—on the other side of Woden object to this site going ahead and give the same level of disagreement to the government's action? Will you move the police station from there and find another site for it?

Mr Quinlan: No.

MR SMYTH: Why not?

Mr Quinlan: It wasn't the public servants that made the difference in the first place. It was the community that reacted against the Melrose Drive station.

MR SMYTH: If the community raises the same level of disagreement with your site selection, will you go and find a new site?

Mr Quinlan: I don't expect that that will happen.

MR SMYTH: If they did, would you go and find a new site?

Mr Quinlan: No, I don't think so.

MR SMYTH: You don't think so, which basically means that this is a political discussion, this is about a political stunt by Mr Hargreaves before the last election, and the innocent victims are the ladies and gentlemen who worked very hard to put together the JESC concept and your party just ruined it.

Mr Quinlan: I don't know about ruined it.

MR SMYTH: It is gone. Is the Belconnen JESC going ahead?

Mr Quinlan: It is not in the budget, no. It will do. The design is, but that's it.

MRS DUNNE: So you haven't abandoned the JESC notion.

MR SMYTH: JESC works everywhere except Woden.

MRS DUNNE: JESC works except in Woden.

MR HARGREAVES: It doesn't work in Tuggeranong.

MRS DUNNE: I said before, and you took exception to it, Minister, that you folded. You folded on something that was studied, worked through, worked up; everything was there ready to go and you folded to the extent that you now have Woden as the geographic centre of Canberra and, for instance, the fire station doesn't meet the standards necessary to service that and some of the equipment that you need and should be stored centrally can't be stored centrally and has to be stored at Fyshwick simply because it doesn't fit. You made a political decision to abandon the JESC in Woden, but you haven't abandoned the notion of the JESC. It is a fine concept for Belconnen. What is the problem with Woden?

Mr Quinlan: Economy, site. You call it folding and I will call it responding to community consultation and we will agree to disagree.

MRS DUNNE: That is not about economy. It is going to be much more expensive, because somewhere along the line—

THE CHAIR: It will be more expensive, surely, to build a new police station and then down the track a new fire station and a new ambulance station.

Mr Quinlan: We are going to continue to use two facilities.

MRS DUNNE: Somewhere down the line, fairly soon, you will have to spend big bucks on the fire station or build a new one, most likely build a new one because the site is not big enough to store the equipment that you need.

Mr Quinlan: That is if you have assumed that all the equipment has to go to Woden. You are saying that it is the geographic centre of Canberra. The geographic centre of Canberra moves as years go by.

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MRS DUNNE: The advice that I have received is that operationally, at the moment, the best place to store the Bronto—

Mr Quinlan: At the moment.

MRS DUNNE: And for the foreseeable future is in Woden and it just won't fit.

Mr Quinlan: No.

MRS DUNNE: You can't turn it around. As a result of that, you have to store it in Fyshwick. You made a political decision to deprive the people of the best possible response times for that piece of equipment.

Mr Quinlan: For that piece of equipment.

MRS DUNNE: When you need to call out that piece of equipment, the most logical place to have it is in a central position. It is not in a central position, which means that people in Belconnen, for instance, and people in Gungahlin will not receive optimum response times from that piece of equipment if you need to call it out.

MR HARGREAVES: It is actually closer to those people.

Mr Quinlan: Yes, but others will get optimum times.

MRS DUNNE: It will be better for people in Tuggeranong.

Mr Quinlan: And the geographic centre of Canberra will shift as Gungahlin develops.

THE CHAIR: You can't put it in Civic; there is nowhere in Civic, is there?

MR SMYTH: The actual geographic centre of Canberra probably won't shift a great deal because of the northern border. The population centre will shift. Okay, Woden is the geographic heart. It provides the easiest access to all parts of Canberra. That was the purpose of the siting on Melrose Drive, because the figures supported its going there in terms of better response times to inner Canberra and other locations.

Mr Quinlan: And we made the political decision that we are not building it on Melrose Drive; that's it.

MRS DUNNE: Good, you have admitted it. It is not about economy, it is not about being prudent; it is a political decision.

Mr Quinlan: It is a decision we made in concert with the Woden community. That is how we make decisions.

MRS DUNNE: You folded.

Mr Quinlan: You call it folding. You have said it. Say it again and let's move on, because we are not going to go anywhere from here, Mrs Dunne.

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MRS DUNNE: You have abandoned all of the people who need fire services because of a few people who lived across the road and who now don't live there. We pulled down Burnie Court.

Mr Quinlan: I would rather suggest to you, Mrs Dunne, that you are, if you want to talk politically, grossly exaggerating the effect of the difference between having that appliance at Fyshwick versus Woden.

MRS DUNNE: That is an example.

Mr Quinlan: That is a gross exaggeration.

MRS DUNNE: When, Minister, are you going to spend money and upgrade the ambulance station and the fire station? Of course we know that the highest priority is the police station.

Mr Quinlan: Good.

MRS DUNNE: But you have just walked away from the programmed upgrading of the fire station and the ambulance station. When are you going to put it back on, and can you do it for the \$2.738 million that you have left?

Mr Quinlan: I have no plans at this stage, or the government has no plans at this stage, to move the Woden fire station or the Woden ambulance station. It is probable that those facilities will require an upgrade or refurbishment from time to time, but they are very, very well placed facilities, as we speak, and it is not within the ambit of this budget and therefore this plan to move them.

MR HARGREAVES: I wish to ask a question of Mr Castle. He might have to take it on notice. I would like to know the number of occasions a Bronto has been deployed in Belconnen, Civic and Tuggeranong?

Mr Castle: I will have to take that on notice.

MR HARGREAVES: Basically, the geographic regions of the town. I am happy to wait for that. I would like to look at the deployment of it in, say, the last 12 months to two years to see whether the deployment of those things is an urgent issue in whichever part of town.

THE CHAIR: Are there any other questions on emergency services.

MR SMYTH: I have one about the wrap-up of the Christmas bushfires. What has happened there?

Mr Castle: We submitted a report to the coroner that was based on a number of debriefs. We held operational debriefs and then we had a strategic debrief by the emergency management committee. We put together a report to the coroner and it is with the coroner. Out of each of those debriefs we have a series of after action follow-ups and we are progressing through those at an operational level, following up some changes with

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SOPs, and each time the emergency management committee meets, which is every six weeks, we have actually got action items to see how we are progressing.

My aim is to try to achieve all of those before the start of the new fire season. Some are longer term, I have to say, at a strategic level, but we are achieving lots of pluses at the moment, liaisons and changes. You learn from every incident and it was a real learning for us. We have taken all that on board. We are progressing. John chairs the emergency management committee. As I said, we have a standing item on there; we are working through the strategic debrief and its actions.

MRS DUNNE: Following on from that, does your analysis of the fire indicate how robust, say, the bushfire fuel management program is?

Mr Castle: I can comment on that. The plan is being put together by the land managers, so it is something that DUS is actually doing, but it is under the auspices of the Bushfire Act and our minister has responsibility for that as well. There has been a significant change in looking at the bushfire fuel management plan, so much so that it was due to be brought down in June but it has been extended so that we can actually take on board some outcomes of the fires.

We are in the process of trying to finalise that, being due very soon to go out to public consultation by those land managers, and it will be a joint process. I chair a bushfire fuel management committee and we have been working through it. The plan will be substantially different in nature. We have taken on board a lot of expertise, some specific criticisms, some aspects out of the fires, because it also gave ACT Forests the opportunity to look at how the forest is laid out in the particular area that was burnt. There are some changes that they can make and they intend doing that. I believe that the bushfire fuel management plan will take on board a lot of the learning aspects out of the current round.

MR HARGREAVES: I am aware that this plan pays great attention to the possibility of disasters coming out of bushfires. These bushfires came very close to houses in a big way and to large enterprises, such as the Mint. I recall that in years gone by we had an evacuation plan which indicated things such as primary schools and high schools as evacuation centres. Is that evacuation plan up to date?

Mr Castle: We don't have an evacuation plan as such in the current structure. What we actually have is a recovery subplan which incorporates what was originally known as the evacuation plan, but it does have evacuation processes and Community Services actually have responsibility for that. We, as a result of the fires, analysed that and we are looking at some updating of processes, particularly in evacuations, because there are some areas there that we need to improve on.

MR HARGREAVES: In terms of the emergency management committees of which Mr Murray is the chair, I recall that one of the difficulties at the time those evacuation plans, now recovery plans, were being developed was stitching together interagency cooperation and non-government interagency cooperation to make sure that things worked and the recovery facilities actually clicked into place when the balloon went up. Can you give me your perspective on the relationship aspect of the disparate parts of that response?

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Mr Castle: I will talk and then maybe John can talk. From our perspective, the Emergency Management Act brought into being in 1999 cemented into place a whole host of agencies working together. That is very much working. There is a network of subcommittees and it is at those subcommittees that you start to bring in some private sector support agencies, particularly in the welfare recovery component.

My perspective is that they are working extremely well. Those subcommittees and subelements are chaired by a member of the committee. Each of the members of the committee has responsibility for a particular facet. They do work through, as a standing item on our agenda, each of those asked for updates. We ask each of them to give us an update on how they are progressing and what their subcommittees are actually doing. Out of the bushfire debriefs, the action items do target some of the convenors of those subcommittees to work through some specific issues. My perspective is that those subcommittees are actually working extremely well, but John might like to comment as well.

Mr Murray: Yes, Mr Chairman, I could, and I could also make a comparison because I have seen other places at work. The observation I make is that it is quite a cohesive group. But also through the practices that we take part in through exercises, for example, foot and mouth. This group of people come together with a lot of energy and a lot of keen interest in the outcomes. I am satisfied that these dimensions are satisfied. One, if it comes to disaster, you have people who actually know each other and work well together. But it is also well planned in terms of contingency plans and also well practised through these exercises that we have put in place.

MR HARGREAVES: Are the training packages that used to be run through Emergency Management Australia still rolling on?

Mr Castle: Yes, they are, and they have actually done a lot of work because they have brought them into play with the new competency-based training framework and there have been competencies in the public sector ITAB, the Industry Training Advisory Board, that have actually improved the integration of various components of that. It is now called Emergency Management Australia Institute.

MR HARGREAVES: Congratulations to the institute. Is the private sector being catered for in those training packages and are non-profit organisations such as Vinnies able to bear the cost of these things or are they struggling?

Mr Castle: Generally, we pick up some of the cost of attending and on some of those we try to do extensions where they actually bring the courses here, if that is where it is easier for those people to participate, and we do follow that practice.

MRS DUNNE: Is EMA still based in Macedon?

Mr Castle: EMAI is in Macedon and EMA, in the overall, is in Northbourne House.

MRS DUNNE: But most of the training goes on in Macedon?

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Mr Castle: No, it is a mix of seminars, conferences and specific courses where you bring jurisdictions together. The advantage of that is that jurisdictions learn from each other. The other way is what they call extension courses. They still do those in the jurisdictions and we get those here.

MRS DUNNE: The message that I think we are getting is that you are confident that the structures of the emergency management plan are robust enough and adaptable enough and that, learning from what happened at the fires and what went well and what didn't go well, you have the capacity to adjust the emergency management plan. Getting back to bushfire fuel management, does the extension of the consultation mean that there might be a delay to bushfire fuel management activity in the late winter and spring?

Mr Castle: No, I don't believe it will. I wouldn't want to speak for the land managers, who are the ones that have to put it in place, but from a fuel management overview point of view, from a bushfire aspect, they are already working to components of the plan. They have taken on board some of the issues that they need to look at. There are areas that are of a higher priority at this time. We have done an extensive risk analysis, drawing on Rick McRae's work and prediction in particular, one of my staff who is excellent in modelling some processes. They sat down with the land managers and we have taken that tremendous input on board, so they are actually working towards the priority areas identified in that sort of modelling.

MRS DUNNE: Some of that work is being done, irrespective of the fact that the plan is in the review phase at the moment.

Mr Castle: Yes, the plan actually says that we will do certain things. Bear in mind, the old plan is still current, but they are taking on board all the time improvements in what they can do to approach better fuel management. The land managers, to be praiseworthy of them, actually took on a fair bit out of the bushfires and looked particularly at the extended back fences. They have done a fair bit of work, I know, in some areas along Red Hill residences and so forth.

MRS DUNNE: Is there any bushfire fuel management that needs to be done in Red Hill now?

Mr Castle: Yes, we didn't burn all of it, or all of it wasn't burnt, sorry. That was a slip of the tongue.

MR SMYTH: Is that a confession, Mr Castle?

Mr Castle: I could say that there are times when it is advantageous to let fires burn, but they weren't the ones. It may be worth while to give some facts that weren't made known. We dealt with 57 incidents over a 52-hour period and it was quite horrendous. Whilst the general public saw seven major fires, there were some 57 different incidents over that period in the 52 hours of uncontained fires.

MRS DUNNE: On the bushfire fuel management plan, just after the fires there was a fair amount of argy-bargy between the burners and the non-burners, and the slashers and the burners. Do you think that this process will help to bring about an understanding

or consensus between the people who have particular views about how you do bushfire fuel management?

Mr Castle: I think there will always be people out there who believe that something different should occur. If I can go back in time, and Peter Lucas-Smith probably can elaborate more, Dryandra Street, particularly the part near Black Mountain, after the Black Mountain fires was a classic 50:50 split. In broad terms, we could say that 50 per cent wanted it to be bulldozed, concrete put there and never to be threatened again, and the other 50 per cent said that that is the environment they like and that is what they want. While a lot of work is being done on the sorts of species and the modification of fuels that we can work with the land managers, I don't think we will make both camps happy.

As you will know if you have walked along the back fences, some people are very responsible and look after the back fence, clear the vegetation around the house and don't throw flammable materials over the back fence. You can go next door to some other property and find some people are not quite as vigilant. That is the variation you get, I suppose, in any population. I believe that we have got a better understanding and relationship between a broad body that says there is conservation and don't burn it all with those that burning is good in some areas. There are other methods of removal or modification of materials, slashing those sorts of things, and modifying the actual fuel itself, modifying the species.

MRS DUNNE: On the question of fire readiness, given the large interface of backyards with the Canberra Nature Park and various bits of open space around the place, who is responsible for the alerting if you have somebody who is really recalcitrant and has all this rubbish against their back fence or it spills out or whatever? Is that your responsibility or is that a land management issue that I should be asking Mr Wood's people about?

Mr Castle: I will give you an answer that it depends. If it is on the person's block and it is in a built-up area, some years ago there were amendments made to the Fire Brigade Act and the fire commissioner does have the ability to reduce fuels, flammable material or risk on a particular block. If it is over the back fence and you are into the broader area, then it really is for the land managers in conjunction with Peter Lucas-Smith. Peter might be able to give me some assistance there in terms of what his powers are over a back fence.

Mr Lucas-Smith: My name is Peter Lucas-Smith. I am director of bushfire and emergency services. Under the provisions of the Bushfire Act, inspectors can be appointed and there are two inspectors appointed under the Bushfire Act in the ACT. Those inspectors, by giving 24 hours notice, can enter property and give notice on the property owner or manager to remove the hazard or regulate the hazard in some way.

Mr Castle: But most of the back interface is with government-owned land, so it is the land managers, through the bushfire fuel management plan, that are attempting to take a responsible approach on that particular part of the land. The only other elements are the rural lessees and, under the new leasing management plan—I think that is the correct term; you should ask DUS about that—it is my understanding that they have a responsibility also to undertake fuel management.

MRS DUNNE: Just one last question. We saw the potential at Christmastime; we didn't actually have a significant residential property loss. Do you see that there is a role for fire insurers to be more proactive with people who interface with the bushland?

Mr Castle: I think that is a really difficult question to answer. At a national level, there is a review under COAG, the Council of Australian Governments, of natural disaster relief arrangements and one of the issues being looked at there significantly is insurance for risk—in particular, natural disasters. The area that is most commonly missed in terms of insurance is flood insurance and there has been a lot of discussion in that committee about the responsibilities of insurers to offer that. Currently, fire is a general risk. If you buy a policy and you insure your house and your home, you are actually insured as part of the policy. It is not risk specific to your block. Whether there should be, I think you are suggesting that some relationship between the insurer and the specific risks on your block is a broader insurance issue.

MRS DUNNE: It is a couple of issues. It is that, but it is also—we didn't experience it here; it was experienced elsewhere—that if insurance companies are exposed to general risk, not specific response for a particular household but general risk, would you see that there would be scope for a cooperative venture between, say, the emergency management people and the insurance companies to say, "Fix up your backyard?"

Mr Castle: I think in general terms there is and it probably follows that there have been instances where insurance companies have particularly funded fire prevention-type activities. I don't think we have approached the insurance companies here specifically to fund particular fire prevention other than some—

MRS DUNNE: Not in relation to bushfire fuel management.

Mr Castle: No, not bushfire fuel.

Mr Lucas-Smith: Insurance companies have certainly provided some sponsorship to volunteer brigades for volunteer brigade activities, but not in the form of community protection and stuff. It has been primarily to run field days and that sort of stuff.

THE CHAIR: I have a question about emergency numbers. I see that the police general response number is changing at the moment. There was talk at one stage about there being a change in the national emergency number, 000, to something else. Has that gone anywhere?

Mr Castle: There has been some discussion as a result of an incident in Victoria that involved mobile phones. There is the 112 number. The view of the emergency service agencies is that that should not be publicised, yet there have been suggestions through the communications authority that they do some sort of publication on 112. 112 will actually work. If you dial 112, you will get to 000 because it is double-trunked.

Telstra have the ability whereby, if you dial 112, it will automatically go through to 000. The difficulty is that it won't go the other way. Our view from emergency services is to leave 000 as the primary service. The reason that it won't go the other way is that it won't work on CDMA, the new form of rural-type mobile phones, and 112 will not work

on home phones. So, if you ring 112, you will go to 000 on the mobile phones. If you ring it on your home phone you won't get 000. So our view from emergency service agencies nationally is don't publicise the 112 as such.

THE CHAIR: Isn't the problem that people with phones in their bags are accidentally dialling 000 and a large proportion of the calls they are getting are accidental dials and, supposedly, you have fixed that by having a number that is not going to be automatically or accidentally dialled?

Mr Castle: There are a number of schools of thought about that. Yes, that is one aspect, but they are also looking at what that ends up in. You have kids who have unintentionally done that. They are looking at the proportion actually put through to the police and so forth and they are changing those procedures in Telstra to try to cut down the accidental ones. It is still operator answered, so it still is there. In the first instance it goes to Telstra, so they try to screen those calls. The biggest ones are if they get nothing. They are trying to streamline their process.

MRS DUNNE: What proportion of the people who are attempting to dial internationally actually dial 000 by mistake?

Mr Castle: I don't know.

MRS DUNNE: Seeing that they are dialling 0011.

Mr Castle: Yes, if you put another 0 in front of it.

MRS DUNNE: I know because I have done it myself.

Mr Castle: Yes, because you think you are at work and you dial the external 0. That is the most common. It was so with STD numbers as well when there used to be a 008. People who have a telephone system at work for which they dial 0 to go out can pick up their mobile and inadvertently dial the first 0. But what you will actually get then is you will get Telstra and you will say, "I'm terribly sorry, I didn't mean to dial it." Telstra deals with that; we don't get those calls. It is the line open that is the issue as they don't know whether they have got a call or not.

MR SMYTH: Going back to the JESC at Woden, do you still have valid approval from the Commissioner for Planning, subject to doing the parking study?

Mr Castle: It will be a new DA.

MR SMYTH: No, the existing DA that was put in for the site at Melrose. You received an approved DA from the commissioner.

Mr Castle: It had conditions on it.

MR SMYTH: Subject to doing a parking study.

Mr Castle: But it was then appealed into the AAT.

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MR SMYTH: Okay. PALM was actually doing the parking study. Has it been completed and will you pay attention to it before you commence work on the new site?

Mr Castle: I might have to take that on notice and consult with PALM. I understand that PALM is doing a total master plan for the town centre, but my understanding is that PALM has said that this block is available and we can proceed to design a station for this block.

MR SMYTH: But the concerns were the same as applied to the other block—parking.

Mr Castle: It has parking on it.

MR SMYTH: And it is using up parking. If you could check where it is at and whether the study has been completed.

Mr Castle: Sorry, I just need to clarify your question.

MR SMYTH: Will a parking study be done, because you are taking up parking? Will a parking study be done for Callam Street before you decide on it as the permanent site?

THE CHAIR: There being no further questions on emergency services, thank you very much, gentlemen. I now call the Australian Federal Police. There is a commitment in the budget to increase police numbers towards what is now defined as the target of an extra 20 police.

Mr Murray: Yes.

THE CHAIR: How many extra police are due to be delivered in this budget?

Mr Murray: There are within this period 6.1 extra police. That is for this period. We intend to use four of those for the DNA project and two extra for what we are going to call the specialist response and security group, which I can talk to later, if you like.

THE CHAIR: To what will that take the number of police?

Mr Murray: I can tell you that. The total number of positions will be 767. If you add to that what we call the enabling numbers—that is, the provision of services for information technology and human resources which we purchase from the Australian Federal Police, another 95—the total number is 818.

THE CHAIR: Are these white collar people?

MR SMYTH: Sworn and unsworn.

Mr Murray: Sworn and unsworn, the total number, yes.

THE CHAIR: Does that include the 6.1?

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Mr Murray: The 6.1 are to be added to that. There are 767 positions, sworn and unsworn people, in total but we also draw from the Australian Federal Police enabling services, which include information technology, human resources, payroll and things like that, and forensic, which is a substantial part. That adds another 95, which makes it 818 altogether.

MRS DUNNE: That does not add up.

Mr Murray: I am sorry, I did make a mistake there. It does not add up for the reason that the Commonwealth pays for 44 positions. We have 767 for a start. If we take off 44 positions that the Commonwealth pays for, that leaves us with 723, and then the 95 go on top of that, which makes it 818. Sorry.

MRS DUNNE: How many do we pay for in the contract before the 6.1?

Mr Murray: How much money do we pay?

MRS DUNNE: How many police officers do we pay for in the contract with the Commonwealth before the 6.1?

Mr Quinlan: That is an excellent question.

MRS DUNNE: I love to ask this question. I am sure that there are former police ministers here who would love to ask that question.

Mr Quinlan: The answer is that it depends at the time.

MR SMYTH: Time of day, time of week, time of year.

MRS DUNNE: Is there a figure, Mr Murray?

Mr Murray: Could you just rephrase the question; I am not sure that I understand it.

MRS DUNNE: The ACT has a contract with the AFP nationally to provide policing services in the ACT. Under the contract, how many sworn and non-sworn officers are we supposed to have before the 6.1 in the budget?

Mr Murray: It depends on so many variables, as the minister has pointed out, depending on the ranking and the grading of the people within that. That will vary from year to year. For example, if we have a number of people at grade 10 as opposed to grade 8, that varies your number; you can only buy so many people. In the current configuration we have the numbers I have just given you. That could change next year because we can only purchase so many human resources with the money that is given. In other words, if in the next year the costs per person rise or the grades per person increase, there will be smaller numbers.

THE CHAIR: So we buy services of a dollar amount rather than an actual number of bodies.

Mr Murray: Yes, we do.

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THE CHAIR: There have been figures about the actual number of people available in the ACT, notwithstanding what we contract for. Do we have a figure as of today or some time recently as to how many actual bodies are available to provide services in the ACT, taking into account the contractual obligations and whatnot?

Mr Murray: The figures I gave you were as at 30 June.

THE CHAIR: Is that the actual number of people available, 818 people, or is that the actual number that we pay for?

Mr Murray: It depends on how you configure it, but the operational members, which I think is the question you are getting at, are in the region of 520.

THE CHAIR: Right, 520 people with blue uniforms.

Mr Murray: No, both. These are people actually performing operational duties.

MRS DUNNE: They are sworn officers.

Mr Murray: Sworn and unsworn.

MRS DUNNE: What are the other 300 doing?

Mr Murray: The support services.

MRS DUNNE: Such as?

Mr Murray: In every police organisation, you have administrative support, which includes finance, HR, computers.

MRS DUNNE: How does that figure of 520 compare with, say, this time last year?

Mr Murray: I haven't got that in front of me, sorry.

MRS DUNNE: I think that is actually one of my questions on notice.

THE CHAIR: Minister, the government has expressed considerable misgivings about purchaser/provider contracts and has indicated that it is going to phase them out. There is a purchase agreement with respect to the Federal Police. Is it also for the chop or do you intend to retain it?

Mr Quinlan: Quite clearly, that is not for us to say unilaterally because it is a deal that we do with the AFP but, recently, I read through the agreement and I have to say that it does leave a lot to be desired in the way it is structured. It is purchaser/provider in a different sense from the purchaser/provider that we discussed in terms of community services, et cetera. But, as Mr Murray has said or implied in what he said, it is an output-based contract and there is a whole lot of measures in that contract. By my observation, more of them are statistics than they are actual measures or quantities of acquisition.

So that we don't return to the situation where there is a hold-up in recruitment, whatever, I have actually signed the agreement, but I have at the same time expressed the wish that the agreement be reviewed and that we actually incorporate some measures, and quantifiable measures, in it. As Mr Murray said, it depends on the configuration just how many people we have, but I think it is probably not beyond the wit of mankind to create at least an indexed measure of human policing capacity, and that would be my objective for the future, to try to get that agreement in some shape where you could say that we have this number in our police force or this spectrum—this set of numbers—in terms of the authority tree that would be built within the force.

I am presuming that that is not going to be an easy task, but we have all had the political argy-bargy about how many police we have and whether some are new or not and I think it is time that we actually got an agreement whereby we all get used to a measure of human capacity in the force and then we can actually make intertemporal comparisons of the force and whether it is up to speed and up to capacity, but a fair bit of work has to be done on that.

THE CHAIR: Can we see the agreement as it has now been reached?

Mr Quinlan: I don't see why not; you've probably seen it.

Mr Murray: There is one part of it that still has to be refined. If I can explain that. Outcome 4 deals with the major events and planning area, which is a provision of a service for, in effect, emergency services like rescue or operations support. In the last financial period we reviewed that whole area and decided that, in terms of efficiency and a better service to the people of Canberra or the territory generally, it is best to have a multiskilled group of people.

Currently, we have a series of silos, people who do bombs, people who do rescue, people who do operational support, et cetera. We are in the process of combining those so that we will have a group of multiskilled people and we will raise the number from 29, as it currently stands, to a group of at least 50 people who will be on duty all the time, rather than being on call. Because of that and because the costing hasn't been fully done, that clause of that outcome hasn't been fully costed yet and we are in the process of doing that for the minister.

On that topic, we are very optimistic that this group is going to provide a much better service to the people in the territory. It is in the process of being put in place. By managerial efficiency, we can reduce, in effect, something like 19 or 20 people just by managerial arrangement, because currently, under the current arrangement, there are something like 140 people on call to come out to things like rescue or other serious incidents like riots. Through this arrangement, by cancelling all the on-call and the overtime that accompanies that, and the part-time training people, pulling people off shifts, as it were, we can effectively replace it with 19 or 20 people, which takes us from 29 to about 50 people with virtually no increase in cost but the provision of virtually around the clock service.

Mr Quinlan: The agreement, as signed, allows for change.

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MR HARGREAVES: Minister, I was just asking the chairman whether his request to have the agreement provided to this committee would require the agreement of the federal government as well. I am not sure. There might have been a problem earlier.

Mr Murray: It becomes of a public nature when it appears in our annual report and once it is signed it becomes a public document in my view. We have certainly nothing to hide.

MR HARGREAVES: Terrific.

Mr Quinlan: There is nothing exciting about it, as you will see when you get it. Don't get excited.

MRS DUNNE: Earlier in the year, I think about March, there were 10 new police as part of last year's budget that were supposed to go to Gungahlin. Did they go to Gungahlin?

Mr Murray: They have gone to Gungahlin. The group of 10, plus two office people, plus a supervisor who comes from the city to supervise.

MRS DUNNE: I think this is really a question for the minister. Of the 6.1 police—I thought it was to be seven—

Mr Quinlan: I think that for our 20 we got a 6,7,7 or a 7,7,6—one of those.

MRS DUNNE: I thought it was to be seven and six later. Your policy statements before the election were that you would provide 20 police and they would be allocated to particular areas on the basis of crime statistics as to where they would be most appropriate to go. How did you decide that four of them would go to the DNA coordination unit and two would go to wherever else they went? Where else, Mr Murray, did you say that two went?

Mr Murray: They will be going to this new group, this special response and security group, the multi-skilled group.

Mr Quinlan: As you have seen from the way Mr Murray is reconfiguring the force as time goes on, that change is change brought forward by the Chief Police Officer.

MRS DUNNE: Taking one step back, are these 6.1 police officers sworn operational officers?

Mr Murray: Yes.

Mr Quinlan: Since coming to government and since getting much more information and understanding of how the police operate, I have been made aware of the—

MRS DUNNE: So you didn't have an understanding of that when you were in opposition.

Mr Quinlan: Not to the detail I have now, no. You know how it works. We are acutely aware now that, as technology and science move on, we have a need to address DNA analysis. There is a backlog of something like 700 samples—samples that have been

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taken from crime scenes that might, in fact, link the perpetrator to somebody already in the system somewhere else. So, in terms of crime detection, we would have thought that this would be something that we ought to be doing.

MRS DUNNE: It is a commendable change of heart, I have to say.

Mr Quinlan: I don't know about a change of heart, but we know the problem and we address the problem.

MRS DUNNE: Given the fact that you have 700 collected samples that haven't been analysed, do you have the legislative support, legislative underpinning, that would allow you to go and collect specimens that may match those 700 out of the prison system? If we have somebody in jail in New South Wales and you think that you might get a match because of a whole lot of other things and you think that you would really like to see whether you would get a match, do you have the regulatory underpinning that allows you to collect that sample in New South Wales and have it brought back to the ACT, keeping the evidence valid?

Mr Murray: Yes, but there is a qualification. We have the legislative provision to take samples from people who have committed serious crimes. We can go to New South Wales if it is about our prisoners in a New South Wales prison. We can also take samples from people who are not in prison but who have been convicted of serious offences.

MRS DUNNE: If you suspect somebody who is in prison in New South Wales and who is not there because of a court ruling in the ACT you can't touch him.

Mr Murray: We can't but New South Wales would.

MRS DUNNE: But can they then transfer the evidence to you?

Mr Murray: Yes, subject to certain peculiarities between certain jurisdictions, which are just about to be cured, according to what we hear happened at the last police ministers meeting. I must say that a model was put up for DNA legislation from a forensic science study that was done and it is generally regarded that the legislation in the ACT is as close to the model as you will get, so we do not anticipate many changes to the legislation being required, if any.

MS DUNDAS: My question is on expenditure. The budget paper shows that the target expenditure for police in 2001-02 was \$67.5 million, but the expenditure was \$76 million, and that was explained as an increase due to additional funding. Why was that additional funding needed and what did it do?

Dr Murney: My name is Dr Tony Murney. I am Director, Services, Australian Federal Police. Your question was in relation to the budget move on what page?

MS DUNDAS: Page 299.

Dr Murney: The increase from \$68 million to \$76 million?

MS DUNDAS: Yes. There has been an increase in both the total cost and expenses on behalf of the territory from the target to the estimated outcome.

Dr Murney: Yes. The reason for the variation there is that a funding gap had developed in relation to the provision of the enabling services that the Chief Police Officer referred to earlier. They covered vital areas like forensic services, IT and a number of other support activities, including training and so forth. You will see in the budget papers if you look into the area—I would have to find the exact table for you—a figure of about \$9 million. The first year adjustment was about \$8.4 million and that is the difference between the \$68 million and the \$76 million.

MS DUNDAS: Is the reason we have such a high target for 2002-03—it is bigger than the estimated outcome for 2001-02, a record high amount—to do with this ongoing funding gap in terms of the enabling services provided by the Commonwealth?

Dr Murney: No, the gap between the target and the outcome in 2001-02, both of those, is outright enabling services. So that becomes a one-off adjustment.

MS DUNDAS: Why are we budgeting for a high target in 2002-03 if we have fixed that enabling problem?

Dr Murney: No, there are two other issues that feed in automatically. The first is that there is a real cost variation factored into the AFP's budget every year. We have roughly \$678,000 for additional police personnel, so that covers the policing numbers issue. That looks like the vast majority of it.

MS DUNDAS: Was a cost-benefit analysis done to compare gains from additional spending on police with extra spending on other crime prevention programs?

Dr Murney: No. The first round of that adjustment was to actually produce a proper cost recovery for the provision of services to the territory. It was really only closing a funding gap that had emerged over a number of years.

MS DUNDAS: No, in planning for the 2002-03 budget was a cost-benefit analysis done to compare police versus crime prevention programs?

Mr Murray: In my view, it is not a question of comparing, it is a question of complementing. In policing we go about the business of detecting offenders and prosecuting, but that, obviously, is not enough. You have to have in the policing philosophy a certain amount of your resources committed to dissuading young people, for example, from committing crime, or helping people make the targets a little bit harder for potential criminals. It is not a question of one or the other; it is the two complementing each other.

MS DUNDAS: How much of the resources in the policing budget is split into prevention programs versus catching people programs? Can you provide us with that information?

Mr Murray: We can talk about how much goes to crime prevention.

MS DUNDAS: Yes.

Dr Murney: On an annual basis, we contribute roughly \$3.1 million to crime prevention programs in the ACT. In addition, there is a crime prevention initiatives fund provided by the ACT government, which provides an enhanced degree of efficiency or flexibility for the way crime prevention is managed. That is listed in the budget papers at about \$1.075 million this year.

MR SMYTH: John, at the end of Operation Anchorage, to follow on from what Ms Dundas has asked, we had a unique pool of information about the burglars that we had caught in that period. You will remember that you came to cabinet with the heads of other departments and cabinet asked that the heads of Education, Health, Police and Chief Minister's get together to look at this information and do an analysis to see whether we could break the cycle of crime. What has happened to that committee? Was a report ever produced; if so, where did it go?

Mr Murray: I recall that in your cabinet meeting, in the previous government, it was approved that we have this joint group get together. The joint group brought back to cabinet an idea that we have a formal project to look at a multidisciplinary approach to young people and diverting young people from crime. With the new government taking office, it was raised again through the Chief Minister's office and the same approach is about to be taken. Work has already started in two principal areas. There is a recidivist study, through the Institute of Criminology, about identifying the actual offenders in Anchorage to see where they are now. The second part is to consider the services we currently give to young people, indigenous people and other people who might be at risk and look at overlap and the efficiency of the services.

We anticipate—I certainly anticipate from what I am putting forward to this group—that we will move towards a model which addresses young people at the earliest possible time through a multiagency approach rather than police simply being involved or education simply being involved. The short answer is yes, the initiative lapsed when the government changed, but it has been picked up again and is in its earlier state again, but it is gathering motion now.

MR SMYTH: What is the expected time of a report?

Mr Murray: The work that is being done now is basic research in terms of how big the picture is. Once that is done I envisage recommending to this group, and this is something not within my control, that there be a properly researched project on the topic to work out the best options. I suggested, you might recall, to the previous cabinet that the best option was to bring people from all the agencies—Health, Education, Corrections, Police, et cetera—together to work on heading people off at the earliest possible time. I will make that recommendation again. I don't know how it will be received.

MS DUNDAS: You said you spend about \$3.1 million on crime prevention out of the policing budget. How does that compare with last year?

Dr Murney: That is last year's figure.

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MS DUNDAS: What are you expecting to spend in this budget?

Dr Murney: We are still working through the budgeting process for the coming financial year and it will be not dissimilar, probably.

MS DUNDAS: When will we know?

Mr Murray: The \$3 million will be the same because that largely comprises the crime prevention resources, human and other resources, committed to that.

MS DUNDAS: Even though you have had an increase in the allocation, you are not expecting to spend more on crime prevention programs per se?

Mr Murray: We are spending the ongoing \$3 million, but we have also allocated there, as you will see in the budget book, \$1.075 million towards crime prevention initiatives.

MS DUNDAS: But that is from other programs; that s not in terms of leasing.

Dr Murney: No, that crime prevention fund is administered by the department, but many of the programs are actually programs that we operate inside ACT Policing, issues like multicultural ones and so forth, a whole range of issues.

MS TUCKER: My question is related to police working with people with mental illness and indigenous people. On the people with mental illness, can you tell the committee how you are ensuring that officers can work with people who are not well, please?

Mr Murray: Yes. The first point to be made is that the liaison between us and the Mental Health Service is extremely good. We meet frequently and we discuss case studies about how we do that. The teaching, if you like, of police people about the peculiarities of dealing with people with mental health starts in recruiting and it is reinforced through in-training services by tuition from sergeants and other people in training areas.

MS TUCKER: Sorry, say that again.

Mr Murray: It is reinforced through tuition by sergeants on the job, on-the-job training, and also in various courses that bring people back to learning development at the Barton college.

MS TUCKER: Can you give me a bit more detail about the training?

Mr Murray: The precise training, I would have to go away and come back to you on that.

MS TUCKER: How about the quantity and frequency of it?

Mr Murray: The same reason.

MS TUCKER: Will you take that on notice?

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Mr Murray: Yes. I can, for example, tell you that there is an ongoing requirement that every year people have to reaccredit themselves in terms of operational safety training. Operational safety training in the first instance has them deal with situations of conflict, the inference being that issues of conflict will sometimes arise with people with mental situations. The teaching that comes out of that is that in the first instance there is oral communication to try to talk the situation down. Implicit again in that is the idea that some people respond differently to different situations. If the situation escalates in terms of operational safety, the other methods are used, and it eventually can be the use of force, the use of batons, et cetera. But in the first instance that course does involve an understanding or expectation of teaching people about people with mental illness. That has to be done every year and it is an accreditation process built on a competency-based assessment.

MS TUCKER: They are tested every year, are they?

Mr Murray: Yes.

MS TUCKER: Is it your view that that is adequate, considering the more recent incident?

Mr Murray: Most certainly. In fact, the more recent incident you talk about concluded that the police officers acted appropriately and in accordance with the guidelines set down.

MS TUCKER: What, that they shot the person?

Mr Murray: That was the conclusion of the investigations which were supported by the ombudsman.

MS TUCKER: Surely there is a way of dealing with a person who is having a psychotic episode than shooting him when he isn't carrying a weapon.

Mr Murray: It is not for me to re-examine the conclusions of the investigation, but they did conclude that there was about to be the use of lethal force which had the police officer use lethal force or potential lethal force.

MS TUCKER: Are you saying that, basically, you think that there is enough support in having this annual accreditation process? Is that what you are telling the committee?

Mr Murray: I believe so. I believe it is of the highest order. It concentrates on the appropriate handling of a situation of conflict which police come into touch with frequently. For the number of cases that become public, for example, which you hear about or read about in newspapers, there are literally hundreds of situations where police deal with people with mental conditions which are talked down completely with no-one at all being injured. To reinforce that, the number of letters of appreciation that I get for the patience, understanding and sensitivity of police officers when dealing with people with severe mental illness is quite large.

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MS TUCKER: I am aware that on most occasions the feedback I have from people in the community who are dealing with these issues would support that. However, there is also concern that there could be an improvement and I do not think that people who have a mental illness or who love someone who does are comfortable with what happened, the use of a gun, in that incident. There certainly have been concerns brought to my attention that there could be an improvement. It is very stressful and difficult and I am in no way underestimating that it is a difficult situation for officers, but I want to let you know today that, certainly in the mental health community, people, while acknowledging how the work usually is well done, believe that there could be better support and more training for people.

Mr Murray: I agree with you. I think it would be arrogant and dismissive of me to suggest everything is fine. There is always room for improvement and we are moved to look at situations like the case you have just talked about to see what we learned from that. That, in fact, was one of the recommendations, that we look to that scenario to see how we dealt with it and how we might deal with it again in a different way, if possible. To put your head in the sand and say everything is fine is certainly not the way that we are doing it. The operational safety training processes I talked about deal with scenario-based training which is built on actual cases.

I say again that I am extremely impressed, having been here for two years, with the level of sensitivity that the police in this territory exercise with people with mental conditions. I have the very opposite on my desk to what you have heard. I have mothers and fathers of people with schizophrenia saying they could not believe how well abreast of the situation the police officers, usually young police officers, were and the sensitivity they displayed in talking persons out of killing themselves, for example.

MS TUCKER: I know that it is often well handled. Don't misunderstand me. I am not saying that often it is not well handled. I am saying that people are saying that it could be improved.

Mr Murray: I agree with you there. There is always room for improvement.

MS TUCKER: Could you explain to the committee how the liaison is actually working with the indigenous community and police?

Mr Murray: Our track record, to be quite frank, hasn't been all that good in the past, but I am pleased to report that we have appointed a young indigenous person, Kerrie-Lee Lindrum, who is doing outstanding work. As I went through the Civic police station last night at half past six she was still there working with another indigenous person about programs that she is putting in place. We are just about to employ another person to work with her.

It is a difficult area for lots of reasons that lots of people have written about, but that has not stopped us taking on the challenge. I feel quite strongly about indigenous issues in this territory, to the extent that I am the co-chair of the reconciliation council for the region. I also work very closely with the different factions, if you like, within the Ngunnawal people and realise that it is an extremely difficult issue.

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I hear one perspective from one and an entirely different one from another. But that again doesn't stop us from trying. In talking to Kerrie-Lee just yesterday, she acknowledges the difference between the different expectations of these groups and how she is going to address that. I think it hasn't been all that flash, if I can use that expression, in the past, but I am looking forward in the next period to significant improvement.

MS TUCKER: What is the difference in resourcing between, say, two years ago and now? We had a liaison person before.

Mr Murray: We had one liaison person and, through the crime prevention funding, we have another position as well.

MS TUCKER: There are two people now instead of one.

Mr Murray: I am not sure when the second person came on board, but certainly for the last period of the financial year and for this current one we have two.

MS TUCKER: Do you think that that is enough?

MR HARGREAVES: It is never enough, is it, Mr Murray?

MS TUCKER: You have an understanding of the need, I am assuming, so it is a question on which you could give an informed answer. It is not just about people always wanting more; it is about understanding the need. I know that there are people in the community who donate and volunteer to assist.

Mr Murray: Can I say that, from my experience in the recent past, it is not a question of numbers; it is a question of quality. The quality that we are getting now is really topnotch and I just hope that we can keep her and her companion for a long time, because what that does is it actually accelerates the process because they have credibility within the community and, as they go to the various indigenous leaders—especially Kerrie-Lee Lindrum—they develop an understanding that the police are actually doing a lot better. The fact is that, through their personal contribution, they promote the police organisation as being more sensitive and more in touch with the issues of indigenous people and, through our programs, as actually doing something positive about it. We recognise in policing, for example, that indigenous people are overrepresented in the justice system and, through people like that, we try to cure that.

MS TUCKER: Are you always able to have a visitor? Is that what you call it, a visitor?

Mr Murray: Yes. To the lock-up, the cells, yes.

MS TUCKER: Do you have enough people to support that? They are volunteers, aren't they?

Mr Murray: As I understand it, there may well have been instances where we haven't found one on a particular night but, generally speaking, I think it is working quite well.

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MS DUNDAS: My question is about the productivity savings in JACS of \$850,000 for the next three years. Will any of that be borne by the police service?

Mr Quinlan: No, I don't think so.

Mr Ockwell: My name is Michael Ockwell. I am director of corporate services in JACS. The \$850,000 saving is departmental. The funding for ACT Policing is territorial, so that \$850,000 has to be found exclusively within our departmental budget. Just for the record, it will be found in the administrative expenses area.

MR SMYTH: Just to follow on the mental health issue, at the schizophrenia forum we were both at recently, some of your officers spoke about the value of diverting people with mental illness and perhaps dual diagnosis problems away from remand and the criminal justice system. I believe that Ben McDevitt, when he was commander, had discussions with the schizophrenia foundation in which he said that he was in favour of that approach and a time-out facility. Is there value in not putting people with mental illness into remand or lock-up if we have an alternative place for them to go?

Mr Murray: The simple answer is yes.

MRS DUNNE: Can I ask about something topical? It is probably a question for you, Minister, and it may be a bit difficult because you are here and not in Darwin. What are your views about the proposed son of the National Crime Authority?

Mr Quinlan: They are very consistent with the case that was put forward by the states. At a previous meeting in, I think, April or before that, all things were positive about changing it to the crime commission but it seems that since then the federal government has decided to take the opportunity, to be opportunistic about the change, to reduce the amount of resources that the federal government would provide to the operational dimension of the central crime commission or authority.

MRS DUNNE: Essentially, you are happy with the structure of a research-oriented organisation with task forces.

Mr Quinlan: No, we have registered our protest through the representation that I have in Darwin.

MRS DUNNE: But you said that in March you were happy with the structure.

Mr Quinlan: Yes, we were happy to accept that changes would come forward from the Commonwealth. These were proposals that were largely cooked up by the Commonwealth, were they not?

Mr Murray: The Secretary to the Attorney-General's Department chaired that.

Mr Quinlan: We don't have a problem with the concept. The major problem lies with the way it is intended to be resourced a la the Commonwealth view.

MRS DUNNE: So you don't have a problem with the concept.

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Mr Quinlan: No.

MRS DUNNE: Walking away from the National Crime Authority structure and replacing it with what is basically a research unit.

Mr Quinlan: It wasn't going to be just a research unit back then.

MRS DUNNE: The advice I was getting back in March was that it was going to be basically a research unit and it was going to fall over. I was being told that then. Weren't you being told that then?

Mr Quinlan: No.

MRS DUNNE: Obviously, you weren't listening to the right people then.

Mr Quinlan: Maybe I was told and I didn't hear, but you will find that the reaction to the fleshing out of the proposition from the states and territories has been fairly uniform, so hang on. The new process is that it will have an operational capacity of seconded staff from the jurisdictional forces and we will meet the cost.

MRS DUNNE: And the Commonwealth would take the kudos.

Mr Quinlan: And slowly build up the board of management by adding to it. I think the Commissioner for Taxation is the latest recruit to the board of management.

MRS DUNNE: Mr Murray, this might be ultra vires, but we will wing it. The structure of the son of the National Crime Authority—sorry, I can't remember what it is called—seems to have an increasing board of management. Do you see that as a desirable model?

Mr Murray: Are you referring to the prospective Australian Crime Commission?

MRS DUNNE: Yes.

Mr Murray: In all the models that were put forward there was some consistency and that was the level of governance, as I understand it. I think the commonality was that the police commissioners should be on the board, and that is different from the current set-up.

MRS DUNNE: Under the NCA, there is a board of three and you are proposing to expand it to a board of eight plus.

Mr Murray: At least all of the police commissioners.

MRS DUNNE: At least all of the police commissioners and now customs, tax and people of that sort.

Mr Murray: And other people; I can't recall who they are.

MRS DUNNE: Would it become a bit top heavy, a bit unwieldy?

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Mr Murray: That is a question of judgment, I think.

MRS DUNNE: Actually, I think I am asking you for your judgment? Are you prepared to give that?

Mr Murray: I would rather not, but what it is trying to cure is the expectation that each jurisdiction should have an equal say about priorities and targets, and that is one way of doing it.

Mr Quinlan: It is worth remembering the American experience. Yes, the board of the crime commission could be large, but the communication is then direct because the jurisdiction has a representative sitting on the board, whereas if we get the isolation we may have the communication problems that occur from time to time.

MRS DUNNE: You, Minister, would not see that structure as necessarily unwieldy but the execution, as we have seen in the last couple of days, is less than desirable.

Mr Quinlan: I think the structure will bring with it some difficulty, as does a board of some size, because the way the Commonwealth is moving, they virtually want an even weight between the number of Commonwealth representatives versus the number of state and territory representatives, it is getting that big. That does have problems with it, but offsetting that is the fact that each jurisdiction has a representative on that board, so that we have got the offset of at least, one would presume, far better communication between that body and the various jurisdictions.

Each one has its problems, but I am reasonably happy that if there is to be integrated work—we are quite in favour of the integrated work; it is just a matter of who pays the bill at the end of the day—then representation is necessary. If you want to cut the board, then I am happy for the Commonwealth to drop a few of theirs off. Again for communication purposes, they are looking lately for the taxation commissioner, but they are looking for Customs representation and they are looking for the Attorney-General. They are looking for their ASIO-type representation so that there is at least a single layer where there is free communication, as free as it can be with bodies like that.

MRS DUNNE: It seems to me that the structure of that sort of interagency communication is a good one, but is not necessarily the sort of structure that you need to run a national crime investigation unit.

Mr Quinlan: The answer then is to have a council or a consultative board and then another unit somewhere else, and probably call it the NCA.

MRS DUNNE: That reports to the police ministers conference, yes.

THE CHAIR: I think we are wandering out of the purview of policing and emergency services. There being no further questions of the Australian Federal Police, we will call it a day for the Australian Federal Police. Thank you, gentlemen.

Obviously, it is past 6 o'clock and I think it has been agreed by discussion that we will not proceed to Corrective Services this evening, but we will arrange a time that suits the minister and his officers to have that discussion later. We have a day for the recall of

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ministers. Friday week actually is the first day and that might be a suitable day, but we can liaise on that. Minister, I thank you for being here today.

Could I just ask one last question of you in your capacity as Treasurer. I put a number of question on notice in the Assembly in early June.

Mr Quinlan: Quite a number.

THE CHAIR: Indeed I did. You managed to answer them all except for the one about debits tax. I had hoped to be able to use that for the purposes of the Estimates Committee. It is about two weeks overdue. Is there any chance of getting that question answered before the end of this week?

Mr Quinlan: It must be lost in the pipeline somewhere, because all of those answers I sent off. I don't think there is any reason why it should not be answered. Note has been taken of that. I thank you and the committee for particularly the way officers have been received over the last couple of days.

THE CHAIR: It has been a pleasure. Thank you.

Resolved:

That the committee receive the documents presented so far this day and that, pursuant to standing order 243, the oral evidence and documents received at the public hearing so far this day be authorised for publication.

The committee adjourned at 6.07 pm.