

**LEGISLATIVE ASSEMBLY FOR THE  
AUSTRALIAN CAPITAL TERRITORY**

**STANDING COMMITTEE ON PUBLIC ACCOUNTS**

**(Reference: 2002-2003 budget—service delivery)**

**Members:**

**MR B SMYTH (The Chair)  
MS K GALLAGHER  
MS K TUCKER**

**TRANSCRIPT OF EVIDENCE**

**CANBERRA, 27 MARCH 2002**

**Secretary to the committee:  
Mr P McCormack (Ph: 62050142)**

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

**The committee met at 2.19 pm.**

**CRAIG SLOAN,**

**JOHN MILLER,**

**DALE BUDD,**

**DEE McGRATH** and

**BROCK CAMBOURNE**

were called.

**THE CHAIR:** Welcome to today's hearing. Today the committee conducts public hearings into the budget process. The committee intends to report on this matter to the Legislative Assembly on 9 April 2002. The committee will examine the evidence before it and make recommendations to the government. The committee does not make decisions about budget matters.

Before we commence taking evidence, I state for the record that all witnesses appearing before the committee are protected by parliamentary privilege with respect to the evidence they give. Parliamentary privilege refers to the rights and immunities attached to the Legislative Assembly, its members and others, which are necessary for the discharge of its functions without obstruction and fear of prosecution.

Any act by any person that operates to the disadvantage of a witness on account of evidence given by him or her before the Legislative Assembly, or in any of its committees, is treated as a breach of privilege. Unless the committee determines otherwise—which it has not—this is a public hearing and all members of the public are welcome to attend.

**Resolved:**

That, pursuant to standing order 243, the evidence given and the papers presented this day be authorised for publication.

**THE CHAIR:** For the record, I ask witnesses to state their names and the capacities in which they are appearing here today when they first speak. I also ask that, if questions are taken on notice, responses are provided by Thursday 4 April.

**Mr Sloan:** Thank you very much, Brendan. I am Craig Sloan, vice-chairman of the Canberra Business Council and chairman of our economic impacts and special initiatives committee. That committee is responsible for a wide range of issues, mainly to do with the welfare of the business community. One of its tasks is to put together a budget paper, as it has done in the past. I think most of you would have seen that in the paper.

We have done that and today we have handed out briefing notes for discussion, which we will go through. We will present our complete budget paper, which will represent all of our kindred organisations, well before 9 April, which is the deadline set by the committee. Before I move on, we might actually start at the left here and go around the table to introduce ourselves.

**THE CHAIR:** Can I just clarify something? We have to report to the Assembly by the 9th. If you are giving us the document on the 9th, you are not going to be in the book. I wanted to make that clear.

**Mr Sloan:** Thank you. We will have it this week.

**Mr Budd:** I am Dale Budd, interim executive director of the Canberra Business Council. The term “interim” means what it says: John Miller, who will speak in a moment, has been appointed as deputy executive director and executive director designate, and we expect that he will assume the role of executive director in the middle of the year.

**Ms McGrath:** I am Dee McGrath, representing the task force of the economic impacts and special initiatives committee of the Canberra Business Council.

**Mr Cambourne:** I am Brock Cambourne, representing the Canberra Business Council’s tourism and sports industry task force.

**Mr Miller:** I am John Miller, deputy executive director of the Canberra Business Council.

**Mr Sloan:** As the paper says, the primary objective of the Canberra Business Council is to enhance the business community here in the ACT and in the capital region. Obviously, alongside that is the reward of employment. If we have a strong buoyant business community, it obviously takes care of employment.

The role of the Business Council is always to look at how we can actually make the business community a lot more viable and dynamic. A very important part of that process is the preparation of the budget, and we thank you for the opportunity to come along today to submit these notes to you.

We have broken the paper down in a different way from previous years. It covers two main areas: broad structural issues, such as business confidence, regulatory behaviour, insurance and demographic changes, and issues specific to the ACT and the Australian Capital Region. We will go through those in further detail. I will cover a number of those matters as we go through, and summarise the paper in front of you. Please feel free to ask any questions as we go along. As we get to areas in which the others are involved, then they will step in and speak in more detail, particularly Brock and Dee.

We are really looking at the broad structural issues. They are the ones that we see as not just ACT government issues. They are obviously going to be all-encompassing and will involve other states and the federal government as well. Certainly, in respect to business confidence, what we want is the ACT government to actually address, through the budget process, any concerns that the business community has about a downturn in the business economy.

As things are certainly slowing down within the world, and as that effect starts to creep into the Australian Capital Region, we do not want the budget to be too defensive, but to actually provide the stimulus that is needed to keep local businesses rather buoyant and dynamic. “Vibrant” is the word that is often used.

For a number of years we have asked for this. One of the ways in which we might do that is by providing regulatory and taxation frameworks that support all industries, not just those that, as we call it, pick winners. If that can be applied across a whole industry, rather than favouring one business organisation, then we would prefer to support the whole of an industry group. While we attract one business, and provide an advantage to one, no doubt we are providing disadvantages to others as well.

We want to see the reform of work force regulations, particularly those impeding the growth of small business. As we have done in the past, we do not want to go back to the days of massive red tape and a lot of business processes, in which our small businesses, particularly, have to be involved. We are also looking at a review of occupational health and safety issues. We do not want too much regulatory reform in that area, as that can make it extremely difficult for businesses to comply with requirements.

More timely decision making on the issue of land usage and development is required by a number of the business development and construction industry bodies in Canberra. They are certainly looking for timely advice and responses. They also need a reduction in the cost of business inputs, such as electricity and gas, and they strongly support more progress on national energy reforms. Certainly, where it is possible to provide any advantages to business by any means whatsoever, we strongly encourage the government to take those paths and provide some savings to business.

The last point is that we want a reduction of government charges on business inputs. A classic example is payroll tax. We are all very familiar with the argument on that one. That touches on another point, which we will get to a bit later on, about looking to see what is happening over our back fence as well.

However, where government charges on local businesses can be reduced, we would greatly encourage that. It is not easy, I know. We are certainly not fools. We do not sit here thinking that we want all of this to happen: that you have a bucket full of money and that therefore we should be able to eliminate payroll tax and the like. That is just not going to happen. What we are looking for is some way of removing a little of the burden from some of our small to medium-sized businesses.

Are there any questions on those business confidence matters?

**MS TUCKER:** I was interested in your comments. You said that you do not want the budget to be too defensive. As a council, do you have a position on whether the government should have a surplus or a deficit? Is that too hard? Do you all have your own views on that?

**Mr Sloan:** That is a good answer.

**MS TUCKER:** You did say that you did not want the budget to be too defensive, so I wonder what you think is appropriate.

**THE CHAIR:** Can I interrupt just briefly? I apologise. The government was going to give us a document in which they set out what they wanted to achieve in this process, but that has not been forthcoming. Kerrie is also the chair of a committee, and we have expressed our dismay that we are yet to receive that document. As a result, some of what you say may be taken in isolation or without guidance. However, on behalf of the council, I will say that in recent years the council's submissions have always sought a budget in surplus, which they see as one of the keys to fiscal responsibility.

**Mr Sloan:** That is correct.

**MS TUCKER:** That is what you say, is it? The other question I have relates to occupational health and safety issues. Would you tell us what you are concerned about in relation to OH&S?

**Mr Sloan:** Sorry, which one?

**MS TUCKER:** You said that you would be concerned if government was tightening up or increasing regulations that you presented as pressures on business, including those regarding OH&S. I want you to elaborate on that.

**Mr Budd:** I will speak on that matter. We have had quite a lot of contact with the government, and with the previous government, over workers compensation. I believe we have played a constructive role in getting to where we are today: we are looking forward to a better workers compensation system coming into effect from 1 July. We see OH&S as closely related to that. We are aware that the government is planning an OH&S review, which I think was also planned under the previous administration. We are keen to see that happen.

We hope that that is going to be constructive and useful, as we think the workers compensation changes have been. However, we were concerned that workers compensation would go off the rails and add to costs, rather than reducing them, and not achieve a good outcome for the employees. We are concerned to ensure that the OH&S review is also practical and helpful, and is not a burden on business. That is our view. We do see OH&S and workers compensation as being connected, so we are looking forward to that review, and we hope it will be practical and useful.

**THE CHAIR:** How important has the reduction in the payroll tax been?

**Mr Sloan:** I like to think all of these things are fairly important, Brendan. I am preaching to the converted here, but when we talk to businesses we find that they think it is one of those dead taxes. It limits a lot of small businesses because they think that, if they take more people on, and the size of their payroll goes up, of course they will be paying more taxes.

It does affect the bottom line of a business, particularly in the environment of Canberra, where there are so many small to medium-sized businesses that are hit by the payroll tax. While some might fall outside the threshold, a number of them fall inside it. I suppose there are a number of other businesses that would like to think that they are sitting on the cusp. They would like to be able to employ more staff and grow more, but some of those costs can be quite excessive. It only takes one or two more employees and you are over a threshold.

If costs can be reduced or the business situation can be made more attractive for local and regional businesses, then it provides us with an advantage in this region, certainly over our local competitors, but also over those in neighbouring states, and particularly those in New South Wales and Victoria.

**THE CHAIR:** So that is critical to extra employment, but also to the advantage that the ACT seeks to establish.

**Mr Sloan:** Very much.

**THE CHAIR:** All right. We can move on to the next section.

**Mr Sloan:** No doubt I should highlight some of the concerns about regulatory behaviour at a national and an international level. As we have noted in our submission, we welcome the government's business regulation review. Our concern about that review is that we should not overregulate the economy, and that is the outcome that the Business Council is looking for. If business does not require regulation, let's not regulate. Where regulators are required, we are more than happy to support their introduction. Where there is market failure, then bring on the regulators. However, let's not intervene in a market that is travelling okay.

The cost and uncertainty produced by regulations can be quite significant, so let's not forget the fact that regulation does result in costs, not only to private sector business, but also to government and government agencies. When regulations are being introduced, we are encouraging the regulators to publicise the complying fees and charges, so that we are all aware of what the requirements are, and what the impact has been of the introduction of that regulation.

Our last point is that we want the budget to make sufficient provision for the regulators to be adequately resourced and trained to undertake their functions. Obviously, if we are going to have regulators, it is important to let them do the job properly. Let them have the resources, let them have the staff that they need to do the job properly, and let them be as small a burden on business and public sector agencies as they can be.

**MS TUCKER:** Is that a problem now?

**Mr Sloan:** I do not think it is a major problem now, and those around the table could also comment on this. If that has arisen as a major problem, I am not aware of it. I think it is more that, if there is greater regulation, then how do the dollars and the resources stretch to wider regulation? The concern is that, if you only have so much, how far can you stretch that regulation purse without massive problems on that front. Kerrie, in

answer to the question, I am not aware of that as a major problem. Does anyone else here have a different view?

**Mr Budd:** It is probably more of a prospective concern than a current one.

**Mr Sloan:** Yes.

**THE CHAIR:** The two areas would be health inspectors, in relation to the food and the tourism industries, and WorkCover inspectors.

**Mr Sloan:** They are certainly the main ones.

**THE CHAIR:** Do they seem to be adequately funded at this time?

**Mr Cambourne:** Our stakeholders have expressed some concerns about the imposts of the regulatory regime in the last couple of years, in particular, those on the restaurant and catering industry when the new regulations came in with regard to airconditioning and smoking. Those cries have now diminished, I suppose.

**THE CHAIR:** Yes, the world did not come to an end.

**Mr Cambourne:** No. However, they are probably the areas of most concern regarding regulatory imposts.

**MS TUCKER:** And the training of people doing the work, or are you only talking about the impact of the regulation on business?

**Mr Cambourne:** They are more concerned about the impact of regulation on business. The other areas where there are regulatory concerns lie across the border, not so much here, particularly in terms of tourism and transport. They include being able to get over the border, and how much it costs for tourism operators to comply with both an ACT regime and a New South Wales regime.

**MS TUCKER:** Are they inconsistent?

**Mr Cambourne:** Yes, there are inconsistencies within the regulations.

**THE CHAIR:** New South Wales refused to recognise the ACT accreditation, and so we have had an ongoing discussion with the New South Wales Department of Transport, who are simply proving to be intractable. I assume that that has not changed in the last four or five months.

**Mr Cambourne:** No. I hope that the ICRC commission of inquiry will finally change that.

**THE CHAIR:** Can we keep going?

**Mr Sloan:** Yes, sure.

**THE CHAIR:** I am going to push you through, because we are going to run short of time.

**MS TUCKER:** I keep interrupting. I will not, if you do not want me to. Do you want to take questions at the end?

**Mr Sloan:** There may not be a lot. On the next one, insurance, for example, all we really want to do is encourage the ACT to participate in any national solution to insurance problems. We all know it is a burden on business and the community at large, and we certainly encourage the government to get right behind any national solution. That process has already started. We have detailed some of our thoughts in our paper.

**THE CHAIR:** Okay. Does the paper include examples of some of the impacts of the insurance dilemmas that business currently faces?

**Mr Sloan:** It does not at the moment, Brendan.

**Mr Budd:** Now we have a separate submission.

**Mr Miller:** Yes, this particular paper has been kept brief deliberately, but another paper has just gone before the meeting that is being held today between all ministers. We put a substantial 10-page paper to that meeting.

**THE CHAIR:** Would we be allowed a copy of that?

**Mr Miller:** We can attach that.

**THE CHAIR:** Thank you.

**Mr Sloan:** Demographic changes: we are all getting older, unfortunately. With regard to the budget and forward estimates, our concern is that we do not put too much pressure on our already struggling health budget. The ageing population means that there is a need to consider health, transport and housing issues that will come up as the territory's population gets older. We should not burden our current budget so much that we have no growth or ability to expand.

**THE CHAIR:** Are you saying that we should start now to make provision for the future?

**Mr Sloan:** Yes. As I said, we are getting older, day by day.

**THE CHAIR:** Hang on, is there a conflict of interest here? Are you looking forward so that you can feather your nest in the future?

**Mr Sloan:** Definitely not. We like the Canberra region. I have been here all my life. My dad was even born here.

I want to get through some of the issues specific to the ACT and the Australian Capital Region quickly, because I would love to spend more time on some of the tourism and convention issues. The BAD tax is probably an issue. As you are well aware, the New

South Wales government removed it a little earlier than we all thought it was going to. It was a bit of a shot across the bows. Let's not lose sight of what some of the other states are doing, and make sure that we are positioned to counter anything else they do. We should not have our budget in such a position that we cannot reduce our fees or charges. I am calling it the BAD tax, as it is probably one of those that signals a bit of a warning for us.

**THE CHAIR:** How important is parity, or being better than, say, New South Wales, to the viability of businesses in the ACT?

**Mr Sloan:** To me it is very important, and obviously it is important to the Business Council. If we can attract business here because the overheads, the set-up costs and the general day-to-day running costs are going to be less than they were, particularly in the current telecommunications environment and the like, it is very important. If the ACT and region are in such a position that we can attract business here with a package for businesses, then that should be fully encouraged, because with businesses come jobs, and the more jobs we have the better this economy is going to be. It is very important.

**THE CHAIR:** All right. Given that we do not have a geographic or a raw resources advantage, the advantages we have are those we make, such as the way that we run ourselves. Without getting too political, are you saying that the previous government's initiatives, in terms of raising the threshold and dropping the percentage rate of the payroll tax, were good, and that any other initiatives that give us a competitive advantage over New South Wales are something to be welcomed?

**Mr Sloan:** Yes, very much so. We had discussions with the previous government about reducing the payroll tax rate. That sounds nice and easy to do, but obviously there is a lot more involved than simply just knocking out a percentage or two. I think that is why that government, in particular, went with the threshold, rather than with reducing the rate.

**MS TUCKER:** I have a question there. Regarding the business community's position on the competitive bidding that is occurring between states, I am interested to have your response to the concern that I have, and I know other people have, about that particular tactic. It means that government is often foregoing revenue. That is what you are asking for.

You have just talked about the ageing population, and our social service requirements and responsibilities. We are seeing is this bidding right across all forms of business, which means that we are giving up the capacity to collect revenue for those responsibilities.

I want to know what you think about the potential for the business communities around Australia to take a position that actually questions that. The states and territories will not do it. I have written to Alston in the federal arena about the gambling issue, and the competitive bidding between states, and he said that it is none of his business. It appears to be no-one's business. However, it has resulted in a problem.

I understand that businesses want to get the business, but we are losing something here. Do you have a position on this or not? I am just raising it as an issue. Perhaps it is something you could discuss. Perhaps it is something on which the business community

itself should have taken a more ethical position , because we are all members of communities that will then suffer, even if your business does well. It is a broader policy issue, but it is one that no-one really seems to be prepared to pick up.

**Mr Sloan:** Yes. That was a good comment and a good question. It is probably one that an organisation such as ours should address in more detail. There is no doubt that a lot of business communities want to reduce the cost of business because, if we do, we will actually attract more businesses here. On the flip side of that, if businesses' costs are a lot higher, say, in the ACT, than in Queanbeyan, Melbourne or Sydney, then unfortunately the power and the size of the ACT government is such that we end up in the horrible position where we have to consider whether to try to match our neighbouring states.

**MS TUCKER:** I understand that that is the pressure.

**Mr Sloan:** It is a great question. It is a good issue.

**MS TUCKER:** Does the Canberra Business Council have an Australian network? Are you part of an Australian business council?

**Mr Budd:** No.

**MS TUCKER:** Are you just an ACT organisation?

**Mr Budd:** We are just an ACT organisation. I think that is a good question. We really ought to take it on notice and develop the view.

**Mr Sloan:** There is actually an Australian business council, whose membership is made up of the top 100 CEOs of Australia.

**Mr Budd:** That is the Business Council of Australia.

**THE CHAIR:** It is a different group. This is actually a special group, unique to the ACT.

**Mr Budd:** We are not affiliated with them in any way.

**Mr Sloan:** It is a very good question. It is one we will certainly take on board.

**MS TUCKER:** Thank you.

**Mr Sloan:** I will try to rip through these ones. Obviously, the council does not support the re-entry of government authorities to the delivery of goods and services where there is a competitive market that is performing well. Land development is an area in which there is a very competitive and successful market at the moment. We do not support the ACT government's wish to get back into land development.

**MS GALLAGHER:** Do you mean the new land and planning initiatives that are being brought in?

**Mr Sloan:** Yes. We have another committee that will actually be addressing some of these matters in a lot more detail soon.

**Mr Budd:** Yes. We are not opposed to all of the changes in land management that the government is proposing, but we do not support the one about land development.

**Mr Sloan:** We do not support the government as a developer.

**THE CHAIR:** According to the incoming government briefs, it will cost them \$75 million to get back into land development when, as you say, there are already a number of organisations that do it properly, and do it well.

**MS TUCKER:** Well, that is the question.

**THE CHAIR:** It is the question.

**MS TUCKER:** Is it done well? We will not get into that.

**THE CHAIR:** I think the proof is in the suburbs of Gungahlin.

**MS TUCKER:** I do not think we have time for the full debate.

**THE CHAIR:** It does raise the point: getting back into development would cost the government \$75 million.

**MS TUCKER:** But there is the return. Anyway, let's not talk about it now.

**THE CHAIR:** The question is whether government has ever received a return out of it. Shall we go on to outsourcing?

**Mr Sloan:** On the matter of outsourcing, our submission is purely asking the ACT government to lobby the federal government to provide greater access to outsourcing. It is not a new issue. This is very common. We want to break up some of this outsourcing, chiefly a lot of corporate service outsourcing. A lot of it is going into market testing. There has not been one contract let to industry at this point in time. How much longer can small businesses and local businesses continue to put in submissions without achieving a result? There are a lot of issues tied up with outsourcing, but there are a lot of businesses sitting here waiting for the day when they receive a contract. It is just not happening quickly enough.

**THE CHAIR:** I will make sure the new government takes up the cudgel and takes on the feds for you.

**Mr Sloan:** Good. The next point follows on from the productivity commission's review, which was issued in draft in late 2001—I believe the final has not come out yet—and which simply asks the ACT and New South Wales governments and local councils to assess whether some of the current fees and charges contain public elements that should be funded by all taxpayers, or by certain areas of the community or industries.

That includes fees for planning and development approvals. Are they actually recovering costs, or are they achieving more than cost recovery, and is the differential a tax? Are they for the good of the community as a whole? If they are, then certainly charge them but, if they are not, then let the individuals who are benefiting pay the fees and charges.

Regarding sustainable urban development, we are generally encouraging government's continued support, particularly for the Centre for Developing Cities at the University of Canberra, and for a lot of the work being done by the professional institutes in strategic urban planning. A meeting with kindred organisations this morning highlighted growing support for that particular area, and we will certainly include more detail in our final submission.

**THE CHAIR:** Are you aware that there is \$184,000 in the third appropriation for the Office of Sustainability, and that there is an estimated \$370,000 for the coming years? Is that enough for an office of sustainability?

**Mr Sloan:** That is a good question. I am certainly in no position to say whether that would be enough. That is something we would need to take on notice. I might hand over now to Dee to talk about that matter.

**Ms McGrath:** I have three questions about the convention infrastructure issue to discuss: why the need, why public investment, and what are the two key problems that we need to overcome?

Many of you would know the background, but basically the loss of CHOGLM has diminished Canberra's appeal as a business events destination, and has also hurt our status as the national capital.

The federal government, as you know, funded this report. I am happy to give you copies, though I am sure everybody has copies. If they do not, I have brought extra copies. This was federally funded, and its findings supported the federal government's concerns about Canberra's infrastructure, and its limited ability to compete with other states and territories. It really reinforces the federal government's concerns about hosting an event such as CHOGLM here.

The convention market, as you may or may not know, is worth in excess of \$400 million, according to an independent study done by the Bureau of Tourism Research. The PKF report showed a decline in Canberra's market share that would escalate to a \$1.7 billion loss in delegate expenditure over the next 10 years. More importantly, it showed that about 5,500 jobs in the territory would be affected if an investment was not made in an upgrade of the city's primary convention venue.

I have a little hand-out to give to you, something for your leisure reading. It shows you the most important parts of the PKF report, which are really those that show the decline, and not just for 10 years. \$1.7 billion is one of those nice big figures but, if you look down the columns on a year-by-year basis, they show that there should be a sense of urgency about this issue.

The fact of the matter is that we are already losing business. The venue is not suitable to the growing needs of events. It is very difficult to compete with new convention venues already coming on line. As I say, we really do not have space for many of the current events, and so we cannot break into new and growing markets, such as corporate meetings. The facilities and infrastructure are not up to the standard required.

Why public investment? Canberra is the only convention centre in Australia that is privately owned. Recent interstate centre investments are typically around the \$100 million mark. Governments usually invest in convention centres' infrastructure because of the issue of market failure. The industry is typically characterised by a few large players, with many smaller businesses who rely on the larger ones to produce an income stream.

The centre is therefore not the primary beneficiary of this market. It receives about 5 per cent. What we are saying is that this is fundamentally a city infrastructure issue. It is part of a master plan for the territory, and this element has as important a role as airports and other city infrastructure. We really need urgent action to protect what we believe is a vital community asset. In my own experience—with my convention bureau hat on—it is very difficult to bring visitors down. When they see the centre, it is a disappointment, and it is very difficult to win business.

There are two key issues that have to be overcome. Convention centre dynamics are such that they are not really conducive to vertical expansion. You really have to have linear expansion. I have indicated why it does not work in the attachment, and there are examples from Sydney, Hong Kong and other areas. We have seen cases of that already.

What we need to look at is the land use, which is linked to Craig's point about land planning and land usage. The proposed land usage is residential at the moment, which really does not make sense right beside the current convention centre. That is one issue that should be considered. An expansion should also be considered, not just for current needs, but also for later on. We need to have a visionary plan.

The Business Council has formed a coalition of other industry partners here who really support the upgrade of this facility. I believe it is appropriate that the upgrade program be funded jointly by the ACT government and the federal government. I believe there is interest there, because they have invested in airport infrastructure.

If you want a copy of the PKF report, I can give you one. I also have proposed plans. If any of you would like to have a look at those later, I will leave them with you.

**THE CHAIR:** That would be kind. I am sure Katy has not seen the PKF report. Leave copies of the plans for everybody and we will discuss them.

**Ms McGrath:** I have a copy of the plan here for you.

**Mr Budd:** We are also impressing on the Commonwealth in our submissions that they should join in supporting this.

**Ms McGrath:** Absolutely.

**THE CHAIR:** You talked about a \$1.7 billion loss over the next 10 years. It is an enormous amount of money. What is the industry worth—\$400 million a year?

**Ms McGrath:** It is worth \$400 million to the ACT based on 1996 figures, so there has been a decline. It is not that Canberra has underperformed, it is just that we have stayed static and the sector has actually grown. That is the real issue. That is why we have that loss.

**THE CHAIR:** If the industry has so much money in it, why isn't it profitable for, say, the current owners to do up the building?

**Ms McGrath:** As I say, it is a classic case of the need for larger infrastructure, and it is a case of market failure. Even overseas, convention centres are public investments rather than private.

**Mr Sloan:** I think Brendan is saying that, if there is so much money in it, why can't the private companies then fund their own developments.

**THE CHAIR:** Yes. If there is so much money tied up in it, why don't people make a buck out of it?

**Ms McGrath:** Because the venue only retains 5 per cent of the delegate expenditure. I have also enclosed a breakdown of where delegate expenditure goes.

**MS TUCKER:** You are saying that it is an economic benefit for the whole community, but that the venue has to be subsidised because it does not get the direct benefit.

**Ms McGrath:** Yes.

**Mr Cambourne:** Of the total amount of visible expenditure, yes.

**THE CHAIR:** Just for the interest of the committee, what are some of the expenditures around the rest of the country? I know that, in Perth, the state government is spending \$120 million.

**Ms McGrath:** Yes. The Gold Coast is spending about \$110 or \$115 million.

**THE CHAIR:** Is that state government money?

**Ms McGrath:** It is all state money that I am talking about. It is happening in Alice, as well. It is making it difficult for Canberra, because our facilities are old and tired, basically. The fact that new centres are coming on line is also making the environment more competitive. It has always been a competitive market, but it is now even more difficult for Canberra to sustain what it has.

**THE CHAIR:** If the money is not forthcoming is it bad, serious, or a disaster?

**Ms McGrath:** It is a disaster. The figures speak for themselves. As I say, this document by Pannell Kerr Foster was publicly funded. They are a reputable organisation and they have made those predictions, not us.

**MS GALLAGHER:** Has there ever been any public money given to the National Convention Centre?

**Ms McGrath:** My understanding is that no cash has been provided, but that some land incentives or initial incentives were provided.

**THE CHAIR:** Initially, I think it was a federal government construction.

**Ms McGrath:** It was the federal government's, not the ACT's.

**THE CHAIR:** Then it was sold off.

**Mr Sloan:** It has never been a real cost burden to the ACT government. I am conscious of the time. I want to go straight into some of the tourism issues and I will ask Brock to talk on those.

**Mr Cambourne:** I am going to talk about some broad structural issues that the committee should consider in the context of their budget recommendations. These relate specifically to tourism and, arising from that, highlight and identify several specific components or opportunities that the Business Council feels should be given some explicit consideration.

The first thing to note is that tourism has become one of our largest private sector employers in the ACT in the last few years. I will quote Brendan here: "It is our first billion dollar industry." It is also significant, in that context, in that there is an enormous amount of youth employment involved in the industry. It represents jobs for our young people. Unlike other industries, which tend to be confined to specific enclaves, tourism is actually about the very place that we live in, and therefore deserves major consideration in any policy and planning context. It is not restricted to areas like Fernhill Park, for instance; it is about the whole destination.

It is very hard to compete in the increasingly aggressive and competitive international and domestic marketplaces, particularly since the events of September 11 and the collapse of Ansett. Our tourism marketing agency, the Canberra Tourism and Events Corporation, has for a long time struggled to compete on that stage with limited resources and limited funds with which to do their job properly.

It is becoming even more difficult at the moment, as I said, after September 11 and the collapse of Ansett, with other state and territory governments becoming increasingly aggressive and competitive. The Business Council and a range of other organisations believe that we should continue to give priority to marketing and promoting Canberra as an attractive tourism and lifestyle destination.

We also believe that one of the issues that should be considered in the proposed review of tourism in the ACT, and CTEC itself, is the extent of resources that CTEC has to be able to fulfil its role and do its job properly. Consideration should also be given to the appropriate balance between destination marketing and investment in events.

The unique government structure of the ACT, in terms of its overlap with federal government responsibilities, also has some tremendous implications for the way our tourism industry operates in that a number of our prime attractors come under federal government control. The Business Council's tourism and sports industry task force believes very strongly that the ACT government should be looking for very proactive ways in which it can work with the National Capital Authority, in particular, to develop policies and market Canberra to the broader Australian community. There are tremendous opportunities, but the dialogue and the mechanisms have yet to be properly established.

Moving on to the next point in the paper you have before you, one issue that is simmering away and that should be given substantial consideration relates to the Institute of Sport and the proposed extension of Gungahlin Drive. Without telling the government where the road should go, I think it is very important—

**MS TUCKER:** We will tell them.

**THE CHAIR:** I wondered if you would make a comment.

**MS TUCKER:** There is only one other choice. We could go with the no-road option. I am fine with that.

**Mr Cambourne:** There are other implications, which I will discuss in just a second. The current proposal will have a significant impact on the AIS. The AIS is part of our national capital infrastructure, and it represents a very important component of our tourism infrastructure and our appeal as a destination.

On the other side of the road, we also have some other significant tourism businesses that would be affected by other decisions, such as the YHA and the Canberra Motor Village. As I said, without telling you exactly where the road should go, I draw your attention to the issues and the perspective of those people.

**THE CHAIR:** Moving along.

**MS GALLAGHER:** Do not mention the war, do not mention the road.

**MS TUCKER:** Okay, we will not mention the road.

**THE CHAIR:** I can see the first dissenting report for this committee emerging in three directions.

**Mr Cambourne:** Those issues have to be resolved.

**THE CHAIR:** That is important. They have to be taken into account for the future of the AIS.

**Mr Cambourne:** The council also welcomes, and has welcomed, the support given to Canberra Airport to provide increased air services into Canberra, and the assistance of new entrants into the market. We urge the government to continue providing this support, and also to try to use its influence to resolve issues relating to terminal uses.

That airport represents a very important business and it is a vital component of our tourism and transport infrastructure. Particularly in the short term, we should be looking at ways to make sure it continues to grow and prosper.

**THE CHAIR:** I think that the loss of the court action is particularly disappointing.

**Mr Cambourne:** It is. The Business Council also supports the concept of the Federation tourist tramline. That would alleviate a range of problems that have popped up over a period of years related to the connections between attractions and with the civic centre, and problems with parking, and it would also represent a unique and very attractive piece of tourism infrastructure.

I will not labour the last point because my colleague, Michelle Slater, will talk about this in a few minutes. In addition to the ongoing promotion of Canberra, there is great scope for the ACT government to work with organisations such as the Canberra Business Council, the Tourism Industry Council and individual tourism operators in the region to further the development of tourism by assisting with product development, and developing integrated and seamless tourism experiences.

**THE CHAIR:** Does anybody have anything they want to say before we wrap up?

**Mr Sloan:** I think all the issues have been covered.

**THE CHAIR:** I am sorry for the brevity of this. All the committees are struggling with the short time frame.

**Mr Sloan:** We appreciate the time you have given us.

**MS TUCKER:** Yes, you got longer than anyone else did.

**THE CHAIR:** Are there any questions from the committee members?

**MS TUCKER:** No, thanks.

**THE CHAIR:** We look forward to your submission, and if we have further questions we will forward them to you. Thank you.

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

**MICHELLE SLATER** and

**BROCK CAMBOURNE**

were called.

**Ms Slater:** My name is Michelle Slater, the executive director of the Tourism Industry Council. Brock Cambourne, whom you met earlier, is the chairman of the Tourism Industry Council. I believe that you have already received some information on the importance of the tourism industry to the ACT, so I will not go over that again. I want to let you know about the process that we have used to put together some initiatives that we want to put forward to you.

We undertook a consultative process that involved our members, the wider industry and stakeholders within the tourism and business community. We had a forum to suggest some ideas to the industry, and also to hear its feedback and ideas on the priorities that it feels the government should be looking at over the next couple of years. What I want to do now is hand over to Brock Cambourne, who will go through a couple of those initiatives. As I have said, we do have six priorities that we would like you to consider.

**Mr Cambourne:** If it is all right with the committee, I might just go back a step for Katy's benefit. I have switched hats now, Katy.

**MS GALLAGHER:** Yes, okay.

**Mr Cambourne:** The TIC, to make it short, is the peak representative tourism-specific body in the ACT. It represents multiple sectors: accommodation, tours and transport, restaurant catering, conventions, the meetings industry, education providers and research providers—virtually the whole gamut of the tourism industry.

Via our individual membership and association membership, we represent at the moment around 350 tourism businesses in the ACT, out of about 600. It is very hard to get a figure for exactly how many tourism businesses there are in the ACT, but we did some work a couple of years ago and, depending on who is included, there are about 600 different tourism-related enterprises.

Our prime roles are advocacy and lobbying, as well as industry development and coordination. Michelle has just quickly outlined the process we used to consult with the broader industry about identifying budget priorities and initiatives that are relevant in the industry. Those priorities and initiatives fall under a number of broad categories. I talked briefly about promotion and marketing when I was wearing my Business Council hat. Others fall under coordination and communication within the industry. Sometimes coordination and communication can be impediments, and removing those impediments can help grow the industry, and therefore its contribution to the ACT.

Another broad category relates to product development in Canberra. It is important to recognise that the Canberra tourism industry is relatively immature in comparison to the rest of the country. A lot of our products and services are not necessarily 100 per cent

market ready, in terms of their ability to generate return to the ACT economy and community.

The other two broad areas that have come up in our consultative process relate to research. Tourism is one of our largest industries, and yet it is one of the industries that we know least about. That is a considerable impediment to its sustainable growth and development. The other area is business infrastructure. Without talking too much about the broad areas, I thought we would use this opportunity today to highlight a number of specific initiatives that we believe can help address some of the concerns in the tourism industry.

I spoke earlier about promotion and marketing in the context of CTEC's level of resources, and how that hampers its ability to adequately market Canberra as a tourism destination. One of the other key problems that we always struggle with is how to actually grow that quantum of resources that is available for destination marketing, not just from government, but from industry. One of the things that is not necessarily recognised and understood is that industry contributes quite a lot.

Some businesses are not very forthcoming in terms of how much they spend on destination marketing, but an example of an organisation that does put considerable resources into marketing Canberra is the Hyatt Hotel, which spends in excess of \$1 million a year on that. Other big players, such as Crown Plaza, put in similar amounts. However, it is an issue that those amounts and those activities are quite often directed by the corporate goals of those businesses, which is understandable, and are not necessarily contributing effectively to the coordinated marketing of Canberra as a destination.

In effect, if you view all the tourism destination marketing resources as a square with a circle inside of it that represents CTEC's contributions to destination marketing, then the bits outside the circle but within the square represent the industry's contributions. One of the key challenges is actually rubbing out that demarcation line, and therefore increasing the total resources available.

I am one of the first to admit that tourism industries around the world have what is sometimes known as a cargo cult mentality, or a welfare mentality—they put their hands out and expect government to do everything for them. We believe that the creation of a cooperative marketing program and a quarantined cooperative marketing fund within an organisation such as CTEC, which has resources available that industry can match with dollar-for-dollar contributions for a range of specific programs and projects, will both increase the total resources available and actually change that cargo culture in the industry. That will mean that, several years—or perhaps more than several years—down the track, the industry will be much more self-sustaining and mature.

Are there any questions with regard to that, before I go on?

**THE CHAIR:** How much do you want the funds to grow by? Trevor Mules mentioned \$10 million extra, to which Ted said, “No way, José.”

**Mr Cambourne:** That \$10 million probably needs to be put into context. Trevor did some modelling based on how much is spent on tourism in the ACT presently, versus how much would need to be spent to put Canberra on a comparable basis with some of

our state and territory competitors. If you look around the country, the ones that are probably most comparable in terms of industry structure, geography and potential products are probably Tasmania and South Australia. They spend about \$10 million a year more on tourism development marketing.

Trevor's modelling showed that the extra \$10 million a year spent on tourism promotion and marketing of the ACT would result in—

**Ms Slater:** About \$86 million.

**Mr Cambourne:** —about \$86 million extra in visitor expenditure in the ACT, which would result in a direct tax take by the government of about \$4.5 million.

**MS TUCKER:** Do you work with CTEC?

**Mr Cambourne:** No.

**MS TUCKER:** Do you have a relationship with them?

**Mr Cambourne:** Well, we have a relationship with them in that we are the industry's interface with them, but we do not have a formal relationship with them. We are a completely separate, industry-constituted, representative advocacy organisation and lobby group.

**MS TUCKER:** I am interested in what you say, that there is no coordination in the private sector work being done on marketing Canberra as a destination for people to visit. However, I want to know what you think of the process so far. Has it ever been a strategic approach? Over the years, we have had so many things, such as the concept of the anchor around Canberra.

Once it was the National Theatre Festival and that got lost, and then it was Floriade and that went sideways, and then it was Canberra Day, and then it was the National Multicultural Festival. It seems to have been a mess, with all respect to the previous government. Over the years, there seems to have been a lack of a strategy to draw together all these great things that are happening in Canberra. I do not think that CTEC has done a good job to improve that situation. Events coordination still seems to be very random.

If you are someone with expertise in bringing these things together, how do you do that? What you have said about bringing in the private sector is sensible, but it seems as though political pressures at the time or a failure to think through decisions—

**Mr Cambourne:** I think the problem is caused by a range of things. Politics can be involved, but one of the primary causes has been, as I said, the fact that tourism in Canberra is a relatively immature industry. That goes for both sides of the fence, both the government and private sectors. The private sector has gone about its business in a relatively immature way and, because of the immaturity of the industry, governments have not been necessarily well equipped to manage that growth properly. I think things are looking brighter and better.

One of the key drivers that will make us work in a more strategic way—and I mean as a whole community, not just the private sector but government too—was the development of the ACT tourism master plan. That process started around 18 months ago, and it was launched last July, I think. That represents probably the first strategic framework for the development of the industry in the ACT.

Because things have stalled over the last few months, it is now time to revisit some parts of that plan. However, it is a mechanism and a framework that looks at the big picture and the issues you are talking about. For instance, one of its first recommendations is that we should undertake a comprehensive strategic review of our events portfolio and events mix, looking at which ones are congruent with our destination, and which ones provide the most leverage from the destination.

It means that we should be asking questions such as whether we should be elevating Floriade back up to flagship status, and how we make it better and increase its broader national and international appeal. Are there ways of developing and leveraging other events that are congruent with Canberra as a destination? Are there some events that conflict with our image, but that we may have acquired because of a national culture that arose over the last 10 years, driven by Jeff Kennett's approach to event acquisition in Victoria.

**THE CHAIR:** Kerrie, have you seen the master plan? Are you aware of that?

**MS TUCKER:** Yes I have, but I have not looked at it recently. I am asking what is happening, because I do not think that anything is happening.

**Mr Cambourne:** Okay. In that context, one of the things we did just last week, actually, was to pull all the heads of the tourism associations and key government agencies together, to form the master plan task force to begin driving that process again. As a result, via that process, we will have a broad consensus among all the industry stakeholders and the involvement of the relevant government agencies that will have to play a part in the plan's implementation.

That is about to start happening again, and the first thing that that task force is going to do is consider re-prioritising some parts of the plan. As I said, because the process has stalled, we need to grab that big folder and shake it a bit, then a few pages will fall out that need revision, particularly after the events of the last eight months. We will have to try to drive the process again from that point.

We have reached the stage, I think, where the industry and approaches to managing it are maturing. We have the opportunity now to be much more strategic about how we go about developing the industry, to ensure that it does deliver sustainable returns to the ACT.

**THE CHAIR:** Brock, you have about seven minutes, as time drifts away. It is not the government's plan, as such. As Brock said, the industry had reached a point in its maturity where it was appropriate to do the master plan. It is actually the industry's plan. I think all the players worked quite well together to develop that document, but he is making sure that it happens.

**Mr Cambourne:** That is right. That is the next stage.

**MS GALLAGHER:** They are cooperative marketing funds that you are talking about. Did you say that you saw that sitting with CTEC?

**Mr Cambourne:** I think CTEC is probably the agency that is best equipped to administer it at the moment. They have their own cooperative marketing strategy. Such a cooperative marketing fund could also help redefine and direct that cooperative marketing strategy.

**MS GALLAGHER:** So they have a strategy that needs funding?

**Mr Cambourne:** CTEC has a cooperative marketing strategy that presents a range of opportunities that industries may buy into, or fund completely themselves. Part of the problem with this is that—and this comes back to that market failure issue that Dee was talking about—quite often only the larger players can buy into these, and therefore we have a very limited image out there in the broader marketplace.

To have some kind of cooperative marketing fund that is accessible on a dollar-for-dollar basis—or perhaps, in the first instance, a dollar-for-50-cents basis—and that subsidises a greater diversity of presentations of the product in the marketplace, would be extremely beneficial, both in helping to reform our image, and creating a more cooperative culture in the government and private sectors.

I will quickly move on. The other broad area that needs assistance and direction, in both policy and budgetary contexts, is coordination. How do we coordinate the industry? How do we coordinate the activities of the public and private sectors? I would say that, since the Tourism Industry Council was formed in the last 12 months, it has done a tremendous job in pulling together the diversity of opinions and stakeholders, and providing a coordinating mechanism. One of the things that we will be seeking is some support over the next few years to help us become more sustainable and more effective, and to help us provide that government interface.

Another key program that would actually help to coordinate activity and deliver benefits to the ACT economy is what we have termed the community tourism officer. One of the areas that neither the government nor the private sector has done very well—generally, not just in Canberra—is engaging the broader community in tourism, and trying to spread the benefits of tourism beyond, for instance, the immediate tourism precincts and immediate stakeholders. We see the community tourism officer working with broader business interests such as the town centres, and major stakeholders such as Lend Lease out at the town centres.

For instance, that officer might try to develop partnerships and strategies that would spread the activities of events such as Floriade beyond the immediate event precinct.

**MS GALLAGHER:** Would that community tourism officer be a public servant or would the position require a specific grant to a business group? How would you see that working?

**Mr Cambourne:** In the first instance, I would see an organisation like the Tourism Industry Council running that program, providing somebody to join the dots.

**THE CHAIR:** Yes. Has that worked well elsewhere?

**Mr Cambourne:** I have come across another example of this in Brisbane. A couple of years ago, they put in a program called the tourism business facilitator. The occupant of that position was to work with the business community, particularly along the river, to enhance the outcomes of events such as Riverfest. You only have to look at the way that event has grown, and its success, to see that having someone there to join the dots is very important to spreading the benefits of tourism activity. Another example of a similar program that has been running for the last couple of years, and that has delivered the same kind of results, is the education tourism project.

That leads me to my next point. Another one of the specific initiatives that we think would benefit the development of the industry, and the development of opportunities for the whole of the ACT, in a similar fashion to a cooperative marketing fund, is one that could be administered by CTEC or Business Canberra, or someone like that. It would be an innovation and business development program that actually provides the resources for projects such as Garry Watson's—the education tourism project—to get off the ground.

That is actually a great example of a pilot project where assistance and seed funding was provided, plus other cooperative funding, to try to attract more schoolchildren to the ACT. Not only did it do that, but it also developed new and innovative ways of doing tourism business, and enhanced the development of our product quite significantly.

Another very broad area that really needs consideration is research. As I said earlier, this is one of our biggest industries and yet it is the industry about which we probably know the least. In the last few years, CTEC has been a partner with the CRC for sustainable tourism at the University of Canberra, and that has delivered some quite significant outcomes for the ACT. It led to the development of the tourism master plan. The research that the CRC did formed the basis of that. It has provided a much greater understanding of strategic issues, such as the short breaks market out of Sydney and Melbourne.

**MS TUCKER:** The what?

**Mr Cambourne:** The short breaks market out of Sydney and Melbourne.

**THE CHAIR:** Come for the weekend.

**Mr Cambourne:** That is one of our prime markets, and one of the areas where there is great potential for growth. The CRC is actually just completing a very innovative national study of perceptions of the national capital. One of the things that our industry, and Canberra as a destination, suffer from is poor perceptions in the broader Australian community. The CRC is about to conclude that. It is also about to conclude another innovative project looking at community attitudes towards tourism development. What I am trying to say is that partnership has so far delivered quite considerable outcomes.

Focus should be maintained on understanding the industry so that it develops in a sustainable way, economically, environmentally and socially. I think we have a pretty good handle on the economic impacts. Social and environmental issues, and those of triple bottom line accounting, are not necessarily handled very well by our industry, or government, in the context of tourism.

The last broad area that I wanted to touch on—and I will be very brief because Dee has already gone over this—is the National Convention Centre upgrade, and its importance to our business infrastructure. There is no doubt that something needs to be done. How it should be done is still a matter of conjecture, but the meetings industry and the MICE market attract high-yield visitors. They do drive a lot of business in Canberra. The flow-on effects are considerable, and we cannot afford to let that slip off the agenda because it is in the too-hard basket.

I think that has just about covered everything. There was one other issue: product development and developing our industry as market ready. There are two initiatives that I think need some consideration so that we are able to present attractive and sustainable products to the marketplace. One of those relates to the national tourism accreditation program, which is about to be rolled out in the ACT. That is a business development exercise and program.

However, very importantly, in the insurance climate we face now, it also represents opportunities to provide tourism businesses and people who go through the program with, first, access to insurance, and, second, reduced rates on public liability insurance. Michelle has been active in negotiating with insurance companies in the last couple of months to try to develop deals. The accreditation program that is about to be rolled out here represents a component of the risk management considerations that insurance companies take into account. It can therefore alleviate, in the very short term, some of the insurance issues that are plaguing our industry in particular at the moment.

The other area of product development that needs consideration is enhancing the Canberra Region Tourism Awards, which provide the opportunity to present our destination product in the national and international marketplace.

In the next few days, we will provide you with our full written submission and some cost estimates on some of these initiatives. I am just about done, so if anybody has any questions, Michelle and I will try our best to answer them now, or we will take them on notice.

**MS TUCKER:** I do have questions, actually, but I do not think we have time. Perhaps we can have a briefing at another time about the industry's future directions.

**Mr Cambourne:** Yes, I am happy to do that.

**MS TUCKER:** Thanks.

**THE CHAIR:** That is good.

**MELANIE GREENHALGH** was called.

**THE CHAIR:** Thank you. I need to tell you that this is a public hearing and it is being recorded. Everything taken here today has parliamentary privilege. Therefore, you get coverage but, also, you must tell us the truth. Any documents you give us will be included and made public. Would you like to make an opening remark for Katy and me? Kerrie will be back in a few minutes. She will join in when she returns.

**Mrs Greenhalgh:** My name is Melanie Greenhalgh. I am from Anglicare Canberra and Goulburn Youth & Family Services—the Junction youth health service. I am the coordinator there.

Katy, as I explained the other day, I really have not gone to any great lengths to prepare a statement to put to you. However, the submissions look at the specific needs of the Junction youth health service. Due to time restrictions, I did not get into the overall health priorities for young people in Canberra.

We are looking for a cross-portfolio approach. That is one of the reasons we have raised it with each committee. We want to look at the government's collaboration in acknowledging the social determinants of health, which is the framework within which we work—holistically approaching young people's health.

The Junction works with young people, aged 12 to 25, who are predominantly homeless or at risk of homelessness. The at-risk category is very broad. With Canberra having the diversity of socio-economic status that it does, we increasingly see a very broad range of young people. There are those from a high socio-economic background experiencing adolescent issues. We certainly do not deny anybody access. Part of what we will be looking to in the future is our target group and how we can better meet their health needs.

Our idea was to be very forthright in presenting the problem and our issues. We also wanted to present some of the solutions that we have discussed as a team, and within the community.

We have a large number of community services that provide programs and access points for young people, so our consultation is always very broad. We are unique in that way. Our model forces us to be collaborative and work in partnership. There is no other way to do it.

**THE CHAIR:** This is a much broader committee than the one you addressed the other day—specifically on health. Do I take it, therefore, that you are going to visit the education committee as well?

**Mrs Greenhalgh:** I have not been invited to do that, as yet. I spoke to someone today who said that community services and social equity did not receive our thing, so we are chasing that up. Yes, we are approaching all of them.

I was not fully aware of the role of public accounts, but hoped it may be about collectively drawing the players together. We obviously need to get a pool of money together to fund some of these areas. We are really keen to see it acknowledged in education and housing, and from the community services portfolio, that youth health is across all of those silos that we operate in. At the moment, it is primarily funded out of department of health coffers and—

**MS TUCKER:** And justice and corrective services?

**Mrs Greenhalgh:** Yes.

**MS TUCKER:** You can get it from all of those areas.

**Mrs Greenhalgh:** Yes, I have sent it to all of them. That is what we need to do. At the moment, with juvenile justice clients, there is a lot of drug and alcohol screening. We are highly involved with their clients, and yet we are not being remunerated for that service. That is something that can be paid for, for the young people. They come through our service because we are friendly, non-authoritarian and do not threaten their existence as adults. We do not stand over them. We just do not believe in working that way.

**THE CHAIR:** The public accounts committee has a very broad overview. It mirrors mainly the activities of the Chief Minister's department. I am interested in your comments about drawing it all together. Is there a sense of isolation out there? For example, is the health committee addressing problems that need broader approaches, or are these things that should be treated in isolation?

**Mrs Greenhalgh:** As a service provider working out there, we are certainly earmarked to working with particular sectors. The Junction blows that out of the water and tries to bring all the key players together. From the health committee's perspective, history has demonstrated that there has been very strong support for the social determinants of health. However, I do not think that is reflected in our funding arrangements.

**MS TUCKER:** I think I know what you are saying. The public accounts committee is like the Chief Minister's committee used to be. The Office of Sustainability is situated in the Chief Minister's Department. My understanding of what you are saying, and have consistently said, of most of the social service sector is that they need an intersectoral approach. The Office of Sustainability is focusing on the social, as much as environmental, aspects. It is, if it is doing its job.

This is the place for you to be talking to us about that. Sustainability requires that young people are actually treated in a way that means they are active and contributing citizens. That, supposedly, is going to be a place where that intersectoral approach can be aggressively promoted and implemented. That is our hope, but who knows? I guess it is perfectly appropriate for you to be putting those points to us, as the committee.

**THE CHAIR:** What priorities should we have across government that will improve the general outcomes of young people's health? Where do we start?

**Mrs Greenhalgh:** I have to be perfectly honest. I tried to put this in the submission. As the only provider of health services specifically for young people, we have a list. I have not had the opportunity to take that to broader consultation.

Within our team, we have been questioning what our priorities are. As a means of addressing that, I have gone ahead and formed an alliance between ourselves, the ACT Division of General Practice, Family Planning ACT and ACT Community Care. We had hoped to get some of that work started before this process, but the timeframes did not match.

Our plan, at the moment, is to conduct a youth health needs assessment. The last one was conducted in 1995 and would be considered outdated, but I think it is going to raise the same issues. We are going to do it in a similar fashion so we have some data to compare.

In conjunction with government, that alliance will look at the issues and try to pull out some strategic areas of development. We would be looking at a three to five-year plan. It would also be quite closely linked to the young people's framework, considering that that is a document which already has some policy implications for the youth area. We will be trying to link it back to that. That was my long answer. My short answer is, to be honest, that we really need to do a little bit of research.

**MS TUCKER:** Housing would come into that too, wouldn't it?

**Mrs Greenhalgh:** It does. When we are working with a young person, there are a number of issues which seem to be peripheral to the health concerns. If I were sitting in another service, I would put them in the centre, because they are so connected.

Although income support is a federal issue, there is certainly a lot of information we can feed back on that, particularly with regard to breaching. At the moment, a lot of work is being done on breaching. That is having an impact on young people's health and their ability to sustain a positive lifestyle.

**THE CHAIR:** Is the approach we took previously with the youth housing task force the sort of approach we should take across government?

**Mrs Greenhalgh:** We had a young people's health implementation group called the YPIG. That just fell on its ear. It was very similar to the task force, in that it brought community representatives and government together. I think it is timely that we look at raising it again, because it has been fairly quiet. I really believe that, from the ACT community's perspective, they thought the answer to youth health was one youth health service. Of course, that is not the case. We need to strengthen the whole sector, and the whole community, to respond to those needs. It cannot be provided by one service.

**MS TUCKER:** The issue of the breaches, and people becoming quite vulnerable because they have no basic income support, would be of interest to this committee. That is a slack created by federal policy which is failing people. I am interested to know who is picking up that slack now. That is emergency care, basically, isn't it? Who is doing that?

**Mrs Greenhalgh:** That would be us, and the emergency relief providers around Canberra, which are all stretched to capacity. We have a brokerage pool of \$11,300 per annum. Divided by the 50 weeks a year we are open, that comes to \$225 a week. It covers some very basic essentials. The majority of it is spent on scrips, but we are finding more and more that we are being asked to—

**MS TUCKER:** Scrips?

**Mrs Greenhalgh:** Prescription medication. That is meant to be our core business. We can get lots of those because they come quite cheap when you are on a health care card. A lot of the work we do is to get the health care card. The gap we are filling is around food, bill paying and transport. We give out a lot of bus tickets. Young people are really having to make some quite hard choices. For a lot of young people, the priority is rent. They will pay the rent so they have somewhere to stay and we find we are back-filling the other part of that.

**MS TUCKER:** Are we talking of many young people here getting breached and left on their own?

**Mrs Greenhalgh:** Yes, a lot, particularly for our group. They are transient in their lifestyle. Centrelink sends a letter to a letterbox, saying that they have to come to an appointment at a certain time. It is really not working.

**MS TUCKER:** So it is very easy to be breached?

**Mrs Greenhalgh:** Yes—it is crazy.

**THE CHAIR:** Your numbers here, though, state that you see only a couple of hundred young people a year. I am just trying to find it—400?

**Mrs Greenhalgh:** No.

**THE CHAIR:** “The Junction has been accessed by 474 young people per 1,500 consultations.” Here it is.

**Mrs Greenhalgh:** Yes, they are consultations. That does not include our casual client pool, which is where we would do the majority of that gap-filling. We also do that through the consultation. They will go in and see a doctor and we will then identify their needs. There is a whole gamut of issues, but they are people accessing the clinical services.

**THE CHAIR:** Those who go to see a nurse or a doctor?

**Mrs Greenhalgh:** Yes, that component. We see roughly 125 individual, casual, clients a month.

**MS TUCKER:** That \$11,000 is ACT funding?

**Mrs Greenhalgh:** Yes.

**THE CHAIR:** Yes, that is part of the contract.

**MS TUCKER:** That is inadequate?

**Mrs Greenhalgh:** Yes.

**MS TUCKER:** There are a number of people suffering, who have been breached. Do they get a health care card if they have been breached, or does that stop too?

**Mrs Greenhalgh:** All those rights are removed.

**MS TUCKER:** They do not even have a health care card?

**Mrs Greenhalgh:** Unless we ring and get on to it really quickly and say, "Look, they have an appointment with the social worker. We will be bringing them in." We will have linked them up with the support service to take them to the appointment. Then sometimes they will hold off on cancelling the card. The young person still physically has it.

**MS TUCKER:** You have to do that advocacy work to stop it?

**Mrs Greenhalgh:** Yes. That is where our time comes into it. The Junction is only funded for myself as coordinator and one worker, to be on duty from 1 o'clock until 5.00 pm. All the work has to happen in that time frame. I cannot afford to employ anyone for the morning, to do the advocacy stuff. So it is quite an intense four or five hours! We always end up working back late, which is part and parcel of it.

**MS TUCKER:** You want money for health promotion, but it sounds like it is basic crisis management that you are doing all the time. Is that the code word?

**Mrs Greenhalgh:** Yes, that is the role of the worker on duty. The health promotions officer would be doing very separate work. They would also be taking some of the pressure off myself and the worker on duty, who would be trying to cover the health promotion aspects.

**MS TUCKER:** The health promotion officer could work on the federal government's policy on breaching!

**Mrs Greenhalgh:** Yes.

**MS TUCKER:** That might promote health!

**THE CHAIR:** That might be a help. You have two separate submissions. The health promotions officer is the second. You would like \$93,000 to fund that for a year?

**Mrs Greenhalgh:** No, that could not be the max, could it?

**THE CHAIR:** Yes, cost program for additional counsellor at Junction youth health service.

**Mrs Greenhalgh:** Yes, that is for the whole lot.

**THE CHAIR:** That is for one. To provide additional health services, you then want \$189,000, which would give you two officers.

**Mrs Greenhalgh:** Yes, that was the whole package. That is right.

**THE CHAIR:** What does the community get back from this, though? What are the problems we are creating for ourselves by not addressing these things earlier?

**Mrs Greenhalgh:** The cost benefit analysis is something I would love to have the time and the money to do. With the Junction, you are looking at a range of places where young people end up after having been left to fall through the gaps.

In the hospital, what we are spending in the emergency department alone would be phenomenal. I know that, because we get a notification of every young person who has attended the emergency department out of hours, or on weekends.

**MS TUCKER:** For what things?

**Mrs Greenhalgh:** Mainly overdoses, violence, drug and alcohol issues.

**MS TUCKER:** Just accessing a free health service. Would they be minor things?

**Mrs Greenhalgh:** No. Generally, they are all major issues that have happened out of hours or on weekends. The young people come back to us.

**MS TUCKER:** How would having the youth at the Junction help, apart from trying to stop drug and alcohol overdoses? If you were open longer and more accessible, they would still need to go to hospital, if they had had a drug or alcohol overdose.

**Mrs Greenhalgh:** Yes, certainly. I suppose I am not claiming that, by us being open longer—

**MS TUCKER:** No, I am just wondering.

**Mrs Greenhalgh:** We are asking for a health promotions officer and a counsellor. The counsellor works in a health prevention and early intervention framework. What you are looking at is trying to prevent the young person from having an overdose. Young people who are accessing the service at the moment have very limited drug and alcohol use. If they do, they are willing to make changes, because they have suffered trauma or abuse. By us intervening at that point, we prevent them going on into suicidal ideation—overdoses, et cetera.

**MS TUCKER:** That is more in the longer term.

**Mrs Greenhalgh:** Of course! That is what health promotion is about. It is really the hard and fast rule of looking at what governments are willing to commit to. Over and over, I see programs being funded in the short term. You will never see the long-term benefits

of those, unless you are willing to put the money in, beyond the term of the government that is sitting there at the time.

I am shocked that the Australian community, who I think are very bright, have taken so long to learn this lesson. I am getting to the point of being quite sick of sitting at tables and regurgitating the same message—and yet people do not understand why we need to intervene.

I do not want to intervene in people's lives, and I do not want to be a youth worker. I would like to work in a video store and do something very mindless. My job is to make myself redundant. I do not want to be here in 10 or 20 years time.

**THE CHAIR:** It is a great challenge.

**Mrs Greenhalgh:** It is.

**THE CHAIR:** Do you have a general comment on the health of our young people generally—those that you see?

**Mrs Greenhalgh:** Generally, they are pretty good. There is a core group that are doing really well. They have access to nutritious food, and they are connected to community and school in some way. They will have very normal reactions to adolescent developmental stages. They will experiment, and they will come out of it. With sexual health, they will have a few worries, but they will come out of it.

Then we have the core group that are facing disadvantages in relation to health—and there are other disadvantages that they face. It is really about analysing their risk factors. They are from abusive and violent homes, they lack access to food and appropriate shelter. That is really what is causing the group on the tail end to suffer poor health.

In Canberra, we are quite lucky. The point is that we have quite a few community services for our population. Part of enhancing our capacity to have more staff is being able to make connections to community services—to link them, and get them to work a little bit better.

**THE CHAIR:** Early intervention is so essential!

**Mrs Greenhalgh:** We are looking at the requests we get from primary schools. They are showing us the thinking in the education, child development and medical sectors. A primary school rings a youth health service and says, “We really need you to come in here and do some stuff with self-esteem, decision-making and communication with these young people.” They are increasingly making much bigger decisions and they need the skills to do that.

For us, a lot of what health promotion is about is developing young people's skills to make informed decisions, so they have the ability to go forward on their own. Certainly we do not want to develop dependency on services. A lot of that is about ‘skilling them up’, helping them to feel safe in their own community, and to understand how our communities work. They need to understand that there are service systems, that there are always going to be service systems, and how to negotiate those.

**THE CHAIR:** Are the various education systems in the ACT doing a good job of that—skilling our young people up, so they are independent and can make the right decisions?

**Mrs Greenhalgh:** They could be doing it better, but they could also be doing it better if services had an increased capacity to out-reach to them. I think they are very aware of what community services can offer them. I think there is a real tension between what they are asking for and what community services can provide. I think there is a lot of will on both sides to make that connection, and there is a lot of research being done around the risk factors and the protective factors. I think that, for a lot of young people, schools are the essential component to making it work. There is a great piece of research which I could forward on—the Gatehouse project. The centre for adolescent health has done a study in one school.

**MS TUCKER:** Maybe that would be good for the health committee’s inquiry into the health of school age children.

**Mrs Greenhalgh:** Yes, it would.

**THE CHAIR:** Perhaps you could forward it to both. I would certainly like to see it. Where is the Gatehouse project from?

**Mrs Greenhalgh:** Victoria. That was done through the centre for adolescent health. Essentially, they have implemented a program which attempts to build connectedness in several schools. In several other schools they have not, but they mimic each other, and the data has been stratified. The outcomes for the schools that have had the program implemented have been phenomenal.

**THE CHAIR:** It sounds good. Perhaps you could forward a copy to this committee.

**Mrs Greenhalgh:** Yes.

**MS TUCKER:** And to the health committee.

**THE CHAIR:** Thank you very much.

**DANIEL STUBBS** and

**KAREN NICHOLSON**

were called.

**THE CHAIR:** I would just like to give you the normal spiel that this is a public hearing and therefore everything is being recorded. With that attracts privilege. Before you speak, could you please identify yourselves for the record? Any documents that you submit will be considered public documents and available for publication.

**Mr Stubbs:** I am sure I have heard a longer version of that! I am Daniel Stubbs, director of the ACT Council of Social Services.

**Ms Nicholson:** Karen Nicholson. I am a policy officer with the council.

**Mr Stubbs:** I am going to give an overview of some of the aspects of our submission which apply particularly to the terms of reference of this committee. Then I would be more than happy to discuss any aspects, or other aspects we have not raised. Thank you for the half hour that has been provided to us here today. It is a more relaxed way of doing it.

I have broken up the things I want to say into a few areas. One is with respect to community services—industry development-type thinking. Another area relates directly to our theme of attacking poverty in the ACT. Another area is in respect of tax and revenue measures for the future budget year. Finally, there are some issues we would like to raise with reference to the presentation of the budget papers. We have tried to keep to the terms of reference of this committee.

**THE CHAIR:** Thank you.

**Mr Stubbs:** In the ACT, some time in the near future, we are probably looking at a review of the purchaser/provider system for community service organisations. We think it is timely that we review how we contract between government and community service organisations in the ACT. We have had certain systems in place for many years now. Some of the aspects of those are very important, and worth keeping, but some may be worth changing.

One of the key elements to the purchaser-provider system—this is a positive and negative thing about the contracting process—is that it is very specific in what the government is purchasing from the community services sector. The positive of that allows for some sense of transparency about what we are doing and ACTCOSS would always promote any transparency and accountability processes.

What we think this committee needs to consider as a financial issue is that that denies the opportunity for flexibility and innovation in what is being purchased. Between the government and community sectors, there is a sense that there is a lot of unresourced work going on with respect to new, innovative, work and the interactive development of policy, which really needs to happen.

Last year, we developed something called the compact of understanding between the community sector and the ACT government. That is potentially a very powerful document. However, one of the difficulties with it is that the things it promotes are not, at this stage, resourced. As a result, there is a feeling in the community sector that there is not really a partnership—because organisations are very strictly defined in what they are purchased to do.

There is a range of other things we would seek to develop for the community services sector, possibly at the same time as looking at the service purchasing relationship and trying to better define that relationship. We think there is a need for looking into some sort of industry development and planning process where we, maybe not just over the coming year but over the out years as well, plan the developments of the industry. That may be in relation to the buildings that the services are housed in, or the OH & S issues for the community services sector. There are the issues that I have already alluded to, and participation in policy development processes.

There are other industry issues that need to be resourced, but we recognise we cannot resource them all in one year. We must look at this over a planned process of several years. We also recognise that not all the money could be made available in one year. It is similar with insurance issues. It is not just public liability—workers compensation is still an issue in this sector.

There are some issues of people living in poverty, and people living on very low incomes, in the ACT which we would also like to specifically bring to the attention of this committee. The issue of concessions came up in the report of the poverty task group, over a year ago. A review of concessions was started just prior to the election last year. We are now waiting for that review to be continued.

Given that it was started, I think we have a pretty good case that it should be continued and completed. It started with a very thorough consultation process and a very thorough look at the range of concessions and community service obligations that are provided by the government.

It is long past time that those concessions were reviewed. They have grown up in an uncoordinated way over many years. It is timely that they be reviewed and considered, to make sure that they are meeting a targeted need.

We raise the general issue of taxation and the fact that we, on one hand, believe it would be sensible for the ACT government to raise more revenue through taxation. Yet it is probably more important that the current taxation system needs to be considered in respect of its progressivity and the relative burden it places on people on lower incomes, versus people on higher incomes.

One of the issues for ACT residents is that we have a very high average income. In many instances, that is because of the public service population. It is not because we have a few people on very high incomes that drag the average up—we have a large group in the middle on that high average income.

The problem is that the 8.5 per cent of people living below the poverty line and the large number of people living on Centrelink benefits in the ACT are disadvantaged by that high average income. It creates higher costs, and it creates higher expectations for those people. With the range of taxes and charges imposed by the ACT government, it puts them in a taxation regime that is quite regressive. We see people living on lower incomes bearing a heavier burden of the tax take than average taxpayers in the ACT. We think that the current tax regime needs to be carefully considered for its progressivity.

This government has indicated that it is interested in developing a social plan for the ACT. It is been indicated by the Treasurer that he takes responsibility for a discrete element of that, which is economic growth.

Economic growth concerns us greatly. I think the promotion of economic growth will be part of the budget context. That may be in promoting and supporting business, or promoting a whole lot of other things. Our concern is that, if economic growth is considered in isolation, it will be bad for a lot of Canberrans. If we promote the idea of attracting only high-tech and high-return industries, then we decrease the chances of people with lower qualifications who want more levels for entering industry. We deny them that opportunity.

We have a group of long-term unemployed people, who are finding it very difficult to get jobs. I do not think it would be a surprise to any of you that, in this town, if you do not have a degree it is extremely hard to get a job. But we still insist on trying to attract the high-end industries, the high-tech industries, where people with degrees and many qualifications go. I think we need to consider some diversification in that, for the sustainability of the broader range of people in our community.

We believe we might be looking at some windfall gains in this budget. We have looked at the recent auditor's report. Despite some of the summaries made of that report, we feel that things like stamp duty and grants commission funds will provide some windfall gains.

We believe those windfall gains need to be directed at investment which will help people who are living on lower incomes. That may be in housing—people wanting to access public housing in the ACT—or other investments. We can assist people now so we are not going to have to assist them in three, five or 10 years time because they are homeless, drug dependent or needing to access a whole lot of other support systems.

With the new government, a lot of consultation and review processes are happening at the moment. We would urge this committee to recommend that the government makes sure those reviews do not draw from programs delivering direct services. There is a bit of a concern in the community sector that, although it is important to review programs and policy positions, those reviews can draw away from the resources going to program delivery. That is of some concern, and worth considering in what you recommend to the government.

In recent years, we have talked to the ACT revenue office, and other people around town, about the issue of progressive levels of taxation. We have done a little work with the department of Treasury and the ACT revenue office about reviewing different forms

of taxation—with respect to how progressive they are. We would be happy to provide that information to this committee, although at this stage it is only in draft form.

We would also like to see a project which would involve some elements of community education, where we engage with the community about where future increased revenue could be drawn from—how that would best be raised. When engaging in such a project with the community, it would be necessary to talk about where that revenue ought to be spent. That is the way you get people interested in talking about tax, I am afraid. If you do not talk to them about where it is going to be spent, people are not interested in talking about taxation.

In our experience—we have done a few pilots in talking to different groups about taxation—people in this town are willing to talk. They are willing to engage in the issue of progressive rates of taxation, how we raise revenue, and the fact that we do need increased revenue, particularly in some areas of expenditure. People are interested in talking about that sort of thing. We would hope it would be a project worth undertaking in the ACT revenue office, where they take that one step further and consult with the community about future taxation and revenue raising.

There are a few particular revenue possibilities we would like to recommend to this committee. We have recommended in the past, and would like to raise again, the possibility of land tax for very high-value land transactions.

In the past, we have recommended over half a million dollars. However, in recent years, half a million dollars does not buy an incredibly high-value block in the ACT. We would probably have to raise that minimum level to something more like \$800,000, or close to \$1 million. However, we believe those very high-value land transactions need to be taxed over and above other existing land transaction taxes. We believe that would be one progressive measure of taxation.

We also recommend that change of use charges should be at 100 per cent, not the current 75 per cent. Our information suggests it is currently 75 per cent, but I am happy to be corrected on that. We believe it should be 100 per cent. We hope this committee can see its way clear to recommending to the government that it be raised—back up to 100 per cent.

One very regressive form of taxation is fines. We think that area is worth exploring. I think the ACT could lead the way in considering more progressive ways of fining. Rather than just flat rates of fines, whether they be parking fines, red light cameras, speeding fines, or a whole lot of other fines, they could be made progressive—based on, say, income tax rates or income. We believe that would alleviate misfortune for a lot of people. If you are on \$50,000 a year and you get a \$100 fine, it means a lot less. If you are on about \$8,000 a year and you get a \$100 fine, you then start having to make choices about paying your electricity bill or your rent that week.

Finally, I will talk about the presentation of the budget papers. Over many years, we have had an accrual accounting process in our budget papers. I am sure that, as far as accrual accounting systems go, they are very good. However, they are not transparent and they are very difficult to read. It takes community organisations like ours, and others, many person-days to figure out. We take up the time of government and bureaucrats on

the telephone, saying, “What does this mean? Did that money come from that other program over there and is it just not reported here?” That is very common when some programs are cut and suddenly rebadged into another program.

We have no reason to believe this budget will be any different, and I think we can improve on that. We need to be able to compare budgets year upon year. We need to be able to know that this whole program is receiving X million dollars this year and we are adding maybe X hundred thousand dollars to it, rather than just seeing the discretionary money being clearly laid out with all the budget initiatives.

That tells only part of the story. One, we need to compare that with the norm—what the whole program is receiving—and, two, we need to compare that year upon year, to be able to make any sensible analysis of it. If we do not do that, I do not think we are being truly transparent, or truly accountable to the public.

We believe the budget papers should be accessible to the ordinary Canberran. At the moment, they are not. We have had experience in doing this for many years. It takes us days and days to understand them and make a true analysis of them. On the day the budget is released, we work a late night to try to figure it out, so we can get information out to our sector. Then a lot of information has to be gained the next day from bureaucrats—from the ministers’ offices, et cetera. I think we can do better than that.

**MS TUCKER:** Hear, hear! We struggle with it, too.

**Mr Stubbs:** I am sure. Thank you for your time today. I am happy to answer any questions.

**THE CHAIR:** Well, Daniel, that is tremendous. Thank you. Having heard some of it before, I have just a few questions. Has the review of concessions stopped, or has it just stalled?

**Mr Stubbs:** I guess it has stalled. It was recognised that there was an election happening, but that was six months ago.

**Ms Nicholson:** I understand there is a draft paper that is ready to come out for consultation, I think in April. But that is another consultation.

**MS TUCKER:** On the concessions?

**Ms Nicholson:** Yes.

**MS TUCKER:** And the revenue review? I cannot recall. I thought Labor said they were supportive of that, generally. I am not sure, though. We can ask the government. The other thing about revenue is revenue foregone, through business incentives and so on. In fact, in the estimates or draft budget committee process last year—I think it was last year but it might have been the year before—there was a recommendation asking the then government to clearly quantify revenue foregone through the various business incentives and so on. I think that is an important part of the discussion. We need to know how much we are giving away. It would be interesting to know what benefits we are getting from giving it away. There is very little accountability. In fact, I have seen a paper that

ACTCOSS produced. Was it ACTCOSS and the government who did that? You did a paper on revenue, didn't you?

**Mr Stubbs** : Yes.

**MS TUCKER** : That was highlighted, and clearly articulated. What has happened to that paper?

**Mr Stubbs** : It is an ACTCOSS paper.

**MS TUCKER** : Yes. Was that the pure ACTCOSS paper?

**Mr Stubbs** : Yes.

**MS TUCKER** : Well can we have a copy of that? Is that possible? I have seen it.

**THE CHAIR** : Is it the draft work you are talking about, or something different ?

**Mr Stubbs** : It is all bound up in the same work, yes.

**THE CHAIR** : I would certainly like to see it.

**MS TUCKER** : It is really good—it is a good starting point. In fact, they have done some work already. You have done good work on highlighting the problems.

**THE CHAIR** : Does that include the progressive levels of taxation work?

**Mr Stubbs** : I can include that, yes. It is related.

**Ms Nicholson** : A lot of those measures were pulled out and used in last year's submission for the 2001-02 budget.

**MS TUCKER** : Yes. I know you have been saying it for a long time.

**THE CHAIR** : Do you have a degree?

**MS TUCKER** : No.

**THE CHAIR** : Given that two-thirds of this committee do not have degrees, and that we go to the electors every three years, I am interested in some of these other points of diversification and entry levels to jobs or industries that we might attract. Do you have suggestions on what they might be? I suspect this is an issue that is going to get worse, as jobs become more and more technical. You are right. Some of the jobs that we have been attracting in computing, biotechnology and electronics are highly skilled jobs, or jobs where you will have to have, I would suggest, better than entry level training. What are some of the jobs? Are there some industries appropriate to the ACT that we should be attracting?

**Mr Stubbs** : I would have to take that on notice, Chair.

**Ms Nicholson:** ACTCOSS has formed its own employment task group. We will be having our first meeting next week. Our employment task group will address these problems, and look at areas where we feel the community sector should be pushing for job creation.

There was an interesting paper out of the University of New South Wales centre for policy studies that talked about the multiplier effects of community-based work. That is one of the policy papers that will probably be informing some of our debate. It found that economic multipliers in the community services sector are greatest in health, community services and education—over and above manufacturing, computing, IT and those sorts of things. So I am sure you will hear from us.

**THE CHAIR:** Who did that? New South Wales?

**Ms Nicholson:** The New South Wales centre for policy research. It is a 1999 paper. I can get you the details of the name of it.

**MS TUCKER:** The manufacturing is going offshore because of deregulation.

**Mr Stubbs:** I would not necessarily suggest that we start bringing in smokestack industries, or anything like that.

**Ms Nicholson:** An anomaly I have noticed is that the ACT is surrounded by rural lands, but we would be one of the very few places without a comprehensive agricultural degree or diploma.

**THE CHAIR:** It is very strange.

**Ms Nicholson:** A lot of that happens in Yass. There seems to be an area here for the regional coordinating body to have a role.

**THE CHAIR:** The regional body, to the best of my knowledge, did a report on how to have sustainable agriculture in the south-east region. Education was part of that report.

You mentioned that, with all the reviews going on, there was a worry that it might draw away from existing service areas. Is that a concern? Are there examples of that happening, where resources are being withdrawn to conduct the reviews?

**Mr Stubbs:** No, I do not have examples—that is just a concern. I think it is just something of which we need to be mindful. We do not deny the need to review programs and policies. I think that is worth noting and reminding governments about—and, indeed, government departments.

**Ms Nicholson:** At the moment, we are not resourced to consult with government, particularly post-Gallop. ACTCOSS probably is resourced, but other groups are not. The government wants to talk more with consumers, but those consumers are usually participants in their own organisations. Any time spent researching and consulting with government is time when they are not contributing to their own programs.

**Mr Stubbs** : Yes. We have seen it in the need for service providers in community organisations, and government service providers having to be involved in review processes. We need to be very mindful of the fact that there is no direct cost there but, unfortunately, it is taking people away from the coalface. It is just something that is strongly worth noting, because we can easily get caught up in that.

**THE CHAIR** : You said you expect there might be windfall gains in the budget, and that perhaps they could be directed to investing to assist low income earners. The one example you gave was housing. Are there other areas where there is need?

**Mr Stubbs** : Yes, but I do not have them in mind now.

**MS TUCKER** : When you spoke to the health committee, you talked in detail about mental health housing.

**Ms Nicholson** : Yes, mental health areas and substance abuse. Housing, of course, is crucial. There is also a lot of drain on income support, with the current fluctuations in the breaches in the federal sphere. That is having an impact on the stability of people's housing. That has flow-on effects for mental health, health, and all sorts of things. Housing was one of the areas we saw as crucial. You cannot access services without stable housing.

**MS TUCKER** : Aged care dementia facilities.

**Ms Nicholson** : Aged care dementia facilities. We are looking for implementation of the indigenous health report, and the elderly abuse report, from the last Assembly.

**Mr Stubbs** : At the moment, we do not have a consumer legal centre. We used to talk about the need for a financial legal centre because of the terrible problems people would find themselves in with respect to the financial system—credit, banking, insurance and those sorts of things.

We have broadened that need to consumer law in respect of things like telecommunications and utilities, where people are getting into trouble. There is no consumer legal centre for those issues. We see it as a bit of an investment to set up something like that. It would stop people getting into much greater problems down the track. People may have huge mobile phone bills, or excessive credit card bills, and find themselves, or their children, getting into problems with these kinds of things.

Another more strict kind of investment might be in the area of no-interest loan schemes. We have a very small no-interest loan scheme in the ACT. Putting some more capital into that helps people on low incomes enormously. Through a no-interest loan and a minimal repayment scheme, people are able to purchase whitegoods, repay and own them. It is quite powerful for people to be able to do that.

Many people on low incomes would be significantly advantaged by having access to that kind of scheme. Those schemes exist quite heavily in other states and jurisdictions. Unfortunately, we have only a small scheme here. I think we would benefit from that. It would be a one-off payment.

**THE CHAIR:** You spoke about the inequality of expectations. Is that because most of us are so well-off that we do not think about these things and do not see the importance of them?

**Mr Stubbs:** Yes. I think there is an issue about how we perceive what living in poverty is and, as a community, we do not necessarily understand. Sometimes living in poverty is about the washing machine needing fixing and you having to spend six months hand-filling it. Having a no-interest loan scheme can just get you around that and allow you to get on with your life—educating yourself, bringing up a family, going to work or whatever.

**MS TUCKER:** We have just had arguments from the Junction youth health centre about consequences for people in Canberra who are breached by Centrelink. ACT services are picking up the slack there.

**Mr Stubbs:** Yes.

**MS TUCKER:** That is not relative poverty. That is the “I want something to eat, please” type of poverty.

**Mr Stubbs:** Yes.

**MS TUCKER:** Do you have any comment on that—the breaching and the impact on community services?

**Mr Stubbs:** Absolutely. We have had a large role in the breaching review that was recently reported, of which I hope you all have a copy.

The issue for ACT Community Services is enormous. We have a lot of services providing emergency relief to people because they are just not getting income from Centrelink, for a certain period. It is fairly criminal!

There are other compounding issues. Someone gets breached with Centrelink. They arrange for a direct payment to come out of their account, because they want to manage their money carefully, and they want to make sure their rent comes out first. They get breached by Centrelink, they get overdrawn, and the bank charges them sometimes up to \$20.

**Ms Nicholson:** No, \$40.

**MS TUCKER:** It is \$35 or \$50.

**THE CHAIR:** Try \$45.

**Ms Nicholson:** The example was \$40..

**Mr Stubbs:** That is a hell of a lot of money when you are on \$160 a week!

**MS TUCKER:** Banks sometimes get rich out of the poorest people.

**Ms Nicholson:** Unfortunately, in that case, the person was pinged by their bank twice in the time it took them to get an emergency payment. They were given an emergency payment of \$100, and \$80 of it went straight to the bank.

**MS TUCKER:** That is terrible!

**Ms Nicholson:** We have done a lot of stuff on the breaches, but it is very hard to try to figure out what you can do with these Commonwealth issues at the state level.

**MS TUCKER:** You have to pick up the slack, basically.

**Ms Nicholson:** Yes. One of the services said that their budget for emergency assistance was something like \$40 a week. This comes into purchaser-provider. In a lot of cases, they are not funded to do this work. They are drawing-down resources from wherever they can scratch them, to try to meet the needs of these people.

**MS TUCKER:** I think that is something this committee should be interested in. It is a general issue, really, that is a result of federal intervention that is failing honourable people. You can take this on notice if you like.

I guess we would be interested in what would be the best way to deal with this issue, so that it is not, as you have just explained, a constant pushing—and maybe even spending money in a way that is not strictly the way you are funded to spend it.

I have heard it from a number of services. Of course, you have the charities, like St Vinnies and the Salvation Army, dealing with this as well. Perhaps you can think of a way that we can better accommodate this social failure through ACT services. I know it is a federal responsibility, but we have a responsibility to deal with it here. If you have ideas about how best to do that, I am sure the committee would be interested.

**Mr Stubbs:** I guess there are systemic responses, which are needed. One of those systemic responses is making it very clear to the Commonwealth that this is absolute cost-shifting.

**MS TUCKER:** Sure.

**Mr Stubbs:** That needs to be made clear.

**THE CHAIR:** Which they are so good at!

**Mr Stubbs:** That is a systemic response.

**MS TUCKER:** Yes, but, apart from that, how do we deal with it?

**Mr Stubbs:** As to how to respond to it, what is needed is money for these agencies to be able to provide emergency relief assistance. It is not a lot of money, in the whole scheme of things. We are not talking about huge amounts of money—and the ACT government does provide some emergency relief assistance to selected agencies.

**MS TUCKER:** Yes, I understand that. Maybe we could ask a question of the government, Brendan—which agencies get emergency relief money and how much. We will get a picture of it.

**Mr Stubbs :** That information is fairly readily available, I believe.

**Ms Nicholson:** The housing support issue that we have brought up before other committees is also crucial. Having a housing system that says, “If you don’t pay, you are out” does not recognise the facts. There has been some progress because of the housing community workers that have gone in recently, but I think their appearance is just going to show a demand for more of them.

There have been revenue-raising measures or accountability measures, where governments, in past times, have said, “We have to draw a line somewhere.” Particularly in housing, I think, there needs to be the capacity for intervention before eviction. We need to explore the reasons behind somebody’s faults and failures before they get kicked out.

**Mr Stubbs :** Yes. As we have said to other committees, we currently have a public housing system of last resort, whether we like it or not. With a housing system of last resort, you cannot be just throwing people out.

**THE CHAIR :** Thank you very much.

**The committee adjourned at 4.37 pm.**