

**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**

**TUESDAY, 23 JULY 2002**

**Secretary to the committee:**

**Mr D Abbott (Ph: 620 50199)**

**Ms J Henderson (Ph: 62050129)**

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

**The committee met at 9.03 am.**

Appearances:

Mr S Corbell, Minister for Education, Youth and Family Services, Minister for Planning and Minister for Industrial Relations

Department of Urban Services—

Mr A Thompson, Chief Executive

Mr A Eggins, Executive Director, Corporate

Mr A Phillips, Manager, Finance, Corporate

Dr C Adrian, Executive Director, Policy Coordination

Mr B MacDonald, General Manager, Road Transport, Policy Coordination

Mr G Zatschler, Manager, Group Business Management, Policy Coordination

Mr G Davidson, Executive Director, City Management

Mr H McNulty, Director, Roads, City Management

Mr T Gill, City Management

Ms J McKinnon, Executive Director, Land

Mr M Hehir, Land

Gungahlin Development Authority—

Ms A McGrath

Planning and Land Management—

Mr L Hawkins, Executive Director

Ms D Ekelund, Director, ACT Planning and Land

ACTION—

Mr G Thurston, Executive Director

Mr P Wallace

Kingston Foreshore Development Authority—

Mr G Lowe, Executive Officer

Mr G Ryan

**THE CHAIR:** Welcome, Minister, and welcome to your officials. I remind witnesses appearing today that responses to questions taken on notice are required within three full working days. To facilitate the answers, we'll email the transcript of each day's proceedings to the minister's office and the departmental contact officer for distribution to witnesses as soon as it's available. We'd ask witnesses who take questions on notice to check the transcript carefully to see what those questions are and make sure the information is provided promptly. We'd ask witnesses who want to put a question on notice to do so in a way which allows the question to be clearly identified as a question rather than simply as an issue which might be followed up later. That will flag it in the transcript. If possible, give page references so that it's clear what particular document is being referred to. Proceedings are being broadcast to specified government offices and the media might record proceedings and take visual footage of today's proceedings.

I'll read out advice to witnesses. You should understand that these hearings are legal proceedings of the Legislative Assembly protected by parliamentary privilege. That gives you certain protection but also certain responsibilities. It means you are protected from certain legal actions such as being sued for defamation for what you say at this public hearing. It also means 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.

It's our practice at the beginning of each day to go through the agenda for the day and identify areas where questions are to be asked. The reason for that is that if there are particular areas where questions aren't expected to be asked then the officers associated with those areas might then depart, not hang around all day. We would ask them not to hit the golf course, just in case something is required unexpectedly later on, but there's no need for them to be here if they're not required for particular questions during the day. We might go through the expected questions a little later, because some of the people who might ask questions aren't here yet.

I'd ask that witnesses, on coming to the table, state their name and the capacity in which they're appearing. With that, I invite the minister, if he wishes, to make an opening statement.

**Mr Corbell:** Thank you, Chair. My name is Simon Corbell, and I'm the Minister for Planning. I thank you, Mr Chair, and the committee for the opportunity to make a few brief opening comments.

Planning in the ACT has been one of the key priorities for the present government since taking office in October last year. This is reflected in a number of new initiatives that we have introduced to enhance the current planning regime in response to community expectations.

We have set the agenda for a wide-ranging discussion of how the community wants Canberra to develop over the next 25 to 30 years. I'm especially pleased to highlight that the government has met its commitments to the electorate and fostered the following key outcomes in planning:

- the introduction of new legislation, namely the Planning and Land Bill 2002, which will establish an independent planning and land management authority for the ACT;
- the commencement of a process to develop the government's Canberra plan through the release of community discussion papers on the Canberra spatial plan;
- examination of the first six suburbs under the neighbourhood planning program, which gives Canberrans the opportunity to take an active role in the planning and development of those areas where they live, work, play and invest;
- the release for public comment of draft Territory Plan variation 200, the garden city variation, which directly addresses issues of community concern about the bulk and scale of development and redevelopment in our suburbs;
- the commencement of a public transport futures feasibility study, which will develop strategies and solutions for our dependence on private transport; and
- the refinement of ACTCode, to significantly improve quality subdivision, and addressing concerns about the quality of residential building design.

Over the coming year the government will continue to deliver a range of state and municipal government services to meet the planning needs of the ACT. These include general territory planning, the management of development activity, land information, and licensing and regulation.

The following provide an indication of the diversity of services planning delivers to Canberra:

- sustainable land use, infrastructure planning, social planning, urban projects, master planning, environmental planning and transport planning;
- development application and assessment processes, lease and land act compliance, lease preparation, and infrastructure management;
- managing the spatial information infrastructure, including the spatial data management system;
- administering the licensing and regulation of the ACT building industry; the building, electrical, plumbing and associated services; as well as land surveyors; and
- assessments and inspections of hydraulics applications and the auditing of building certifiers, hydraulics certifiers and electrical self-certifiers.

The ACT government has a responsibility to, and a mandate from, the people of the ACT to serve our community. This means that we have a duty to deliver the best possible planning that will provide for the current needs of our community and secure its future needs. The budget has been developed to meet this challenge and further improve the quality of planning in the ACT, while also achieving better value with available funds.

The government is committed to making the best use of the available resources to significantly improve the territory's planning and development. We believe we can achieve better planning outcomes through the partnerships we have developed and will continue to develop with the community, with industry and through the hard work of ACT government officers.

The government is also committed to developing a long-term plan to service the transport needs of the ACT community through to 2020. We're committed to getting people out of cars and on to public transport and a range of other non-car modes.

In addition, the government is undertaking significant changes in relation to government land development activity. This year the government is moving to restore a level of public sector land development responsibility. The Yerrabi 2 estate is being undertaken as a pilot project by the Gungahlin Development Authority this financial year.

In 2003-04 government land development will begin with approximately two-thirds of greenfields releases being developed by government. A substantial number will be developed by way of joint venture or public/private partnership.

The government's approach will see a return of land development to the community, with a significantly greater return on our most valuable community assets. Some members may have read in the paper this morning some of the figures. From 2005-06 the level of additional return to the Canberra community from government land development will be \$17 million per year.

The government has embarked on a long-term program to improve the viability of ACTION and the services provided by ACTION. We have introduced a simplified new flat fare structure. We have taken steps to restore ACTION's funding base, along with

a significant fleet replacement program and other capital investments which will see a more accessible, affordable and reliable public transport system.

Public transport is just part of this government's approach to a sustainable transport strategy which achieves a better balance between public and private transport activity and recognises the true and full costs of different modes.

The government will produce an integrated transport plan to address the longer term infrastructure and service requirements of the community.

This morning I have sought simply to outline a number of points that will hopefully provide the committee with a better understanding of the scope and importance of the tasks the government has outlined in planning and transport in this budget. On the whole, we intend to ensure a greater level of sustainability in the planning and development of the territory and to provide an understanding of how our planning initiatives will be delivered to meet community expectations in an efficient and cost-effective manner.

Mr Chair, thank you. I and my officers are open to taking questions.

**THE CHAIR:** Thank you, Mr Corbell. What are the consequence of the budget for PALM's base resourcing? What additional money, if any, has been put into PALM for conducting its day-to-day activities or any special projects?

**Mr Corbell:** There is additional resourcing to PALM both in this budget and in the appropriations the government made in one appropriation bill last year which put in place an additional \$1.8 million I'll ask Mr Thompson to provide more detail.

**Mr Thompson:** Arising from the extra appropriation in December last year, an extra \$1.83 million has been provided to PALM, running through the next three years. In addition, there's extra funding to do with the strategic planning framework and sustainable transport strategy. The first one of those is another \$350,000 and the second is another 300,000—in sum total, about \$2.4 million of extra funding for this year.

**THE CHAIR:** The Treasurer advised us the other day of the productivity savings which are being made across government and indicated a number of areas where those savings were being made. He indicated that savings of \$2.3 million to \$2.5 million were expected from DUS. Does any of that fall within PALM?

**Mr Thompson:** Yes, it does. About \$250,000 of that would be against the PALM area.

**THE CHAIR:** So the net effect of increased resourcing to PALM is about \$2.25 million?

**Mr Thompson:** Of that order, yes.

**THE CHAIR:** The spatial plan is to be prepared within the next 18 months. I assume that means it will be available at about the end of next calendar year or the beginning of the calendar year thereafter for the public to see. I assume that there is a process of consultation about developments, so that before the final document is produced people will see it in draft form either in whole or in part. What's the process the government

intends to use to advance the adoption of that plan, and will it involve, for example, reference to the Assembly's Planning and Environment Committee?

**Mr Corbell:** I'll shortly ask Mr Hawkins to provide a bit more information on that for you, but perhaps I will give a general overview. The government outlined a very comprehensive process of consultation in the document which I launched at the War Memorial some time ago. That document outlines comprehensive steps of community discussion, including a series of community congresses and other liaison with both community and industry organisations, on the development of the spatial plan document.

I briefed the Planning and Environment Committee prior to the release of the spatial planning process, inviting in-principle support from the committee to be involved in the process. The committee has indicated that it would like to see how the process evolves before it chooses whether or not it gets involved. I indicated at a very early stage that the government is keen to see the Planning and Environment Committee involved in the process. I met with the committee prior to and following the release of the strategy for the development of the spatial plan, and I have continued to make available to the committee official briefings and information, so that when they choose to get involved they will have all the information they need.

Perhaps Mr Hawkins would like to elaborate on the process of community consultation that will be undertaken.

**Mr Hawkins:** I am Lincoln Hawkins, Executive Director, Planning and Land Management. The process, as well as the product, of a new strategy for Canberra, which is ultimately what those three components including the spatial plan will develop over the next 18 months, consistent with the type of approach which was foreshadowed by the OECD review under the former government, should ideally embrace as many of the stakeholders as possible.

Whilst there'll be much debate, the government needs to take a leadership role, which it is doing. It signified that it will be a collaborative process, one that seeks to engage not only the Commonwealth, the region, the broad industry and community stakeholders but the Assembly as a whole. We're in the early phases of doing just that.

The minister indicated the broad outline. Whilst there will be some reason and need perhaps for adjustment in the detail over that 18 months period, the broad outline presented on 12 April is already under way.

**THE CHAIR:** When the plan is developed, the Planning and Environment Committee can have a role in its consideration before it's put to the Assembly? I assume it will be put to the Assembly ultimately for consideration.

**Mr Corbell:** Yes, that's the intention.

**THE CHAIR:** There would be a possibility of that happening?

**Mr Corbell:** Absolutely. That's a process that we would welcome. I'd strongly welcome involvement from the Planning and Environment Committee on the development of the strategic plan. As Mr Hawkins says, these sorts of strategic documents are going to be

successful and have a lasting impact in informing decision-making in our community only if there is a high level of ownership, not only on the part of government but on the part of community, industry and the broader Assembly.

I see the engagement of the Assembly as important in making the plan a successful one, and I would encourage, and will continue to encourage, the Planning and Environment Committee to get involved, not right at the end of the process but earlier on, so that their deliberations and their thoughts on behalf of the Assembly can be built into the process earlier rather than later.

I would be concerned if the Planning and Environment Committee chose to get involved only right at the end of the process. I don't think that would properly inform the debate or allow Assembly members to engage in the process in a constructive way, as they would be able to if the committee became involved earlier in the process. That's the reason I've sought at a very early stage to meet with the committee on a couple of occasions to give them briefings on the process and on what we're trying to achieve and to seek their involvement.

**MS GALLAGHER:** A statement put out last night—you've referred to it this morning—is about a \$17 million benefit to the territory from the new land development project. Can you tell the committee how those costings were done and what amount of land they were based on?

**Mr Corbell:** I might ask Martin Hehir from Land to answer the details of the question, but again I will give a brief overview. As I've indicated in my statement and as the budget indicates, the government is moving to resume a level of public land development activity.

It's important to stress that this is activity which will inevitably involve existing private sector land development organisations, whether as contractors delivering services on behalf of the government or as partnerships in joint ventures or public/private partnerships.

The government has a number of policy objectives. The first is to get a better quality subdivision outcome in the development of new suburbs. The second is to make sure that the government gets a stronger return on a community asset. It would have to be acknowledged that land in the territory is our most valuable fixed asset. The third is to make sure that as a government and as a community we have the full set of tools available to us to achieve the planning outcomes that our community wants and expects.

The statement I've released this morning outlines the financial impacts. By the 2005-06 financial year we estimate the government will be receiving an additional \$17 million per annum in land revenue as a result of a higher level of government land development activity. I'll ask Mr Hehir to outline how the government has come to these figures and what the analysis has been.

**MRS DUNNE:** Before you do—

**Mr Corbell:** If Mr Hehir can just answer Ms Gallagher's question, Mrs Dunne, then we can come to you.

**Mr Hehir:** I am Martin Hehir, Director, Land and Property. In setting up the financial modelling to determine the final outcome, we looked at many factors. We had a look at the overall densities being planned for the Gungahlin region, and from that we derived the average block size. Using the average block size, we had a series of costings produced by an independent engineering consultant. From that we developed the average cost for the average block size, so we ended up with costings for the development.

We estimated the total number of blocks to be developed each year at 1,200, and we estimated a price of \$85,000 per block. That's substantially below the current average price of \$105,000. As a comparison, we used a raw land price of approximately \$25,000.

**MS DUNDAS:** And how much is it going to cost to develop the land?

**Mr Hehir:** The cost of development, based on the average block size, is \$38,500.

**THE CHAIR:** Who was the independent engineering consultant you used?

**Mr Hehir:** The firm we used was W P Brown.

**THE CHAIR:** Is it possible for that consultant's report to be tabled?

**Mr Hehir:** I believe so, yes.

**MRS DUNNE:** As I was trying to ask before, could we have a copy of the statement that Ms Gallagher seems privy to but the rest of us know of only through the *Canberra Times*?

**Mr Corbell:** Yes. I'd be happy to do that, Mrs Dunne. I have a copy here, but we'll get a copy circulated to committee members.

**MS DUNDAS:** If we're expecting to make a \$17 million profit by 2005-06, is the profit from land development then dependent on the Labor Party winning the next election?

**Mr Corbell:** The expected return is based on a continuation of the program. If there's a change of government at the next election and the new government chooses not to proceed with government land development, then clearly those figures are subject to considerable change. But our costing is based on a phased introduction of government land development and on a not unreasonable assumption that the program will be carried through.

**MS DUNDAS:** And 2005-06 is the first financial year you expect to make a profit from land development?

**Mr Corbell:** No, 2004-05 is the first financial year the government expects to make a profit on government land development, and that will be an additional \$2 million. It's important to stress that that's \$2 million on top of the current level of return the government receives on land sales, which is approximately \$30 million per year.



**MS DUNDAS:** You talk about the land development program providing better planning outcomes. Can you give me a definition of “better planning outcomes”?

**Mr Corbell:** The concerns about new subdivision design are fairly well known, certainly in new areas of Canberra—Gungahlin and parts of southern Tuggeranong. The planning outcomes in terms of verges, the density of buildings on a block, the ability to create attractive streetscapes and the effective provision of private and public open space are all issues of considerable concern to people in those areas.

Whilst I would be the first to admit that government land development on its own is not the solution, it is one way of helping to address those issues. Other parts of addressing those issues include stronger residential design controls in new residential codes. That’s work the government is continuing to implement, based on the work the previous government put in place.

We simply see government land development as one tool that helps to achieve better outcomes on the ground, basically because we believe a stronger level of supervision and control through government land development activity, by government itself or through public/private partnerships can help make sure we get better outcomes on the ground.

**MS DUNDAS:** I think we’re getting a little bit confused. Do you have a written document that is informing your decisions about better planning outcomes? Is that the spatial territory plan?

**Mr Corbell:** Do you mean in relation to greenfields land development?

**MS DUNDAS:** One of the outcomes from government-controlled land development is better planning outcomes.

**Mr Corbell:** Yes.

**MS DUNDAS:** I’m wondering where that vision of a better planning outcome is articulated?

**Mr Corbell:** It has been well articulated in a series of consultation processes over the past 18 months, undertaken by both this government and the previous government. For example, the previous government undertook a very extensive round of consultation in relation to the development of ACTCode 2, the new code for residential development.

That consultation process highlighted the community’s concern with the quality of suburban subdivisions in new areas and outlined in some detail what people’s concerns were. That consultation process also outlined community and individuals’ concerns about the nature of redevelopment in existing suburbs and older suburbs.

We’ve used that information, along with the information we’ve received to date in relation to redevelopment activity from the neighbourhood planning program, to help inform our responses to the concerns people are raising through those forums.

**MS DUNDAS:** But is it consolidated into one document?

**Mr Corbell:** It's consolidated into a number of documents. Certainly the neighbourhood planning feedback has been made publicly available and it's available on the neighbourhood planning website, and there is a compilation of that which I can seek to get a copy of for you. The ACTCode 2 public consultation process was well summarised in documents the previous government released and made publicly available.

**THE CHAIR:** Could I ask about the better quality outcomes you refer to? You mentioned the size of verges and things like that. It seems to me that getting better quality outcomes in that sense would most often mean having a lower density. The private sector developers who currently do this kind of development are expert at squeezing as many dwelling units into as small a space as possible, and hence the concern about small verge widths and so on.

You expect that among the better quality outcomes would be, presumably, lower density in many cases. So what you're saying is that the development will result in lower densities. Presumably therefore there would be a smaller number of blocks to sell. I think you also indicated in the newspaper this morning that the prices of those blocks would be cheaper. I think you said \$85,000 on average, compared with \$105,000.

**Mr Corbell:** If I can just correct that, that assumption in the report in the paper this morning is incorrect. When members see a copy of my statement—I think members have it there now—they won't see any reference to cheaper land prices in that statement, simply because I didn't make any such reference.

**MRS DUNNE:** So how did Frank Cassidy get to know about it?

**Mr Corbell:** Can I just address this particular issue, because I think it does need to be cleared up. The report in the paper this morning assumed that because the government made a financial modelling assumption that it would get only \$85,000 per block that meant the government was going to sell blocks at \$85,000. That is not correct.

The government made a very conservative assumption about the level of return we would get for an average block, and \$85,000, as Mr Hehir indicates, is significantly lower than the \$105,000 or so we currently receive, on average, per block.

The journalist in the paper this morning drew the conclusion that that meant we were going to sell blocks at \$85,000. That's not correct, and we have not claimed that this program will specifically address affordability issues such as getting lower lot prices. I need to clarify that.

**THE CHAIR:** Sorry, it will or won't address affordability?

**Mr Corbell:** It won't specifically address affordability. That's not outlined in any way in my statement which I've released today. That's a misconception by the journalist in the paper this morning, based on the conservative assumptions the government made about the return on block sales.

In relation to density, Mr Humphries, the previous government established new codes for residential development for greenfields subdivision, which this government has adopted, which have lower densities. We are simply continuing that policy setting.

I will ask Mr Hehir to address the detailed modelling, particularly through draft variation 200, which puts in place some additional changes in relation to potential yield.

**Mr Hehir:** DVP 200, more correctly, works on the size of the house you can get on the block size. It won't necessarily impact on the block size of itself. Depending on people's preference for large houses, there may be a slight change in the average block size. However, the average densities we used are the ones that PALM are currently working on for the north Gungahlin area. They take into account ACTCode 2 requirements. As far as ACTCode 2 goes, the densities are accurate, or as accurate as they can be for an estimated process.

DVP 200 may have an impact on people's preference for house sizes in relation to the average block size, but that's going to take a little bit of time to work through. I understand that industry is looking at that issue as well.

**THE CHAIR:** Once you've overlaid ACTCode 2 and DVP 200 and so on, I don't quite understand how this process will improve outcomes beyond that point. Aren't the outcome improvements the result of DVP 2 and ACTCode?

**Mr Corbell:** The point that I've sought to make before, Mr Humphries, is that this is about providing to government a toolkit which enables it to deliver better quality outcomes on the ground. Through government land development, we will have the capacity for a government agency to take account of some of the broader imperatives rather than the very strict interpretation of ACT codes for residential development.

To put it crudely, a private land developer is going to pretty much work strictly to the letter of the law in delivering the estate. They're going to look at what they can and can't do, and they're going to pretty much push the envelope and make sure everything they're doing is within the strict letter of the law of subdivision design controls.

A government land development agency will be required to work in a strong and robust manner in relation to its financial management and delivery of projects, but it will also have regard to other broader policy settings which the government may require of it in effective delivery of integrated open space, effective streetscapes and so on. It's that added extra which a government land development agency can deliver because it's conscious not only of the strict financial outcomes it's trying to achieve but also the broader social imperatives of the government that add an extra level of capacity in delivering quality on the ground.

**THE CHAIR:** That must go to the question of revenue obtained, though, mustn't it? If you're working strictly to the letter of the law in order to get the maximum yield from the estate, which is what the private sector developer is basically about—maximising his profit—there'd be some discount on the profit that the government would obtain because of its additional overlay of planning and design outcomes we're talking about, wouldn't there?

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**Mr Corbell:** Not necessarily. We believe that a government land development agency brings a different perspective to land development, and we can see improved outcomes through that process. That's certainly the experience with other government land development agencies.

Landcom in New South Wales, for example, has achieved very high quality estates, far higher quality than we're currently seeing here in the ACT. Yet they still make a strong return to their government owner. So we see no reason why we can't also achieve higher quality outcomes here, comparable to those being achieved in places just over the border in New South Wales.

**THE CHAIR:** What's the cost of the capital that has to be invested in this process? First of all, how much capital has to be invested?

**Mr Hehir:** For the Yerrabi 2 project—which is the Gungahlin Development Authority, so you would be better off talking to them—I think the approximate figure is \$7 million.

**MRS DUNNE:** For how many blocks?

**THE CHAIR:** That's the price of the land itself, or the price of the land plus servicing the land?

**Mr Hehir:** The \$6.5 million that's identified in 2002-03 is the cost of not selling the Yerrabi 2 estate out to the market. That's the only sale that's not happening.

**THE CHAIR:** So it's the sale price to the private sector forgone? Is that what it is?

**Mr Hehir:** Yes, that's right.

**MS DUNDAS:** So it doesn't include trunk services?

**Mr Hehir:** No. Trunk servicing is traditionally done by government and it's included in the Urban Services capital works budget.

**MRS DUNNE:** But what about the land servicing of however many blocks are in Yerrabi stage 2?

**Mr Hehir:** That will not be expensed until the following year, when the sales are programmed to take place. In traditional accrual accounting, you match your expenses to your revenues. That expense takes place in the next year, based on \$38,500 per block. Of the 260 blocks originally planned for Yerrabi 2, 200 of will be developed within this financial year but won't be sold until next year. That's a conservative assumption that we've used.

**MRS DUNNE:** Accrual accounting aside, you still have to spend the 200 by \$38,000 this year.

**Mr Hehir:** Yes, that's right. The cash is in there.

**THE CHAIR:** How much is that altogether?

**MRS DUNNE:** It is \$7.6 million, isn't it?

**Mr Hehir:** That's a GDA question rather than mine, but it is roughly \$7.6 million or \$7.7 million.

**Mr Corbell:** Perhaps when the GDA are here later today, you may be able to ask them.

**MS DUNDAS:** Is that \$7.6 million in addition to the \$6.5 million?

**Mr Hehir:** No, that's the budget presentation. That's the accrual framework. The cash is shown through the cash line in the presentation.

**MRS DUNNE:** Where is that?

**Mr Hehir:** If you go to the GDA and to the third sheet, you should see roughly the cash flow.

**Mr Corbell:** While officers are getting the relevant details for the committee, it's important to make the point that currently under the structures inherited from the previous government there are a series of agencies responsible for different areas of land development in the territory.

KFDA is responsible for Kingston, the Gungahlin Development Authority is responsible for the central Gungahlin Town Centre area, and Land in the Department of Urban Services is responsible for the remainder. That's a convoluted arrangement: three separate agencies and three separate reporting mechanisms for three separate types of land development.

Part of the government's reforms, as outlined in the Planning and Land Bill presented to the Assembly in the last sitting, is the consolidation of the different land development agencies into a single land development agency with a single reporting activity. So instead of having three separate reporting entities all reporting in a variety of ways, if the Assembly passes the legislation we will have a single agency and a single reporting outcome, which I think is far better for transparency.

Mrs Dunne, perhaps Anne McGrath from the GDA can answer your question about Yerrabi 2. You were pursuing that.

**MRS DUNNE:** No, I don't have particular questions about Yerrabi 2.

**Mr Corbell:** I think you were asking, and I think Mr Hehir indicated—

**MRS DUNNE:** No, I've got enough answer, Minister.

**Mr Corbell:** Sorry, Mr Chair, I seek your indulgence.

**MRS DUNNE:** I don't need to hear from Ms McGrath.

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**Mr Corbell:** Mrs Dunne did seek clarification in relation to Yerrabi 2. Mr Hehir indicated that he couldn't provide you with the full information, but Ms McGrath can, so if Ms McGrath can answer the detail of the question—

**THE CHAIR:** It was actually my question about what the up-front capital cost of land development was.

**Mr Corbell:** Ms McGrath is the responsible officer. She'd be quite happy to answer the question.

**THE CHAIR:** I was asking what the cost across government was of the capital to conduct private sector land development. You've given a figure of \$17 million across government—as profit, presumably—from the sale of land. I want to deconstruct that so I can work out how much we have to invest in the first place to get that return of \$17 million. I'm not interested just in Yerrabi. I'm interested in the picture across the territory.

**Mr Hehir:** I might be able to break that down for you. The actual servicing costs for the 200 blocks identified in 2003-04 is about \$7 million net of GST, or \$7.7 million less the GST component. That's the only development that occurs in 2002-03.

**MS DUNDAS:** I think the question is: what do we have to expend over the next four or six years to get to the \$17 million return?

**MRS DUNNE:** To get \$17 million extra.

**THE CHAIR:** Yes, that's the question.

**MS DUNDAS:** Not just in Yerrabi but—

**Mr Corbell:** Yes, we understand the question.

**Mr Hehir:** I can provide that information. That's certainly achievable. We can show you how much we have to expend to get the net revenue.

**MRS DUNNE:** It's going to be net?

**Mr Hehir:** That's a net figure, because the expenses come off.

**MRS DUNNE:** This is the point I've been trying to get at for about three months.

**Mrs Hehir:** Take the GST off the \$85,000, and it comes down to \$77,273. Take off the development costs, less GST—so take off \$35,000—and you end up with a figure of approximately \$42,000 per block as opposed to \$25,000 per block.

**THE CHAIR:** So the projection of \$70 million is based on 200 blocks? Is that what you're saying?

**Mr Hehir:** No, that's based on 1,200 blocks.

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**THE CHAIR:** I want to know then what the total cost is. I don't want to segment it.

**Mr Corbell:** Can we just clarify total cost for what? Is it for this financial year, for the next financial year?

**THE CHAIR:** In which financial year will you achieve a \$17 million—

**Mr Corbell:** In 2005-06.

**THE CHAIR:** Between now and 2005-06 how much will you have to invest to reach a state of affairs where you begin to receive additional profit of \$17 million on land development. That's all I want to know.

**Mr Corbell:** That's fine. We can provide that information. It's important to stress, though, that the government starts making additional return in 2004-05, not in 2005-06.

**THE CHAIR:** Yes, I understand that. You said that before.

**Mr Corbell:** The full program, once it's up and running, is certainly from 2005-06 onwards, but we do start to make additional returns—

**THE CHAIR:** You said \$2 million in 2004-05, didn't you?

**Mr Corbell:** An additional \$2 million so, instead of \$30 million, \$32 million in 2004-05.

**THE CHAIR:** So the additional profit between now and 2005-06 is \$19 million—\$2 million in 2004-05 and the \$17 million?

**Mr Hehir:** A net figure of approximately \$19 million.

**THE CHAIR:** A net figure, yes.

**Mr Corbell:** It's \$47 million compared to \$30 million.

**THE CHAIR:** You had an engineering consultant do a study on the prices in a particular segment of land. Haven't you done a feasibility study for the whole scheme, for the whole concept, across the territory?

**Mr Corbell:** What do you mean by a feasibility study?

**THE CHAIR:** A study which demonstrates how you can make returns of this kind across the board.

**MR SMYTH:** Is there a cost/benefit analysis of the whole process?

**THE CHAIR:** A cost/benefit analysis, whatever you want to call it.

**Mr Corbell:** We have put together a financial model which builds in the inputs Mr Hehir has been talking about and a reasonable assumption of what we expect to receive as a sale price per block. We've worked out what the costs are, based on the engineering

assessment we indicated to you earlier. We've worked out what we expect demand to be over the period. We've put those together. That's a very brief summation, but we've put together a financial model between Land and Treasury to make sure it's a rigorous model. Mr Hehir is better than I am at the technical jargon, but that's essentially what the government has done. It has put together a financial model which has been tested between government agencies to make sure it is rigorous and it stands up. It's on that basis that the government has taken a decision to proceed into this process.

**Mr Hehir:** To extend that answer, we did a discounted cash flow analysis of the two main options—government land development and a continuation of the rural land sale. That's predominantly how you get a cost/benefit analysis. We compared the two results.

**MR SMYTH:** But has an independent cost/benefit analysis been done? For instance, the Auditor-General's report that was delivered yesterday criticised the process you have just outlined. It was developed in house, it was checked by other agencies and it was given the tick. Is there an independent cost/benefit analysis that shows that the government will get the return you outlined in the press release this morning?

**Mr Corbell:** I'm very happy, Mr Smyth, to put this process up against your process in relation to V8 supercars any time.

**MR SMYTH:** That's not the question, Minister. The question was: is there an independent cost/benefit analysis?

**Mr Corbell:** You referred to the Auditor-General's report yesterday that dealt with the V8 supercar process. Your cabinet—

**MR SMYTH:** Mr Chairman, my question is: is there an independent analysis?

**Mr Corbell:** Your cabinet did not seek particular advice from CTEC, because it didn't suit you. That's essentially what the Auditor-General's report of yesterday says.

**MR SMYTH:** No, that's not true, Mr Corbell, and you know it.

**THE CHAIR:** Let's get back to the business.

**Mr Corbell:** If I can answer the question, this has been a very detailed and rigorous analysis. It has been based on advice received from outside experts in relation to the costs of servicing land—

**MRS DUNNE:** Which outside experts?

**Mr Corbell:** This is the W P Brown study that Mr Hehir referred to earlier.

**MRS DUNNE:** They're construction engineers?

**Mr Corbell:** Yes, and they're responsible—

**MRS DUNNE:** They're not land economists?



**Mr Corbell:** They gave us advice on the costs of servicing land, which is a key cost driver. They're the same people who would provide the same level of advice to a private land development organisation.

**MRS DUNNE:** But that figure is a commonly known figure.

**Mr Corbell:** If I can just answer the question, Mr Chair. We have used the same sort of organisation a private land development organisation would use to work out the cost of developing land.

**THE CHAIR:** But one piece of land, not the across the territory?

**Mr Corbell:** That's the same basis on which a private land development company would work out its costs—on the average cost of developing the block. It's important to stress it's the same process.

**THE CHAIR:** But can I just interrupt again—

**Mr Corbell:** If I can just finish my answer to the question, Mr Chair. The assessment the government has done is based on saying, "What are the extra costs?" At the moment we sell land raw and the private land developer pays us a price which takes into account their cost for servicing the land and associated activity.

We've said, "Let's look at how much it costs to service the land ourselves, either directly or through a joint venture model." We've worked out what that cost is. We've worked out what we expect the demand to be, and we've built in a very conservative assumption in relation to the price we expect to get for a block. Currently blocks are selling in the territory for over \$100,000. This model and the revenues predicted as a result of the model are based on a return of \$85,000 per block. There's a significant level of caution built into the assumption.

If we built in an assumption that we'll continue to get \$105,000 per block, I would rightly expect this committee to be very critical of that. But we haven't done that. We've built in a very conservative assumption about how much we expect on average per block. That is an appropriate response to take account of movement in the land market which we've seen in this city over an extended period of time. Our expected return of \$85,000 per block is very conservative. So it's a detailed process. It's a process which has involved a series of very detailed cabinet submissions, unlike with the V8 supercars.

**MR SMYTH:** You don't know that, Mr Corbell, because you haven't read those cabinet submissions.

**Mr Corbell:** The Auditor-General read them, Mr Smyth. The process included commentary from Treasury, the Chief Minister's Department and Land. So it was a very detailed analysis, the normal process government would embark upon for a significant initiative like this.

**Mr Thompson:** Mr Chair, I can add a little. It's worth recognising that as we began to develop prototypes of this model it became very clear that working capital was, or could be, a significant issue, and certainly long-term profitability could be an issue.

But we continued to work it up as a model in house. We then subjected it to a great deal of scrutiny by our Treasury colleagues. They felt persuaded that, as with other land development entities, whether state government or private sector ones, the business of land development can be profitable for the ACT government.

There is a pipeline effect. You make an investment in one year and you normally get the sales dividend one year or two years later. But once you accept that there is that pipeline effect, the analysis demonstrates that this is quite a reasonable and rational business for the ACT government to be in, either developing the land solely by itself or, as we're proposing, using a mixture of sole development and joint venturing.

**THE CHAIR:** I go back to the question I asked. You suggested, Minister, that what you're doing is what a private sector company might do. It would test the propositions in its land development proposal by getting perhaps other expertise in to consider the costs and the benefits of the proposal.

Surely a private sector company wouldn't look only at one part of the development that it proposed to undertake. You're proposing to develop land across the territory, and with a certain number of blocks in mind you have produced your figure of \$17 million. Why look at only 200 of the 1,200 blocks you mentioned?

**Mr Hehir:** The model produced by W P Brown is an average cost of development. It's based on their experience over a number of estates over a number of years and what the average cost of development is. So it's not applied to a particular estate. It is the average cost of development.

We did have those costs looked at by ActewAGL in terms of the assets they received from the transfer. They thought the costs were a bit high. However, we didn't take those costs down at all. We left them at the higher figure. It wasn't based on a particular development; it was based on the average cost of development. The report identified circumstances where those costs will vary. We haven't tried to build those in at this point. That's more correctly done when we identify estate by estate.

**THE CHAIR:** Mr Thompson said that the conclusion you reached as a result of this analysis in house is that the scheme can be profitable. The question is: will it be profitable? What risk is undertaken by government getting into private-sector land development?

You haven't exposed the whole of the proposal you're putting forward to outside scrutiny, to outside expert comment or analysis. We haven't yet seen the model. You said that a model has been developed. We haven't seen that model. We're told we can have the W P Brown component of the work, but we haven't seen the model. Can we see the model and how it will work, so we've got some idea how this process hangs together?

**Mr Corbell:** The government is very open to providing all the relevant information about our assessment of this process. We believe that the model is a very sound one, and we're happy to provide documents which outline how that assessment has come about. I'm very open to providing that level of information.

It's important to stress that the process the government is working through is a very detailed one. I have lost my entire train of thought, Mr Chair. Sorry, can you repeat the question?

**THE CHAIR:** Yes. I've lost the question as well. Can you put the model on the table? We're told that a set of thinking has gone into this which demonstrates that this, as Mr Thompson says, can be profitable. But any developer in the private sector knows that there's risk associated with falling prices, higher costs, industrial action—all sorts of things that might affect the end price. How much of a buffer is there? How does the whole model fit together?

**Mr Corbell:** As I've already indicated, the key assumption of profitability or not is the return we get on average per block. The assumption, as I've already indicated, is \$85,000 per block, significantly lower than the \$105,000 per block the private sector currently receives for its land sales.

There is already a level of risk for the territory, in that we rely on raw land sale at the moment to generate the cash government needs primarily for its capital works activity, as you would know. The revenue the territory currently gets from land sale is already subject to a high level of risk from variations in the market, variations in the price of land, variations in demand for land. That risk is already there.

**THE CHAIR:** It is not a high level of risk, is it? We regulate the amount of land going to the marketplace, so we can control that. It's a relatively low level of risk, I would have thought.

**Mr Corbell:** No. There is a level of risk. What you're saying, Mr Humphries, is that we control the amount of land we release to make sure we maintain the return.

**THE CHAIR:** The value of the property; that's right.

**Mr Corbell:** But that only goes so far before you start making land prices potentially very high, simply to maintain the revenues the territory receives.

**MR SMYTH:** Which happened last financial year.

**Mr Corbell:** I'm happy to come to that, Mr Smyth. We released more land than you ever planned to.

**MRS DUNNE:** There are lies, lies, damn lies.

**Mr Corbell:** Mr Chair, Mrs Dunne suggests that I was lying. That's quite uncalled for.

**THE CHAIR:** That's not within standing orders. That should be withdrawn.

**Mr Corbell:** I would ask Mrs Dunne to withdraw the comment.

**MRS DUNNE:** I'm sorry. I was talking about the figures.

**MR HARGREAVES:** Could I ask for a withdrawal then, please?

**MRS DUNNE:** Okay. For people concerned about the figures, I withdraw.

**Mr Corbell:** Thank you.

**MR HARGREAVES:** No, that was a qualification, Mr Chair.

**Mr Corbell:** Mr Chair, I'm happy. I think the point has been made. There is a level of risk already in the territory's reliance on raw land sales to generate revenue. We're already engaged in that process, so let's not kid ourselves about that.

Essentially, what the government is saying is that we believe that because we're already involved in an activity which has a level of risk we can get a better return on that by being more proactive about how we manage our land asset. That's essentially what land development activity is about. I think Mr Hehir wanted to add to this answer.

**Mr Hehir:** It is interesting to hear the intuitive understanding out there that restricting the land supply increases the return in the price of the land. At the moment that profit is being handed predominantly to the private sector. Most of the land they're currently receiving \$105,000 on was sold as raw land for \$25,000 or less. Add the \$38,500 to that as a cost, and you can see that the private sector is making a substantial profit. That's about land supply.

Risk is generally measured in variability. In the time I've been in Land, which is approximately 3½ to four years, I've seen the raw land price go from as low as \$4,000 per block to as high as \$35,800 per block. That's a substantial degree of variability.

In essence, when you talk about risk, the territory is a de facto repository of risk from the private sector methodology for pricing land. They use what you call the net residual value methodology for determining the value of land. Given that the costs are the same for most developers, there are two levels of variability. One is the level of risk they're prepared to assume, and the other is the price they perceive they're going to get. That price is the most significant factor. So the market's estimate of the final sale price is what the territory wears. In essence, we're already wearing a proxy for the market anyway, because the banks, which generally finance a large portion of the development costs, require realistic valuation or estimation of prices.

In effect, a large part of the risk is already transferred and borne by the territory in the methodology the private sector use to price land. The auction methodology may overcome a bit of that, but in essence the territory is substantially wearing that market risk right now. The only risk we're not wearing at the moment—and some engineers in DUS will probably disagree with me—is the construction risk. That's the only additional work we're undertaking.

We take ownership of that asset in the end anyway, so we have the ownership risk of it. If it doesn't perform up to standard after the period of consolidation, the territory bears the risk of the ownership of that asset. What we don't have is construction risk. You manage that by having expert consultants manage the project. You undertake a proper

tendering process to make sure you get good value for money. That's how we believe it is most appropriate to manage that risk.

In essence, I don't think we're taking on a higher level of risk than we have now. We're just doing it in a different manner.

**MR HARGREAVES:** And we're not getting any money for that risk.

**Mr Corbell:** That's exactly right, Mr Hargreaves. We are essentially forgoing the capacity to get a stronger return on an asset we own. That is an element of the government's policy thinking on this. This is after all the community's asset. We own the land asset, and it makes sense that if we sell an improved product, rather than a raw product, we will get a stronger return.

The figures we've released indicate that the additional \$17 million ongoing is a significant improvement on the return the territory gets for its asset. It's incumbent on any government to make sure that that return can be achieved in a responsible and prudent way, which is what we're doing.

**MR SMYTH:** In what year will we double the profit we're going to make? You have made claims that we will double the profit. When will that occur?

**Mr Corbell:** The doubling was based on earlier analysis. As you'll recall, the comment was made earlier this year. It also assumed a resumption of full activity by the government, with the government doing all land development activity itself—no public/private partnership, no joint venture. That figure was approximately \$57 million on the earlier analysis.

Since that time the government has changed the approach it wants to adopt to the delivery of government land development, including a mixture of direct activity and activity through public/private partnership. Because we're going down that path, the level of return is not as strong. That is the reason for the change in the figure.

**MRS DUNNE:** Minister, could we see that initial analysis of wholly public-sector land servicing?

**Mr Corbell:** I'm happy to provide that, yes.

**Mr Hehir:** Can I clarify the answer? I did the original figures. There were two factors. One was the high level of government development. At that stage we were using \$85,000, net of GST, as the price. In comparison to the \$105,000, we saw that as a reduction of 11 or 12 per cent. Based on that and discussions with Treasury and myself, we increased the conservatism from 12 per cent to 20 per cent. So we went from \$85,000 net of GST to \$85,000 inclusive of GST. The minister didn't pick up the distinction when we were talking about it. That was the fault of my communication. That was the more significant issue. About \$5 million was the figure for joint venture activity. The more significant one was moving from \$85,000 net of GST to \$85,000 inclusive of GST.

**Mr Corbell:** I stand corrected.

**MR SMYTH:** Over the time that you've been developing this proposal you've had to change from doubling your profit to increasing it by something like 55 per cent. Doesn't that indicate that you should get an independent cost/benefit analysis? I didn't receive an answer to that. Is there an independent cost/benefit analysis of what you intend to do?

**Mr Corbell:** The analysis undertaken by government agencies which was informed by detailed information from outside organisations expert in the cost of developing land. On the basis of that information the government reached the conclusions it has reached.

Yes, there has been a change. But as we have indicated, it is based on changes in the assumptions, and it's part of the process of the government developing a rigorous model. The comments I made earlier on in the year were certainly at a very early stage of decision-making and analysis. The figures we are presenting to you today in the budget represent the decision the government came to after very rigorous analysis.

**MR SMYTH:** Is there a full and comprehensive independent cost/benefit analysis?

**Mr Corbell:** I've answered that question, Mr Smyth.

**THE CHAIR:** He has answered that question.

**MRS DUNNE:** I go back to the statement you made on 15 May about doubling your revenue. We talked about it again in the Planning and Environment Committee on 31 May, when you couldn't tell me whether it was gross or net.

**Mr Corbell:** It was net.

**MRS DUNNE:** Yes, but you couldn't tell me.

**Mr Corbell:** No, I couldn't tell you then, but I can tell you now.

**MRS DUNNE:** It has taken you a while to get back to me. When did you abandon the notion of full public engagement and go for a mix?

**Mr Corbell:** I couldn't tell you exactly when, short of trying to find out when the formal cabinet decision was taken.

**MRS DUNNE:** You can get back to me.

**MR HARGREAVES:** To the committee, Mrs Dunne, not you.

**MRS DUNNE:** Okay.

**Mr Corbell:** This is a process of detailed deliberation by government. As you, I would hope, appreciate, it involves discussion and deliberation by individual ministers and by individual departments which then informs a collective decision of the cabinet. That's what occurred in this case. There was a very detailed series of discussions. It involved a series of submissions to cabinet and resulted in the outcome we have today, which is a very rigorous model. It is a model built on very conservative assumptions, as I've

already indicated, and informed by expert advice from relevant agencies outside of government.

**MRS DUNNE:** Minister, when you were doing your rigorous analysis before May, were you doing an analysis of full public land servicing and variations of that such as private/public partnerships? Were you doing all those things in lock step, or did you do an analysis that looked at full public sector development, decide that you couldn't proceed with that and then look at alternatives? Which way was it done?

**Mr Corbell:** Mr Hehir will correct me if I'm wrong, but my recollection is that three areas were being focused on. Continuing the existing arrangements, the sale of raw land, was one scenario that was looked at. Another scenario that was looked at was a full resumption of activity entirely by government. Then there was a series of others in between those that involved mixes, if I recall correctly.

**MRS DUNNE:** So from the outset you were looking at a range of models?

**Mr Corbell:** As Mr Thompson points out, there were two scenarios within that middle range of public/private partnership joint venture activity. So we looked at the broad range of scenarios. We simply didn't go from one extreme to the other and end up in the middle. At that time we were working through a range of models.

**MS DUNDAS:** Will we be able to see a copy of that rigorous model you're talking about?

**Mr Corbell:** The government will provide the committee with a copy of the W P Brown report, which informs the government's decision-making around the cost of servicing land, and I'm happy to provide detail of how the government reached the conclusions it has in relation to the costs of this program overall.

**MRS DUNNE:** Does that include the model?

**Mr Corbell:** There isn't a single document which is called the model, but there is information which comes together and outlines the reasoning behind these figures which I've indicated publicly today. I'll provide that information to the committee. But there is no document called the model, but there is information which I'll provide.

**MRS DUNNE:** Is there information you feel you can't give us? I get the feeling that you're hedging about.

**Mr Corbell:** No. We don't have any commercial-in-confidence information. There may be some information which is subject to the protection of cabinet deliberation. But outside of the cabinet process there are no constraints, I believe.

**Mr Thompson:** This model for the future is essentially being done in two stages. Stage 1, this year, is a pilot, if you like, using Yerrabi stage 2 estate, essentially using this model but on quite a modest scale—260 lots.

The full kick-off of this model will occur next financial year. No doubt we will learn something from Yerrabi 2, although at this stage all the indications are that the interaction between the various consultants we're using, including the Village Building Company, is going very well and very constructively.

So we're quite optimistic that this will work very effectively for the territory and get a good design result so that the estate at Yerrabi 2 will be of a very high quality.

**MS DUNDAS:** So it's quite possible that the model you have used will be refined after the Yerrabi pilot program?

**Mr Hehir:** What we have adopted for the budget papers is a financial model, as I said in response to a question from Mr Humphries. We've used the average cost. Once we get closer to identifying individual estates, some of the individual characteristics of those estates will need to be taken into account. For example, if you're on a hill or a hilly estate, some of your costs go up, some of your block sizes change. Those individual impacts need to be brought into it. At the time we did the financial modelling, we didn't have an allocation of individual sites, or the particular geology or topography of those individual estates.

**MS DUNDAS:** Do you have that now?

**Mr Hehir:** No, not the detail of it. You do need quite a high level of detail to get into that. Certainly, we believe that the assumptions are robust. They're based on very sound advice, but in on-the-ground implementation there will be variations. Whether they're cheaper or not is—

**MS DUNDAS:** So there will be refinement of the model? Why is it being called the pilot project if there isn't going to be—

**Mr Hehir:** Of course, as we get more information, we'll always add to and refine the model and build better information into it.

**MS DUNDAS:** You've been talking about the assumption of 1,200 blocks per year informing the model. The kick-in of the 1,200 blocks will not happen until next year?

**Mr Hehir:** The full amount of the sole government and joint venture of 1,200 blocks doesn't take place until 2005-06. There's still a program of raw land sales—

**MRS DUNNE:** So you're still ramping it up?

**Mr Hehir:** Yes. There's still a program of raw land sales this financial year and next financial year to the private sector

**Mr Corbell:** There's a mix of activity. There will be some land sold raw through the existing mechanisms, and there'll be some land developed through either government activity or joint venture activity.

**MS DUNDAS:** And by 2004 you expect no more raw land sales at all. It will all be government controlled?



**Mr Corbell:** That's correct—being undertaken by government.

**MS DUNDAS:** In 2004-05 you expect there to be 1,200 blocks?

**Mr Hehir:** Twelve hundred blocks in 2005-06.

**MS DUNDAS:** So what happens in 2004?

**MRS DUNNE:** What's happening in 2004-05?

**Mr Hehir:** The private sector are still developing some of the estates that have been sold to them. The government wouldn't necessarily go out and develop blocks that weren't necessarily for sale. You make sure that the overall development levels match demand. We're still allowing the private sector to be developed in that period.

**MS DUNDAS:** And the model reflects all these variations?

**Mr Hehir:** Yes, it does.

**MS DUNDAS:** If from 2005-06 we're looking at 1,200 blocks per year, when will we run out of land?

**Mr Corbell:** Demand for land is determined by growth in the city overall, and the government—

**MS DUNDAS:** Assuming everything is going great, when are we going to run out of land?

**Mr Corbell:** The government has, as the previous government had, a land release program and a broader metropolitan planning strategy which is basically premised on the assumption that for the next 20 to 25 years population growth will be catered for primarily in the Gungahlin area and through redevelopment and urban consolidation activity across the city.

**MS DUNDAS:** You expect that over the next 20 to 25 years we'll do all the development in Gungahlin. Under the current Territory Plan we won't run out of land selling or developing 1,200 blocks per year for at least 25 years?

**Mr Corbell:** The government doesn't plan its land release programs more than about four years in advance, but under the Territory Plan the assumption is that for the next 20 to 25 years population growth will primarily be met in the north of the city through the development of Gungahlin.

**MS DUNDAS:** For the 2004 and 2005 financial years where do you plan to have the government developments? Are they all going to be in the Gungahlin area?

**Mr Corbell:** The government hasn't taken decisions in relation to the exact parcels of land that will be the subject of government land development. The government has outlined the general boxful of land, if you like, that will be available for development in

that period. That's in the land release program I tabled in budget week. But decisions on specific parcels will be taken down the track.

I guess there are a couple of points to make here. The government doesn't need to establish any new mechanisms to undertake government land development activity. I think it's important to stress that. We're doing it now with GDA. We are using existing mechanisms.

But the government believes it is appropriate to establish a single entity responsible for government land development activity and private/public partnership activity, and that's what's proposed in the new Planning and Land Bill—the establishment of a land development agency. Essentially, the structure is that the Planning and Land Authority will advise government on what parcels of land are potentially available for release over a period of time—say, three or four years.

The government will sign off and approve a program, similar to what we do now, as in this booklet here. Then those parcels will be passed to the land development agency, which will be responsible for coordinating and determining the release and whether or not they go through a government land development process or a public/private partnership process. They will do that on the basis of getting the best possible return and meeting other objectives the government has in relation to land development.

So the process is a very clear one. The planners determine where the land is available and appropriate for release, and then the commercial decisions about the timing of release and how development is done will be left to the land development agency. As the bill outlines, it's a very transparent process. It will be a government business activity. It will be a corporation. It will have the reporting requirements that other corporations like GDA and KFDA have now.

The other point worth making in this discussion is that currently, under the model established by the previous administration, the government already undertakes government land development and even undertakes retailing of housing through the Kingston Foreshore Development Authority. A government entity currently does government land development and sells the houses. We're not proposing to sell the houses, but I think it's a reasonable point to make that we already have a process up and running where an entirely government-owned entity, in public/private partnership, is developing land and selling housing on that land. So what we're doing is not radical when you look at what's happening in KFDA.

**THE CHAIR:** It's a very high-cost, high-quality development, though, isn't it? You wouldn't expect from other land sales across the territory the returns that you would get from something like the Kingston foreshore.

**Mr Corbell:** Using your argument, Mr Humphries, it's also high risk.

**THE CHAIR:** Indeed, it is.

**Mr Corbell:** But your government entered into it.

**THE CHAIR:** That's quite true, but it's a very small component of the government land release program, isn't it, to minimise the risk?

**Mr Corbell:** It's quite a sizeable part of the redevelopment program in terms of the number of sites that are going through redevelopment, that are taken into the mix. It's quite a sizeable program when you look at that side of things.

**THE CHAIR:** But the total program is quite small.

**Mr Corbell:** I simply make the point that the previous government felt that it was appropriate not only to go into government land development at KFDA but also to go into government sale of housing at KFDA. What we're proposing is not a radical step. It's something you did on a small scale.

**THE CHAIR:** I go back to the cost of the capital, the cost of the up-front investment to receive the return you're talking about—the additional \$19 million—by 2005-06. You've given us a disaggregated figure per block. What's the up-front cost to achieve that \$19 million?

**Mr Hehir:** I can certainly provide you with that figure. I have figures, but I think the presentation needs to show overall revenue, overall cost and net return year by year. We can certainly do that for you. If you don't mind, I will take that on notice, clean up the sheet and present it properly.

**THE CHAIR:** My rough calculation makes it about \$50 million. Is that what you would suggest?

**Mr Hehir:** It's a little bit more, probably.

**THE CHAIR:** I come back to this question of risk the minister was talking about. You've presented us with an in-house analysis of what you see as the likely returns from this program. Can I put to you the reality of what has happened in the last couple of decades with government running land development?

The Commonwealth was involved in land development in the 1980s. After losing about \$60 million over two years in that process, they pulled out of it. The joint ventures undertaken in the early 1990s by the ACT government were, almost without exception, financial failures and produced quite significant losses for the territory—well over \$20 million worth of losses to the ACT taxpayer.

What is it about your proposals which is different to those earlier experiences and will generate profits when previous schemes have made serious losses?

**Mr Corbell:** If I can just make some brief opening comments, I'll ask Mr Thompson and Mr Hehir to provide a bit more detail. The experience of the NCDC and the Department of the Capital Territory in the 1980s was in a quite different set of circumstances. In the 1980s the federal government had an amount of money which it had to spend on building infrastructure. So it would spend it all that year, regardless of what the demand was. They didn't use their revenues from sales to fund infrastructure provision in developing new estates.

They had a capital works budget which paid for a certain amount of infrastructure per year, and they spent that money each year, regardless of what the demand was. That's why you had whole suburbs built and serviced, with all the blocks, all the street lighting and everything in, but no houses. They had the money to deliver the infrastructure, regardless of what the demand was, and that's what they did. They built ahead of demand. There was a cost to government in doing that.

The experience in that circumstance was quite different from the the situation now. What other government land development organisations do now, what private land developers do now and what we're proposing to do now is to deliver land through a just-in-time process. You deliver it to meet the demand, not exceed it. That's where the volume of land released is crucial. The figure Mrs Dunne and I heard at the HIA function a few weeks ago is pretty much comparable with what we're proposing in new blocks—about 1,200.

That's the key difference. The NCDC was just building because they had a certain amount of money to build with. They weren't trying to build to meet demand.

You made a comment about joint venture activity. The government disputes that joint ventures have been failures. Far from it. When you look at the final results, most of the joint ventures have been very profitable.

**MR SMYTH:** Only after the change of government.

**THE CHAIR:** I'll ask Mr Hehir to respond in detail to a couple of other points. Mr Thompson may like to add some comments also.

**Mr Thompson:** The issue critical to successful land development is timing. We would see an authority which has an expert board and instructions from government developing land in a cost-effective and socially responsible way. The key issue for them is to look at the timing in the market, get the timing right, release the right amount of land in that year and commit capital for the developmental costs of only that amount of land. Provided you run your business on that basis, you should not have the problems that the NCDC had or which, I understand, applied for some of the early 1990s JVs which had a lot of capital invested and no sales.

**Mr Hehir:** The most important point to make is that the NCDC did have a significant amount of land developed without any responsible sales. With government undertaking the majority of land development, either by itself or through joint ventures, it will be in a better position to control the overall supply of land.

The most significant factor that impacted on the joint ventures and indeed private sector development in the mid-1990s, which is when the slump came, was oversupply of land. The government is in the best position to control that. In the lead-up to the slump, they were expecting high levels of growth. They continued to supply at those high levels of growth, and growth stopped substantially because, people tell me, of the impact of a federal government decision to cut employment in the territory.

**THE CHAIR:** But isn't that the risk you still face in a situation like this?

**Mr Hehir:** At this point we have a very low level of growth. Most of our housing demand isn't driven by population growth in its traditional sense, and it's not driven by a high level of fertility. Fertility takes about 20 years to flow through the system and generate additional housing demand. Demand is not driven by high levels of immigration into the territory.

It's driven by people in the territory changing household formation sizes. It's driven by children leaving home and setting up their own place. It's driven by divorces. It's driven by people living longer. We don't see a significant change in those things over the medium term. If there is a move, we expect that move to be up rather than down, unless there's a massive change in employment in the territory.

**THE CHAIR:** Going back to the land release program in the 1980s, are you saying that the losses reported to have been made weren't really losses, because they were imputing costs of land development on larger numbers of blocks of land than was offset by sales?

**Mr Corbell:** I don't know the detail of the particular financial aspects of that time. The point I'm making is this: the picture that's painted is of whole suburbs developed with no houses in them.

**MRS DUNNE:** But that happened in the 1970s, not in the 1980s.

**Mr Corbell:** It happened in the 1980s too.

**THE CHAIR:** Whereabouts?

**Mr Corbell:** In Tuggeranong.

**MRS DUNNE:** That all happened in the 1970s.

**Mr Hehir:** The biggest oversupply certainly did happen in the 1970s, but there was also an oversupply again in the late 1980s.

**Mr Corbell:** The criticism that's trotted out is that there were whole suburbs built with no houses in them. That's the picture that's painted, and certainly has been painted by—

**THE CHAIR:** Sure, but what's that got to do with the return from the land—

**Mr Corbell:** You've raised it Mr Humphries, and I'm simply trying to make a point—

**MRS DUNNE:** No, you raised it.

**Mr Corbell:** If I can just finish making a point, the criticism that's made is that government land development means whole suburbs built and developed but with no houses in them. That's the very simplistic picture that's painted.

**MRS DUNNE:** No-one has painted that picture except you, Minister.

**Mr Corbell:** Mrs Dunne, if I can just answer the question—

**MR HARGREAVES:** Bronwyn Bishop is full of questions. Why don't you just leave it alone and let the question get answered? Just be quiet and listen for once. You might learn something.

**THE CHAIR:** Order, please! Let's hear the minister.

**Mr Corbell:** The NCDC had a big bucket of money to spend each year on infrastructure provision for new suburbs, and they built the infrastructure regardless of demand. That's why there were empty suburbs. That's not the process that has been used by this territory or indeed by other land developers in other places for quite some time. We currently determine our land release program to meet demand. We currently tailor the land release program—

**THE CHAIR:** We didn't in the 1980s, though, did we?

**Mr Corbell:** We tailor the land release program. The territory has tailored its land release program, certainly for the past six or seven years, to meet demand. That's what this land release program does. It meets demand based on the best estimate of what the demand will be, in consultation with industry, and there is no reason to expect that that will not continue in a scenario where the government itself is undertaking a higher level of development activity.

**THE CHAIR:** I put it to you that in the 1990s, when government was involved in land development and responsible for the land release program, there was a conflict of interest, and government ended up releasing more land than was desirable, partly because of their need to get returns from their joint ventures. The ACT had a market that was badly flooded for a number of years, because the government of the early 1990s didn't properly regulate the amount of land it was releasing. The Commonwealth government didn't get out of it because they were misled by the appearance of whole suburbs that were being developed and not sold. They got out of it because they saw that they were making losses. Are you suggesting that the Commonwealth government misconceived the situation when it determined the situation was—

**Mr Corbell:** No, I'm not suggesting that at all.

**THE CHAIR:** Why did they get out of it, in your view?

**Mr Corbell:** I don't know, Mr Humphries. I don't know why they got out of it. I wasn't even of the age to vote then, so I wasn't paying close attention to public affairs at that time, but I can say that the land release program is based on meeting demand. The model which the government is establishing for the relationship between the determining of the scale of land release and those responsible for land development is a very open and transparent process. The Planning and Land Bill establishes the Planning and Land Authority to provide advice to the government on the scope and the areas of land available for release.

The Planning and Land Authority will communicate that advice to government, which will make the decision on land release as part of the budget process, and then the responsibility for the development of land, either directly or through partnership, will be

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undertaken by a separate land development agency which is accountable to both government and this place. That's a very open and transparent process, and one which we believe addresses any of the concerns you raise in that regard.

**MRS DUNNE:** Will that Yerrabi development be sufficiently completed so that there can be a proper analysis, so that it is a real pilot, before the next budget round is completed?

**Mr Corbell:** Can I ask Ms McGrath to answer your question now?

**MRS DUNNE:** Yes, if you like.

**Mr Corbell:** Thank you very much.

**MR HARGREAVES:** I'm glad she hasn't gone home.

**Mr Corbell:** Before Ms McGrath answers the question, I will give a quick overview. The government will be paying very close attention to the financial outcomes from Yerrabi 2, as well as the outcomes on the ground. Those are both important from our perspective

Certainly all the information I've seen to date indicates that it's going to be a very high quality estate, and an estate which will have a mix of both single dwellings and some townhouse/multiunit development within it. It will be a very good precinct within the Gungahlin Town Centre central area. Perhaps Ms McGrath would like to comment a bit more.

**Ms McGrath:** Our program would expect that stage 1 of Yerrabi estate will be completed within this financial year and that we will be significantly progressed on stage 2. Our expectation is that it will be in two stages.

Although our budget figures are not anticipating sales this financial year—and that's in line with the financial model—our expectation is that we will make significant sales in this financial year if we stick to our program. We're a week and a half to two weeks behind our program at the moment, so I'm optimistic that we will have some good data to be able to feed into government to make an assessment of how the development is going.

**MRS DUNNE:** So that's a yes? There will be an analysis of the pilot before you move on?

**Mr Corbell:** Yes, there will be. There will be an analysis of the outcome, yes.

**Ms McGrath:** It will be an in-progress analysis, I expect, because we will not have 100 per cent completed the project by 1 July next year, but sufficient.

**MRS DUNNE:** So perhaps the analysis will be based roughly on 100 blocks rather than 260?

**Ms McGrath:** The development will probably come in lower than 260. As we've been doing detailed planning, some issues have arisen, such as sewers and so on. We'll have at least 100 blocks fully serviced and ready for sale this financial year, but I would expect we would be ahead of that program.

**Mr Corbell:** I have a closing comment in relation to Yerrabi, for the information of the committee. It's interesting that one of the successful tenderers for the project is the Village Building Company, one of the largest private land development companies in Canberra. That company has successfully won the tender to be the project manager for Yerrabi 2. That's an example of the sort of partnership in direct government land development activity that we envisage for industry. Far from saying that there's no role for industry, there is an essential role for industry in delivering this program, both in direct government land development activity and through more complex private/public partnership activity.

**Ms McGrath:** There are three major consultancies that the private sector have in the project—the Village Building Company; W P Brown, the engineering consultants; and the Expert Client, the planners. We've already engaged at least another three consultants for survey, archaeological work, tree survey and geotech. The project is being managed by the authority, but we have only a very small number of people in the authority staff who are managing that project in house. We're almost 100 per cent dependent upon the private sector to manage the project.

**THE CHAIR:** We will move on to the Gungahlin Drive extension. Can I ask about the process you're going to use from here? I understand that your timetable suggests that the ACT's planning process will be finished by autumn of next year and the Commonwealth's planning process by mid-2003.

The variation to the National Capital Plan will require public consultation as well as approval by the minister for territories, and tabling in both houses of federal parliament. Given that you were assuring the people of the ACT in the Assembly only recently that you're on track to start work on the western route very soon, what sort of timetable are we looking at before the road will be completed?

**Mr Corbell:** We've indicated that we anticipate the road will be open in winter 2005.

**THE CHAIR:** In the *Canberra Times* on 22 June it was indicated on behalf of the government that they would be forwarding the results of some final studies to the NCA by the end of that month. Have those studies been forwarded to the NCA, and what were the outcomes of your studies?

**Mr Corbell:** All of the studies that have been completed to date have been made available to the National Capital Authority. There is one study which is still in the process of being undertaken. That study, the terms of reference for which have been agreed between the Australian Sports Commission and the ACT government, is on any potential impact on the training environment at the Australian Institute of Sport. The consultant has now been finalised for that study, and we anticipate that that study will be completed by mid-September.

**MRS DUNNE:** Has it commenced?



**Mr Corbell:** The consultant has been engaged.

**MRS DUNNE:** Has he started work, though?

**Mr Corbell:** I'm not sure.

**Mr McNulty:** He was due to start work yesterday.

**MRS DUNNE:** Mr Corbell, there have been a number of times when you have said that the government intended to build Gungahlin Drive in accordance with the previous government's capital works program, which would mean completion in June 2004. For instance, on 11 December, in answer to a question from Mrs Cross, you said:

The government's commitment was to seek to ensure that the western alignment was built on time and in accordance with the previous government's capital works program. That is still the timetable that we are working towards.

Was that undertaking true at the time?

**Mr Corbell:** The government's intention in relation to the Gungahlin Drive extension was to seek to meet the capital works timetable outlined by the previous government, once the government took a final decision on what the timetable would be in the lead-up to the preparation of this year's budget. At that stage the decision was taken that the timetable would be different, and that's what was reflected in the budget papers and that's what was publicly announced. But at that time the government was seeking to meet that time frame.

**MRS DUNNE:** Again, on 5 March, in answer to a question from me, you said it was still the government's intention to finish by the end of the 2003-04 financial year. Was that undertaking true at the time, and were you comfortable with it?

**Mr Corbell:** The government's intention was to seek to meet that time frame. On a number of occasions—indeed, on one particular occasion a few months ago—I sought specific advice from the Department of Urban Services as to what the options were in trying to make that timetable.

When the budget process was being undertaken, the decision was taken that the time frame would be different. I did receive advice on two occasions, in December last year and March this year, that the department believed there were concerns with the timetable. The government, however, continued to seek to meet its commitment, and the decision was taken to change the timetable in the preparation of the budget.

**MRS DUNNE:** On 6 June Ms Dundas asked you a question about bus-only lanes for the GDE, and after some pressing you said:

... options for dedicated public transport lanes are considered as part of any major new road construction proposal. The Gungahlin Drive extension is clearly a major new road. Provision for dedicated public transport lanes is being considered as part of the design process.

Were bus-only lanes still under consideration on 6 June?

**Mr Corbell:** I can't recall whether bus-only lanes were under consideration at that time, Mrs Dunne. I would need to check.

**MRS DUNNE:** Thank you.

**Mr Corbell:** As you would know, the project as announced by the government does not make provision for bus-only lanes. The reason for that is that the road achieves improvements to public transport provision in two ways. First of all, it provides for inter-town express activity between Gungahlin and other town centres along the normal carriageway. Secondly, and more importantly, it reduces traffic on a very key and major public transport corridor identified as such on the Territory Plan, and that's Northbourne Avenue. Therefore, it improves public transport provision on those roads which are identified as part of the intertown public transport route. The Gungahlin Drive extension is not identified on the Territory Plan as part of the intertown public transport route.

**MRS DUNNE:** Can you get back to me, Minister, about whether or not bus-only lanes were under consideration on 6 June?

**Mr Corbell:** I can.

**MRS DUNNE:** On 19 June, less than a fortnight after that, you announced that the first stage of GDE would be only two lanes. You also announced that the road to Belconnen Way would not be completed until winter 2005, which made it a year later than the timetable indicated in the 2001-02 capital works program. Can you tell me when bus-only lanes ceased to be under consideration?

**Mr Corbell:** I've just told you I will take that question on notice.

**MRS DUNNE:** That's a slightly different question.

**Mr Corbell:** I'm sorry, I don't understand the difference between the two questions.

**MRS DUNNE:** I asked you before were they under consideration on 6 June. Now I'm asking you when they ceased to be under consideration or were they ever under consideration?

**Mr Corbell:** I can take that question on notice.

**MRS DUNNE:** When did you decide that GDE would be a staged road and that stage 1 would be one lane each way?

**Mr Corbell:** I can't tell you exactly when that decision was taken, Mrs Dunne, but I'm happy to provide the committee with the information on that.

**MRS DUNNE:** Thank you.

**MR SMYTH:** Mr McNulty might be able to tell us as the gentleman in charge of that area. When were you advised by the minister that it would be only one lane each way?

**Mr McNulty:** Off the top of my head, I can't recall.

**Mr Thompson:** I think I can enlighten you to some extent. During the budget deliberations—again, I can't give you a precise date—it was agreed that the capital allocation for Gungahlin Drive was to remain at the figures in the previous budget of \$32 million for the actual road from Barton Highway to Belconnen Way and \$21 million for work south of Belconnen Way.

**MR HARGREAVES:** Was that to make sure that if you were putting in two lanes both ways the road didn't stop outside the front door of the AIS?

**Mr Corbell:** That's true, Mr Hargreaves. If we sought to build a four-lane road for \$32 million, it would stop somewhere in a paddock outside the AIS. You can't build a four-lane road for \$32 million. That's the very clear advice I received from Urban Services on that issue. To build the road for \$32 million means building a two-lane road. Mr McNulty properly reminds me that it's a grade separated road.

**MR HARGREAVES:** I remember in previous estimates hearings, when I was sitting on that side, a series of dollar numbers. There seemed to be quite a lot of confusion about just how much the road was going to cost. Everybody has agreed now that it's \$32 million and that's it. For \$32 million this is what we're going to get for our money; is that right?

**Mr Corbell:** The government has made it clear that the cost of the project from the Barton Highway to Belconnen Way is \$32 million for a two-lane grade separated road. That's outlined in the budget papers and that has been the subject of some recently detailed engineering work. I think Mr Thompson can provide some further advice on previous costings.

**Mr Thompson:** Since 1997 there's been debate about a lot of different options. I guess the important thing to remember is that a level of investigation and design work was done by Maunsell in 1996-97. They costed a whole range of options.

The previous government initially adopted an eastern route, including a leg of the Gungahlin Drive down on to Barry Drive. That was going to cost \$32 million, but that was essentially one with at-grade intersections. From memory, it had one flyover over Ellenborough Street, but the remainder of it was a road with intersections.

There was then a decision by the previous government to cut out the leg on to Barry Drive and to swing around to connect up to the north end of Caswell Drive. There were two possibilities: for it to be at grade, for about \$22 million, or for it to have grade separations the whole way through—in other words, overpasses. The figure for that was \$32 million. But that was all based on the 1996-97 Maunsell construction estimates.

**MR HARGREAVES:** So the four-lane road was based on a 1997 estimate; is that right?

**Mr Thompson:** Yes, the one of the previous government, the eastern line—

**MR HARGREAVES:** The best we could do for people who use the road would be a four-lane road, through to Caswell Drive with grade separation. What would that cost now if we did it?

**Mr Thompson:** We haven't done a precise figure. It is well into the 40 millions now, allowing for CPI from 1997 through to now, which we know is about 13 per cent. But we haven't done a CPI projection for the western route. We've used recent construction cost data. The western route would cost \$44 million or \$45 million to build the road from Barton Highway to Belconnen Way. We think the eastern route for that same length would be a similar cost, albeit a little bit lower. We've always said there was a slight saving on the eastern route. But it would be in the \$40 million to \$45 million range.

**MRS DUNNE:** There are a couple of other questions I was distracted from, if you don't mind, Mr Chairman. I want to try to set some time frames.

**Mr Corbell:** Mr Hargreaves is not distracting, Mrs Dunne.

**MRS DUNNE:** He was doing a good job, but no, he wasn't distracting. Minister, can you tell the committee when you discovered that it couldn't be built within the capital works time frame?

**Mr Corbell:** I was advised by the Department of Urban Services on two occasions, one in December and one in March, about what they believed was a time frame from their perspective. However, the government made its final decision on the time frame in the lead-up to the budget. The exact date I'd have to check for you.

**MRS DUNNE:** So that would be the same thing. At some stage in that time frame you would have known definitively that you couldn't build four lanes for \$32 million.

**Mr Corbell:** I was advised on two occasions, one in December and one in March, on the timing issues from the department's perspective. The government, however, continued to seek to implement its election commitment and did not take a decision in relation to timing until the budget was being prepared.

**MRS DUNNE:** But my question was: when did you discover that the GDE couldn't be built within the allocation and the 2001-02 capital works program?

**Mr Corbell:** I knew the government was not able to meet its election commitment when the government made the decision on the timing, which was in the lead-up to the budget.

**THE CHAIR:** Are you saying that it wasn't until the decision was made by cabinet that you knew that you couldn't fulfil the government's election commitment? Surely by the time the decision was made in cabinet you would have known. Otherwise, you would have advised cabinet to that effect. So your knowledge of the inability of the government to meet the election commitment would have preceded the decision by cabinet, surely?

**Mr Corbell:** By a short period of time, yes. But the point I'm making is this: I was advised by officers on two occasions, one in December and one in March, in relation to timetable issues for the Gungahlin Drive extension.

The government maintained the policy position that we wanted to meet the previous government's timetable of completion. It wasn't until the decisions were made around the capital works budget in the budget itself that the government decided it would need to be on a different timing. It was at the time that that decision was made that the government publicly announced the timetable.

**THE CHAIR:** But surely, if you were told in early December that there would be a problem with meeting the timetable, it was unwise of you to tell the Assembly as late as 6 June that the road would be built within the previously announced timetable.

**Mr Corbell:** I said very clearly in the Assembly that it was the government's intention to seek to meet its election commitment. That remained our intention until the capital works budget was being finalised.

**THE CHAIR:** So you're saying that you were saying to the Assembly you intended to do something which you knew you could not do?

**Mr Corbell:** No, I'm not saying that.

**THE CHAIR:** But you were advised in December that you could not build the road in that timetable?

**Mr Corbell:** As you would know, governments receive advice on a whole range of issues. Some of it is advice you take; some of it is advice about which you say, "That's something which we'll keep in mind, but at the moment our intention is to deliver the commitment in this way." That's what we did in relation to this project.

**THE CHAIR:** Are you saying that you discounted the value of the advice you received in December and March?

**Mr Corbell:** I'm saying that I noted the advice. But I'm saying that the government continued to seek to meet its election commitment and explored avenues to do that.

**THE CHAIR:** Surely, you must have known, based on that advice, that you could not meet the commitment. As early as December it was clear, on the basis of the advice from the officers you've praised already today, that you wouldn't be able to meet the commitment. Whatever the government's intention, it would not be possible to meet that intention.

**Mr Corbell:** I was not satisfied that all the options in relation to meeting the government's commitment had been explored. We continued to work through those issues, and I continued to consider those issues until it came time to make a decision on the delivery of the project in relation to the capital works budget. It was at that time that the decision was taken.

**THE CHAIR:** So you did discount the advice that was given to you in December and March?

**Mr Corbell:** No, I did not discount the advice. I simply took the view, as government is entitled to, that that advice should be tempered by exploration of other issues before a final decision was taken.

**THE CHAIR:** With hindsight, don't you think it would have been wiser to tell the Assembly in June, "It is our stated intention to do something within a certain cost and in a certain time frame, but we've received advice which throws serious doubt on our ability to be able to do that"? Wouldn't that have been a more complete answer to the Assembly?

**Mr Corbell:** Having had a look at some of my answers in the Assembly and some of the comments I've made publicly over the past few months, I know that on a number of occasions I have said just that. I have said, "It is our intention to seek to meet the timetable," and that remained our intention at that time. I think I said on one occasion, "But that is subject to assessments, planning and other activities," and that was the case.

**MR SMYTH:** But you did know you couldn't do it. You were told by the experts that you have taken regard of for all the other projects—Caswell Drive, Glenloch Interchange and whatever other projects you've re-established in the capital works budget—and you've accepted the numbers that they put against those. You accepted that on all of those, except for Gungahlin Drive, in respect of which you've said, "I don't believe you." What's the difference?

**Mr Corbell:** You're making an assumption there, Mr Smyth. The government made a judgment based on the advice it received. We considered our commitment to attempting to deliver the project in accordance with the previous government's capital works timetable as a serious one.

We know how important the road is for residents in the Gungahlin area. I received advice in relation to timing issues but took the view that we needed to continue to explore and I needed to continue to consider the options for trying to meet the election commitment. That occurred right up until the final decision was taken in relation to the capital works budget. We treated our election commitment seriously, and we considered all of the issues. I did not discount any advice. I took it into account but continued to request advice as to ways to meet the commitment.

**THE CHAIR:** Surely the question about whether the government could deliver the road within the time frame and within the cost previously indicated is not a question of government decision-making; it's a question of reality. It's like being asked: are there certain external factors that work on the government's decision-making process over which you have no control? The answer is really not what the government intends to do but what the government can do.

**Mr Corbell:** Is that a rhetorical question?

**THE CHAIR:** No, it's not a rhetorical question. Surely you can't escape the consequences of saying, "We intend that the road will be built on time and within budget" by saying "Yes, that was our intention, but it didn't have any basis in reality."

**Mr Corbell:** For instance, I sought advice to see if the staging and construction activity would shorten the time frame. That is an example of some of the issues I sought to test to try to make sure that we could meet our election commitment. It's in that context that I noted the advice and wanted to test it further to see whether we could or could not meet the commitment.

**MRS DUNNE:** What steps did you take in communication with officers to test it further?

**Mr Corbell:** I had a series of very detailed discussions with officers. There were verbal briefings on the details of the projects and future directions for the projects. We discussed the details of the design. We discussed environmental, air quality, noise and timing issues. We discussed all of those. That occurred over a series of months and over a series of meetings.

**MS DUNDAS:** Can you explain to me how the Caswell Drive and Glenloch Interchange upgrade is going to work? Which end of the road are you going to start at?

**Mr Corbell:** The road connects pretty much with the existing intersection of Caswell Drive, but I'll ask Mr McNulty to give you detail on that.

**MS DUNDAS:** There's money in this year's capital works program for the Caswell Drive/Glenloch Interchange upgrade. As you're not expecting to connect to Glenloch Interchange until 2006, how is the Caswell Drive/Glenloch Interchange upgrade money going to be spent? Are you starting at the Glenloch Interchange and working back up Caswell Drive?

**Mr Corbell:** I see what you're saying. I'll ask Mr McNulty to answer that.

**Mr McNulty:** On that project work will be undertaken at both ends of Caswell Drive. Obviously, we need to do work at the intersection of Gungahlin Drive and Belconnen Way, the intersection with Bandjalong Crescent, the intersection with Wangara Crescent, at that end of Caswell Drive.

We intend to do a climbing lane on the hill from William Hovell Drive, up towards the bridge there where trucks have been known to hold up the traffic there. We'll also link Caswell Drive directly into Tuggeranong Parkway.

**MS DUNDAS:** When will those projects start? Where is the \$1.5 million in this year's capital works program for Caswell Drive/Glenloch Interchange going to be spent?

**Mr McNulty:** It's design money initially, and then construction is starting in 2004-05.

**MS DUNDAS:** Which bit of Caswell Drive are you constructing first? You mentioned four things: Wangara, Bandjalong, William Hovell, truck lane. Where are you starting?

**Mr Gill:** For Caswell Drive/Glenloch Interchange, there are two packages of work. There's a package to the north end of Aranda, and there's a package which picks up Glenloch Interchange and a climbing lane north, up to the existing bridge. That's where the packages of work are.

**MRS DUNNE:** But which one is coming first? What is the sequencing?

**Mr Gill:** The sequence project from Barton Highway down to Glenloch Interchange is the start of Barton Highway and work south.

**MS DUNDAS:** There are two different capital works expenditures in this budget. There's the \$32 million for the Barton Highway/Belconnen Way link of Gungahlin Drive, and there's \$21 million for Belconnen Way to Glenloch Interchange; \$1.5 million is to be spent this financial year for design work on the Glenloch Interchange and \$6 million is to be spent next financial year when Gungahlin Drive is still somewhere around the AIS or Calvary Hospital. Where is that \$6 million going to be spent on Caswell Drive?

**Mr Gill:** The top end of Caswell Drive, the northern end of Caswell Drive, near Aranda.

**MS DUNDAS:** You've said that there will be noise barriers for Aranda residents. When you met with Aranda residents in September 2001, you assured them that you would take steps to ensure that their concerns were properly considered. As work will start on the Caswell Drive part of this project in the next financial year, can you specify what you are doing to ensure noise and pollution protection for the residents of Aranda?

**Mr Corbell:** I'll ask Mr McNulty to give you some more detail, but I will give an overview. The government has taken steps to provide for protection of Kaleen residents from noise and air quality issues.

**MS DUNDAS:** That was Kaleen?

**MRS DUNNE:** Kaleen or Aranda?

**Mr Corbell:** I'm sorry, Aranda residents. We've done it with Kaleen too, but your question is in relation to Aranda. Some detailed noise modelling has been done for Aranda residents. This has included monitoring of existing noise levels from the backyards of a series of houses in Aranda.

The results of that indicate that it will be necessary for the government to build noise protection along parts of the road as it passes the Aranda area, and it's proposed that that be done through a series of noise walls built immediately adjacent to the main carriageway for the Gungahlin Drive extension.

I don't recall the air quality issues off the top of my head. I might ask Mr McNulty to answer in more detail about the steps taken in relation to noise and air quality.

**Mr McNulty:** The air quality model we've done indicates that the emissions were within the acceptable limits right along the road. As the minister said, the preliminary design includes noise walls along the ramp from Caswell Drive to Belconnen Way, and also along the main carriageway of the Gungahlin Drive extension. There are two sets of the noise walls.

**MRS DUNNE:** Could you describe them for us, Mr McNulty?



**Mr Corbell:** I think it's important to stress that there's a detailed level of implementation design which is yet to be done. The very detailed design about what the road physically looks like in each location is still to be finalised. We can provide you with some information but not the final product, because the final design will not be done until after all the necessary planning approvals are in place.

**MRS DUNNE:** Let me rephrase that, Mr McNulty. Can you provide us with an indicative description?

**Mr McNulty:** At the moment the preliminary design includes walls about 2½ metres high.

**MRS DUNNE:** Made of?

**Mr McNulty:** There's a whole range of alternatives. They can be concrete. They can be some natural materials. They can be perspex in some cases. There's a whole host of materials. Exactly what form they take will depend on the final designs and consultation with the local residents. At the public information sessions at Aranda last night we displayed a visual of what those noise walls will look like, for the people to have a look at. Some views expressed about them. We'll take those views on board.

**MS DUNDAS:** Is the funding for those noise abatement measures coming out of the capital works program, the \$6 million set aside for 2003-04?

**Mr Corbell:** Yes, it's part of the budget.

**MS DUNDAS:** So all of those processes to protect the residents of Aranda and the residents of Kaleen as the road goes through have already been budgeted for, even though you're not quite sure what form they will take yet?

**Mr McNulty:** Yes.

**Mr Corbell:** Yes. I should stress that that's a very normal process for all capital works. You have an indicative budget that is the best estimation of the cost of the project, taking into account all of the factors that can be taken account of. I think there's also some allowance made for movement in the budget?

**Mr McNulty:** Yes, there are contingencies.

**Mr Corbell:** Contingency is built into the budget process as well.

**MS DUNDAS:** As the building is going to start next financial year, can you give us an indicative idea of how the upgrade of Caswell Drive/Gungahlin Drive extension will link in with Bandjalong and Wangara?

**Mr McNulty:** Bandjalong Crescent will be a full access intersection, where all turning limits will be allowed.

**MS DUNDAS:** Traffic lights, roundabout?

**Mr McNulty:** Traffic lights, with Gungahlin Drive elevated and Bandjalong Crescent passing underneath for the right-turn southbound and the right turn into Bandjalong Crescent from the north, and the left turns will happen on the other side of Gungahlin Drive, obviously.

**MR SMYTH:** Like the Tuggeranong Parkway and Hindmarsh Drive?

**Mr McNulty:** A bit different to that but similar arrangement, yes. Wangara Street, however, will be only left in and left out to the ramp on the Caswell Drive upgrade, or the Gungahlin Drive extension—whichever you choose to call it—that goes up to Belconnen Way.

**MRS DUNNE:** So it's basically northbound traffic only?

**Mr McNulty:** Northbound, yes.

**Mr Thompson:** Northbound traffic can go into Wangara Street and traffic can come out of Wangara Street and head north.

**MRS DUNNE:** It can come out of Wangara Street?

**MR SMYTH:** And use the lights to come south if they have to?

**Mr McNulty:** Yes.

**MS DUNDAS:** The money for Gungahlin Drive extension is to build the first stage from the Barton Highway to Belconnen Way, with two lanes, one lane each way?

**Mr McNulty:** Yes.

**MS DUNDAS:** And later you plan to move to four lanes. Is the money that's set aside for the Caswell Drive upgrade to widen Caswell Drive to four lanes or is it to reinforce and do those interlinks you've discussed?

**Mr McNulty:** It's essentially to do the work we discussed on Caswell Drive between Belconnen Way and Wangara Street, the climbing lane and the link into the Tuggeranong Parkway.

**MS DUNDAS:** Are there any plans to duplicate Caswell Drive?

**Mr McNulty:** Yes. Obviously, when we duplicate the Gungahlin Drive extension, we'll have a look at duplicating Caswell Drive at that time.

**MS DUNDAS:** And the environmental impacts of such a duplication, as the Caswell Drive bridge will be over the Canberra Nature Park. How are those decisions impacting on long-term projections?

**Mr Corbell:** There's currently a designated road corridor on the Territory Plan for Caswell Drive. Essentially, the proposals we put out to date are to build the road within the existing road corridor, so we're not proposing to go into other areas of Canberra Nature Park on either side. We're proposing to keep the road within the designated road corridor.

**MS DUNDAS:** Does that include the construction of the road?

**Mr Corbell:** Yes.

**MS DUNDAS:** We've seen the interchange on the Barton Highway take up a lot of extra space around it, because the trucks pull in and the bulldozers go through. Some parts of Caswell Drive are quite narrow. There isn't a lot of space on either side. So even getting the trucks in could leave a substantial scar on the nature park.

**Mr Corbell:** There clearly will have to be an appropriate management regime in place for the construction project, to make sure that there isn't adverse impact on Canberra Nature Park or that any impact is appropriately mitigated. That's a level of detail which the government is not at yet. That would be part of the process of letting the contract and consultation with agencies like Environment ACT over how the project will be managed, once it's at a stage to be implemented.

**MS DUNDAS:** So that's not part of this capital works program but perhaps will be part of the 2005 capital works program.

**Mr Corbell:** It's part of this project and it's funded by this project.

**Mr McNulty:** The preliminary assessment to be prepared later this year will look at the ultimate project—which is the four lanes, not just the two lanes—and will also consider the construction impacts.

**MRS DUNNE:** The committee consultations that I was able to visit briefly last night at Aranda seemed to be very well attended.

**Mr McNulty:** There were about 300 people there.

**MRS DUNNE:** It was very good. The feedback I was getting from residents when I was talking to them was that with the duplication and the slip lanes it will essentially end up being eight lanes. Six of those lanes will be to the west of the current Caswell Drive, so six of the lanes will be between the western edge of Caswell Drive and Aranda. The thing that stuck me, because I've never seen it on such a large format before was that the impact looked to be worse than most people had imagined. When you get your feedback forms—I presume you will get nearly 300, because you ran out last night, which is an encouraging sign—how much notice are you going to take of them?

**Mr Corbell:** The government is going to treat all comments on this proposal very seriously. The concerns of residents in adjacent suburbs, particularly Aranda and Kaleen, are of particular importance, because we are talking about people's homes and we need to make sure that the government is responding seriously and appropriately to the issues that are raised.

The balance, as always, with any decision, has to take account of those issues and other issues as well, including an area of Canberra Nature Park on the other side of Caswell Drive. So we take both of those issues seriously, and we will respond to them seriously.

**MRS DUNNE:** In responding to them seriously, can you give an undertaking to this committee and to the people of Kaleen and Aranda that the response will be weighted in favour of people rather than plants?

**Mr Corbell:** That's a very loaded question, Mrs Dunne. I think the best way I can answer that question is simply to say that the government will take all the issues of significance into account.

**MRS DUNNE:** When you take all the issues of significance into account, it won't be like the comment you made to the Planning and Environment Committee that we could get used to being ignored?

**Mr Corbell:** Mrs Dunne, I'm learning from you that I should never make tongue-in-cheek comments, because you—

**MS GALLAGHER:** Have no sense of humour.

**Mr Corbell:** That's right. You don't have a sense of humour.

**MRS DUNNE:** I have a wicked sense of humour.

**Mr Corbell:** Mrs Dunne, as you would know, the comment that you made at the Planning and Environment Committee was something along the lines: "You can always ignore us," and I said something in jest in response. As you would know, the government takes the comments of all these processes very seriously. If you want to twist my words like that, go right ahead, but you're quite incorrect.

**MRS DUNNE:** We've got an undertaking that the people of Aranda don't need to get used to being ignored or prepare to be ignored.

**Mr Corbell:** The government will treat all the issues raised in the consultation process seriously.

**MS DUNDAS:** Will the Office of Sustainability be involved in the Gungahlin Drive extension development?

**Mr Corbell:** No.

**MS DUNDAS:** Has there been any consideration of bringing in that whole-of-government office to look at both the economic, environment and the social impacts of development of the road?

**Mr Corbell:** We have to take a step back and say: how does this project fit as part of the broader transport strategy for the city? The government has said very clearly that we are going to establish a transport plan for the city, and the budget papers outline some of the

mechanisms for doing that. At that broad strategic level, there is a cross-government approach, including PALM, Urban Services, the roads area, ACTION, Environment ACT and the Office of Sustainability.

As part of that broader transport planning, there are some parameters that are well accepted by this Assembly. One is the need to provide effective arterial road connections. Gungahlin Drive extension would have to be the key missing element of Canberra's arterial road network. What we are doing through this process is simply proposing to go ahead and complete the arterial road network for the city.

**MS DUNDAS:** You talked about the transport plan. There is the sustainable transport and integrated transport strategy for Canberra. How does that fit in with the spatial plan that you're developing?

**Mr Corbell:** That's a bit off the side from GDE. I'm happy to answer it. I'm just wondering if the committee wants to go down this path now.

**MS DUNDAS:** You brought up Gungahlin Drive as being part of that integrated transport strategy. Are they being done at the same time? Are they two separate documents? Do they feed into each other?

**Mr Corbell:** The transport planning exercise will feed into the spatial planning exercise. That is the simple answer.

**MS DUNDAS:** How does the public transport futures study that's also going on relate to the transport strategy and the spatial plan?

**Mr Corbell:** It feeds into the transport plan. They each have broader and broader levels of focus. The sustainable public transport futures study looks at specific issues to improve public transport provision in the city. It includes an analysis of light rail between Gungahlin and Civic and potentially other locations. That's a specific study around public transport provision. That will inform the broader decision-making which is built into the overall transport strategy, and the overall transport strategy will be fed into the broader decision-making for the spatial plan.

**MS DUNDAS:** Can you give us time frames for both the public transport futures study and the broader transport study?

**Mr Corbell:** Yes, I can. We expect to see a final report on the public transport futures study in June next year, but that will be preceded by a couple of interim reports on performance and data review, demand, patronage and system specifications around the end of this year. We see the transport plan being completed around the same time as the public transport futures study, around May/June next year. The spatial plan is due to be completed in September/October next year.

**MS DUNDAS:** How is the public transport futures study feeding into the broader transport study? Are they being done by the same people? How can they feed in if they're both coming out at the same time?

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**Mr Corbell:** The transport plan is essentially being developed by officers within Urban Services. The department has recently recruited a senior transport economist to assist with the development of that strategy.

The public transport futures study is being undertaken by a consultant. As I've indicated, there will be a series of reports, a stage 1 and a stage 2 report, preceding the final report. That data and analysis from stage 1 and stage 2 will feed into the sustainable transport plan, as will the final report.

Clearly, there'll be a level of communication between officers engaged in the transport plan and the consultant doing the feasibility study to make sure that the work is fed in at appropriate times through the process.

**MS DUNDAS:** Can you assure us that they will be consistent; that we don't get one study saying that we must do X, Y and Z and another study saying well we need to do A, B and C, and X, Y and Z is just wrong and the spatial plan saying we should do D, E and F?

**Mr Corbell:** I think it would be fair to say that that's not really possible, because they're looking at different issues.

**MS DUNDAS:** But they're all looking at transport.

**Mr Corbell:** They're certainly all looking at transport, but—

**MS DUNDAS:** And the spatial plan does have a specific area about transport that includes public transport.

**Mr Corbell:** Sure, but their briefs are different. Public transport futures is looking at specific issues around provision of public transport.

**MS DUNDAS:** Isn't that part of the spatial plan?

**Mr Corbell:** The sustainable transport plan is dealing with public transport and other transport modes, and the spatial plan is looking at the use of land and, as part of that, a consideration of how transport issues affect land use policy, essentially.

**MS DUNDAS:** So could we assume that the public transport futures study is a chapter of the transport strategy?

**Mr Corbell:** That would be a good way to put it.

**MS DUNDAS:** And the transport strategy overall is another chapter of the spatial plan?

**Mr Corbell:** That would be a reasonable way to put it.

**MS DUNDAS:** Is that another way of understanding it?

**Mr Corbell:** Yes, that's a reasonable way of understanding it. That's not a bad way to put it.

**MRS DUNNE:** Minister, you made an announcement on 9 June, with a large publicity package, about the preferred route, the narrowness of the route and things like that. I note from documents received under the FOI Act that DUS had an information strategy planning day on 29 May. Ironically, the Brumbies were in the Canberra Stadium. It was facilitated by Prekash Mirchandani. For that public communications strategy day, how much information were the public servants dealing with about what the final product would look like?

**Mr Corbell:** I'm not aware of the detail of that meeting, so you'll have to ask Mr Thompson or Mr McNulty.

**MRS DUNNE:** Mr McNulty, I think you were there?

**Mr McNulty:** I was there for some of it, not all of it. That planning day was essentially about a communications strategy which was independent of the technical elements of the design, if you like. It was about trying to work out the best way we could interact with the community to get the information out, get feedback from the community and get a considered response to the government.

**MRS DUNNE:** So after the communications strategy—between 29 May, it would seem, and 19 June—a final decision was made because you had to go and burn a CD and print a whole swag of black-and-white stuff, print two colour brochures (one for immediate distribution one for later) and set up a webpage. When was the decision made to provide enough information to go to print with all of the stuff that was in that brief, which I don't have with me. You know the package that was released on 19 June.

**Mr Corbell:** I can't tell you that, Mrs Dunne.

**MRS DUNNE:** Mr Thompson, can you tell me that?

**Mr Thompson:** From memory, it was early June, and then there was a logistic exercise which took a week or a week and a half to produce the final product. On the day of the launch, we only had a very limited number of the kits for circulation.

**MRS DUNNE:** I'd like to take the question on notice. Can you do us a costing of the communication strategy, the webpage, the CD, that sort of stuff?

**Mr Corbell:** Yes, we'd have to take it on notice.

**MRS DUNNE:** Also could you tell us when they were sent for production?

**MR SMYTH:** On that day when Roads ACT got together to work out the communications strategy, you had no idea what you were going to communicate? Were you aware on 29 May that it was down to one lane each way?

**Mr McNulty:** I don't believe so, no. That discussion, as I said, was about who the stakeholders were, what the best means of interacting with them were and what information they needed to be able to comment. It was much more a communication strategy meeting than anything technical at all.

**Mr Corbell:** As I understand it, the point Mr McNulty is trying to make is that it was about working out how to communicate and how to engage with community and other stakeholders about the road. Whatever announcement the government was going to make, how were we as a department going to communicate to the community on these issues? What was the best way to do that? As I understand it from the explanation Mr McNulty has given, that was its intent.

**Mr Thompson:** And the consequence has been a fairly measured program, including the use of the web and meetings like we had last night and last week in Gungahlin.

**MRS DUNNE:** We've tried to tee up when you knew that you couldn't build GDE according to the 2001 capital works program, and you're still not sure of that, but I'd like to provide for the committee a copy of something that I received in the FOI request. It is called "Feedback from Presentation to Cabinet, 13 May 2002". It says, inter alia, that the first stage of GDE will be a two-lane road. In discussion about Belconnen Way it talks about making sure that GDE doesn't impact on Calvary Hospital's veterans' walk and is further away from Calvary Hospital. It talks about what is needed there. There's a note for SMEC, the road consultants, that we need to talk about including priority bus measures in this area. Is that the passing lane, Minister, that you talked about at the Gungahlin Community Council? At Gungahlin Community Council you talked about a passing lane up the hill behind Calvary southbound. Is that the priority bus lane?

**Mr Corbell:** I'm not sure, Mrs Dunne.

**MRS DUNNE:** Isn't it a fact, though, Minister, that on 13 May cabinet was briefed and that by 13 May cabinet knew that the GDE would be half a road, that it would be a year too late and that there was only limited bus lane provision?

**Mr Corbell:** Cabinet made no final decision on the project until the capital works program was finalised in preparation for the budget.

**MRS DUNNE:** This feedback from the presentation to government says that the first stage of GDE on the western alignment will be a two-lane road with a depression through the AIS and grade separated at all intersections. It says that the ultimate four lanes will be completed at a later stage, as per previous discussions. That indicates that it had been discussed at cabinet level on another occasion which I'm not privy to. Doesn't that say that cabinet knew on 13 May that you couldn't build it on time and that you couldn't build the full road?

**Mr Corbell:** The government took the decision about the timing for the project when the capital works budget was finalised in the lead-up to the release of the budget.

**MRS DUNNE:** So when was the capital works budget finalised in the lead-up?

**Mr Corbell:** I've taken that question on notice, and I'll provide an answer later.

**MR SMYTH:** I could give you a closer indication. We know that on 13 May cabinet knew it was about two lanes. In response to a question by me on 6 June Mr Quinlan said:



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The bad news is that—I do not think I am giving away too much of a secret to say this—we have pretty well signed off on our budget already. As you know, you have to allow a couple of weeks for it to be printed.

It certainly occurred between the cabinet meeting of 13 May and the cabinet meeting of Monday, 3 June.

**MRS DUNNE:** But what I'm trying to ascertain is that all members knew where you were heading by 13 May?

**Mr Corbell:** As I've already indicated, the government received advice on timing issues from the Department of Urban Services. That advice indicated the department's assessment of timing. As I've also indicated, the government did not take a final decision on timing until the capital works budget was finalised. That is the process that we undertake. Ministers and the government get advice; we consider that advice; we test that advice. That is the process we went through. The decision of government to go with the proposal as we had publicly announced it was not made until the capital works budget was finalised.

**MRS DUNNE:** We know from Mr Quinlan's answer that it was at least finalised by 6 June. On 4 June you said to Mrs Cross as I've said before, that it was the government's clear intention that the timetable be in accordance with the previous government's capital works program. So by 4 June were you misleading Mrs Cross? I'm sorry. Am I allowed to use that term? Can I ask that question?

**MR HARGREAVES:** I'd like to seek your ruling on that, Mr Chairman. To suggest that a minister is misleading an Assembly committee is a very serious thing.

**MRS DUNNE:** No, I'm not asking that.

**MR HARGREAVES:** *Hansard* will reveal that she used the word "misleading" in respect of the minister, and I would seek a withdrawal.

**MRS DUNNE:** I said, "Were you misleading Mrs Cross on 4 June?"

**MR HARGREAVES:** Mrs Cross is a member of this Assembly, and I would seek that you have that withdrawn.

**THE CHAIR:** If Mrs Dunne says to the minister that he is misleading, that's certainly a breach of standing orders, but if she asks him the question, given that we have no procedure—

**MR HARGREAVES:** We had the Speaker's ruling on that in the last session, Chairman, and I would suggest to you that it would be a very wise move if you were to withdraw the suggestion, imputation or whatever that the minister may have misled another member of the Assembly in an Assembly hearing.

**MRS DUNNE:** Mr Chairman, if Mr Hargreaves is not comfortable with that, I'll withdraw it and I'll try to rephrase it. Minister, are you entirely comfortable that you were giving Mrs Cross the fullest possible answer on 4 June?

**Mr Corbell:** Yes, I am.

**MRS DUNNE:** When you told Ms Dundas two days later that bus lanes were under consideration—and I can't refer to porky pies, can I?—were you confident that that was the fullest possible accurate answer to Ms Dundas's question?

**Mr Corbell:** Yes, I am. The government did not finalise its decision-making in relation to this project, as with all other projects, until the capital works budget was signed off.

**MRS DUNNE:** But we already have evidence. Mr Quinlan said on 6 June that—

**MS DUNDAS:** He didn't say the budget was signed off. He said the budget was pretty well signed off.

**Mr Corbell:** You have a comment from Mr Quinlan that a lot of the budget was pretty well done. The budget was pretty well done, but I couldn't tell you from my recollection here and now exactly which parts were done and which parts were not done at that time. What I am saying to you is that the government took the decision in relation to this project and the details of this project when the capital works budget was signed off. We then publicly announced it, with all the detail. We were very open and up front about it, and in the lead-up to that process I made clear on a number of occasions that the government intended to seek to meet its election commitment and that that intention was tempered by a range of issues, including planning and other issues that needed to be addressed.

**MRS DUNNE:** I need to get a definitive answer. Are you confident that you were telling Mrs Cross and Ms Dundas the whole truth when you answered their questions?

**Mr Corbell:** I don't have a copy of the transcript in front of me, Mrs Dunne. I'm happy to—

**MRS DUNNE:** You had one there you were flicking through before. Were you confident that you were telling them the whole truth? Did you ever think that you should go back into the Assembly and clarify anything that you said?

**Mr Corbell:** I'm confident that the answer I gave was accurate.

**MRS DUNNE:** So you would be confident that your response to me on 5 March that it was the intention to build the GDE on the western alignment and build it in the time frame outlined in the capital works was absolutely accurate, even though on 1 March you signed off on a brief from Mr McNulty that said, "A very optimistic date when the detailed design of future roads could be commenced is March 2003 at the earliest, which would mean tenders being called in October 2004 and the project completed in early 2005 at the very earliest"? Mr McNulty seemed to be sending you some pretty strong signals about how optimistic the timetable was. On 5 March, when you answered my question, had you forgotten that you'd signed off that brief, or were you just bluffing?

**Mr Corbell:** Neither, Mrs Dunne. Before you raised this information, I indicated to the committee this morning that I was briefed on two occasions, once in December and once in March, in relation to timing issues. You refer, I think, to the briefing document from March. I noted the advice on both of those occasions and I continued to explore what the options were for the government to meet its election commitment. I sought further advice from officers on at least one occasion that I can remember as to the staging issues around the construction of the project, and it was not until the government finalised its capital works budget process as part of the budget overall that a decision was taken in relation to the timing for the road. It was at—

**MR HARGREAVES:** Mr Minister, what did you have for lunch on 14 June? You can't remember?

**Mr Corbell:** I'd have to take the question on notice.

**MR HARGREAVES:** Thank you very much, Minister. That has about as much relevance as this fishing trip.

**MR SMYTH:** Mr Gill, did ACT Roads confirm that the government would not be able to carry out its intention? When were you told that the government was going to move to two lanes and move the date out to 2005?

**Mr Corbell:** I'm happy to indicate that the government—

**MR SMYTH:** The question is for Mr Gill.

**Mr Corbell:** It's a policy question, Mr Smyth.

**MR SMYTH:** No, it's a decision question. When were you informed of the government's decision, Mr Gill?

**Mr Corbell:** Mr Smyth, it's a policy question about when the government made its decision. As I've indicated, the government made its decision when the capital works timetable was finalised.

**MR SMYTH:** When did you tell Mr Gill that that decision had been made?

**Mr Corbell:** Mr Gill would have been aware of the government's policy decision when it was made, and that was when the capital works budget was finalised.

**MR SMYTH:** The question is for Mr Gill, Mr Chairman, and I'd prefer Mr Gill to answer it.

**Mr Corbell:** No, the question has been answered, Mr Smyth.

**MR SMYTH:** When did you become aware, Mr Gill, that the government wasn't going to build on time and in budget?

**Mr Corbell:** Mr Smyth, I've already answered that question. Officers don't need to be hounded about this.

**MR SMYTH:** It's not a hounding. It's a very simple question.

**Mr Corbell:** I've given a very clear answer about the government's process. I've made it very clear what the government's process was, and I've made it very clear when the decision was made.

**MR SMYTH:** So you won't let any of the officers answer?

**Mr Corbell:** I think you're simply seeking to hound officers on this, when I've made it very clear what the process was, and I've answered the question.

**MR SMYTH:** You haven't answered the question, and the Estimates Committee is entitled to ask questions of the officers.

**Mr Corbell:** No, I have answered the question. You're just not happy with the answer. That's a different matter, Mr Smyth, but I have—

**MR SMYTH:** We haven't had an answer yet. We're not aware of the date. I was wondering whether any of the other gentlemen had a better memory of it than you did.

**Mr Corbell:** I've indicated, Mr Smyth, that we will provide the information in relation to when the capital works budget was finalised, but I've indicated very clearly what the timetable was—

**MR SMYTH:** No, you haven't.

**Mr Corbell:** I've indicated very clearly when I received advice, what my response to that advice was, and what the process for the government as a whole was.

**THE CHAIR:** The question of whether officers can be asked questions independently of the minister has been traversed before in the Assembly and in early committee proceedings. My recollection of the outcome of that process is that the committee is entitled to call any person it wants as a witness. While you're present at the table, Minister, you're entitled to take questions that are addressed to the government in general, but if the committee wishes to call other officers separately on a separate occasion to ask questions, it's entitled to do so. If you want to go through the process of us having to call those witnesses on a separate occasion, I'm happy to facilitate that—

**MR HARGREAVES:** But I'm not happy to go along with it.

**THE CHAIR:** Subject to the committee's views.

**MR HARGREAVES:** There will be a blue.

**THE CHAIR:** Maybe so, but it is—

**MR HARGREAVES:** And it will be a public one.

**THE CHAIR:** It's an issue that has been raised before, and committees in the past have exercised the right to be able to ask questions separately of members of the public service.

**MR HARGREAVES:** I won't sit here and watch the officers hounded.

**Mr Corbell:** I understand that officers can be asked questions in relation to matters of detail and the detail of the implementation of policy. Issues in relation to the decision-making and policy-making are appropriately matters for me as the responsible minister to answer. The question that has been asked is: when did the government make the policy decision? I've indicated when the government did.

**MR SMYTH:** No, the question is: when was it relayed to Mr Gill?

**THE CHAIR:** Order, Mr Smyth! The question was not: when was the policy decision made? The question was: when did a particular officer or officers communicate to you their advice about the possibility of the road being built within a certain time frame?

**Mr Corbell:** I've already indicated that.

**MR HARGREAVES:** No, that's not the question at all.

**MR SMYTH:** No, the question is: when did Mr Corbell tell the department of the government's decision?

**MR HARGREAVES:** The Liberal Party is confused yet again.

**Mr Corbell:** I'm happy to answer the question. I've already answered that question, Mr Humphries. I've indicated that on two occasions, once in December and once in March, I received formal advice from the Department of Urban Services on timing issues. I noted that advice, and I've outlined what my response to that advice was, so if that's the question, I've already answered it.

**MRS DUNNE:** There was another question.

**THE CHAIR:** There was another question.

**Mr Corbell:** So it's a different question.

**MR SMYTH:** The second question was: when was the decision relayed to the department?

**Mr Corbell:** The decision was relayed to the department by the government when the capital works program was finalised.

**MRS DUNNE:** And you'll get back to us with that date when?

**MR SMYTH:** On what date was the decision relayed?

**Mr Corbell:** I've already indicated—

**MS GALLAGHER:** He has already said he'll get back with it, Brendan. Move it on.

**Mr Corbell:** I've already indicated that I'll take that question on notice and I'll get back with that date.

**MR SMYTH:** I'm just seeking to see if one of the officers has a memory of it. It's not on the file.

**MS GALLAGHER:** He has already undertaken to give us the information.

**MRS DUNNE:** Mr Chairman, I table as evidence the briefing note by Mr Corbell on 1 March this year. I have just one more question, and I think that will just about do me for the moment.

**MR HARGREAVES:** I don't believe it.

**MRS DUNNE:** On 11 December Mrs Cross asked you a question and you answered that, again saying that you would build according to the government's timetable. I think it's ironic—and I propose to table this as well—that a brief signed off by Mr Thompson on 4 December and, interestingly, agreed by Mr Corbell, not noted, on 10 December says, *inter alia*, "It is unlikely that the 2004 completion date can be met and completion in 2005 should be considered as a more achievable goal." Seeing that you agreed to that briefing on 10 December, Minister, and you told Mrs Cross the next day something different, do you suffer from short-term memory loss or do you simply have no shame?

**MR HARGREAVES:** Minister, could I ask you the question: did that briefing open up that you note the briefing, and did you agree to note the briefing?

**Mr Corbell:** Indeed, Mr Hargreaves. The recommendation is that I note the advice from the Department of Urban Services on the timetable. I agreed to note the advice.

**MRS DUNNE:** You had an option of noting but you didn't note; you agreed.

**MR HARGREAVES:** He agreed to note it. That's what it says.

**Mr Corbell:** The recommendation is "note the advice". I have a copy of the brief here. It's a joint brief to myself and to Mr Wood. The recommendation is that "you both note the above". That's the recommendation you're referring to: "It is recommended that you both note the above." I agreed to note the information provided.

**MRS DUNNE:** The very next day, when you answered Mrs Cross's question, you didn't feel in any way shamefaced about not giving her a full answer?

**Mr Corbell:** I don't know how many times I have to explain it. I indicated, before you raised any of these briefs this morning, at about 9.30 or maybe 10 o'clock—

**MRS DUNNE:** No, it was about a quarter to 11 actually.

**Mr Corbell:** A quarter to 11, okay. I indicated this morning that I had—

**MR HARGREAVES:** Very early this morning.

**Mr Corbell:** I indicated that I had received advice on two occasions—once in December and once in March—in which timing issues were raised by the Department of Urban Services. On both of those occasions I noted the advice from the department, and the government continued to explore, and I continued to consider, the issues about what could be done for us to meet our election commitment. It was not until the capital works budget was finalised that a decision was taken by government on what the timing would be for the Gungahlin Drive extension. Once that decision was taken, the government publicly announced its decision and all the details.

**MRS DUNNE:** Does that mean, Minister, that you went to the budget cabinet on the capital works program arguing the case for the building of the road by June 2004 and you were rolled in cabinet by your colleagues?

**Mr Corbell:** I'm not going to comment on what occurs inside the cabinet room. Neither would Mr Humphries or anyone else who has been inside the cabinet room.

**MRS DUNNE:** But I'm free to speculate.

**MR HARGREAVES:** Very free, in fact.

**MS GALLAGHER:** Do what you like.

**MR CORBELL:** I'm not going to be able to stop you anyway, Mrs Dunne. But I'm not going to speculate or comment on what occurs inside the cabinet room. What I can say is that the outcomes of the cabinet decision are clear. They are what is in the budget, and they are what was announced by the government following the decision on the capital works budget.

**MR HARGREAVES:** And that's the final decision, isn't it? Anything leading up to that stage is tentative, speculative. Regardless of its recommendary status, it is that final cabinet decision on the capital works thing which is the final product, and anything up to that is mere speculation.

**Mr Corbell:** As I've said, Mr Hargreaves, the government did not take a decision on the timetable for the Gungahlin Drive extension until cabinet agreed on the capital works budget.

**MRS DUNNE:** So the only thing that's unclear is when that date was?

**MR HARGREAVES:** Would you like it in pictures? Mr Chairman, we are going round in circles here.

**THE CHAIR:** I think this is an important issue to explore. You put much store, Minister, in the fact that the cabinet didn't make a decision on the size, the costs or the timetable of the road until quite late in the budget cycle, presumably after 6 June. Presumably that's the line that you're putting forward.

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**Mr Corbell:** I really don't know what the date is. I've indicated that I'll take that on notice and find out.

**THE CHAIR:** It's a bit hypothetical at the moment, but assuming it was done before 4, 5 or 6 June, then the questions that were answered in the Assembly on those days on this subject were questions that were misleadingly answered, in that you were suggesting that there was still a possibility of delivering the road on the original timetable, at the original size, at the original cost, when in fact cabinet had already ruled out that that was even possible. So presumably your answer must be that your answer was honest and full, as you said to Mrs Dunne, on the basis that the decision wasn't made until after 6 June. But that's just speculation, I suppose.

Don't you think that the comments that are reported to have been made at cabinet about what was the settled view of cabinet on the road as early as 13 May undercut the argument that cabinet hadn't formed a view about this? Why would the feedback document on cabinet's deliberations on 13 May say, "The first stage of GDE on the west alignment will be"—not "could be", "might be" or "is proposed should be considered to be"—"a two-lane road"? Surely, if cabinet was still up in the air about that and had not formed a settled view about it, it would have said something very different to what was recorded.

**Mr Corbell:** I'm not familiar with that document, nor have I ever seen it. All I know is that cabinet did not take a decision on the project until the capital works program was finalised.

**THE CHAIR:** But isn't there a distinction between taking a decision to change the government's position and knowing that the government's position was untenable? Taking your thesis that because cabinet hadn't made a decision on this matter until much later, you could continue to say something that was black was white until cabinet formally made the decision that black was black. The issue is whether you knew the road could be built on the original timetable, within the original budget.

**Mr Corbell:** The point I will make again is that the government's policy was to seek to meet the capital works timetable of the previous government. I received advice on timetable issues from the department on two occasions, once in December and once in March. I noted that advice on each occasion, and I continued to consider and explore options for us to meet our election commitment. It was not until the capital works budget was finalised that the decision was taken on the timetable for Gungahlin Drive extension. That's the process. That's when the policy decision was made by government. That's when the government announced its position.

**THE CHAIR:** Who's the author of that document of 13 May?

**Mr Corbell:** I don't know.

**THE CHAIR:** Does Mr Thompson know?

**Mr Thompson:** Perhaps I can help a little bit with that document you quoted from. I haven't seen it myself. I'm not sure who took those notes.



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**MRS DUNNE:** It has a lot of handwritten annotations on it. It's not your writing, Mr Thompson, I don't think.

**Mr Thompson:** We did a presentation to the cabinet about the broad alignment to the road and various issues along its length. My recollection—I could stand corrected here—is that in mid-May cabinet was still debating aspects of the capital works program, but at that stage there was a collective view from the Treasury officials that they were up to their limit, if you like, in terms of capital works.

To that extent we may have come away from the meeting with a message along those lines—that the budget limit was going to be the \$32 million. We certainly knew by then that for \$32 million in 2002 prices all you could afford was the two-lane road. To that extent, the words there may reflect the impression we came away from that cabinet briefing with. However, I think—

**THE CHAIR:** Based on discussion in cabinet?

**Mr Thompson:** It wasn't a decision of cabinet. This was at one of those pre-cabinet briefings. It was the time before 2 o'clock, if you like, rather than the time after. But my recollection is that there was then some further give and take in and around the rest of the budget. In the end it probably didn't affect Gungahlin Drive, but there certainly were some other things that moved in and around the capital program quite late in the day, including bus acquisitions and other issues that I'm aware of which were relatively late in the process. So that may have been the impression we had on the day. But it would be wrong to say it was a final cabinet decision. It was one of those pre-cabinet briefings.

**MR SMYTH:** Is it possible that we could find out who the author of this document was and how it circulated through the department?

**Mr Corbell:** I don't see why that's relevant, but—

**MR SMYTH:** It's perfectly relevant. If it came from the cabinet secretary, then it's a revelation of what went on in cabinet.

**Mr Thompson:** I don't think it was.

**MR SMYTH:** But none of you know. Can we find out?

**Mr Corbell:** Cabinet documents and the formal records of cabinet meetings, as you would know, would not be disclosed in an FOI. You never did it. No government has ever done it.

**MR SMYTH:** Simple question: can we find out who the author was?

**Mr Corbell:** I think the point needs to be made that it is not the formal record of cabinet. It is not the minutes of cabinet. It is not a decision of cabinet.

**MRS DUNNE:** I know that. We'd like to know what the provenance of it is, though?

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**Mr Corbell:** I'm happy to try to clarify the status of the document for you. We'll do that for you.

**THE CHAIR:** Can I put to you a hypothetical situation?

**Mr Corbell:** I am sure you would like to put a hypothetical situation to me, Mr Humphries. I will reserve my right as to whether or not I answer it.

**THE CHAIR:** I arrange to meet you for lunch on Friday, and you say, "I'll meet you on Friday", and I say, "I intend to meet you at 12.30 on Friday for lunch." I know, when I say that, that I'm going to be in Sydney on Friday and you're not. Do you think you'd feel misled on Friday when you turned up at 12.30?

**Mr Corbell:** I'd feel relieved.

**THE CHAIR:** Not if I was buying lunch.

**MR HARGREAVES:** And you wouldn't feel surprised either, would you, Minister?

**MR SMYTH:** And neither are we, by the answers.

**MS DUNDAS:** Can I take a different path? Mr Thompson you indicated, before we went hypothetical, that at 2002 prices you could only get a two-lane road. Is that dependent on route?

**Mr Thompson:** As the reports have made clear, it's possible to have a four-lane road within that \$32 million, but it is an at-grade road with traffic lights.

**MS DUNDAS:** The eastern and western?

**Mr Thompson:** You could have either of those for under \$32 million, with traffic lights. But all of the cost/benefit analyses, a lot of which depend on traffic flow assessments, suggest that it's a much better result for the territory on two accounts to have the grade separated road, even if it's only two lanes.

**MS DUNDAS:** So if you were to follow the grade separation model road and follow the Liberal policy of an eastern alignment, you wouldn't be able to do it for \$32 million?

**Mr Thompson:** No. As we said—I think it was in answer to one of Mr Hargreaves' questions—we think the figure for an eastern route road, just from Belconnen Way to the Barton Highway for a four-lane grade separated road would be in the low 40 millions.

**MS DUNDAS:** Minister, reports have you stating that the eastern option is option B. Can you please tell us what you are doing to ensure that you never have to do option B?

**Mr Corbell:** I think the first point that needs to be made, Ms Dundas, is that the government is serious about seeking to implement the road on the western alignment. We believe the road should be built. We believe the road should be built on the western alignment. We believe it's the appropriate alignment that takes account of the concerns about impact on Bruce and O'Connor Ridge. It's a more direct route. It's a shorter route.

The issues arising out of the western alignment that, I guess, present some difficulty for the government in relation to the commitment of the National Capital Authority to support a variation to the National Capital Plan, which is the crunch point in whether or not the project can proceed, mean that we are looking very closely at the issues being raised by the Australian Sports Commission and their claims about adverse impact on the Australian Institute of Sport.

The government has undertaken to engage, and has now engaged, a consultant, who has commenced work, on a assessment of any potential adverse impact on the training environment at the Australian Institute of Sport. The terms of reference of that study have been agreed between the Australian Sports Commission and the ACT government. The consultant has been agreed between the Australian Sports Commission and the ACT government. We believe that that study is an important study, and that study will hopefully resolve, once and for all, the issues in relation to the AIS campus.

The government has already undertaken an extensive range of other investigations to take account of the issues that we're required to take account of in our own planning processes as well as the planning processes that the NCA has. These include assessments of the natural environment and cultural environment—for instance, potential Aboriginal sites. They look at noise and air quality issues. They will all inform the formal work we have to undertake through the land act, a formal preliminary assessment under the land act, which is our formal environmental impact assessment, if you like.

Then there will be a full variation to the Territory Plan, which will be subject to a very detailed process of public comment and scrutiny by the Assembly and the planning committee. So we're working through the full range of processes we have to work through and are required to work through to get to a stage where we can say "Okay, we can now commence construction on this alignment."

**MS DUNDAS:** So when will we be assured that Gungahlin Drive extension will be built on the western alignment?

**Mr Corbell:** It's difficult to put a time frame on it. We anticipate, though, that all planning approvals can be completed in time for construction to commence in winter next year.

**MS DUNDAS:** So 12 months?

**Mr Corbell:** Twelve months.

**MR PRATT:** What's the duration of the AIS impact study? When do you expect that report to be in by?

**Mr Corbell:** I answered that this morning. That's due to be completed in September.

**MRS DUNNE:** On the subject of plan A and plan B, Minister, I'm sorry I don't have it with me but in the lovely pile of papers that I got from DUS under the FOI Act there was a timetable somewhat similar to the one that was released in your media package on 19 June, but it has a third column, which shows that if you have to go plan B, which is

the eastern route, what the delays would be. This might be something more for departmental officers to answer. It indicates that if you knew by December this year that you had to go to plan B what the delays would be. It means, essentially, an 18-month delay at least in the completion of the eastern route.

When will you say, “I can’t continue to champion the western route; I have to build a road; I have to go to plan B”? Do you know when it is that you have to blink?

**Mr Corbell:** I understand what you’re asking. There is no clear time, but I think it would be fair to say that once the NCA have all of the studies, then we will have a better indication of their position and whether or not they’re prepared to endorse a proposal to vary the National Capital Plan. At what stage the NCA believe they have adequate information is of course a matter for them.

**MRS DUNNE:** But you don’t have tucked away in the back of your mind that as you get closer to this date you’re going to wake up at 4 o’clock in the morning sweating, because you know that you may not be able to meet it. But somewhere along the line you’re going to have to change horses.

**MR PRATT:** The triple D—the drop dead date, Mrs Dunne.

**Mr Corbell:** The government will continue to assess the situation and assess the attitude of the federal government and its agencies. My real concern is that we have a federal minister for territories who has indicated that even if all of the concerns of the Australian Institute of Sport are addressed to the satisfaction of the Australian Institute of Sport the federal government is not prepared to endorse, or give in-principle support to, the western alignment.

That’s of serious concern to me. If the AIS is satisfied, why isn’t the federal government prepared to be satisfied? That’s been the argument to date from the federal government—“We want the AIS issues addressed.” If the AIS is able to say, “All our issues have been addressed to our satisfaction,” why is the federal government, even in those circumstances, not prepared to give in-principle support to this alignment? That is my serious concern. That suggests to me a political agenda rather than any agenda based on substantive matters of fact.

**MS DUNDAS:** And what are you doing to address that political agenda?

**Mr Corbell:** I have met with the federal territories minister. I met with him a month or month and a half ago.

**MRS DUNNE:** Did you have lunch together?

**Mr Corbell:** Did we have lunch together? Didn’t have the pleasure, Mrs Dunne. The minister and I met. We discussed a range of issues about planning in Canberra, including the Gungahlin Drive extension. I explicitly asked him whether or not he was prepared to support the western alignment in the circumstances I’ve just outlined, and he said he wasn’t.

**MRS DUNNE:** Did he say he wasn’t, or did he reserve his opinion?

**Mr Corbell:** No, he said he wasn't able to do that. He said that it would be a matter for cabinet. I have to ask: what has federal cabinet got to do with it? The National Capital Authority is a statutory body responsible for the maintenance and upkeep of the National Capital Plan. What has federal cabinet got to do with it, unless it is a political process? That's my concern.

**MRS DUNNE:** When you were meeting with Mr Tuckey, did you canvass with him the option of moving Caswell Drive near Aranda on to the Black Mountain reserve?

**Mr Corbell:** We didn't discuss details around the design of the road. The discussion was about the alignment—west versus east. It wasn't about the detail of the design.

**MRS DUNNE:** You didn't make representation to Mr Tuckey about the amenity of the people of Aranda and how that might require some encroachment into Black Mountain?

**Mr Corbell:** I didn't raise any specific issues about the design of the road. The discussion was about the eastern and western alignments.

**MRS DUNNE:** Have you at any stage raised the amenity of the people of Aranda, in particular with the federal minister?

**Mr Corbell:** We have not raised it with the federal minister. The department and PALM have sought clarification of the position of the NCA as the responsible body. That's who we should be dealing with, not the federal minister for territories, not the federal cabinet. We should be dealing with the NCA. They're a statutory body. They're responsible for the maintenance and upkeep of the National Capital Plan.

**MRS DUNNE:** But it is the minister who finally signs off.

**Mr Corbell:** The minister signs off—that is true—but he does so on the advice of a process that is gone though by the National Capital Authority about variation to the National Capital Plan. We have received clarification from the National Capital Authority which indicates that they have very serious reservations about any potential impact on the Black Mountain reserve by moving the road into Black Mountain reserve. They have indicated that they view that proposal very seriously and with a high level of concern. We would be foolish not to take that into account.

**MRS DUNNE:** I know that you need to take the concern of the National Capital Authority into account. I don't want to misrepresent you, but my understanding from what you said the other day at the Belconnen Community Council was that there hadn't been any approaches to the National Capital Authority about the alignment of Caswell Drive to accommodate the amenity of Aranda and the maintenance of the bush capital look of the road.

The concern of the people of Aranda is that if it's aligned where it is to mitigate the noise impact you are going to substantially degrade the bush capital aspects, which are particularly strong in Aranda. Correct me if I'm wrong. You didn't seem to have taken those concerns to the NCA as of last week. Have you had any further thoughts about whether you might do that?

**Mr Corbell:** No, I haven't, simply because I'm going to wait until the public comment process, at least its first stage, is completed and we know exactly what people are saying. But on the bush capital comment, there would be other people in the Canberra community who would feel very strongly—

**MRS DUNNE:** Yes, there's no doubt about that.

**Mr Corbell:** I'll just make the point. They would feel very strongly if the road was built further into Black Mountain nature reserve area. Those people would equally make the argument, legitimately so, that that was an impact on the bush capital image of the city. These are the matters for balance for the government. We indicated as a party before the election and as government since the election that the issues in relation to Aranda are addressing traffic separation, noise and air quality.

**MRS DUNNE:** But not the look of it?

**Mr Corbell:** We indicated that the issues were traffic separation, noise and air quality. Those were the issues that Aranda residents were concerned about—traffic, air and noise issues.

We have made sure there is effective traffic separation so that local traffic and through traffic don't clash. We've made sure that noise issues and air quality issues are appropriately addressed in the design we've done to date. We will continue to listen to the comments that people make through the public comment process, both the one that's being conducted now and the formal one under the land act, and we will take account of those concerns, as we have a responsibility to do.

**MRS DUNNE:** Can you envisage, Minister, a time when the concerns of the Aranda residents are so strongly put that you will have to go back to the NCA?

**Mr Corbell:** That's a hypothetical question. We'll just wait and see what the comment is through the statutory processes and respond appropriately.

**MRS DUNNE:** How much hypothetical response do you need before you can go back? Is it 100 residents? Is it 400 residents?

**Mr Corbell:** No, it's not about volume. It's about the issues of significance.

**MRS DUNNE:** It was about volume when it was Turner and O'Connor.

**Mr Corbell:** No, it wasn't. If that's your perception, then you can see why you lost the last election. Mrs Dunne, it is about addressing the issues of significance. As I've indicated to the committee already, we will address all the issues of significance raised and we will respond to them in a responsible way.

**MRS DUNNE:** Do you consider, Minister, that the appearance of the road in relation to the backdrop of Aranda is an issue of significance? Was "issue of significance" your term?

**Mr Corbell:** All issues of significance that are raised.

**MRS DUNNE:** Is that an issue of significance?

**Mr Corbell:** That is an issue that has been raised by residents. We'll take account of that and respond appropriately to that.

**MRS DUNNE:** How does it become elevated to an issue of significance?

**Mr Corbell:** I think the point I'm trying to make, Mrs Dunne, is that those comments which are simply along the lines of saying we don't want a road built—

**MRS DUNNE:** No-one has said that.

**Mr Corbell:** I know that, but I'm just trying to clarify what I mean by an issue of significance. Comments that come into the government saying, "These are all the reasons why you shouldn't build the road" are about whether or not a road should be built. The government has already taken a decision on that and we're not going to—

**MRS DUNNE:** You don't have an argument.

**Mr Corbell:** I know, but the point I make is that we get lots of comments from people saying, "These are all the reasons why the road shouldn't be built." We'll note those comments but we're going to say—and we have to be quite up front about this—"That decision has already been made. We're moving on now to the decision about the details of the road, not about whether or not it should be built." Issues around the details of the road are all significant to the government, and we will respond to them appropriately.

**MRS DUNNE:** Including the appearance and the visual impact on Aranda.

**Mr Corbell:** Including that issue, indeed. We will respond to that issue.

**MRS DUNNE:** So it has been elevated to a significant issue?

**Mr Corbell:** As I've just indicated, all issues about the design of the road, about the details of the construction of the road, are all significant issues for the government. They are all issues we will take into account.

**THE CHAIR:** Could I just ask one question about—

**Mr Corbell:** Mr Chair, can I just ask a question? When are we actually going to go to the budget—detailed outputs and things like that?

**THE CHAIR:** As you'd be well aware, Minister, the convention is that the Estimates Committee ranges over all aspects dealing directly and indirectly with the budget.

**Mr Corbell:** I have no problem with that, Mr Chair, and I'd be the first to defend your right to do that. But you've allocated three hours for planning and transport. We're yet to move to a single output class in either of those areas, and I think we've got half an hour or an hour left.

**THE CHAIR:** The pattern has usually been, Minister, that in general questions many of the issues that would otherwise get dealt with in the output classes are covered, so that second process is usually much shorter as a result. We will obviously have to return.

**MS DUNDAS:** But we haven't yet discussed public transport. I'm very keen to do that.

**THE CHAIR:** It's obvious we are going to have to come back to that at a separate time. Can I ask one question before we leave the road. You've put some store in the fact that the federal government won't give you in-principle support for the western alignment. But doesn't its position exactly parallel the position that the federal opposition has taken with respect to the eastern alignment? They very clearly foreshadowed through Senator Lundy when the eastern alignment was on the books that they would block that route through the federal parliament.

**Mr Corbell:** I can't speak for the federal opposition. You'd have to ask that of the relevant spokesperson in the federal opposition.

**THE CHAIR:** You made a comment on the federal government's position. Isn't the federal opposition's position a mirror image of that?

**Mr Corbell:** I don't think it's appropriate for me to comment on the position taken by the federal opposition. You'd have to ask the federal opposition.

**THE CHAIR:** The federal government shouldn't comment but not the federal opposition?

**Mr Corbell:** I can indicate that I've had discussions with the federal government and what my view is of those discussions.

**THE CHAIR:** You haven't discussed it with the federal opposition? You haven't discussed it with Senator Lundy?

**Mr Corbell:** Not for some time, no.

**THE CHAIR:** But you have discussed it?

**Mr Corbell:** Earlier this year, yes.

**THE CHAIR:** We have run out of time. I think the Secretariat was in touch with your office about recall time. We had scheduled time originally on Friday afternoon for recall of ministers. I understand you will be available for that time. But I also understand that you're appearing tomorrow as Minister for Education and then coming back on Thursday as Minister for Youth and Family Services and then as Minister for Industrial Relations.

If there's greater speed with those areas than we've had today, we may be able to create some time on Thursday to deal with planning. Is it possible for your officers to be available on Thursday if we have time to go back to planning issues?



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**Mr Corbell:** Do you mean the time that was proposed for industrial relations on Thursday?

**THE CHAIR:** No. We're not proposing not to deal with industrial relations, but if once we've dealt with industrial relations there's time left over, we can then come back to planning.

**Mr Corbell:** As long as it's in the time that has already been scheduled, I'm certainly available. I'm not sure about officers.

**Mr Thompson:** Mr Chairman, we'd certainly prefer to be aware of roughly when, as quite a group of people have to—

**MRS DUNNE:** Sometime in the afternoon on Thursday, was it?

**THE CHAIR:** Yes. I'm trying to guess what might happen. I think there's a reasonable expectation we can be through education approximately on Wednesday and do industrial relations approximately on Thursday morning. There's a reasonable possibility of that. We have time allocated for you, Minister, on Thursday afternoon which we won't need for industrial relations and might use instead for planning. How about we say that we won't reach planning any earlier than Thursday afternoon, but if we do—

**Mr Corbell:** So 2 pm on Thursday?

**THE CHAIR:** No earlier than 2 pm.

**Resolved:**

That the committee receive the documents presented this day and that, pursuant to standing order 243, the oral evidence and documents received at public hearing this day be authorised for publication.

### **Luncheon adjournment**

Appearances:

Mr B Wood, Minister for Urban Services, Minister for the Arts and Minister for Disability, Housing and Community Services

Department of Disability, Housing and Community Services—

Ms S Lambert, Chief Executive

Ms B Overton-Clarke, Director, Strategy and Management

Mr B Hutchison, Executive Director

Ms C Healy, Director, Disability ACT

Ms P Brown, Manager, Child Health and Development Service

Mr T Carmichael, Manager, Community Services

**THE CHAIR:** Welcome back, Mr Wood. I do not propose to go through the checklist which we ran through yesterday. I might just read the yellow card to witnesses who were not present yesterday for their benefit. You should understand that these hearings are legal proceedings of the Legislative Assembly, protected by parliamentary privilege.

That gives you certain protections, but also certain responsibilities. It means that you are protected from certain legal action, 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 remind witnesses about questions taken on notice being required to be answered within three full working days. I ask you to give your name and the capacity in which you appear before the committee when you come forward. The rest of the advice that I have given on previous occasions stands, Minister. I think that you are all well aware of that. Our program for this afternoon is to hear from you as Minister for Disability, Housing and Community Services. In a moment I will go through those areas and see whether there are questions for members.

We are also to hear from the Department of Education, Youth and Family Services and that will be from Minister Wood as well in that capacity. I note that in preparing the program for today, because of the changeover from old to new budget documents, we have omitted to list ACT Housing as a separate item for consideration. Obviously, we have officers here today to answer questions about ACT Housing, Minister.

**Mr Wood:** And enthusiastic about it.

**THE CHAIR:** I suggest that we deal with ACT Housing on the agenda immediately after output 1.3, which relates to supported accommodation and community services, and the reference to that is on page 251 of Budget Paper No 4. Going through the agenda as it now stands, there will be questions on disability policy, planning and services, housing policy and planning, ACT Housing, and child health and development services. We will be doing everything today except supported accommodation and community services. Minister, you can send off any officers associated with that. Do you want to make an opening statement in this area, Minister?

**Mr Wood:** Yes, in the circumstances, I do, thank you, Mr Chair. Welcome to the Estimates Committee hearing for this new department. I think you should be very impressed by the array behind me. I am pleased with the very considerable support I have and I challenge members to find a question that cannot be answered.

Considerable changes are under way in the delivery of human services. We have already experienced a detailed examination of service delivery. We have had experts, coroners and consultants detail the problems with the disability services system. More importantly, consumers, their families, carers, and advocates have told us of the real life experiences in some of our services. While there were many stories giving us cause for concern, these were balanced by some heartening success stories and always of the dedication of staff who work in this area. It is these successes and attitudes that this government will now build on through the establishment of this department.

The inquiry into disability services gave us a guide to those actions and processes we should foster in providing care and support for some of the most disadvantaged in our community. In leading the way, the Chief Minister recognised that in a jurisdiction the size of the ACT we should be able to work better together and we should be able to deliver high quality, consumer responsive services that fulfil a government's obligation

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to the community. We will honour this obligation. Through the Department of Disability, Housing and Community Services we will build better services.

The government is committed to higher service delivery standards, more balanced accountability, strengthened community engagement and consumer-centred programs. To help us do so, we will continue to draw on the dedication and professionalism of all those who work in the area, a point I cannot mention too often. We want our services to match the needs of consumers and the expectations of our community. We want models of funding and accountability that assist community agencies to develop, not tie them up in endless reams of paperwork. We want a department which is a leader across government and across Australia in terms of the delivery and management of human services.

There is no point in being on the edge of transformation if we do not grasp the opportunities available to us and aspire to the best service delivery system possible. The bringing together of disability, housing and community functions provides us with an opportunity to better integrate services, particularly for clients in all three service systems, as well as improve the coordination of policy and planning across the areas. A strong focus on meeting consumer needs will drive the development of the new department.

Through the work already undertaken, the government has demonstrated its commitment to engaging the community in this service transformation. Earlier this year, we established the disability reform group, recognising the central importance of involving consumers and service providers in the process of building better services. We have set up Disability ACT, which combines the previously separate functions of policy, planning and service delivery. We are also on track to deliver legislation which meets the Chief Minister's commitment to provide appropriate statutory powers to determine and review disability service standards and protect the physical wellbeing of consumers of disability services, regardless of the service provider. Added to this, we will also meet our commitment to formalising the rights of unpaid carers, providing them with the entitlements they deserve.

The new department, in conjunction with the Department of Justice and Community Safety, will examine the functions of existing community advocacy and watchdog agencies, including the Community and Health Services Complaints Commissioner, the Community Advocate and the Health Rights Advisory Council, and provide advice to government on how best to move forward. Members of the Assembly have previously indicated their strong interest in this area, so I will ensure that they are kept aware of developments.

We are also proud to have delivered on our commitment to improve funding for disability services, with \$2 million being allocated to enhance services for people with a disability and their families and support the development of reform and service improvement. The funding will assist in addressing unmet need, particularly for services to meet the care and support needs of people with disabilities who have high and complex needs. It will provide for increased community support, including transitional support for young people leaving school who are unable to participate in employment activities, as well as day activities for people with disabilities.

The new or enhanced programs include day support options over 6,000 hours, a post-school options program of at least 20 additional packages per year, and accommodation options of at least four additional high-support arrangements. Tenders will be conducted early in the 2002-03 financial year to establish the additional services for day options, accommodation options and post-school options. Reform and service improvement activities will be progressed in consultation with the disability reform group and the disability sector. There will be improved data collection and management, improved planning and research and improved monitoring, review and quality service.

A further half a million dollars will be targeted towards expanding disability services in the areas of early diagnosis and assessment of autism, early intervention education programs and multidisciplinary therapy services to children in autistic-specific learning support classes in ACT government primary schools. Whilst a number of these services will remain in the Department of Education, Youth and Family Services, the new department will work closely to ensure that service continuum remains.

The program will provide early diagnosis and assessment of autism, additional early intervention education programs for children with disabilities aged from 18 months to primary school age, including playgroup programs and early intervention education programs for children with complex delays and disabilities. It will also provide multidisciplinary therapy services to children in autistic-specific learning support classes in our primary schools.

Housing is a key element of care and support for not only people with a disability but also many others in our community. Clearly, the emphasis is on those in greatest need. There have been critics of the public housing system, particularly those who are concerned that public housing may be occupied by tenants with sufficient means to buy or rent private accommodation. The government has a strong view as to the issue of security of tenure. However, in supporting that view, I am also determined not to provide hidden subsidies for people who can afford to rent privately.

In that regard, I will be announcing tomorrow that ACT Housing will be applying, as we are required to do, the latest rent valuations to its properties, with effect from 22 September. Members of the committee might recall that last July I was somewhat of a critic of ACT Housing's rent increases. I felt that the increases then were surprising, given that there had been no increases for the past three years and the increases, when coupled with the then government's housing reform package, were hard to take.

It should be noted that a small number of tenants will actually have rent decreases and the vast majority of tenants who are currently on rebates—that is, 80 per cent of our tenants or about 9,000 of them—will be unaffected by those changes. I cannot provide the committee with the details of the new rent increases until the people have actually received the letters, which will be tomorrow.

This government is committed to delivering more accessible and affordable housing options for Canberrans and that is an important challenge. Again, we are engaging the community through the affordable housing task force and the housing advisory committee and the homelessness advisory group in accepting these critical issues. The affordable housing task force, involving representatives from the community, business and government sectors, is working hard on the difficult issues of affordability and will

report in October. I am particularly keen to ensure that the path of transition between emergency accommodation and more long term public, community or private housing is better paved for those Canberrans experiencing housing difficulty.

Reports released over the past few weeks have highlighted the pressure points in our housing system and, with the assistance of the community, I would like to examine how we can provide some relief. With this in mind, I can announce that, in conjunction with the homelessness advisory group, I will be hosting a housing transitions forum in November this year. The forum will bring together all those people and services involved in the supported accommodation and long-term housing sectors. It will devise ways to flush out the blockages in the current housing system, with a focus on improving the capacity of services and building the capacity of residents to sustain longer-term housing options.

I am interested in new ideas, new approaches, and will consider any solution to the problem of transition between crisis accommodation and a place people can call home. As part of these discussions, we will be testing the recommendations of the recent report, "Needs analysis of homelessness in the ACT", produced by ACTCOSS for the government. I will soon be writing to relevant stakeholders providing them with a copy of the report and seeking their views on its recommendations. A committee of this Assembly was looking at that last week, I think. A workshop to discuss the needs analysis will be held in September this year with a view to working collaboratively with the community sector to map out a way forward on those important issues.

It is essential that we attempt to provide accommodation options for all those people who are living rough or those people who have very limited choices through no fault of their own. I am particularly moved by the plight of young people, many of whom are homeless students. They also need special attention and tailored solutions. Our commitment to better housing services has also been reflected in this budget with funding for enhanced indigenous housing options, additional community housing stock, the establishment of boarding houses, a continuation of an earlier program, measures to improve Ainslie Village, and action to address long-standing concerns about fire safety in public housing complexes.

Community services provides some of the most fundamental of services to the community, from providing a meeting place for support groups to facilities for child care and services for older people. I will be asking for purchasing arrangements with community agencies to be examined and for the burden of overly bureaucratic transaction processes to be removed. The government is determined to balance the need for accountability in the provision of community services with the level of funding provided and the risk associated with the services. Our foremost concern is that the service delivery is improved and our accountability measures should facilitate that outcome, not detract from or hinder it.

Over the next year we will be consulting with community services on how to build a better model of service delivery that meets community expectations, government requirements and community agency aspirations. I want, again, to encourage a culture of innovation in our community services, one that drives improvement and fosters collaboration. No-one would suggest that a major transformation in human services is ever easy. I recognise the importance of the challenge the Chief Minister has given us.

Ms Lambert and her team recognise the challenge and we all believe that we can well rise to it. I commend all those in the new department for the effort and the expertise they have brought to its creation. It has been a major task. They have achieved a great deal in a short time. We are committed to building better services for the community, to working with consumers and service deliveries to achieve their aspirations and to addressing shortcomings which have existed in the past. Thank you for your tolerance. Being a new department, we needed to put a few things on the record.

**THE CHAIR:** Minister, I will lead off with a question about the review of disability services following the Gallop report. I take it that it is still due to report in September?

**Mr Wood:** Yes. I believe we are on target.

**THE CHAIR:** And there will be a second report following from that next January.

**Mr Wood:** What is the timetable?

**Ms Healy:** My name is Chris Healy. I am from Disability ACT. I only know of one.

**Mr Wood:** Yes. What is the second report?

**THE CHAIR:** I am not sure. My notes suggest that there is a component of that. Is that not the case? Is there only one component of that report?

**Ms Healy:** I do not know of a second report, Mr Humphries.

**THE CHAIR:** Okay. I might be being misinformed by my note maker. As to the report due in September, has any work that is going on in that exercise educated the decision that the government has made about the formation of the Disability, Housing and Community Services Department, the structure of that department and so on?

**Mr Wood:** Indeed, I think a whole lot has educated the government arising out of the Gallop report, the DRG and listening to the community generally. The whole department has grown out of that activity, including the Reid report, I should mention. Some of the specifics Ms Lambert might want to address

**Ms Lambert:** My name is Sandra Lambert. I am Acting Chief Executive of Disability, Housing and Community Services. There was a direct link really between that and the way in which Disability ACT has been structured, with the integration of policy, planning and service delivery. In that respect, there is a direct link to the DRG and the work that they have been doing. They had considerable input to the Reid review which shaped, if you like, the responses.

**THE CHAIR:** This process is ongoing. Do we have any clues about the direction that the exercise is taking? We have been looking at the question of independent support packages, for example, and whether a recommended approach will come out of that exercise. Is the department equipped to take up that concept effectively if that is recommended by the review that is currently under way?

**Ms Lambert:** The department will certainly be able to look at the recommendations and make an assessment against the resources that are available. There might be some reshaping of resources. There may well be some changes recommended by the DRG. I do not know the detail of that. There may well be some changes recommended that will mean changes to what we do now, so there could well be some reprioritising, but I expect we will have to look at the report very closely and look at what resources are needed for it. Ms Healy, is there something you want to add?

**Ms Healy:** I think that covers it.

**Ms Lambert:** As you would appreciate, I have not been involved with the DRG for very long. In fact, I met the co-chairs just recently.

**THE CHAIR:** That applies to all of you to some extent, doesn't it?

**Mr Wood:** Indeed. And you have to bear in mind, too, that the new department has taken a lot of structuring. It really is starting from scratch. It is not like transferring, as happens often in government, one agency to another minister or something. Establishing a whole new department has been a very significant undertaking. It is the first such creation since self-government.

**MR SMYTH:** When was the announcement about the creation of the new department made by the Chief Minister?

**Mr Wood:** Late June some time, from memory.

**MR SMYTH:** I recall him saying in his speech that it would be cost neutral.

**Mr Wood:** That is right.

**MR SMYTH:** Has there been absolutely no cost at all in setting up the new department?

**Mr Wood:** There certainly has been a cost, but the cost has been contained within existing funding across the agencies from which this department has emerged.

**Ms Lambert:** There is no net addition to the total cost of providing the services. Of course, there are issues in terms of creating a corporate structure, and we will have to align that with the agencies that have provided resources as well. We will be embarking on a process to do that very soon.

**MR SMYTH:** On the day of the announcement, some sectors felt left out. I think the youth sector, in particular, felt that they would have been delighted to come across to the new department rather than being left with education. Is this the last reform we will see? We were certainly moving towards, it is fair to say, a human services department. Michael Moore had all these areas, including housing and corrections. It was a big workload for one minister. Is there a view that this is the end of the departmental reform or will it go further?

**Mr Wood:** It would be a brave person who would make that sort of commitment. Yes, I received some of that comment on the day of the announcement. We haven't closed it off, but I would say that some months would emerge, some period would emerge, before we would want to start thinking about taking something else on. But it remains an option in the future.

**MR HARGREAVES:** Can I go down that track, Mr Smyth? You have raised an issue that I wanted to explore on the youth services bit. Which bits of youth services came out of DECS and which bits remained?

**Mr Wood:** It might be useful to catch up on just what has moved around.

**Ms Lambert:** I will just run through the changes, if you like, and that will probably make it clearer for everyone.

**MR HARGREAVES:** Perhaps you should do that bit last because I will follow on with questions.

**Ms Lambert:** The Office of Disability came from the Department of Health and Community Care and disability services from ACT Community Care, so that now makes up Disability ACT in the new department. Housing has come from the Department of Urban Services, that is, community and public housing, and housing policies, so that again there has been an integration of that. We are still working out the structural details of that. The supported accommodation assistance program has come from the department that is now called Education, Youth and Family Services. Child health and development services, other than specialist preschool education, have come as well from that department, and also from that department are general community services, including support of peak bodies, concessions and community facilities, so that is the structure.

**MS DUNDAS:** Can I jump in at this point with regard to CHADS?

**Ms Lambert:** Yes.

**MS DUNDAS:** The minister said in his opening statement that they were providing specialist support from 18 months through primary school. Why is specialist preschool education, such as the autism and early intervention units and playgroups, staying in the Department of Education, Youth and Family Services, and how will integration happen between disabled children in the school system and all the external help that they need when half of them are going to be in one department and the other half are going to be still in DECS?

**Ms Lambert:** Yes, that has been an issue that we have worked through. The government, in taking the decision, decided that the education program should stay together, and those are essentially school education programs with support from CHADS. It is one of the issues that we are looking at at the moment, but I do not imagine, given that they have co-located a lot of the services in terms of going into the schools, that there will be any issue with people continuing to work together.



This department has taken things, and this relates back to the question about youth services, that are discrete but yet linked to others. It will be the job of this department to work across government and not to be siloed, so that we do actually continue those links and maintain them. In relation to things not being here, frankly, there is enough at the moment to work on together and make it be an integration of policy, planning and service delivery. That is a big task in the areas we have, but there will be links through to areas that we have left. For instance, there will be a lot of linkage back to family services in the Department of Education, Youth and Family Services as well.

**MR HARGREAVES:** Can I go back on that one because my original question was not actually answered?

**Ms Lambert:** Sorry.

**MR HARGREAVES:** As I understand it, some parts remained with Education, Youth and Family Services and some parts went.

**Ms Lambert:** That is right.

**MR HARGREAVES:** And it is similar to the question being asked about youth services. I understand that one of the big pluses for the modern day youth service as part of DECS was the attention to preventing issues becoming critical, the early intervention type of thing with kids at risk and all those sorts of things. That area has been split, hasn't it?

**Ms Lambert:** That area, the specific youth area, remains with Education, Youth and Family Services.

**MR HARGREAVES:** And which bit came out?

**Ms Lambert:** It is really more for the at-risk programs, the supported accommodation program, the community facilities and the peak bodies—more community services.

**MR HARGREAVES:** On community facilities, I can see Mr Lebang up the back. I think he has still got carriage of community facilities.

**Ms Lambert:** Some.

**MR HARGREAVES:** That is not the bit that I am terribly worried about, although I would wonder if you were going to give yourself something you did not want. That would be a good one to get rid of. The youth services one is the one that I am concerned about. Looking at providing youth services in a holistic sense for kids, how come we have split it? What is the rationale for splitting it? Why not take the whole lot and give Mr Lebang back?

**Ms Overton-Clarke:** My name is Bronwen Overton-Clarke. I am the director of strategy and management. If you are deciding to divide up on a sectoral basis, it is a bit like the argument being used in housing: to what extent do you say that all the people, young people, should be included in housing and to what extent do you put them in a different area? That is really the rationale for bringing SAAP into the department, supported

accommodation and the whole of the SAAP program. Youth SAAP and the whole integration of that sort of homelessness for young people are being brought into the department because of the synergies with housing, and then non-housing services for youth, so the rest of the youth services, such as early prevention and intervention, remain with the education department.

**MR HARGREAVES:** I have two short questions on that. One is the King Solomon trick. When you actually had to decide who was going to go from point A to point B, were there discrete positions that actually went from the first point to the other?

**Ms Overton-Clarke:** Yes.

**MR HARGREAVES:** Or were there combined positions which had to be split and reorganised?

**Ms Overton-Clarke:** There were discrete positions, particularly in SAAP, because a lot of the administration funds are used to fund specific positions.

**MR HARGREAVES:** And the youth services part.

**Ms Overton-Clarke:** The youth services part that stayed, yes. Yes, there were, by and large, discrete functions. Because of the way that we all like to work and we imagine people do work, there were portions of work that were transferred out, but by and large, and particularly in the SAAP area, the whole discrete function came.

**MR HARGREAVES:** Will they be co-located? I think you just said that there were some with CHADS.

**Ms Lambert:** There are some with CHADS; there is some co-location.

**MR HARGREAVES:** We have actually split up people who had a synergy working away quite nicely before; we have now split them up physically, is that right?

**Ms Overton-Clarke:** Yes, that is right, but then they will have synergies with the new people that they work with.

**MR HARGREAVES:** Are they going to recover the synergies they just lost with the last lot?

**Mr Wood:** I do not think that they get lost.

**Ms Overton-Clarke:** Because a lot of the work is being done electronically and one of the particular projects being done in that area is electronic data collection work, electronically they will be able to stay together. I know that that is a glib answer, but there are lots of opportunities because of the projects that they are doing.

**MR SMYTH:** Where are you all going? Where will the department set up its headquarters?

**Ms Lambert:** We are currently looking at accommodation.

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**MR SMYTH:** And you will bring all those units into one location?

**Ms Lambert:** Yes.

**MR HARGREAVES:** Manning Clark House is a great place to work.

**Ms Lambert:** I know.

**MR SMYTH:** There is plenty of room in Tuggeranong. John, do you concede that Tuggeranong would be great for the department?

**MR HARGREAVES:** I think that it is an absolute must.

**MR SMYTH:** Mr Wood, would you agree that Tuggeranong would be a great place for the department?

**MR HARGREAVES:** Put up your hand if you don't think Tuggeranong is a good place!

**Mr Wood:** It is a good place, Mr Smyth.

**MR SMYTH:** Thank you, Mr Wood.

**THE CHAIR:** Almost as good as Gungahlin.

**Ms Lambert:** In answer to your question, the area that was looked at was youth and community services. It is basically the community services section that has come to the new department.

**MR HARGREAVES:** Okay. I am concerned that there was a lack of achievement, if you want, years ago, say about 1996, around that period of time. You would remember probably when there were some changes within the youth and family services area and they came together really nicely. A lot of it had to do with the personalities of the staff that we had and the way they worked together. I am a bit concerned that, in splitting that up, we are going to lose greater than the sum of the parts out of this.

**Mr Wood:** Ask us next year and we will be able to give you a very good report.

**MR HARGREAVES:** I think we will do just that.

**Ms Lambert:** We haven't got family services with us, either. In terms of things like mandatory reporting and in terms of things like the vast majority of our youth being in schools and so on, it makes sense to leave that section as well with that department, because the vast majority of Canberra youth are not at risk. There are some who are and they work within the youth area.

**MR HARGREAVES:** We will come back to you in 12 months.

**MS DUNDAS:** Just on my CHADS question, are diagnosis services coming into the new department?

**Ms Lambert:** Yes.

**MR SMYTH:** But this is all appearing in a separate section of the budget. I assume that the decision was taken too late for it to be included in this year's budget.

**Ms Lambert:** My understanding was that you all got a copy of the new BP4.

**Ms Overton-Clarke:** It hasn't been printed yet.

**MS DUNDAS:** I have another question on the setting up of the new department. Speaking of the revised Budget Paper No 4, we have this table of transfers to the new department, but we also have a transfer of disability services from the Department of Health and Community Care to Education, Youth and Family Services. At the bottom of page iv of the preface to revised Budget Paper No 4 there is a reference to disability services being transferred from Health and Community Care to Education and Family Services. I just want to know what that is about.

**Ms Overton-Clarke:** Out of the new initiative of \$500,000 that went to CHADS in this financial year, that is the component that is staying.

**MS DUNDAS:** It is the splitting up of the CHADS money.

**Ms Overton-Clarke:** Yes, that is right, the new initiative.

**Ms Lambert:** That is for the early intervention programs.

**MS DUNDAS:** The bit of CHADS that has come to you is staying as CHADS and the early intervention programs from CHADS will now be called early intervention programs and lose CHADS' name?

**Ms Lambert:** Yes.

**MS DUNDAS:** Okay. I am just clarifying it as I write it all down.

**Ms Lambert:** No, that is fine. It is the education part of CHADS.

**MS DUNDAS:** Where are we up to, Gary?

**THE CHAIR:** We are on general questions of the minister, but I suspect that it will be more useful for us to move to the specific output classes as soon as possible. Are there any other general questions of the minister?

**MR SMYTH:** I would like to go back to where you started. Is the government's response to the Gallop report still on time for September?

**Ms Lambert:** Yes.

**MR SMYTH:** If that response through the disability reform group sees the need for more resources, will there be more resources available or will it be a matter of reprioritising the current budget of the department?

**Mr Wood:** I do not know. I think we would think that that is a bit speculative. I have not had any comment that they are not able to meet the task, that they are struggling with it. I expect them to report on time but without that particular difficulty. We are very keen to facilitate what they are doing.

**MR SMYTH:** If the report suggests the need for additional funding for disabilities, will there be a second appropriation and extra money, for instance, or will there be a reprioritising of issues inside the department?

**Mr Wood:** I think all budgets are pretty tight. If there were major recommendations coming out of that report, we would have to examine them very carefully and specifically. I cannot anticipate what will be in the report.

**MS DUNDAS:** I have an overview question. Both HACC and DECS funded community organisations through purchaser/provider agreements and those kinds of things that are generally then indexed every year to get a small increase in funding nominally in terms of the CPI. I have been informed that DECS was taking the CPI at one amount and HACC was taking the CPI at another amount. Considering that organisations that were funded through both of those programs are now under the one department, what are you judging the CPI to be and how are you dealing with those differences between DECS and HACC?

**Mr Wood:** We don't have HACC.

**MS DUNDAS:** But community organisations that were funded through housing policy. Maybe that was through DUS, sorry. Do the housing programs that were funded through Housing now come under your guise?

**Ms Lambert:** I think so.

**Mr Wood:** Let's be clear. What do you mean by HACC?

**MS DUNDAS:** Sorry, I am probably getting my titles wrong. You have now got housing policy and you have got things from Education, both of which funded community organisations that would then get a yearly increase for CPI. I understand that they may have been at different rates.

**Ms Lambert:** That is right.

**MS DUNDAS:** Will you be continuing to fund that CPI increase at different rates or pick one? How will you be dealing with those?

**Ms Lambert:** The ones that have come to us from DECS, as I understand it, have been signed off, so it is an ongoing issue for us. It is not one that we have worked to resolve at the moment, but certainly that was something that happened while these organisations were in DECS. We have picked up from 1 July and that is one of the anomalies we will have to deal with, but we only have funding at this point for the one per cent.

**MS DUNDAS:** For the DECS component.

**Ms Lambert:** Yes.

**MS DUNDAS:** For any other bits coming through disability or housing, are you currently negotiating what the CPI increase will be?

**Ms Lambert:** Not that I am aware of. It is 2½ per cent, I understand.

**MS DUNDAS:** They are getting 2½ per cent.

**Ms Lambert:** Yes.

**MS DUNDAS:** You are taking the CPI for this year to be 2.5 per cent and that is what you will be giving out.

**Ms Lambert:** Remember that we inherited a situation when the department was formed.

**MS DUNDAS:** Yes.

**Ms Lambert:** What we got from DECS as it is now was the one per cent. What we will get, I am assuming, from the other agencies is the 2.5 per cent which they had agreed to. It was a separate decision taken by the then Department of Education and Community Services.

**MR HARGREAVES:** You always lose on a transfer.

**Ms Lambert:** I think this was a decision taken well before that, actually, and just moved across.

**MS DUNDAS:** Come June 2003 and you are renegotiating CPI increases, is the plan to do them all at one level?

**Ms Lambert:** That would be the desirable outcome. I cannot be that speculative at the moment.

**MS DUNDAS:** Actually, it might still be the situation in a year's time that community organisations funded by the one department are being funded CPI increases at differential rates.

**Ms Lambert:** Again, it is speculative. I would not hope so, but it is speculative at this point. A year's time is a long time. We will have to have a good look at the service purchasing arrangements in any case.

**MS DUNDAS:** You will be reviewing all the service purchasing agreements your—

**Ms Lambert:** That will be in a cross-government review.

**THE CHAIR:** I have a question about the transmission in that transfer of any productivity savings that are due to be made by the former Department of Housing and Community Care or Department of Education and Community Services. There are

savings in each of those departments. Have any of those savings been built into the money that has been transferred to this new department?

**Ms Lambert:** What do you mean by “built in”?

**THE CHAIR:** Approximately \$10 million of savings has been made in this year’s budget and savings of \$1.6 million approximately remained in the department of health and \$1.2 million in DECS. That was before the creation of this department.

**Ms Lambert:** That is right, yes.

**THE CHAIR:** Do any of the areas you have inherited from those agencies carry with them a need to contribute to the productivity savings for the old departments?

**Ms Lambert:** The budget for those departments, as they were in the budget which came down at the end of June, is what has been transferred. That is what has come across. An example is the one I have just given.

**THE CHAIR:** Some of those savings, if they were applied generally to those old departments, would be transmitted, they would be built into your base.

**Ms Lambert:** Yes. Those were decisions that had already been taken through the budget process.

**THE CHAIR:** I do not think I have any other overview questions.

**MR SMYTH:** I have just one last one. Convalescent care, the step down facility, is that with you or is that with the hospital or Health?

**Ms Lambert:** Health.

**MS DUNDAS:** Do you now have responsibility for community property?

**Ms Lambert:** Some.

**MS DUNDAS:** What do you mean by “some”? Which bits do you not have?

**Ms Lambert:** Not all of them.

**Mr Wood:** We might give a little back at some time.

**Ms Overton-Clarke:** Forty-one facilities have transferred.

**Mr Wood:** Including the Griffin Centre.

**Ms Overton-Clarke:** We don’t have schools and child-care facilities, essentially.

**MS DUNDAS:** But all of the government-owned community centre space.

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**Ms Lambert:** I think so. We would be happy to provide that list to you, if you like, rather than running through it all, because I am sure that there would be questions about bits and pieces.

**MS DUNDAS:** That would be fantastic. The main gist is that you don't have schools and you don't have child-care facilities.

**Ms Overton-Clarke:** No, there are 11 community centres, 11 community halls and nine community houses. Basically, the ones that haven't transferred are the stand-alone youth centres. Do you want me to run through what they are?

**Ms Lambert:** I think we can provide it.

**Ms Overton-Clarke:** Sorry, and six neighbourhood centres, yes.

**MS DUNDAS:** Has the transfer of property been dependent on the activity of the current tenants of those properties?

**Ms Overton-Clarke:** The general community facilities have transferred; so, because of the synergies with the community services grants program, the facilities that house, if you like, general community services have transferred. Those that link back to the youth sector have stayed.

**MS DUNDAS:** What about the Youth in the City building that is behind the Griffin Centre and isn't part of the Griffin Centre, but is part of the redevelopment of block 56? Is that with you?

**Ms Overton-Clarke:** No, that stays, is my understanding.

**MS DUNDAS:** Is it still with DEYFS?

**Ms Overton-Clarke:** Yes.

**MS DUNDAS:** How will the strategic management of community facilities across both youth and family services and community services be monitored and maintained?

**Ms Overton-Clarke:** I would just reiterate Sandra's point that the whole point about the setting up of the new department is that we will actually continue those links with the areas that used to work together, so it will be part of the whole way of working. Not only are there links with the community services program and therefore the organisations in them that are being funded, which are the ones that are transferring, along with the facilities, but also there are links with specifically the youth sector and the youth sector buildings and we will keep up those links.

**MS DUNDAS:** Let's be hypothetical and ignore the section 56 redevelopment. If, say, Anglicare and Youth in the City decided that they did not want to be in that building any more and moved somewhere else and that building was then taken over by ACTCOSS, rather than a youth organisation, would the management of that building then transfer with the service that was in there?



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**Ms Lambert:** If it was a general community service, yes, it would.

**MS DUNDAS:** It is quite possible that, as time goes by, a whole lot of the property management would be transferring between the two departments as community organisations moved.

**Ms Lambert:** I am not sure about a whole lot, but I do think that there are things to be worked out still, as we move forward with the new department, in that sense. I think we will have to have a good look at that as we move.

**Mr Wood:** That has happened in the past; things come and go.

**MR HARGREAVES:** I wish to ask about the community facilities change. I am assuming that surplus space in schools will stay with DEYFS?

**Ms Lambert:** What space, sorry?

**MR HARGREAVES:** The surplus space in schools, empty classrooms and that sort of thing.

**Ms Lambert:** Yes.

**MR HARGREAVES:** What sorts of resources came across? Did you pinch enough resources from Education to make sure that you can run these facilities properly?

**Ms Lambert:** I would hardly use the word “pinch”.

**MR HARGREAVES:** All right, borrow, purloin.

**Ms Lambert:** We have had very frank negotiations with departments, and they were cooperative, I might add, which reflects on the people here today. People have worked with us very cooperatively. We think we have the resources at the moment, given the setting up the new corporate structure as well, to do this.

**MR HARGREAVES:** How many people actually came across from DEYFS to your department?

**Ms Lambert:** Eleven, outside of CHADS.

**MR HARGREAVES:** How many of those 11 are concerned with community facilities management?

**Ms Lambert:** One.

**THE CHAIR:** There not being any further general questions, let's move to output 1.1, which relates to disability policy, planning and services.

**MS GALLAGHER:** I have a question about the national disability service standards. The target there is 100 per cent to implement the service standards. Are they the 11 or eight—probably eight—disability services standards?

**Ms Lambert:** There are eight.

**MS GALLAGHER:** Is that an output or a measure? It is a measure. How do you measure that? Are you measuring the services you fund or are you measuring your own services in meeting those standards, or is it just making sure that they are implementing them and not actually assessing them at the end? I am just interested in that.

**Ms Healy:** The agencies report their compliance in their half-year reports. That applies to the disability program and the agencies.

**MS GALLAGHER:** Do they measure themselves?

**Ms Healy:** At the moment, it is a self-report, but we are looking to put in place a disability services improvement scheme where we will have a system of quality visitors who will be able to visit at any time and assess compliance with the standards.

**MS GALLAGHER:** That 100 per cent is just about making sure that all of the agencies self-report against the standards.

**Ms Healy:** That's right.

**MS GALLAGHER:** Do they all pass?

**Ms Healy:** Some require development.

**MS DUNDAS:** Is this the right place to ask about the \$1 million that was being put in for respite care? Is that \$1 million to be spent on needs analysis, is it to be spent on a tender for needs analysis or is to be spent on the outcome of any needs analysis?

**Mr Wood:** It would be spent predominantly on providing a service.

**MS DUNDAS:** The needs analysis for respite care has been done and you know where the money needs to be spent.

**Ms Healy:** The results of the needs analysis would indicate that to us.

**MS DUNDAS:** When will the needs analysis be done?

**Ms Healy:** The tender for that was placed, I think, very recently. It will be completed in about four months.

**MS DUNDAS:** The needs analysis will be completed in four months. Will the funding for that needs analysis and the payment of that tender be coming out of the \$1 million set aside for respite care?

**Ms Healy:** Yes.

**MS DUNDAS:** Can you tell me the breakdown between the amount for the needs analysis and the amount for the outcome of the needs analysis?

**Ms Beauchamp:** My name is Glenys Beauchamp. I am an executive director with the Department of Disability, Housing and Community Services. The respite tender is being managed within the Health portfolio and an advertisement was placed on 13 July. It covers the areas of disability, mental health and aged care. The money is coming out of the \$1 million. It will probably be a maximum of around \$80,000. In the meantime, the minister has asked us to look at supplementing—

**MS DUNDAS:** Which minister?

**Ms Beauchamp:** This minister. He has asked the departments to look at options for supplementing existing respite providers so that we can get some respite money out there in the interim while the needs analysis is being undertaken.

**MS DUNDAS:** You are looking at ways that you can spend some of the \$1 million less the \$80,000 in the next four months with current respite providers.

**Ms Beauchamp:** Yes.

**MS DUNDAS:** The tender is being managed by Health. Who is managing the \$1 million?

**Ms Beauchamp:** The \$1 million currently resides in the Health portfolio. It is being managed by the Health portfolio, but it covers the three areas that I mentioned. Depending on the needs assessment, resources and funding will be allocated to the relevant areas.

**MS DUNDAS:** The Gallop report made some comments about respite, didn't it, saying that there was need there?

**Ms Beauchamp:** Yes.

**MS DUNDAS:** Is that why you are putting in some money now whilst waiting for a fuller needs analysis?

**Ms Beauchamp:** Yes, that is right.

**MS DUNDAS:** I think that some of those concerns related to the purchaser/provider model and I understand that the purchaser/provider model is under review across the whole of government.

**Ms Lambert:** It is the service purchasing arrangements, but the purchaser/provider model—can I say that; where are the Treasury people?—is under review, yes.

**MR SMYTH:** Is it true, Sandra, that Treasury have now been issued with badges and guns to make sure that all the answers here are correct?

**Ms Lambert:** We are working on that, yes.

**MR SMYTH:** I am just worried by the way you continue to look over your shoulder.

**Ms Lambert:** No, it is all right; Megan and I have worked very closely on this exercise.

**MS DUNDAS:** With the new framework and the new needs analysis, is that being done under the new thinking about purchaser/provider, so that the problems that were raised in the Gallop report will be addressed by the time we get around to spending most of the money?

**Ms Lambert:** The new agency has, in fact, looked at that purchaser/provider split and bought the purchasers and the providers together in terms of the public purchasers and providers, so the new agency itself has moved away from that model as part of the recommendations. What I was referring to before is having a look at the service purchasing in the community sector and that is something that will be undertaken, as I understand it, across government. In my former role, I would have had quite a lot to do with that.

**MR SMYTH:** So you are not responsible for, say, the need for the Weston Creek Community Association to put in a tender for the provision of services?

**Ms Lambert:** Yes, we are responsible for Weston Creek. That is one of the ones that have come with us.

**MS DUNDAS:** I have some more questions. I will keep going. One of the other things the Gallop report raised in terms of disability services was that the roles of the HACC, and I mean HACC at this point, disability services and disability program and also of the non-government sector were all a bit confused and there wasn't a clear indication for the community, or that delineations were not being applied properly and reporting wasn't working. I know that you know all of this, but how are these new arrangements, specifically with the Office of Disability, going to work to address those broader concerns across all of the different sectors, especially with some of the work still being done in Health. I know that you are going to tell me that you will be trying to work across the whole of government, but also with the rest of the non-government sector. How is it all going to work?

**Ms Lambert:** Again, by bringing together the people who do the purchasing and the people who do the providing, we have made a first step in that direction, but I will ask Mark to add more detail.

**Mr Francis:** My name is Mark Francis. I am director of the disability program in the department of disability. The arrangements that we are looking in terms of new service purchasing arrangements are integrating the policy environment across both of those major areas. HACC obviously has not come in as per the Gallop recommendation. Gallop recommended that consideration be given to HACC coming into new arrangements. That has not occurred as yet. So we are looking at an integrated disability policy environment with new funding arrangements, new service purchasing agreements and so on that will reflect an integrated approach.

The work of the disability reform group is looking at organisational arrangements for the sector as a whole, such as what arrangements should be put in place at the front end of service delivery when people either acquire a disability or have a family member born to

them with a disability, what should be the sort of response that the sector, operating consistently and in an integrated fashion, should deliver at that time.

**MS DUNDAS:** I have a different question. Between Budget Paper No 4 in the book and the revised Budget Paper No 4 circulated in a loose leaf form, there has been an increase of almost \$1 million, maybe even more, between disability services, which is output 1.5 in the old budget papers, and disability policy planning and services in the new budget papers. I am pleased to see an increase in funding for disability services, but where is that money coming from?

**Ms Overton-Clarke:** It is actually directly due to the way that we attributed the overheads for the new department across the different programs. The service disability funding came exactly as is, as we have discussed, into the new department, but what also came out of existing departments was money to fund the overheads for supporting the new department, and that money has to be attributed across the programs for the department. There are different ways of doing that attribution. The way that we have done it at the beginning is a relatively crude way of doing it across full-time equivalents that came into the department. That means that there has been an effect on the areas that have a high number of FTEs, which is disability services.

**MS DUNDAS:** Also, the old budget papers had both the total cost and the government payment for outputs being identical, whereas there is a differential in the new budget papers. Again, why is that different?

**Ms Overton-Clarke:** I will have to ask Treasury. It is to do with some of the costs that are coming out of community care and the user charges.

**MS DUNDAS:** Because this is about community care and there are fees for services under community care, part of the department will be recouping costs.

**Ms Overton-Clarke:** Yes.

**MS DUNDAS:** I have a whole series of questions on that for almost every output because they are all a little bit different.

**Ms Lambert:** Yes, they are different.

**THE CHAIR:** You can keep going if you want, Ms Dundas.

**MS DUNDAS:** We would have to change the page and I don't want to jump ahead of anyone else.

**THE CHAIR:** I want to go on to the specific outputs when we have got general questions out of the way.

**MS DUNDAS:** I thought we were on them.

**THE CHAIR:** Sorry, we are, too. I beg your pardon; we are on 1.1. I have a general question. I am just trying to piece together how the targets under output 1.1 for 2002-03 compare with the targets that the various component areas would have applied in 2001-

02. Is it available somewhere in the documents or do I have to go back to last year's budget papers to find it?

**MS DUNDAS:** I think it is at page 159

**THE CHAIR:** Of BP4?

**MS DUNDAS:** Yes.

**THE CHAIR:** I had abandoned that.

**MS GALLAGHER:** It is hard to know when that book is out of date.

**MS DUNDAS:** There is a reference to disability accommodation and support services on page 159.

**MS GALLAGHER:** It would have been useful to transfer that information across.

**THE CHAIR:** It would have been, yes. That is a reasonable point to make. I knew I had read about it somewhere before. I noticed that the number of occasions of service seems to have declined from the targets of last year to the targets for this year. I would have thought that the area would be growing, that the number of occasions of service was likely to grow.

**Ms Healy:** Is this related to community support?

**THE CHAIR:** I am looking at the disability accommodation support services.

**Ms Healy:** Yes. There is an explanation for that. We discovered that 20 of those accommodation support places were actually New South Wales clients in 2001-02, so we corrected that for 2002-03. It is for New South Wales clients for which the disability program was paid direct.

**THE CHAIR:** Would that affect all of those areas of accommodation support, respite, centre-based respite in own home and so on?

**Ms Healy:** Respite centre-based has the same target. So has in home respite. On community support recreation in 2001-02, we were measuring the occasions of service but we couldn't consistently measure those, so we changed to hours of service, which increased the number of outputs from 3,386 to 8,700.

**THE CHAIR:** Is it reasonable to expect that there has been no increase in the occasions of service between last year and this year? There should be no increase.

**MS GALLAGHER:** Or a capacity to increase, assuming that there is demand, presumably.

**Ms Healy:** There were, in fact, some new services between those years and they haven't been reflected in the outputs. For instance, there was a mature carer's program implemented. That was both Commonwealth and ACT dollars. The problem is that it is

a combination program of respite care, support worker and planning hours and we haven't been able to define clearly yet in which output class those outputs would fit. When we do, they will be reflected in the outputs.

**THE CHAIR:** Are you saying that the output targets will change once that happens?

**Ms Healy:** They will change once we have made this analysis, yes. There is a correction there: the mature carer's program is Commonwealth dollars only.

**THE CHAIR:** Nonetheless, across the board, including that new program, you would expect, as a matter of course, that there would be an increase in the number of occasions of service you would provide, because there generally would be, wouldn't there, from year to year?

**Ms Healy:** Yes, provided there were new resources going in. Just to answer your question, what we have done with the new BP4 is taken the same targets as were in the old one, because the department has just started. They will get reviewed during the year as a matter of course.

**THE CHAIR:** Okay. Will you have the capacity to provide more occasions of service if the demand is higher?

**Ms Healy:** I am not entirely sure. I would have to take that on notice. The targets don't include the budget initiatives, so my view would be that I could say yes to that question in that instance.

**THE CHAIR:** The targets don't include the budget initiatives?

**Ms Healy:** That is what I have just been told.

**THE CHAIR:** That seems a bit strange. If this is a budget in which they are included, why wouldn't you include—

**Ms Healy:** I think that the occasions of service haven't been included because we are going to do some work, as you heard, on needs analysis and so on, so it would be guesswork more than work based on data.

**MR SMYTH:** If it is guesswork rather than work based on data, how did you know to increase the budget by \$2.5 million a year?

**Ms Lambert:** Because we know what we need to do. We need to give some dollars to looking at the service, doing the unmet need and providing some service in the short term.

**MR SMYTH:** But you will work all that out and we will get that data later?

**Ms Lambert:** Yes, that is right.

**MS GALLAGHER:** How best to use that money, anyway.

**Ms Lambert:** But, as I think Ms Healy said earlier, we have been asked to look at areas now where there might be some pressure, but we do need to go through proper needs analysis work. We do need to do that.

**THE CHAIR:** Are there any other questions on output 1.1? It is hard to ask many questions, given the newness of the department and the fact that the report isn't available yet. This doesn't indicate a lack of interest; it is in this case the difficulty of probing very deeply at this stage.

**Mr Wood:** It is hard to answer sometimes, too.

**THE CHAIR:** Indeed.

**MR HARGREAVES:** I think you should do this every time there is a change of government.

**Mr Wood:** I am enjoying this. I am listening closely here. This is a good briefing for me as well.

**THE CHAIR:** We will move to housing policy and planning, output 1.2. I am not exactly sure where some of the housing-related initiatives fall, so I will ask about them in this area and assume that they might spill over into 1.3 or to ACT Housing. I will be a little bit flexible about this.

**MR SMYTH:** Is it possible to have a rough outline of the structure of the department? You are the acting head of the department? Is it possible to have an outline of who is doing what? We have seen all the faces come forward.

**Ms Lambert:** We are still finalising a clear structure and we will have to look at doing some work on scoping jobs and so on, but there will be an arm that is, if you like, Disability ACT, which will have an executive director, and that will include, as I said earlier, the Office of Disability and the programs and policies side.

We will also have an area that is ACT Housing but, obviously, it is not just ACT public housing, and we are still working through the details of that. The Chief Minister, in announcing the department, made it very clear that I would do this in consultation with the players and with the stakeholders, so that is what we will be doing over the next little while. Glenys' role is to support me, and that is an executive director role as well. Then there is the community services side and a corporate side. That is essentially the structure of the department.

**Ms Lambert:** But I would just emphasise that this is after three weeks, really, and we are still working things through and getting across the detail. Like the minister, it has been an interesting exercise for me as well to get across all of the detail. We will make some changes and we are consulting with the relevant people, including the people in the organisations themselves.

**MR SMYTH:** You are the head of the department and Ms Beauchamp is the executive director.



**Ms Lambert:** Yes.

**MR SMYTH:** And then there are four arms, with Chris Healy running Disability ACT.

**Ms Lambert:** That is right, yes.

**MR SMYTH:** Housing has the usual suspects.

**Ms Lambert:** Yes, although Glenys will have some responsibility in that area as well. We are still working through the structure of that area.

**MR SMYTH:** All right, and community will be headed up by?

**Ms Lambert:** Community, at this point, are the people who are coming across from the community services area, that is, Tony Carmichael and Pauline Brown, CHADS. And then we have the corporate organisational strategy side, and Bronwyn is in that position at the moment.

**MR SMYTH:** And you will be doing a sizing exercise and grading levels?

**Ms Lambert:** Yes, we will do the usual process, and there will be merit processes and all those sorts of things.

**THE CHAIR:** Can you tell me about the \$350,000 for developing better access and wider housing options for indigenous people, please?

**Mr Wood:** That is one of the new measures we have brought down. It is still early days in how we are going to deal with that. I hesitate to use those words after yesterday, but we are working through it. Mr Hutchison might give it a little elaboration, but I don't think it will be very much at this stage because of the early time.

**MS DUNDAS:** Perhaps you could tell us where the \$350,000 will be spend, similar to the question that I asked about respite care. How much of the money will be spent on actually providing housing and how much will be spent on discovering where the housing is needed?

**Mr Hutchison:** My understanding is that all of it will be spent on providing accommodation, but the cost of accommodation has grown so rapidly recently that \$350,000, depending on the nature of the accommodation, may only buy two units of accommodation or even one large five-bedroom house, depending on where it is located. We are committed to having a high level of consultation with the Aboriginal community to understand their needs. Just yesterday, I understand, there was a tripartite agreement signed by ATSIC, the Commonwealth and the ACT and this is an interesting step forward in trying to provide some additional assistance to indigenous people in the ACT.

**THE CHAIR:** What is the nature of the area of deficiency in Aboriginal housing need at the moment?

**Mr Hutchison:** It varies. There is an unmet need for older Aboriginal women who are living at home and may wish to live collectively away from the family. There is certainly need for large accommodation because of the extended families. There are other needs for people who are perhaps escaping domestic violence and would feel more comfortable in a refuge which specialised in Aboriginal people, so it would be culturally sensitive and they could address that. There is a range of unmet needs. The difference is, I think, that a lot of those needs are trying to be met through mainstream programs and they can't always give the level of service that Aboriginal people feel they need.

**THE CHAIR:** Is that recurrent or one-off funding?

**Mr Wood:** It is for four years.

**THE CHAIR:** It is \$350,000 each of four years.

**Mr Franklin:** My name is Alan Franklin and I am the manager of housing policy and planning. At the moment, the ACT doesn't get any specific funding under the Commonwealth-State Housing Agreement for indigenous housing. Currently, most of the indigenous housing assistance is met through the mainstream public housing services. As Bob Hutchison indicated, there is quite a demand for culturally appropriate housing and setting up a range of housing options. Hence, we have undertaken a viability study into setting up community housing options in the ACT. That should be finished within the next few months. Also, as Bob mentioned, a trilateral agreement has just been signed which is trying to get better linkages and integration with ATSIC and all the indigenous communities and Torres Strait islander communities in the ACT.

I suppose it is a long-winded way of saying that there is a need to actually develop community housing options and part of the actual funding would be around capacity building training for indigenous housing, the employment of tenancy managers and setting up the infrastructure to enable indigenous community housing to grow in the ACT.

**MS DUNDAS:** Will all the \$350,000 a year be managed by the department or are you looking to give large chunks of money to be managed by community groups?

**Mr Franklin:** Initially, under the trilateral agreement, there will be the setting up of a steering committee actually composed of indigenous people and the three parties and it would develop an annual plan. It would try to identify priorities and inform what the expenditure would be for. Initially, of course, we would control that funding and it would be allocated according to the priorities identified by the actual steering committee set up under the trilateral agreement.

**THE CHAIR:** Also, \$3 million has been put aside to implement the recommendations of the affordable housing task force, which is due to report in October of this year.

**Mr Wood:** Yes.

**THE CHAIR:** I am just a bit puzzled. I know that in opposition, Minister, your party was very critical of the idea of unallocated funds being put aside. You described them as slush funds. Why isn't this a slush fund?

**Mr Wood:** I don't quite recall the comments that you attribute to me.

**THE CHAIR:** No, I didn't mean you, I mean your party.

**MR HARGREAVES:** It was me.

**Mr Wood:** I see.

**THE CHAIR:** Someone has owned up right next to me.

**MR HARGREAVES:** It was definitely me.

**Mr Wood:** And attributing it across to housing, okay, let's say that this will be very specifically targeted to community housing under the broad umbrella of social housing, but we are looking at that. We have a community housing sector that we wish to utilise in the best possible way. We will talk with them. We will talk with the social housing sector broadly to see how this money might be utilised to leverage various types of housing development.

**MS DUNDAS:** Let me clarify this because there is, I understand, a lot of confusion in the community about it. There is money set aside for the outcomes of the affordable housing task force in relation to community housing?

**Mr Wood:** Yes.

**MS DUNDAS:** But there is no money set aside for outcomes from the affordable housing task force in relation to anything else?

**Mr Wood:** Not under this \$3 million program.

**MS DUNDAS:** It is all for community housing.

**Mr Wood:** Mind you, I do talk in broader terms of social housing, but this is more specifically for community housing. As a community, we want to support their programs. You will recall the steps the previous government took of providing properties for them and difficulties emerged in that area. If the community housing sector is to progress, other avenues have to emerge.

**Mr Hutchison:** Could I just add to that? They are virtually indistinguishable. Affordable housing options may be community housing, so the \$3 million could achieve two purposes, build the community housing and add to it a solution to the affordable housing.

**MS DUNDAS:** I understand that, but I hope that the affordable housing task force will come up with a range of options that quite possibly will include community housing, and the government has made the assumption will include community housing, at least to the tune of \$3 million. I am just wondering why money hasn't been set aside for other outcomes, any outcomes, besides community housing from the affordable housing task force.

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**Mr Wood:** We have just had money for indigenous activity in respect of housing. There is \$1.2 million over four years also for social housing.

**MS DUNDAS:** Can you explain what you mean by social housing?

**Mr Wood:** Social housing is housing which would include public housing. Housing in very broad terms, and I might refine it a bit later perhaps, specifically for people who don't own their own homes.

**MS DUNDAS:** You are talking specifically about community housing, public housing and crisis accommodation; is that what you mean by social housing?

**Mr Wood:** I might separate out crisis accommodation.

**MS DUNDAS:** Social housing is just public housing and community housing?

**Mr Wood:** In broad terms.

**MS DUNDAS:** On the \$3 million that is going to community housing—sorry, I cut you off before—what is that to be spent on?

**Mr Wood:** I have to tell you that I will come back to you on that one because we will be negotiating with community housing operators about it, but we will be awaiting the outcome of the affordability housing task force before going further. This was to see that when that task force reported there was some money available to look at options arising from it and we didn't have to wait till the next budget.

**MS DUNDAS:** But it is only options relating to community housing?

**Mr Wood:** Yes.

**MS DUNDAS:** Is there any capital works money in the pipeline for any outcomes from the affordable housing task force review?

**Mr Wood:** No, there is nothing specific as capital. Whether some of that \$3 million might be put into building is a matter we will have to decide later.

**Ms Lambert:** To respond to your question on social housing, the boarding house program, for instance, would be defined as social housing. Other types of housing accommodation would be included under that.

**MS Beauchamp:** I think that \$3 million is a great start in terms of expanding the community housing sector and, given the timing of the affordable housing task force report, which is 30 October, by the time the government considers that report and responds it will inform the next budget process. Some of the options being considered are certainly not quick fixes, if you are looking at taxation, planning issues and a whole range of other issues to make a much more affordable housing environment. They are not all going to be addressed in one year.

**MS DUNDAS:** Has there been any move to transfer ACT Housing stock to community housing this financial year?

**Mr Wood:** Any further move? We have run into an issue there where it is determined from other agencies of government that we are taking money off the bottom line, that we are transferring assets of the ACT, and that should not occur. That has been a very, very significant blockage to the further development of community housing through that mechanism. Obviously, we need to look at other mechanisms, other ways of doing it.

**MS DUNDAS:** Is that a no?

**Mr Wood:** Yes. It is a no with an explanation.

**Ms Beauchamp:** And that is in relation to one model, too. I think we have to look at a range of tenancy management models where the community housing area does a much better job—excuse me, Bob—than the public housing area, particularly in the disability area or youth, for example. There are specialist tenancy management housing organisations which we should be building on.

**Mr Hutchison:** I was just going to say that, as distinct from transferring title and the property to a community organisation, we have got a proud record of leasing properties to community organisations under the community tenancy program and, wherever we see a need, we try to accommodate it.

**THE CHAIR:** I have some questions about the need for accommodation for single men. I understand that the St Vincent de Paul Society has indicated that it turns away about six men every day, or about 180 men a month, and that they and other groups have called on the government for a single men's shelter on the south side to complement the work of the one on the north side. Do you agree that there is such a need in the community, Minister, and do you foresee that that need might be met in future budgets?

**Mr Wood:** I certainly concede the need. The homelessness report has hit the desks of most of us. I am not sure if every member will have a copy of that report. The committee that is looking at this issue has a report and it will be available more widely as soon as they are printed.

You cannot read that report without acknowledging that there are significant problems out there. I know that there is a bloke who sleeps every night 50 metres from where we are sitting, so we do have a problem and it will have to be addressed. It hasn't been addressed over a long period, but we need to look at it.

**THE CHAIR:** Can I touch on the issue of the men's accommodation facility that was previously run by the Lone Fathers Association.

**MR HARGREAVES:** That is the specific subject of a standing committee.

**THE CHAIR:** I am told that that is the subject of a specific inquiry so I won't go into detail about it, but I understand that the service previously run by them is now run by another organisation. Is it run at the same site?

**Mr Wood:** Yes.

**THE CHAIR:** Is that due to be reviewed at some stage in the future?

**Mr Wood:** I guess it was reviewed recently. It may be reviewed again as an outcome of the report currently under way.

**THE CHAIR:** Do you mean the inquiry of the Assembly committee?

**Mr Wood:** Yes, the committee inquiry.

### **Short adjournment**

**THE CHAIR:** I will just make clear what we were saying before about the way in which we will structure questions here. Three areas touch on housing, that is, outputs 1.2 and 1.3 and ACT Housing, which appears on page 251 of Budget Paper No 4. We will deal with those three areas together, so questions will range across those three areas at the same time. Are there further questions on ACT Housing?

**MS DUNDAS:** I have a general question about the budget papers in terms of output 1.2. It appears that there has been a \$1.5 million change when it has come across from output class 6, which relates to housing assistance. Can you explain that change? Is that again to do with administration costs?

**Ms Overton-Clarke:** The attribution of overheads, that is right. Because there is a small number of full-time equivalents in the housing policy area, not to be confused with ACT Housing, it therefore shows a decrease in the cost of housing, but it is nothing to do with the service delivery part, it is to do with the overhead component.

**MS DUNDAS:** I understand that housing provides secretariat funding to ACT Shelter and the Canberra Coalition of Community Housing Organisations through an agreement—I think it is the SAAP agreement—with the federal government. Is that right?

**Mr Franklin:** Actually, we fund both ACT Shelter and CHOACT directly from the funds that are allocated to housing policy through the Commonwealth-State Housing Agreement.

**MS DUNDAS:** It is money through the Commonwealth-State Housing agreement that funds those two organisations?

**Mr Franklin:** Yes.

**MS DUNDAS:** So the funding of those organisations is dependent on the financial outcomes of the Commonwealth-State Housing Agreement negotiations. Has any thought been given to whether we can fund those organisations out of ACT revenue, if we are committed to having housing peaks as community organisations, without relying on the Commonwealth. That money isn't always there.

**Mr Wood:** I am not aware of particular thought of that in the past. I suppose the current flow of funding depends on continuing Commonwealth-State Housing Agreements. We are committed to funding those bodies, so there is no hazard to their funding. As to your question, I would just say that it hadn't crossed my mind to this stage. It may have crossed others, I don't know, but we will keep an open mind about it.

**MS DUNDAS:** Does the ACT government still provide bond loans to people who are on the ACT Housing waiting list?

**Mr Franklin:** The previous government ceased the rental bonds loan scheme.

**MR DUNDAS:** So that program was actually stopped?

**Mr Franklin:** Yes. Some bond loans were provided on a temporary basis, pending the new scheme. The current government has indicated that it is going to reintroduce the bond loan scheme and the minister has made a public statement to that effect. It should be, hopefully, operational within the next few months.

**MS DUNDAS:** But the program actually stopped.

**Mr Franklin:** Yes.

**MS DUNDAS:** I turn to the crisis accommodation area, specifically the addition of the Lifeline referral service. Can you explain what your thinking was in setting up this service?

**Mr Wood:** It is a key number to ring when you urgently need accommodation. It, hopefully, will save people ringing around a dozen different providers trying to find a spot; they can ring one number and get an answer. It doesn't guarantee them accommodation, but it saves a long string of phone calls. Your office, like many, probably gives out the list of providers and says, "Ring these numbers."

**MS DUNDAS:** How will the service actually work? Will the person at Lifeline then ring the 17 organisations or so while the other person is on hold or will there be a database set up?

**Mr Wood:** Has it actually started yet? It is about to start, so I think a lot of that will be worked through. I can't preclude any options, but I would anticipate that on that one number Lifeline would have some sort of data on what is available at that time and what is not available.

**Mr Franklin:** They will actually be in constant contact with all the providers and have updates on the actual number of beds available in each service and when someone rings in they will be able to refer that person to the appropriate service. The advantage of having Lifeline is that they are actually able to provide a level of support through their counselling service, so it is not just information referral. They will actually be able to engage the individual who is potentially homeless.

**MS DUNDAS:** When you decided to run this program in this way, did you consult with the crisis accommodation providers?

**Mr Wood:** This issue was raised at the last shelter meeting. There was one query of that nature there. I think Mr Franklin broadly explained what was going on and was going to get back to them.

**MS DUNDAS:** Can you explain to me?

**Mr Carmichael:** My name is Tony Carmichael. I am manager of community services in the new Department of Disability, Housing and Community Services. The SAAP needs analysis that has just been completed and is about to be sent out to everybody was widely consulted on and one of the issues that came forward there was some better coordination around referral. The Domestic Violence Crisis Service, on behalf of the women's sector, does particular well, is very effective, in guiding callers into where there is available capacity in the service system.

What we need is something broader than that, so the Lifeline call centre, in terms of its availability and also its reputation, would make a good access point for people who are unaware of the service system and who are teachers or friends of people who have become homeless. As it advertises its services, it will allow lots of other people, potential users of these services, access to SAAP services, so it will be supported by that research undertaken, and widely consulted on and supported by service providers through that SAAP needs analysis.

**MS DUNDAS:** So the SAAP needs analysis survey—

**Mr Carmichael:** It was a consultation undertaken by ACTCOSS and Morgan Disney. The minister has just announced it and we are just in the process of printing it and sending it out.

**MS DUNDAS:** But one of the outcomes of that was the need for a better referral centre point and you have just decided that this would be the best model; is that right?

**Mr Franklin:** That is how the housing policy went out. We did have discussions with a range of players, in relation to both the referral service and the accommodation fund, and we also had early drafts of the report that was circulated in relation to the needs analysis. If you are talking to the players, I won't say that every individual was consulted because we didn't do that, but we consulted very extensively with a large part of the sector and it was clear that the model we were coming out with was what was required and was supported by the needs analysis.

**MS DUNDAS:** There has been a lot of reporting in the *Canberra Times* about the women's shelters actually turning away 300 people in six months and that every night there is no spare bed, everything is full. How will the referral service be able to deal with the fact that there are no beds available, that the demand is greater than the availability?

**Mr Wood:** That is a fair point. Nevertheless, there are beds there from time to time. You can certainly see that occupancy gets close to 100 per cent. That may never be quite achievable, but it gets higher sometimes. Occupancies can sometimes get lower than is desirable.



**Mr Hutchison:** One of the constraints of the reporting mechanism is that people might get turned away from two or three services, but that is usually in their local geographic area. A lot of these people don't have access to transport and they are often looking for accommodation late at night. There may be other beds in other parts of the city which could be available and accessed through a central referral point. I think that was the rationale behind having that. Some agencies are full and they do report having to turn away people, but the capacity of them to refer people on is limited quite often to places locally. The theory was that when you had an overview, you could facilitate people being provided with crisis accommodation perhaps north of the city when their initial request was south, simply because there were spaces available.

**Mr Carmichael:** I guess the report raises a number of issues, one being around the levels of unmet demand and how you measure that. Our SAAP needs analysis will show a different level of demand than indicated in that report. Given that the reporting of those individual agencies is done on a different basis—some are reporting over a six-month period and some are talking on a nightly basis—those numbers are very volatile. There are issues around double and triple counting and we are not discounting the fact that homelessness is a serious issue and we will be addressing it through a range of mechanisms.

The level of unmet demand and how you measure it are dependent on the methodology you use. SAAP has its own very sophisticated reporting system and its numbers were indicating a different level from that indicated in those reports. We realised that it was only measuring the people who are coming to a SAAP agency and lots of people don't know about the SAAP services, which is why Lifeline and other referral mechanisms are important. But we are going to look at this issue comprehensively as part of the implementation of the research that was undertaken into homelessness.

A homeless advisory group has been established. It will look at that report and make some recommendations to government about how we should proceed in, I guess, comprehensively dealing with homelessness as an issue. Mr Humphries earlier raised the issue around homeless men with children. Whilst that is an important issue, our research is showing that a number of other categories are actually more in need and they are around single men and families, so we need to prioritise how we deal with it.

Young people are also in an area that needs to be addressed. The housing affordability task force is looking at this issue as well and there are, I guess, good synergies now that we have moved into the same department around these issues around crisis accommodation. One of the big issues we have in our system is that it is difficult for particularly young people to move into medium and longer-term housing options, and that is one of the big issues that the housing affordability task force will look at about how you can sustain tenancies and establish tenancy opportunities for a range of groups in the community.

**Ms Beauchamp:** Could I add to what the minister referred to earlier in terms of the transition forum by saying that there are a number of other processes in place to improve the capacity of the system to increase the amount of crisis accommodation. We have got the rental bonds issue and the emergency relief fund. You just spoke about that in terms of the referral service. It is not just a referral service; there is actually going to be

a capacity to provide emergency accommodation, whether it is through the private rental market or somewhere else, so there is extra money there.

**MS DUNDAS:** Is that the money that is being administered by Anglicare?

**Ms Beauchamp:** Yes. There is also the night shelter, which should come on stream towards the end of this year or very early next year, and the work that is currently taking place in relation to Ainslie Village. There are lots of strands in terms of improving the capacity of the system.

**Mr Franklin:** To that I would add on the boarding house program, in relation to singles, a facility for 20 single people is going to be constructed at Gungahlin and there is an older women's facility at Chapman as well. Given the integration that Tony was discussing before, one of the top priorities for entry to public housing under the priority system, the segmented waiting list, is people who are homeless. People who are actually homeless, should they want to enter public housing, can go to the applicant services centre and register and get priority access in that way.

**MS DUNDAS:** We were perplexed to discover in the public hearings of Community Services' social equity inquiry that the Commonwealth definition or the SAAP definition of homelessness didn't actually include people we would call sleeping rough who were actually without a house. It was a bit of a weird definition. How is housing in the ACT dealing with that? What is your definition of homelessness?

**Mr Carmichael:** Actually, one of the primary tasks of the homeless advisory group is to come up with a definition that is applicable and appropriate to the ACT. You are right on the SAAP national data collection. They collect data on hundreds of people who are presenting to an agency, so they are not counting people who are living on somebody else's floor, often, and that is known generally as secondary homelessness, or some of the primary homelessness where people are sleeping rough.

In the last few weeks a report was released by RMIT and David McKenzie, who wrote that report, actually used another definition of homelessness; so, when you are trying to compare the data presented by those reports, you are comparing apples and oranges. That is not to say that these issues aren't important and that we're not needing to do more, but how they're defining homelessness is actually different. It is an issue nationally and the national SAAP coordination group, of which I am a member, has been working over the last year and a half on trying to come to a national common definition of homelessness.

**MR HARGREAVES:** I wish to make the point by way of a point of order that this issue is the subject of an Assembly inquiry and this is not necessarily the forum to pursue it.

**MS DUNDAS:** I did raise it in terms of there being a public inquiry and wanting to know what was the definition of the new department looking after housing.

**MR HARGREAVES:** In fact, that is an issue for the Standing Committee on Community Services and Social Equity.

**MS DUNDAS:** Sorry, Mr Hargreaves.

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**MRS DUUNE:** I have a couple of questions about housing. One is about SAAP. We have seen from previous statistical analyses of SAAP that the ACT performs very badly on successful separation from SAAP. Is that situation changing for the better and, if not, what sorts of strategies are in place to make it better or attempt to make it better?

**Mr Wood:** One of the steps that we are taking is to look at what happens at Ainslie Village, where there are significant SAAP funds directed but there is not much exodus from it. We want to look at the people who are utilising those funds by holding beds there and see if we can work to get those people back into the community. That is one mechanism.

**MRS DUNNE:** But most of the people who would be availing themselves of SAAP funding would be doing so at Ainslie Village?

**Mr Wood:** No, no.

**MRS DUNNE:** Sorry, I misunderstood.

**Mr Wood:** No, my comment was in respect of Ainslie Village, but the total number of SAAP places would be quite significant.

**MS GALLAGHER:** You are talking about transition to other houses?

**MRS DUNNE:** Yes.

**MS GALLAGHER:** You have mentioned it before, Mrs Dunne, but more about the transition work that you are doing.

**Ms Lambert:** Mr Carmichael knows more about this, but it just seems to me as someone new to the area that one of the key things we need to be able to do is to make sure that we segment that particular group as well and look at the ones who can immediately be moved on to other services. It is really about connecting people with the range of tertiary services and there are some people who won't fit that category, who will be, if I can use the word, in the hardened category and they will require different assistance. But that seems to me to be the issue that we need to move forward on, and there is an opportunity for that in this department as well on the community services side.

**MRS DUNNE:** So that what you are saying—dare I say it—is that you need a level of categorisation?

**Ms Lambert:** It may well be, yes.

**MRS DUNNE:** So that you might case manage those people who are less flexible, less adaptable, to help them through the system.

**Ms Lambert:** I say that without having had anything to do in detail with this program, but just a look at it suggests that to me, that there needs to be some—

**MRS DUNNE:** Are we getting nodding from Mr Carmichael over there as well?

**Ms Lambert:** I don't know, I wasn't looking.

**Mr Carmichael:** I am in agreement with my colleague. The Ainslie Village site was a good one for the minister to raise, because it gets about 10 per cent of the SAAP funding for the ACT. A range of people are calling Ainslie Village their home and we are supportive of that, but they don't fit within the program guidelines of SAAP, so among the initiatives announced in the budget is to work with those residents to look at how we can better serve them in their current accommodation, but over time withdraw the SAAP program dollars from that site and replace it by looking at other options, particularly in terms of housing associations which the residents expressed an interest in.

I have to say that, of the 200 residents living there, probably only 20 to 30 would be classified as a SAAP-type client. That means they need intensive case management and that they would move on to longer-term accommodation beyond that. But that distorts our figures for the ACT. Some of those residents are staying there for up to 20 years and a lot are around the five-year mark. Those statistics feed into our data collection and distort it disproportionately, so that is why we don't look like we are getting so many successful exits from the SAAP service system.

The other issue is that we have a vacancy rate in the private rental market of around 1 per cent, which is often the exit point for people leaving SAAP, so it has been very problematic for people to access that accommodation. These are issues which the housing affordability task force is also looking at. Some of the people in the SAAP system are there because they are caught, because they can't afford to get into the private rental market, and they do get priority weighting for public housing, but there is a strong demand for public housing as well. We have got to look at the whole housing system and look at how we can better move people through supported accommodation into these other housing options, including community housing.

A small percentage of these people are stuck in SAAP because they are actually refugees with no status and no income, so they have no ability to leave. This hasn't been as strong an issue in the ACT as it has in other states, but there is a small percentage of them and they also distort the statistics as they have to stay for two to three years in the SAAP service.

**MRS DUNNE:** Are you saying that there are particular characteristics about the SAAP client population in the ACT that will continue to distort the statistics?

**Mr Carmichael:** We have talked about addressing Aboriginal housing. One of the issues is that we are a catchment for outlying Aboriginal communities. They are using some of our SAAP services in a way that, whilst there is a need for accommodation for them, SAAP is probably not the appropriate choice, so it is about building other options for them. They are also coming into the SAAP system and not exiting it quickly. SAAP is not the right model for them. This is what will come up in the SAAP needs analysis that has just been completed, so we need to look at the whole housing system and the whole crisis accommodation system and redesign it, and build better exit points from crisis into medium-term, into some community housing, public housing options, looking at the private rental market and seeing how we can provide some innovative ways to create more rental accommodation that is affordable, and they're matters for the homeless advisory group and the housing affordability task force.

**MRS DUNNE:** Thanks for the nice segue into community housing. Minister, is there ongoing support from this government for the concept of community housing, first of all?

**Mr Wood:** Yes, there is, and there is money in the budget. We were debating before afternoon tea that level of support.

**MRS DUNNE:** You would see that there might be scope for innovative, integrationist-type programs like we saw with McPherson Court continuing? I am not saying that we should replicate McPherson Court.

**Mr Wood:** That was a very big project. Yes, I would see that continuing. How that can be managed within resources is the difficult question, but I would certainly be encouraging.

**THE CHAIR:** I wish to ask a question about the funding for ACT Housing. Budget Paper No 4, at page 253, indicates—and I don't know whether these figures have been superseded—that the user charges relating to the ACT government have fallen from \$31 million last year to \$27 million this year.

**MS DUNDAS:** It is estimated to fall to \$24 million next year.

**THE CHAIR:** Indeed. Does that indicate an actual reduction in the amount that is being spent on ACT Housing?

**Mr Hutchison:** I think that is the \$3 million that went across to the affordable housing task force.

**THE CHAIR:** That is \$3 million in the first year. How do you account for the \$3 million drop in the second year as well?

**Mr Hutchison:** I suspect that is to do with the removal of GST. We get \$6 million as compensation for the GST. It is due to expire next year and we don't anticipate its being renewed, although we would like to see it renewed. Why it is not \$6 million, it is \$3 million, is because of another initiative of the government to release us from paying land tax equivalents, which came up to roughly \$3 million. The net effect will be a further loss of \$3 million after the end of the next financial year.

**MS DUNDAS:** Will services in ACT Housing suffer because the money has gone to community housing?

**Mr Hutchison:** The good news is that we improved our rental collections by 37 per cent last year and we have improved our vacant turnaround by 66 per cent, so we are getting more money into the system. In addition, market rents are providing us with a more realistic return from those people who are paying full market rents. The combination of that, together with efficiencies in savings, means that we should be able to maintain a reasonable level. We are in a bit of a catch-22 in terms of funding because we sell well in this market houses that have reached the end of their economic life, but then we have to buy in a very expensive market, too. A lot will depend on the market, interest rate

risers, the availability of units that are coming on-stream and how well they are received in the economy as to how well we can take advantage of the market circumstances to get better outcomes for ACT Housing.

**THE CHAIR:** I cannot understand why there was a reduction over those three years. You say that \$3 million of that is accounted for by the \$3 million slush fund, as I have called it, the government has put aside to deal with the result of the affordable housing task force. You have taken the money out of ACT Housing operations and quarantined it for the purpose of later expenditure.

**Mr Wood:** It is all under the heading, if you like, of social housing that we discussed before.

**THE CHAIR:** Where does it appear in the statement of financial performance?

**Ms Lambert:** Page 256, I think it is the second dot point.

**Mr Hutchison:** The advice I have is that it goes back to the purchaser. We are in this transition period between purchaser and provider.

**MS DUNDAS:** That money is sitting in a government bank account until the outcomes of the affordable housing task force are known?

**Mr Hutchison:** Indeed.

**Mr Franklin:** Can I just add some clarification? We get funds from the Commonwealth and ACT treasuries on a fortnightly basis. It is not as though we get all the \$33 million for last year or for any year just dumped straight there. The payments come through to us fortnightly, and the majority of it goes across to ACT Housing and some component is retained by housing policy. Of the total of around \$33 million that we get, both the Commonwealth and ACT treasuries, \$30.7 million last year went to ACT Housing and \$3 million-odd stayed with us. For this year, from the total bucket of funds available, we are retaining conceptually \$3 million to provide for community housing.

In relation to the forward years, the large reduction there is, as Mr Hutchison said, in relation to the compensation that we are provided for the GST from the Commonwealth. Over three of the four years of the current agreement, which finishes on 30 June 2003, we got \$5.9 million per annum as compensation for the introduction of the GST. We are currently renegotiating the CSHA and are looking forward to the next agreement. The Commonwealth have said that they are not going to provide us with GST funding. The states and territories may have a bit of an argument with the Commonwealth over that, but certainly the forward estimates as they currently are reflect the fact that the \$5.9 million GST compensation finishes on 30 June 2003.

**THE CHAIR:** I have a question with respect to the housing maintenance component of ACT Housing. We were advised earlier this year that there was an underspending of about \$3 million in the department as of the March quarter because of some problems with the administrative changes but that the relevant minister at the time, I think it was still you, expected that it would be spent by the end of the financial year. Has that actually occurred?

**Mr Hutchison:** I might start off the answer by saying that our budget was \$40 million and we spent \$39.3 million of it. We had overexpenditure in day-to-day maintenance and underexpenditure in planned maintenance or capital upgrading. All of that money hasn't been spent because of some of the issues that you referred to, but it has certainly been committed and it will be spent by August, I would imagine. It is committed and we just carried it over.

**THE CHAIR:** Is the budget for maintenance this year any greater or less than it was last year?

**Mr Hutchison:** If you don't distinguish between capital upgrading and maintenance and you lop it all together, then this year it is \$45 million plus, but that includes the fire safety work. If you take out the fire safety work, it is comparable to what it was last year. We are expecting to continue to wring savings out of that maintenance and upgrading funding by the way in which we are undertaking our maintenance, the competition that exists between the two suppliers of our maintenance and upgrading processes. Also we are doing a conditioned audit this financial year of all our stock so that we may have a more strategic approach to the way in which we undertake maintenance. We may do more planned maintenance, which is less expensive than the responsive maintenance which we have been forced to do.

**MS DUNDAS:** Are you planning to sell the Currong apartments?

**Mr Wood:** Not at this stage. We have a comprehensive study under way there. We will be looking very closely at it. We will have to make decisions about the future of Currong and we are gathering the data for that. We will be making a decision at some time.

**MS DUNDAS:** At some time this financial year?

**Mr Wood:** I would think so.

**MRS DUNNE:** Not tomorrow, though.

**Mr Wood:** It is a big problem for us. Lots of people live there. It is a very fine site and a very old building. It is not an easy situation to deal with. We will, after due consideration, take a decision on it.

**MS DUNDAS:** You might not be able to answer this, but there are a number of public housing blocks, such as Currong Flats, Gowrie Court and other flats up and down Northbourne Avenue, that actually fall under neighbourhood planning groups and a neighbourhood plan is currently under way. Are you foreseeing any problems with neighbourhood planning on public housing in those areas?

**Mr Wood:** As neighbourhood planning stands now? We have always worked with the current arrangements. As you would be aware, arrangements might change in the future and we would have to see how we work with those.

**MS DUNDAS:** The tenants have ample opportunity on their own to be involved in the neighbourhood planning groups, but is a representative of ACT Housing watching over neighbourhood planning in Lyneham and other suburbs to see how the ACT Housing blocks are going in that neighbourhood planning exercise?

**Mr Hutchison:** Yes, we have been invited to participate in that and the tenants have participated actively in it, and we encourage them to do so. We bring some different issues to the table and we anticipate being directly involved in any neighbourhood planning affecting our stock.

**MRS DUNNE:** Is ACT Housing taking an active interest in anything that might actually limit the way you might redevelop particular sites, such as the Currong site or the Northbourne flat sites?

**Mr Wood:** Particularly what?

**MRS DUNNE:** Anything that might impact on the way you might redevelop if at some stage you decided to redevelop, say, the Northbourne flats, which would be subject to B11 and B13 guidelines. If neighbourhood planning had an impact on those, for instance, is there someone in ACT Housing keeping a watching brief on it?

**Mr Wood:** Indeed there is.

**THE CHAIR:** Is there a policy for dealing with unruly or disruptive tenants? We used to receive lots of complaints about that. I am sure you do as well.

**Mr Wood:** Yes, they don't stop, do they?

**THE CHAIR:** No.

**Mr Wood:** I think your government and ours would maintain that you get unruly and disruptive tenants across all areas, private as well as public housing, so we get our share of it.

**THE CHAIR:** What is the philosophical approach to dealing with it? Have any tenants been taken to the tribunal, for example, for eviction proceedings?

**Mr Hutchison:** The vast majority of our evictions are in debt and quite often the people who are unruly and antisocial also accumulate debt, so it is often easier to obtain an eviction on the debt basis than it is on any other basis. We are genuinely concerned, I think, about the quality of life that our tenants have. They don't have the choice that many others in the private sector have and, if they are not happy, they move. Our tenants are constrained in their choices. We feel we have a duty of care to ensure that the environment which we give them is suitable for them to raise their families and have a quiet enjoyment of it.

The strategies we are using are probably threefold. One is that we have got an extensive training program for our housing managers to equip them on how to deal with difficult clients. Two, we have a proprietary interest now in the way in which our complexes operate. There used to be a view that, if it was a police matter, the tenant should just



contact the police. Often a tenant was intimidated against doing that because they were frightened of repercussions. I have instituted a process now where, if a tenant complains to us, we will write to the police. We want to ensure that those antisocial behaviours are dealt with. We will take people to the tribunal if we get sufficient evidence.

Generally speaking, when we get a report about antisocial behaviour, we interview the complainant and we interview the person, if it is a tenant that they are complaining about. We write them a letter and ask them to remedy their behaviour. That is kept on file and, if there is a continuation of it, we will take stronger action. One of the difficulties is that the privacy legislation constrains us from talking about what actions we are taking in relation to a particular tenant. Often other tenants have the perception that we are doing nothing, but, in fact, we are doing quite a lot.

The other issue for us is that a lot of the antisocial behaviour in some of our complexes is caused by non-residents, people that come into the complexes. In that regard, we are encouraging Neighbourhood Watch, we are encouraging the development of tenant groups to give us some information about what's happening, and we have introduced intensive tenancy management teams which will go in and interview all the tenants, like we did at Stuart Flats. We had some issues there. I am pleased to report now that we have got extremely low vacancies in Stuart Flats and they are so well located that people are now seeking to go in there. A lot of the focus of the estimates is on the dollars that go into capital works, maintenance and upgrading but we think they need to be complemented by a strategic policy and early intervention process which we are determined to have to complement the dollars.

**Mr Wood:** In respect of some of those major complexes, I have seen a lot of very good work over the last few years in working with the tenants.

**THE CHAIR:** How many eviction proceedings have been begun in the last financial year and how many of them have been successful?

**Mr Hutchison:** There have been 107 successful evictions, although I don't count them as a success in a way because our ethos is to house people. We used to have a process whereby, if people fell into debt, we would enter into an arrangement with them and then, if they broke it, we would enter into another arrangement and so on and so on. Some of these debts have mounted up to a couple of thousand dollars.

We are now seeking to have a two-phase approach in relation to debt. The first is to enter into an arrangement with people, because we acknowledge our clients are poor and they are often hit with unexpected bills. If they break that arrangement, we then seek to make another arrangement with them, but we get it endorsed by the tribunal to give added weight to that agreement.

That makes it extremely difficult for clients who break the second agreement to persuade the tribunal to stay an eviction order, because not only have they breached their lease arrangements with ACT Housing but also they are in breach of an order by the tribunal. We take lots of clients to the tribunal and seek an order of possession, but our objective in taking them there is to get an agreement and retain the tenancies and sustain the tenancies. It is a difficult question to answer in relation to success, but in actual evictions

there were 107 last financial year, which was 0.93 per cent of our housing stock, so it was quite low.

**Mr Wood:** It would probably be lower than that for the private housing sector.

**Mr Hutchison:** I think so, yes. Our ethos is to sustain the tenancy and we do everything we can. We have a very considered process of early intervention. We have housing manager specialists who seek to provide assistance and referrals to other agencies. We offer free financial counselling and we actually provide interest free loans and so, insofar as people get into debt, all they are required to do is repay the debt. We try everything we can to assist people.

**MRS DUNNE:** I am going to go back to one of my hobbyhorses. Mr Wood can turn off because I raised it about six times yesterday.

**Mr Wood:** The measures?

**MRS DUNNE:** Yes, it is about the measures. Mr Hutchison talked about two or three things at various stages which I would consider should possibly be explored as measures of the operation of housing. For instance, I take your point, Mr Hutchison, that we spend a lot of money but we don't actually look at a lot of the social elements of the good that providing housing does. Also, you spoke earlier about how you had improved the rate at which you turn houses around and that sort of thing. As we have a new department and I have a hobbyhorse about performance measures, I would really encourage people to look at having more meaningful performance measures than the cost of providing information.

**Mr Hutchison:** Could I just respond to that by saying you will be encouraged to know that your hobbyhorse is also a hobbyhorse of our new chief executive.

**MRS DUNNE:** I knew it wasn't going to fall on deaf ears.

**Mr Hutchison:** In fact, we do measure lots of things internally and it is always difficult to get meaningful performance measures, but we will be working on them, as my chief executive has told me. Obviously, she has looked at them as well.

**Ms Lambert:** And we need to build the data sets that will inform those measures as well. There is a real opportunity with bringing together the areas to do that.

**Mr Franklin:** I would also point out that under the CSHA there is a separate performance monitoring framework which is reported back to the Commonwealth, and also in the report on government services through the productivity commission.

**MRS DUNNE:** But it would be nice to have those sorts of things here as well.

**MS DUNDAS:** With the budget, there was an increase in terms of payments to purchase property, plant and equipment due to an increased acquisition of properties to meet the waiting list. That was an increase to \$7 million from \$4 million. Was that money all expended?

**Mr Hutchison:** We ended up with a significant amount of money left in our coffers at the end of the financial year because of two things. One was the market circumstances which were operating and the way in which we operate. You, as a private citizen, could take your cheque book out, write a deposit and say, "I'll have that", whereas we have a rather more complex process, including formal valuations, formal approval processes and an inspection of the property.

As you are aware, most of our dollars for the acquisition of property comes from sales, so at the end of the financial year, the last three months of the financial year, we start building up funds which have accrued from sales and we can't turn them around into cash as quickly as we would like. In addition, this year we have had some money which we have managed to glean from more efficient methods that you were talking about, the turnaround of stock and a greater return on our rentals, which has meant that we put \$5 million extra into capital as well and turned it into houses. Our biggest challenge now is to be able to go into the market and buy appropriately in the climate that we are in at the moment.

**MS DUNDAS:** I will rephrase the question. The increase was due to an acquisition of properties to meet the waiting listing. Were you successful in meeting the waiting list?

**Mr Hutchison:** No, it is still there.

**Mr Wood:** It will always be there.

**THE CHAIR:** What was that figure?

**Mr Hutchison:** There were 3,400 people on the waiting list as of 30 June. We have tried to focus on the people who have been waiting the longest. It has been a real challenge for us because, quite often, they have really specific needs, like a five-bedroom house in a certain area, and they come up in the market infrequently. It is embarrassing for us at times of high housing need to have cash, because we would rather have houses and have people housed, but the reality of the market in which we operate, the way in which we get our funds, means that we quite often have a carryover each financial year. I think last year it was about \$18 million.

**MS DUNDAS:** In the budget papers there is a target of a net increase of 160 properties for the end of this financial year.

**Mr Hutchison:** Yes. It is a combination of us not transferring properties, as we have in the past, to community housing, and it is a combination of the accumulated funds that we are bringing over and a significant increase in sales to tenants. I think we predicted about 40 and ended up with about 80. All those things combined have meant that this is going to be a very challenging year for us but, hopefully, rewarding. The minister has always been keen to maintain ACT Housing stock numbers and, in this particular year, we think we will be able to achieve that.

**MS DUNDAS:** Do you have any idea at this stage where you might find those 160 properties?

**Mr Hutchison:** We have to go where the market is. We keep scouring the classifieds for certain properties. We have certain criteria. We do not normally buy properties that have a zero energy rating. We require a three-star energy rating. Quite often there will be properties out there and you will think, “Why isn’t ACT Housing buying those?” It is because we want to build up the quality of our stock and quite often they are our own stock coming back to us that we have sold previously. Generally, we are in the market everywhere, apart from the really high-priced areas, but all the middle ring suburbs, anywhere we can find appropriate housing, we will go for it.

**THE CHAIR:** What was the waiting list at the end of the last financial year?

**Mr Hutchison:** It has increased by 267 over last year. There will be a throughput that has changed that.

**MS DUNDAS:** Even though there was a \$7 million increase in acquisitions, the number of properties managed didn’t actually change over the last financial year.

**Mr Hutchison:** It is changing all the time because we are selling, we are buying and there are properties vacant.

**MS DUNDAS:** As to the public housing measurement outcomes, the number of dwellings, the target for 2001-02 was 11,380 and the estimated outcome was 11,380. Even with the additional funds—

**Mr Hutchison:** Don’t forget that we actually dispensed with Burnie Court last financial year as well, so there are pluses and minuses throughout the process. Generally speaking, it is really difficult, if you are selling off bedsitter accommodation like Burnie Court was, to try to replicate the numbers. Quite often, people are focused on the number of dwellings rather than the nature of the dwellings.

**MS DUNDAS:** Is that something that you are looking at in the measurement reassessment?

**Mr Hutchison:** We ended up with 11,467 at the end of this year. We just didn’t change the output, apparently.

**MRS DUNNE:** Does what you have been saying there, Mr Hutchison, go to the question of having more refined measures to show what you are actually doing, because the number of properties or dwellings is a pretty gross measure?

**Mr Hutchison:** It is. But, like a lot of the measures, it is designed to be an indicator and, if there is a downturn, inevitably you will be asked why there is a downturn. It is pretty hard to have all-encompassing indicators by themselves. They are usually just flags, you might say, for people to explore.

**MRS DUNNE:** I was pleased to hear you say that you have criteria for buying houses that include nothing less than a three-star rating. I think that is very important, because a lot of the old housing stock has very bad energy ratings, which makes it more difficult for people on lower incomes to keep themselves warm and well in the wintertime. In the maintenance program—this is something that we asked about yesterday—there is a lot

going on in the greenhouse area, the water checker, the insulation and things like that. How are those things progressing in the maintenance program and the resolution of the Assembly to look at replacing old hot water systems with solar hot water systems? Where are you with that development?

**Mr Hutchison:** We are still exploring it. I think the main factor is the cost. It is new technology. The Northern Territory housing department has invested significantly in solar energy and they don't believe that it gives them the return that is necessary, that they have a high maintenance cost and they have a high failure rate. Having seen the resolution, we are committed to doing some further research in looking across Australia at best practice. It is always a line ball when you enter into that new technology. At what point do you wait for it to be developed into another refinement that makes it even better?

**MRS DUNNE:** Solar hot water systems aren't necessarily whizzbang, gee-whiz, frontier technology any more. We have had one on our roof for 11 years and it hasn't needed maintenance. I am surprised that there would be a feeling amongst housing authorities that it is not a good investment. I know that it is expensive, because of the up-front cost, but are there other ways that you might address this issue, perhaps by cost sharing with the tenant so that if you put a solar hot water system on the roof and therefore they manage to achieve, say, a \$200 reduction in their electricity bill over the year, you might share the benefits and they got \$100 and you got \$100? Would you look at schemes like that?

**Mr Hutchison:** Actually, we would look at anything, I think. But some of the issues for us are how many houses face the street and don't face north, what sort of elevation you have to put on the solar thing to catch the sun, and the difference in the height of the sun as it goes through different seasons. But, generally speaking, we try to provide energy efficient homes through insulation and through other mechanisms, rather than solar hot water. It is an option, but there are always competing priorities. You can get fairly efficient and cost-effective hot water through the installation of hot water systems that use off-peak power and things like that and it is hard to see how to compensate between the two. As I said, we are looking at it, but I am not that optimistic that on a cost-benefit analysis it will work out. But I would like to see anything that benefits our clients and helps them have a better quality of life.

**MRS DUNNE:** On the subject of the cavity insulation program and the general insulation programs, are they progressing or have they come to an end?

**Mr Hutchison:** We do the roof one. When we have a look at houses we are acquiring, if we can bring them up to 3½ stars or three stars, we would consider putting in the cavity insulation. We don't currently have a program for doing it across the board.

**MS DUNDAS:** Is the urgent work that you are undertaking to comply with fire standards at the Bega Flats?

**Mr Hutchison:** It is right across.

**MS DUNDAS:** Why did it suddenly become urgent?

**Mr Wood:** Because we had been told about it and had looked at it. And when we are told about it, we have to do something.

**MS DUNDAS:** Is it like the problem with the bridges that we discussed yesterday in that you were doing a three-year review and discovered that it had suddenly become urgent, or has it been urgent for a while and nobody has done anything about it?

**Mr Wood:** No, I am not sure of the time scale.

**Mr Hutchison:** I could perhaps add to the understanding of it. The previous government engaged consultants to do a survey of our multiunit sites—it is often referred to as the MUP report—but they didn't ask them to look at how well they complied with the building code of Australia. In progressing out studies of those units to determine, with the passage of time, whether it was still cost-effective to carry those repairs out, we looked at the building code of Australia and found that, although they satisfied the code under which they were built, they don't comply with the latest building code of Australia. The view that was taken by the agency was that we had a duty of care to ensure that the properties were as safe as possible. We brought that to the attention of the incoming government and they accepted that and it is now a high priority for us.

**MS DUNDAS:** In terms of another multiunit place, I understand that Gowrie Court was due for demolishing and that was deferred.

**Mr Hutchison:** I know that it is still standing, so I presume the correct decision was made. With all those properties, because they are very old, there is always a number of options—redevelop, sell, demolish—and our methodology is to look at each of them on their merits, look at what the fire safety requirements would be now for those properties, look at how well they are functioning and their potential over the next 20 years if we did invest in them, and make individual submissions to government on the basis of our cost-benefit analysis and examination of the options.

**MS DUNDAS:** What is the current status of Gowrie Court?

**Mr Hutchison:** It is just being maintained and it is not under threat of demolition. It is under a cost-benefit analysis of what we are going to do with it.

**MS DUNDAS:** There are people currently living there?

**Mr Hutchison:** Yes, absolutely. In fact, I think it has nearly a 100 per cent occupancy.

**Mr Wood:** It is going very well at the moment because of the work that has been put into it.

**MS DUNDAS:** Under supported accommodation and community services, which is now output 1.3, there is a performance measure about the total number of service contracts administered relating to community services grants and I think it has dropped from 49 to 26.

**Ms Overton-Clarke:** It reflects the fact that some of the contracts needed to be split. Where an organisation was contracted for more than one service—it may have been across the family area and the youth area—those are the ones where the contracts have been split and the ones that are coming to us are the community services portion. Forty-nine was the total original amount and 26 community services grants will be coming over.

**MS DUNDAS:** And the other ones will stay?

**Ms Overton-Clarke:** Yes, that's right, so they are reflected in the performance agreement with Education.

**MS DUNDAS:** Can you tell me how much money has been allocated specifically to the accessible unit program for this financial year?

**Mr Hutchison:** We intend to build 59 units. If you want to know the precise figure, I should be able to tell you that.

**MS DUNDAS:** And that is this financial year?

**Mr Hutchison:** That is this financial year. We did 22, I think, last financial year.

**MS DUNDAS:** How many do you expect to do in 2003-04?

**Mr Hutchison:** A lot more. I don't know. I need to check my figures. I will let you know.

**MS DUNDAS:** Thank you.

**THE CHAIR:** I have a question about the Lowanna Young Women's Service. I understand that there is unmet demand that the service would like to identify. I understand that they have made some representations on this question. Is there any provision in the budget which would affect them and their capacity?

**Mr Carmichael:** We will consider all that demand right across the sector as part of the implementation of the homeless needs analysis report that has just been finalised. What the government is committed to is that, after due consideration, having tested the veracity of the recommendations of that report, then it will develop as part of the budget process this year a response to that demand.

**THE CHAIR:** I understand that there are older people's units proposed for the Burnie Court site in Lyons. When will they be constructed?

**Mr Wood:** The timetable?

**Mr Hutchison:** On the Burnie Court site, the approvals have been given for the subdivision. An agent has been appointed to sell the first block, which we anticipate, subject to some detailed planning issues being resolved, to be in September or October. We expect to lodge a DA by the end of December for the construction of those older person's units at the other end of Burnie Court.

**THE CHAIR:** Will they be privately owned or will there be some ACT Housing properties among those?

**Mr Hutchison:** As I understand it, the 26 older person's units would be entirely ACT Housing, but ACT Housing anticipated that if the configuration of other housing on the site was suitable, we would be in the market to buy individual ones from the private source.

**THE CHAIR:** As well as the 26 units you have spoken of?

**Mr Hutchison:** As well, yes, but that would depend on the nature of the units and whether they met our requirements.

**THE CHAIR:** You talk about appointing an agent to sell the units.

**Mr Wood:** To sell the land.

**Mr Hutchison:** No, you misunderstood me, to sell the first block of land of the four or five sites that the Burnie Court site has been subdivided into.

**MS DUNDAS:** I think Mr Hutchison has the figures that I asked for.

**Mr Hutchison:** Yes, I will just put on the record that we plan to build 59 accessible units this year and the amount of money is \$11.015 million. We will determine how many we build the following year based on the market circumstances and our success this year. I can't give you that figure.

**THE CHAIR:** What is the timeframe for the completion of the Hartigan Gardens development at Garran?

**Mr Wood:** Planning is under way at the moment.

**Mr Hutchison:** I can read you the briefing, if you like, or the part relating to it. The minister issued a press statement on 27 February of this year. The tenants were informed of the proposal to redevelop on 25 February. The proposal is for 55 new two-bedroom villa units. A request for expressions of interest for the design and the development was advertised on 13 July and a design team is expected to be appointed on 3 October 2002, following shortlisting and a tender process. Construction is scheduled to commence in December 2003 and be completed by July 2005.

**THE CHAIR:** By 2005?

**Mr Wood:** That allows people to move out of their home as it is about to be demolished into something that has been constructed there. There is a staging.

**THE CHAIR:** It will be developed continuously so that people can move out. There is a proposal for an older women's boarding house of eight independent live-in units. Is that in this budget?



**Mr Wood:** I believe it is, yes.

**THE CHAIR:** What is the cost of it and where can I find it in the budget?

**Mr Wood:** It says half a million dollars there somewhere, I expect.

**Mr Hutchison:** We anticipate about half a million dollars to bring a property which we already have and which is on community land up to an appropriate standard.

**Mr Wood:** If things proceed as they are, it will be Mappleston House in Chapman.

**THE CHAIR:** Are there any further questions on housing?

**MS DUNDAS:** I have one which was provided to me by somebody in the community. I am just wondering whether it is true that ACT Housing collects rental arrears debts via direct debit from people's bank accounts even after people have filed for bankruptcy.

**Mr Hutchison:** The short answer is no. Once people file for bankruptcy—

**MS DUNDAS:** That was a long no.

**Mr Hutchison:** There are a couple of aspects to your question. If people have filed for bankruptcy, the debt is waived. It is irrecoverable; we can't recover it. We do encourage our clients to use direct debits, so it may well be that if tenants have debts with us a proportion of the money will be coming out by way of direct debit.

**MS DUNDAS:** Before you are informed of bankruptcy?

**Mr Hutchison:** There may well be. If a client opts for other reasons to declare themselves bankrupt and they don't tell us about it and they don't cancel the deductions, which is their entitlement to cancel them, then we would just allow the account to run. If they approached us and said they were declared bankrupt and all their debts were included in that bankruptcy, we would look at it sympathetically.

**MS DUNDAS:** So you would look at paying that money back?

**Mr Hutchison:** Yes.

**MR HARGREAVES:** What is the level of debt write-off you would have in a year?

**Mr Hutchison:** I will just check with my chief financial officer. About a couple of hundred thousand dollars a year. Of course, when we write it off, it is an accounting term. We still seek to pursue it.

**MR HARGREAVES:** Do you do that through a private agency?

**Mr Hutchison:** Yes.

**THE CHAIR:** On the community services side of output 1.3, I want to ask about the use by the Weston Creek Community Association of the Weston Creek Community Centre. I think I read in the paper in the last day or two that the process of throwing that operation out to tender has been discontinued. Can you tell us why?

**Mr Wood:** We didn't have any measures to assess a tender. There has been an overall look at the broad area. That may come up with some measures that we could use to assess. But as consideration was being given to tender documents, you don't look for financial benefits. It is not something where you are looking to get money out of it in that way. We provide money. Officers found it was too difficult to assess, so we have advised that we will hold off on that until some data emerges that might enable us to do that.

**THE CHAIR:** Surely it was obvious before the tender was called that you didn't have the criteria on which to assess it?

**Ms Lambert:** A community facility assessment study was going to be done at a much later timeframe. My understanding now and the advice from the department we took this from was that this will now be earlier and is likely to occur in the next six months, so there will indeed be data available more quickly than it was expected to be.

**THE CHAIR:** But my question is that you must have known it wasn't available when you started the tender process, so why begin a tender when you knew you didn't have the materials to complete it?

**Mr Wood:** It wasn't something that emerged at that time, as simple as that. There hadn't been in the history, as well as I understand, a competition about running such a centre, or hadn't been some contest, so it hadn't been considered. I expect that there was some assumption that we can put out a tender. It was a new process and that is when circumstances emerged.

**THE CHAIR:** I take it, though, that this is just a deferral of the matter, that it will go back to tender at some point in the next year or so?

**Mr Wood:** There is a date in 2004, I think.

**Ms Lambert:** In 2003.

**THE CHAIR:** What is the date?

**Ms Lambert:** We have asked that the needs assessment study be completed first and it is anticipated that this will be completed this year, so we are assuming, I think, 2003 at this point, but I would have to defer to the department that handed this particular program to us.

**Mr Lebang:** My name is Joe Lebang. I am manager of facilities management in the Department of Education, Youth and Family Services. As has already been said, initially the facility needs assessment was anticipated to be completed much later, at a date of late 2003. The date of that has now been brought forward somewhat and it was believed that that study would actually better inform any process for the extension or renegotiation of

the sublease for the community facility. We are looking to take the results of that study into account in the renewal of the sublease for that community centre.

**THE CHAIR:** Yes, but again my question was: when are you expecting to go back to the process? This is a question you will get from the Weston Creek Community Association: when will they be going back under the spotlight for a further—

**Mr Lebang:** In terms of allowing all parties adequate time to prepare themselves, we are talking about a date of about mid-2004 for the current arrangement for the community centre to continue.

**Mr Wood:** Yes, I have written to the community centre indicating that date, or some date then.

**THE CHAIR:** Are other community centres going to be subject to a similar tender process over the next few years?

**Mr Wood:** I don't know. This emerged because there was a contest for it. It hasn't emerged around other centres. If it emerges, at least we will now have a model to work off.

**THE CHAIR:** I understand that in the case of what we used to call a contest, there wasn't an open contest, there was an indication to the department by other persons or organisations that they were interested in running the centre. I understand that the Weston Creek Community Association hasn't been told who those other people or organisations were. It seems a bit strange to me. If there are potential competitors, why couldn't they be on the record so that there is some chance of assessing what kind of competition there actually is?

**Mr Wood:** I don't know. Were there other competitors? I'd have to ask that question.

**Mr Lebang:** There was a claim that there were other competitors. It is unclear precisely who they were. But it was considered that there should be an opportunity given for those to emerge.

**MS DUNDAS:** Where did the claim come from?

**Mr Wood:** The community council was proposing, as I understand it, the calling of tenders. I think you can judge there has been some tension between a couple of groups out there.

**THE CHAIR:** I am just curious as to why the department would initiate a process which it must have foreseen as a quite disruptive process of calling for a tender—mind you, with criteria that didn't exist and they couldn't therefore complete it—when it didn't know the names or the identities of any of the competitors who were supposed to be interested in running it and didn't have any criteria to complete the tender anyway.

**Mr Wood:** I am not sure that that is an uncommon circumstance. All governments call a very large number of tenders over their life and would not always know who would be likely to respond. The calling of a tender isn't an unusual event.

**THE CHAIR:** With respect to community centres, it actually is. I don't think it has happened in years.

**Mr Wood:** In this circumstance, yes, I indicated that before. But it was deemed at that stage that it was something that might be done. If these circumstances emerged, the view is that administration of such facilities, any facilities, and the receipt of grants or programs is at the end point always open to tender.

**THE CHAIR:** Can we have an undertaking that in the future when these processes are commenced the department will secure the identities of potential parties who might be interested in such tenders if it is not going to engage in a rolling process of opening all of the community centres to tender?

**Mr Wood:** I don't know; that is a big ask. You are talking specifically about community centres, are you?

**THE CHAIR:** Yes. Community centres haven't been subject to tender, as I understand it, for some time.

**Mr Wood:** Because there has never been any dispute about them.

**THE CHAIR:** But you don't know that there is any dispute about them now. You don't know whether any other parties are actually interested in running this particular centre at Weston Creek.

**Ms Lambert:** No, we don't.

**THE CHAIR:** I am just suggesting there should be more rigour employed in the future with such processes.

**Ms Lambert:** We are certainly happy to take that on board as a suggestion.

**MR HARGREAVES:** I am also curious to know a couple of things about this process. Have you had any contact with the newly-merged Tuggeranong Community Service and Weston Creek Community Service over the centre?

**Mr Lebang:** In relation to the Weston Creek Community Centre?

**MR HARGREAVES:** Yes.

**Mr Lebang:** Not that I am aware of.

**MR HARGREAVES:** Their merging, of course, would naturally lend them to that sort of consideration, I would have thought. The operation of the centre is a sort of contract arrangement, even though it is single select. It has requirements for satisfaction of management activities, I suppose, such as paying rent. Is the record of the Weston Creek Community Association, as far as the department is concerned, a good record or a not so good record?

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**Mr Lebang:** It is a good record.

**MR HARGREAVES:** It is? And when did it become that way? I would remind you that their record for paying their rent on time in 1996 and 1997 was a little less than desirable. Have they improved their act since then?

**Ms Lambert:** I don't know.

**MR HARGREAVES:** I can say that the amounts of money in 1997 were so significant that you would probably remember it if there was a problem.

**Ms Lambert:** You would appreciate that I wouldn't be aware of that.

**MR HARGREAVES:** Not you, Ms Lambert; I am absolutely sure of that. But I thought that Mr Lebang either may not know or can find out.

**Mr Lebang:** You are referring to the Weston Creek Community Association

**MR HARGREAVES:** The community association's management of the Weston Creek Community Centre. Could I get you to look at that?

**Ms Lambert:** When did they become good?

**MR HARGREAVES:** I would like to know whether they are satisfying the requirements according to the contract to the department's satisfaction. If the answer is yes and you are prepared to say yes to that on the record, I am happy to accept that.

**Mr Lebang:** They are satisfying the requirements of the sublease that we have with them.

**MS DUNDAS:** I have a question on a different topic? There is money in total works in progress for extra community space in the new Griffin Centre. Last year it was budgeted at \$1.7 million and this year it is now \$1.69 million. What was that \$10,000 spent on, considering that the new Griffin Centre has not been built yet. If that money is being used to purchase space in the new Griffin Centre, why hasn't all that money just gone to the developer already?

**Mr Lebang:** The \$1.7 million was for extra space and for fitout of the new community centre. During the year, the existing management group approached us to acquire some new furniture for some of the meeting rooms at the existing centre which they were seeking to transfer to the new facility.

**MS DUNDAS:** So they are taking the chairs with them.

**Mr Lebang:** Yes, they are moveable chairs and tables which they use in their committee meeting rooms.

**MS DUNDAS:** Can you tell us how much of that money has been allocated for extra space and how much has been allocated for fitout?

**Mr Lebang:** The order of funding for the additional space is \$500,000 and the balance is for fitout, which would include furniture, partitions and moveable items and also for some fixed items in the new facility.

**MS DUNDAS:** Is any of that money for IT fitout?

**Mr Lebang:** It will be. Those matters are to be fully determined in consultation with the management group, but I would certainly envisage and expect that the management would wish some cabling to be done of the new facility.

**MS DUNDAS:** Can you tell us how much the \$500,000 will buy for us in terms of space?

**Mr Lebang:** I can't be precise on that because those matters are still subject to negotiation with the developer, but our feeling would be that we would be looking at something in the order of 450 square metres of extra space.

**MS DUNDAS:** Do you think that the space in the Griffin Centre will be adequate to meet current community needs but also the capacity of the community sector to grow?

**Mr Lebang:** The additional space in the new facility will be in the order of 20 per cent and in terms of the lettable area for office accommodation it will be almost 25 per cent of an increase over the existing area. I think the studies that have been conducted by the Department of Education and Community Services, as it was formerly, and even some recent work undertaken in the Susan Conroy study would indicate that that should be sufficient space for the Griffin Centre.

**MS DUNDAS:** I understand that you are negotiating or will be negotiating with tenants about the space and the fitout. Are you also bringing in subtenants? I think that this touches on the problems that ACT Shelter and the Youth Coalition expressed in the media, because they are subtenants of Anglicare, they are not direct tenants of the Griffin Centre management group which has a long acronym that I can't remember. Have you expanded your communications to include subtenants?

**Mr Lebang:** The process, as we would envisage it, is that the department would be negotiating with the management group in relation to the space in the new facility and that there would be some negotiations required to be undertaken by the management group with their subtenants in the normal management relationship that they have. Certainly, we would envisage that on top of that there would be some process whereby the department would keep informed the tenants of the Griffin Centre overall about the progress with the development.

**Ms Overton-Clarke:** Ms Dundas, I actually persisted in giving Mr Lebang the wrong figure a minute ago. I have just found my brief now. The 20 per cent increase is from 3,105 square metres to 3,727 square metres. It is a 20 per cent increase.

**MS DUNDAS:** And the additional being bought with the \$500,000 increases it, I think you said.

**Ms Lambert:** No, that was the incorrect figure.

**MS DUNDAS:** Okay, so the original plans had the Griffin Centre being built at the same and we have put aside \$500,000 to get the extra 20 per cent.

**Mr Lebang:** The additional funding takes the new building up to the three-seven figure, which is the 20 per cent overall increase. Prior to that the figure was less by the order of 450 square metres. Prior to the additional funding, the figure for the new Griffin Centre would have been less 450 square metres.

**MS DUNDAS:** So it was slightly bigger, but not very much.

**Mr Lebang:** It was slightly bigger, yes.

**Mr Hutchison:** Could I take this opportunity to add to an answer I gave on bankruptcy? I am advised that the Residential Tenancies Tribunal on one occasion determined that the fact that a client went into bankruptcy didn't overrule their order, so I am not sure if that is the particular case that you're interested in, but that is the advice I have.

**MS DUNDAS:** Can you inform us how progress is going on the decision of the Assembly with regard to concession cards for low income, self-funded retirees?

**Mr Wood:** Yes, the discussion continues. There are conversations with the office of Amanda Vanstone, so people are talking in a little more detail about it. It is back to discussion.

**MS DUNDAS:** What is your definition of a low income, self-funded retiree? Where would you put the threshold?

**Mr Wood:** I wouldn't want to make a definition on that.

**MS DUNDAS:** Is that something that is part of the ongoing negotiations with the federal government?

**Mr Wood:** Yes. Let me be clear. We are talking about basically the Senior Card holders here. Whether we put a limit on it, I wouldn't care to say at this stage. It is a fairly open discussion that we are having. It has just resumed. I think that Amanda Vanstone's office said that one state had signed up. To my knowledge, only one state has signed up, so there are concerns around the country about it.

**Mr Carmichael:** Just to elaborate a little, Ms Dundas, the issue for us is multiple, I guess. One was that this was a Commonwealth government decision that we weren't party to. One of the concerns, I guess, for the ACT government is that there was a poverty inquiry and it did come down with a range of recommendations. I guess the Commonwealth initiative doesn't fit neatly with trying to prioritise those most in need. The issue for us is that of the people with that form of concession card, the Commonwealth senior health card holder, 75 per cent of those, which in the ACT is currently 5,602, earn above \$30,000 per annum. This government has been committed to helping—

**MS DUNDAS:** Sorry, what was that percentage?

**Mr Carmichael:** Seventy-five per cent earn about \$30,000 per annum.

**Ms Lambert:** That is, the holders of that card.

**Mr Carmichael:** The seniors card which is the target of the Commonwealth initiative. For us, when we look at those in need in the ACT, there are lots of people below that income level who aren't getting this level of benefit, and that's part of a concession review that the Chief Minister's Department has been undertaking over a period of time. The government needs further time to consider how best to commit further dollars to concessions, but in a way that is equitable and fits within their policy framework of supporting those most in need.

**MS DUNDAS:** I understand that the concession review was started under the previous government. Are we expecting a report to be available any time soon?

**Ms Lambert:** Yes, it should be done by the end of this year at least, but probably earlier than that. Chief Minister's has charge of that. But we are continuing to discuss matters, as I understand it, with the Commonwealth. They believe that the states and territories misunderstood their offer and they want to continue to talk to us. As the minister said, we have and we have had informal advice that one state has signed up, but we haven't verified that.

**THE CHAIR:** There being no further questions on community services, we will move to output 1.4, which relates to child health development services. The outputs table anticipates a significant improvement in the number of children who receive assistance from CHADS—from 250 to 350, I think, this financial year.

**MS DUNDAS:** Sorry, which page are you looking at?

**THE CHAIR:** I am looking at page 1 of my notes. The budget for CHADS is estimated to grow marginally from an estimated outcome of \$4.1 million last year to \$4.2 million this year. How would we assist that many more people—and it is a significant increase, if it is true—for only a marginal increase in the number of dollars?

**Ms Lambert:** I think we have missed the detail of that from your notes.

**Ms Overton-Clarke:** Sorry, can you just repeat that?

**THE CHAIR:** My researcher tells me that the number of children who receive assistance from CHADS will increase from 250 to 350. I assume that means in this financial year. Is there any evidence for that assertion?

**Ms Farrelly:** I think I have the answer to that. My name is Jill Farrelly. I am acting executive director of children, youth and family services in Education, Youth and Family Services. The increase of 100 relates to the new budget initiative, which relates to early intervention and education program expansion.

**THE CHAIR:** Right, and that is separately accounted for from the money for CHADS?



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**Ms Farrelly:** The budget initiative will be partially in Education, Youth and Family Services and partially in the new department. The budget that you are referring to relates to 300 and \$4,327, which is about increasing play group places, early intervention education unit places.

**MS DUNDAS:** And that was on page 334 of Budget Paper No 4.

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

**Mr Wood:** Mr Humphries was right. Your researcher was spot on.

**MS DUNDAS:** I have a question about CHADS as well. There was a lot of concern at the beginning of the year with regard to the waiting list for diagnostic services through CHADS. A number of young people, students, were suspected of having early onset autism and other developmental problems. How has the department responded to the criticism that there was such a long waiting list? What is the current waiting list for diagnosis?

**Ms Farrelly:** At the start of the year, as at 1 March, CHADS took over the assessment of children suspected of having autism and related disorders, and that assessment process has commenced. Since taking on the assessment, a number of people got on the waiting list and it stands at 75 at the end of June. The new budget initiative, which is for an additional \$65,000, will allow the autism diagnosis program to be expanded and for the number of children to be assessed more rapidly and for that waiting list to be reduced over the coming months.

I am advised that one of the issues has been the difficulty of finding a psychologist with the skills to do the diagnosis because, as you can imagine, especially with young children, it is incredibly complex and people are very loathe to make the diagnosis of young children with autism unless it actually is the case that they have the disorder. CHADS will be taking that on and a person has now been recruited to the position and will be able to work in the multidisciplinary team with CHADS. Of course, one of the strengths of CHADS is the ability to work with all of the different therapies. That assessment process is up and running and my understanding is that the waiting list will reduce over time.

**Ms Lambert:** We expect the psychologist, as I understand it, to commence duty about mid-August.

**MS DUNDAS:** Can you provide me with some figures about how many children have actually been through diagnosis since 1 March?

**Ms Farrelly:** I can't give you that, but if you would like to know the rate that the waiting list will go down, we expect it will be two assessments per week. As you can imagine, it is pretty complex, it is multidisciplinary, and that will involve working with the child on an assessment basis, and also working with the family and giving the information directly to the family once the assessment has been completed.

**MR HARGREAVES:** I have a funny feeling that we have spoken about a new program that CHADS is running involving the parents, not so much as therapists, but in the therapy regime for the kids. That was something rather new, if I remember correctly. Could you give the committee an idea of that one?

**Ms Farrelly:** Maybe Pauline could talk about family-centred practices.

**MR HARGREAVES:** Yes, that would be lovely.

**Ms Farrelly:** It has basically been something that has evolved over the last few years very strongly in CHADS.

**Ms Brown:** To answer your question, CHADS has a very strong philosophy about being family-centred and delivering services to children. We don't believe that you can remove a child from its family or its environment; that you must learn to manage a child with the family and the family need to be included in that whole process, because they have the child all day, every day for the whole year. We only see them once a month, once a fortnight, once a week or whatever, so we need to involve not only the families, but also the schools, the teachers, and other people in other areas in the daily life of these children.

**MR HARGREAVES:** That program took off about a year ago or less?

**Ms Brown:** I would say that it has been developing over the last five to seven years or longer. It has become fairly well entrenched in our services.

**MR HARGREAVES:** There was something additional to it. I seem to remember hearing six months ago or less about particularly involving the family as a unit. The point you make is a good one: you can't treat the child in isolation. It had been the case where the intervention was of the child being brought to you and given something and, of course, by the time they came back again all the good work was half lost, putting them in situ and sorting that out. Did that include any training for the parents or a further accent on outreach services into homes?

**Ms Brown:** All of our therapy interventions involve the family, so that they are taught what to do to support the child at home to help progress the child in their every day environment. Home visiting is now very much an integral part of our approach to working with children and families and I would suspect that all children who come through CHADS get at least one or two home visits in the first few months, where we do see what happens in the home because it is often very different from how a child will react in a clinic setting or in their school and you need to be well aware of that and work with the parents to manage the child in that situation. It is an integral part of our management of all of our children.

**MR HARGREAVES:** I thought as much, thank you.

**MS DUNDAS:** When Ms Farrelly was answering my question about CHADS assessments a figure of \$60,000 or \$600,000 was mentioned.

**Ms Farrelly:** It was \$65,000.

**MS DUNDAS:** Is that new expenditure in CHADS?

**Ms Farrelly:** Yes.

**MS DUNDAS:** Is that specifically for diagnostic services?

**Ms Farrelly:** It is specifically for that.

**MS DUNDAS:** The quantity measure output figure for the number of occasions of service provided annually is given at 24,500 for last financial year and this financial year. With that increase in diagnostic services, why isn't there a corresponding outcome in terms of service provision? It is a bit of an artificial performance measure; I'll accept that.

**Ms Farrelly:** Your point is well made. As you can imagine, when we put together the transfer and the new documents, we didn't do an increase. It wasn't a deliberate thing; it was a bit of an oversight, probably. You can also appreciate that each year we will probably have a look at the level of the occasions of service. It would only take the lack of recruitment of a therapist over a three-month period to actually reduce the occasions of service really markedly. In practice, we would probably see an increase in the occasions of service. As you can imagine, if you are doing two a year of assessments alone, that will increase.

**MS DUNDAS:** Do you expect that figure to go up?

**Ms Farrelly:** Yes, and it would be something that you would see reflected in the next year's budget papers when the year has been shaken down with the new service. We haven't spoken about it.

**MS DUNDAS:** On the number of occasions of service, is that for inside the classroom or external to an education setting? What is the occasion of service?

**Ms Farrelly:** An occasion of service is a service to a child or a family in any setting that it happens to be in, so it is an accumulation of all visits that all children have or all interventions that we have.

**MS DUNDAS:** From CHADS personnel?

**Ms Brown:** From a CHADS therapist or psychologist.

**MS DUNDAS:** Which would be different from an autism support teacher provided through Education?

**Ms Brown:** Yes, only that the service is provided by therapists, which is physiotherapy, occupational therapy, speech pathology, psychology and social work.

**MR HARGREAVES:** Obviously, the constitution of the multidisciplinary team will differ according to the presentation of the child. When you are talking about occasions of service, you would count as one a contact with, say, a speech pathologist. When you

have a case management meeting with the parents, for example, would you count that as one occasion of service or four?

**Ms Brown:** If you are the case manager at a meeting with the parents it is one, it is considered like a group event.

**MR HARGREAVES:** We used to use it as four to try to rig the numbers.

**Ms Brown:** No, John, you are right; it is four. It is four, sorry, whoever is there, because a group is an occasion of service. If we run a group, we don't count the individual children in the group as an occasion of service; it is a group itself. But with a multidisciplinary team event, like a case management meeting or an assessment, yes, every therapist who contributes counts her time as one occasion of service. The occasions of service are a record of staff activity, not necessarily what happens to a child. But our database collects it against both, so that you can always get a history of what intervention a child has from the database.

**MR HARGREAVES:** Do you collect stats on client contact, if we wanted to get a comparison between therapists? We are talking about the money angle, not so much whether they are doing a good job. In terms of comparison of the piecemeal application of funding towards the service, do you collect stats which show that you had a certain number of client contacts go through from the patient's, the client's or the family's perspective?

**Ms Brown:** Yes, I can pull that history off for any individual client. For every contact that they have had with any therapist, I can actually generate that on a per client basis.

**MR HARGREAVES:** I ask the CEO to give some thought to its inclusion next year so that we can see for ourselves just how many contact hours of client time is actually going through, which would give us an idea of the complexity of the things that the therapists are trying to handle.

**Ms Brown:** On contact client times, my database prints that off. That is very easy for me to do, because my monthly records have the total amount of time and the total amount of occasions of service.

**MR HARGREAVES:** I had a feeling that that was right, thank you.

**MS DUNDAS:** On performance measures again, can you explain the time line performance measure of new referrals actioned within five working days?

**Ms Brown:** Yes, I can, easily. A referral comes in through our intake service and, as soon as they decide by location which team it belongs to, that referral is forwarded to the appropriate team leader. That team leader has five working days to actually review that client and accept or reject the case. In most instances, they are accepted.

**MS DUNDAS:** Accept or reject the case for diagnosis?

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**Ms Brown:** No, this is for therapy intervention, for any service that CHADS provides, any form of therapy service, whether it is a diagnosis. What we are doing is saying that we have contacted the family and we have discussed it with them and said, "Yes, your child is appropriate for CHADS' services."

**MS DUNDAS:** What happens to those that aren't?

**Ms Brown:** They are seen within five days, that referral is confirmed within five days.

**MS DUNDAS:** Sorry, are most referrals accepted or rejected?

**Ms Brown:** Most, if they get through the intake team, yes, they are usually accepted. It is a very rare event that they are not.

**MS DUNDAS:** Okay.

**Ms Farrelly:** Ms Dundas, could I clarify, please? I indicated that \$65,000 was allocated for new services for autism diagnosis. There is currently a \$20,000 allocation towards what is currently being provided by CHADS. The service which was funded was funded by mental health, which came across on 1 March, as I mentioned. When I said the service transferred, it was with \$20,000, so that is in addition to the new \$65,000. That is purely for autism diagnosis.

**MS DUNDAS:** There is actually \$85,000 for autism diagnosis as of 1 March.

**Ms Farrelly:** No, as of 1 March, it was \$20,000 and as of 1 July it was \$85,000.

**THE CHAIR:** There being no further questions, I thank the minister and his officers for their appearance today. We all wish you well with the new department's work.

**Mr Wood:** Thank you. We appreciate that.

**The committee adjourned at 5.37 pm.**