

**LEGISLATIVE ASSEMBLY FOR THE
AUSTRALIAN CAPITAL TERRITORY**

STANDING COMMITTEE ON PUBLIC ACCOUNTS

(Reference: annual and financial reports 2002-2003)

Members:

**MR B SMYTH (The Chair)
MS K MacDONALD (The Deputy Chair)
MS K TUCKER**

TRANSCRIPT OF EVIDENCE

CANBERRA

WEDNESDAY 17 DECEMBER 2003

**Secretary to the committee:
Ms S Mikac (Ph: 6205 0136)**

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

Submissions, answers to questions on notice and other documents relevant to this inquiry which have been authorised for publication by the committee may be obtained from the committee office of the Legislative Assembly (Ph: 6205 0127).

The committee met at 9.07 am.

Appearances:

Mr J Stanhope, Chief Minister, Attorney-General, Minister for Environment and Minister for Community Affairs

Chief Minister's Department

Mr M Harris, Chief Executive

Ms P Davoren, Executive Director, Industrial Relations and Public Sector Management Group

Mr W Foster, Senior Manager, Employment Policy and Workplace Relations

Ms C Vardon, Commissioner for Public Administration

Mr M Kwiatkowski, Director, Cabinet

Mr C Healey, Director, Community Support Group, Bushfire Recovery Taskforce

Mr P Ottesen, Director, Office of Sustainability

Ms R Hardy, Senior Manager, Regional and Development, Policy Group

Ms C Hudson, Director, Social Policy, Policy Group

Mr K Douglas, Acting Director, ACT Information Management

Mr N Manikis, Executive Director, Multicultural and Community Affairs Group

Mr H Bohlscheid, Director, Office of Multicultural Affairs

Mr P Brady, Director, Office for Ageing

Ms L Ella, Director, Office of Aboriginal and Torres Strait Islander Affairs

Ms M Whitten, Director, Corporate Services

Ms K Maxwell, Director, Community Engagement Unit, Multicultural and Community Affairs Group

Mr K Phillips, Financial Controller

Department of Treasury

Mr P Hextell, Director, Accounting Branch

THE CHAIR: Good morning, Chief Minister and all your staff. Thank you for attending this sitting of the Public Accounts Committee. You should understand that these hearings are legal proceedings of the Legislative Assembly protected by parliamentary privilege. That gives you certain protections but also certain responsibilities. It means that you are protected from certain legal action, such as being sued for defamation for what you say at this public hearing. It also means that you have a responsibility to tell the committee the truth. Giving false or misleading evidence will be treated by the Assembly as a serious matter. Chief Minister, would you like to make an opening statement to the committee on your annual report?

Mr Stanhope: Thank you, Mr Chair. I have no formal statement to make other than to thank you for the invitation to appear today to discuss the Chief Minister's Department annual report for 2002-03. All of my officers and I are very happy to be here and each of my officers is ready and willing to answer any question that the committee may wish to ask on the annual report.

THE CHAIR: That's very kind, Chief Minister. Perhaps we'll just start at page 1 and work our way through section by section if we may.

Mr Stanhope: Certainly.

THE CHAIR: Page 1 to 15 is the overview of the department—mission, value statements, objectives and outcomes. Chief Minister, page 2, under the objectives and outcomes, lists developing a social plan to address social infrastructure, housing access and equity needs of the community. Where is that plan and when might the community see a draft copy?

Mr Stanhope: The plan is very well advanced. At its meeting this week cabinet considered the latest draft of the social plan. The government anticipates releasing the final of the social plan on 3 February. Our planning in that regard is well advanced. There has been very considerable community consultation on the draft social plan and at this stage those are the time lines that we're working to. A final of the social plan will be released on 3 February in time for the Canberra plan to be released on or around Canberra Day. I'm more than happy for officers of the policy group within the department to answer detailed questions on the social plan and its development, if you or the committee wishes, Mr Chair.

THE CHAIR: Yes, if officers are willing to give us a bit of a rundown of where it's going.

Mr Stanhope: I regret that the officer with ultimate responsibility has issues today that have kept her from the workplace, Mr Chair, but I'm told Mr Ottesen is a more than capable deputy on issues pertaining to the social plan.

THE CHAIR: Can you give us a quick overview of where it's at?

Mr Ottesen: As the Chief Minister said, drafting's well advanced. There is a process of finetuning, certainly engaging with agencies within government, and the plan is to have that launched in February.

THE CHAIR: What sorts of things is the social plan looking at?

Mr Ottesen: I'm not in a position to identify any details.

Mr Stanhope: I think it's fair to say, Mr Chair, that in the public consultations and in the documentation that has been prepared and released and was the basis of the very significant community forum that was held around the development of the social plan, the government identified a range of priorities that it believed would or should be the basis of a determination of the social priorities for Canberra and that should underpin the development of the social plan and, in that context, should be a cornerstone of the Canberra plan. As you're aware, Mr Chair, the government has been committed, over the past 18 months or more, to the development of a spatial plan, to the development of an industry, an economic plan titled the economic white paper, and the development of a social plan. We regard these three major pieces of strategic planning as the basis for an overall strategic plan for the territory encompassing each of those essential elements.

As you know, the economic white paper was released a couple of weeks ago. The social plan is well developed and has been consulted on broadly. Three thousand copies of a paper "Towards a Social Plan" were distributed throughout the Canberra community. A major community forum, attended by about 250 community members and representatives of community organisations, met in October for detailed discussions on

the draft social plan priorities that had been identified by the Chief Minister's Department and the government. As a result of that consultation, those draft social priorities were refined and enhanced and, indeed, have been changed at some level. The Chief Minister's Department, as a result essentially of that consultation, has been engaged in the crafting of a social plan. I don't have the documents here with me—"Towards a Social Plan" and priorities as established—but they represent the view within government and across portfolios. It's fair to say that the extensive consultation that's been undertaken by the government hasn't led to major change in the range of priorities that were identified by all ACT government departments in the collaboration that has led to the development of those priorities.

THE CHAIR: When the social plan is released, will it have action plans in it that will be funded or will the social plan then have to go back through the budget for further announcements in May?

Mr Stanhope: Yes, it will have actions identified. It will have priorities identified, but the government has made a decision, and we discussed this at length. It was a matter that was vigorously discussed and there were a range of views within cabinet on whether or not we might take the opportunity to indicate at the time of the release of the economic white paper and the social plan some of the funding that we would be prepared to commit. The government decided that we wouldn't include in the economic white paper dollar commitments against the initiatives and priority initiatives that have been identified. Similarly, the social plan, on its release on 3 February, will not have specific resource commitments against specific priority items.

That's not to say that the government will not be supporting initiatives in the component parts of the Canberra plan. It will be. But that will be done as part of a broader cabinet discussion in the context of the budgetary position. Cabinet will have all three component parts of the Canberra plan before it at the time it has that discussion and makes those decisions. We felt it wiser and appropriate that in looking at the priority initiatives that we would fund that we do it in a co-ordinated way and that we will measure those economic white paper priorities against social plan priorities, and against spatial plan priorities. We will develop a funding package in that way. Some of the initiatives will definitely be funded through the budgetary processes, but the funding won't be announced on 3 February—as much as we would like to do that for shallow political purposes if no other, Mr Chair.

MS TUCKER: You've just talked about how you're going to be measuring the social plan, or looking at the social plan in the context of the economic white paper.

Mr Stanhope: The funding, yes.

MS TUCKER: The spatial plan and sustainability office—I'm trying to understand how these different documents inform each other; whether they do, and how they work together?

Mr Stanhope: Well, they do inform each other. The further piece of work that is currently in hand in relation to each of the plans is to develop, as we've always indicated we would, an overarching plan for Canberra, which in discussion, in communication and in consultation that's been undertaken in relation to the spatial plan, the economic white

paper and the social plan we have referred to as the Canberra plan. It may be that when it's launched we'll be a little bit more imaginative than that in the title of the plan. I understand the point you make—that we're developing an economic white paper, a social plan and a spatial plan. They do interact. One can see that even now in relation to some of the discussion and conversation around the development, for instance, of Stromlo as an alternative residential estate. That proposal was first raised for public discussion through the first of the draft economic white papers, but it's an issue that's essentially being pursued through the spatial plan, as you would expect.

There is a whole range of linkages, quite obviously, between each of the three plans. But those will be further developed and the linkages cemented in the final document of this strategic planning process. That is the Canberra plan, which will be released in March and which will in a single document explain in detail the nature of the operation of the overall plan. I'm not sure but in your question you perhaps fully repeated the comment I was making about funding. The point I was making is that we ran into just a practical difficulty in the funding or resourcing of the component parts. It's our desire to—and we will through this budget process that we've now entered—resource the priority initiatives. That's what it's all about. The planning that we're undertaking is designed to inform our budget decisions, our decision-making process. That's what we're doing it for. In the context of the social plan it's designed to identify the major social planning and funding priorities for the territory.

We're not doing this work in isolation. It's all about informing the way in which we budget and fund the varied components of each of the plans. Indeed, these particular plans of course essentially are relevant to almost all of the decisions that are made in the budget process. It is a process designed to inform budget cabinet in the decisions that budget cabinet takes in the allocation of all of the community's funds.

MS TUCKER: But the social plan, as I understand it, isn't going to have any very specific data about what you see, for example, as targets for bringing people out of poverty, for dealing with people who are disadvantaged in any regard in our community.

Mr Stanhope: It will have some targets.

MS TUCKER: Will it?

Mr Stanhope: It will have some targets. Once again, the issue of targets is a vexed issue but the most famous, or infamous, of all targets ever made by a government was a target in relation to poverty—that no child would live in poverty by the year 2000. We will have children living in poverty probably forever. As I say, it's difficult and vexed. We will have some targets and certainly we'll have a rigorous range of accountability measures in the social plan and in each of the plans.

THE CHAIR: But the white paper was promised to have targets as well. Would you like to elaborate on what targets you would expect in a social plan?

Mr Stanhope: Well, we haven't finally decided those, but it is my determination that we will have some targets. I think, for instance, in relation to those priorities that are set in the social plan in relation to each occasion that there are some targets that I'm prepared to commit to. I can't go into detail around the targets that we might commit to, but I'm

prepared to commit to targets in relation to the number of children receiving a certificate at the end of year 12. I understand we do extremely well as always, and traditionally we lead the nation. This year or last year I think the completion rate was around about 90 per cent. I'm more than prepared to commit to targets above that.

THE CHAIR: You said earlier, Chief Minister, that the plans do inform each other. The draft water plan is also out there, yet members were told that water hadn't been taken into account when the spatial plan was being put together. So, do the plans really inform each other? Yesterday when we were talking to the Treasurer and Actew about things like dams and water and targets he very quickly flicked it all back to you to answer today in regard to what it is you hope to achieve with water. Can you seriously say your plans inform each other when we've got ministers flick passing them and we've got bureaucrats telling MLAs, for instance, no, the spatial plan wasn't informed of the needs of the water commitments.

Mr Stanhope: Well, I disagree with that. I do disagree. The spatial plan is based on a sustainable Canberra and a sustainable future. I think the decisions that are being made on the issues in relation to the future of the ACT, are underpinned by a determination that Canberra not spread beyond 15 kilometres of the centre of the city. That's all about ensuring a sustainable future and a sustainable city. To suggest that in planning for a sustainable future the spatial plan hasn't had account of issues in relation to the availability and supply of water I think misunderstands completely the basis on which the spatial plan has been developed. I'm behind our commitment to sustainability. I'll ask my colleagues to expand further on that.

In relation to water—and it's unfair to suggest that one of my ministerial colleagues has flicked issues around water to me and that this represents a lack of integration of our thinking or planning—it's a simple fact that the Minister for Environment is responsible for water resource issues—not the Chief Minister, not the Treasurer, but the Minister for Environment. When we pursue ACT Environment's annual report I'll be more than happy to detail in chapter and verse the significant planning that we've done in relation to a water resource strategy and policy and the extent to which that is entirely consistent with the work that's been done by the spatial plan. So yes, there is a real integration. Similarly, the Minister for Planning has prepared a draft sustainable transport strategy, and once again that's consistent with the other work that's being done across portfolio.

MS TUCKER: Well, what concerned me about yesterday's conversation with Actew—when it explained that it was doing a full costing, technical analysis and so on about dams—was when I asked it was it also doing a full analysis and costing of other ways of supplying water for the ACT and reducing water use, which is obviously related to water supply, it said no, that that wasn't an issue for Actew. We are asking a question on notice to try to understand the process and why Actew decided to do this significant work on understanding the dam question and the feasibility of it in every sense, except the environmental sense; why as an energy service, with its objectives under the act to have concern for the environment, it didn't at the same time do as much work looking at how we can reduce water use in the ACT—which would then potentially not require a dam.

I realise that we're not dealing with the environment today so I can't go into too much detail because you won't have the support officers here. It's more a general concern that you have Actew putting considerable resources into understanding one aspect only of

this important issue for the ACT and that your department as Minister for Environment is going to have to deal with it too when it is potentially not resourced to do it. Why is it that Actew, as the energy provider and service, is choosing to only do one part of that work? That brought up the question of how is this really integrated, how are these decisions made and where are the resources to look at different aspects of it?

Mr Stanhope: I'll ask Mr Harris and Mr Ottesen to take the discussion further, Ms Tucker, but let me say at the outset one needs to understand the split and administrative arrangements between Actew and environment in relation to water, and the Chief Minister's Department through the Office of Sustainability. You're making a point essentially that Actew outguns us. I think that's more in the eye of the beholder or more a perception than a reality. ACT Environment through a senior officers' group—which includes officers from Actew and the Office of Sustainability, as you would expect—has administrative responsibility for the development of the water strategy. It is currently a draft strategy but will be finalised within three months. It's a very good document and goes to those very issues that you've raised. It's a well-researched document and addresses the issues that you go to. This is not just about rushing out and doing some business case on whether or not we could or should be building a dam or piping water from Tantangara through Bimberi and Namadgi into the Cotter system.

We are pursuing through the water strategy a whole range of other issues in relation to supply, certainly, as well as demand and use. I express a concern that there is a perception that Actew is now in the deal; that it is big, powerful and resourced and has contracted for advice on climate change and catchment yield and we'll all be ruined if we don't build another dam. In other words, now the engineers have got their hands on the job everybody else is out of the equation. Let me assure you that's not the case. I'm the Minister for Environment. I'm committed to the development of a water strategy, I'm committed to the targets that we've set and established in the water strategy. We as a government will be funding or resourcing some of the initiatives that have been identified in the draft water strategy. These are difficult issues.

In an ideal world I would have liked in releasing the draft water strategy to say we are putting forward for further consultation with the community the prospect of a rebate on dual-flush toilets or on showerheads; that we're proposing an increase in the rebate on water tanks and a whole range of retrofitting possibilities or measures; that we're going to change standards in relation to plumbing—and we're going to do this from 1 January and they're all going to be funded. Our budget cycles don't allow us to operate like that. But be assured there's a genuine commitment. We are seeking to deal with a whole range of tricky issues in relation to demand, price and pricing—perhaps tentatively and not as aggressively as you might like—but issues around demand control are quite complex.

As a prudent government we have asked Actew to do the preliminary work that will need to be done at some stage in the future. A prudent government would and must plan long term and that's what we're doing in our agreement with Actew. It is appropriate for it as the manager of our water supply, and as the entity that will pursue the development or construction of the infrastructure—in other words, a dam or a pipeline or whatever else—that it gets up to speed, looks at climate change issues and whether or not rainfall or precipitation is going to change over the next couple of decades or into the future. It is appropriate that it seriously seeks to assess what the impact of the fire on the catchment yield is. There's an alarming view or possibility that as the forest regenerates and

regrows, as a direct result of the fire, the yield within the catchment might reduce by up to 30 per cent, which would have some quite serious implications for us. In 10 years time the Cotter catchment water yield might drop by perhaps 30 per cent as a result of the uptake of that water by rapidly regrowing trees.

MS TUCKER: So Actew is doing that work?

Mr Stanhope: Actew is doing that work, as you would expect.

MS TUCKER: I still don't understand why, as the provider of the water, it is not also doing the other work. In your water strategy you come up with ideas about rebates, but what I want to see is as much work done to show me why you've decided to come up with a rebate proposal rather than a fully paid for system like Queanbeyan did with the master plumbers. What I'm really interested in seeing is the water that would be saved potentially—and all this work on catchments is estimations and projections, it's not an exact science, obviously—and that we see as much detail done in that area. If you're telling me that that was done and that your water strategy and that notion of rebates is informed by that quality of work, I'd like it to be given to this committee. In some ways why does it matter who's doing it, whether it's Actew or Environment ACT, although it does worry me because Actew is supposed to be about saving water and an energy service as much as a provider. So, I think it's a healthier thing for the identity of Actew to see it taking full responsibility for saving water as much as providing it. If you're telling the committee that you have done that work and that's why you said only rebates, because that's going to be as effective in saving water, or you've made cost decisions, that's the argument and the background that I can't see in your water strategy. Maybe it exists. If it does, I'm sure the committee would be interested to see.

Mr Stanhope: Mr Ottesen is one of the senior officers overseeing the development of the water strategies, so I'll ask him to respond. I'll ask him to let you know whether or not they did their work or whether they bludged.

THE CHAIR: That's an unfortunate comment.

MS TUCKER: Well, the analysis will do.

Mr Stanhope: Then we'll all know.

THE CHAIR: Can I say, Chief Minister, that's not an appropriate statement. Ms Tucker at no stage said that anybody bludged. I think that that's not an appropriate attitude to have before the committee.

Mr Stanhope: I wasn't suggesting that at all.

THE CHAIR: Well, they are your words. You said it.

Mr Stanhope: I'm just keeping my officers up to the mark, Mr Smyth.

THE CHAIR: The implication was that Ms Tucker insinuated that people had bludged when she at no time said that.

Mr Stanhope: I apologise if that implication was drawn but it wasn't my intention at all.

Mr Ottesen: If I could also say that the senior officers working group on water that the Chief Minister mentioned before has been a critical mechanism to ensure that there's proper co-ordination across government from all the responsible players. Water has various agencies, not only ACTPLA, Treasury, Health, Environment and Actew, but the Chief Minister as well. So we recognise early on that we need to be working together. This group which we now manage and meets every two to three weeks has also been a process of informing the development of the spatial plan, for example, to make sure that the information that we're developing is feeding into those processes as well.

On these demand measures, we've been very much influenced by government policy, which has been to defer, as long as possible, the development of new supply options. Work done last year informed the development of the water policy which just came out and which is now being double-checked—looking at the cost of various options, which options will give us the best bang for our dollar? For example, it's showing that showerheads is one which takes a very small investment and has a very high return. Voluntary restrictions is another which at the moment has very high returns. So, we already have a fair amount of knowledge and we're double-checking that now, and an organisation called the Institute of Sustainable Futures in Sydney, which has a national reputation, has been providing advice to us on that. So in a sense, to summarise that, we do have a range of demand options. They all work to various degrees. The one which will deliver the most saving for the least amount of dollars is the one that we want to finally choose.

MS TUCKER: So, it's an economic decision? Which is going to deliver the best output for the money spent? Shouldn't the question be which is going to save the most water?

Mr Ottesen: Yes, that's right. We're looking at price or the cost of that sort of technology or changes that have to be made as one of the determinants in choosing those. There'll be other factors as well. One of the analyses we're doing is to say well, there is a view out there that rainwater tanks cost a lot of money and don't necessarily save a lot of water. Nonetheless, there's a lot of symbolism associated with rainwater tanks.

MS TUCKER: It depends if you're allowed to have one that's big enough to make a difference, and you're not told it's too ugly. That is a good question. Yesterday I visited a woman who had to spend \$300 to buy particular trees to hide a water tank, but it's nicer than many other things you can see from the street and from people's yards. So the whole notion of an aesthetic sustainability needs to be brought into the conversation. You say that that's working and that you've got that interagency group—I assume you said it's ACTPLA?

Mr Ottesen: Yes.

MS TUCKER: When you make those decisions on what's useful in saving money, whether it's water tanks or whether it's investing a lot more money in grey water, for example—which is obviously another major opportunity for the ACT, where we could potentially reduce water use in the most efficient way because so much of the water used in Canberra is not drunk or ingested in any way—I would like to see you make that work available publicly so that we can look at it. That's what I'm asking for. I'm interested in

what you've told us, but I'd like to see that cost analysis you do when you make those decisions, and the work that's informed those suggestions in the water strategy now—rebates and so on.

THE CHAIR: You said at the start of your presentation that you were working towards the policy objectives that the government had set. Wouldn't it have been more appropriate for such a group to have set the parameters? If the government's got the policy objectives wrong, you're working to a flawed plan from the start.

Mr Stanhope: Well, the policy objective was informed by advice from the very same group, Mr Chair. So, if the government got its policy parameters wrong, it was on the basis of advice we took from the group that Mr Ottesen is a member of.

THE CHAIR: That's very good, Chief Minister. The second dot point on page 2 of the Chief Minister's annual report says one of the objectives and outcomes of 2002-03 was to develop an integrated sustainability framework to assist in the assessment of initiatives against economic, environmental and social parameters. Has that framework been completed? Is it in operation and was it used to determine the objectives of the water strategy?

Mr Ottesen: Yes, we've produced a policy document which was launched by the Chief Minister, I believe, in March this year, "Our People, Place, Prosperity." That was a very important milestone in the development of our framework, because it now sets the general direction of where we want to go and it has five key areas in it. It provides a definition of sustainability, which is important because sustainability is a concept which has many meanings to many people. It's important that it be localised so it sets that definition. It clarifies it with some principles, it creates a better degree of understanding and, most importantly, it talks about how, in an operational sense, we are able to deliver on sustainability. We focus on decision making, saying essentially that ultimately the responsibility for taking us down a road towards sustainability rests with decision makers. So those decision makers need to be informed and perhaps have the tools to be able to make more informed decisions.

We talk about partnerships. It's not just government doing it by itself, it's really government working with community and with business. It talks about communication. In other words, we need to tell the stories, get people to be aware about the issues, our achievements and what the issues are. Finally we talk about reporting. We need to monitor and report on our performance. So that's laid the groundwork or the framework. Moving forward, we've been assisting with some decision-making points in government, and certainly we've been contributing to the Canberra plan and the elements of that. I suppose, most importantly, at this moment we're putting a lot of energy into developing what we call our towards sustainability report.

MS TUCKER: I'm interested in your office in particular and the role of your office. As we review the office of the Environment Commissioner and your office and how it all fits together there are issues around independence. So, what comments has your office made about, for example, the building of the Gungahlin Drive extension or the development in East O'Malley?

Mr Ottesen: We didn't have any direct involvement in those, other than the process that we have. We were able to comment on cabinet submissions. That's one of our opportunities because of where we're located. We're able to comment on submissions which come through the office. We're in the process of developing procedures. We think this is going to take some time. For example, we believe the key decision-making points need to focus on planning, obviously, and the procurement process, grants and reporting, and, in the end, capital works. So we are the very beginning of that process. For example, we are now looking at procurement because we think procurement generally is an area we need to strengthen. So that's one of our other areas of focus.

MS TUCKER: So you weren't asked to comment and you have chosen not to or you're not able to comment on issues such as development in East O'Malley or the Gungahlin Drive extension on a sustainable Canberra?

Mr Ottesen: On those issues, we didn't provide specific advice.

MS TUCKER: Why not?

Mr Ottesen: Our advice was not sought specifically, but also with our resources we have to be selective on what comes through and try to deal with the issues at hand.

MS TUCKER: But these are major issues for Canberra. They're just fundamental issues if you're interested in sustainability.

Mr Stanhope: We are interested. That's not a fair question, Ms Tucker, and it's certainly arguable. The issue in relation to East O'Malley was a decision about whether or not to develop 23 hectares of land. To suggest that the future of Canberra or sustainability in Canberra is dependent on whether or not 23 hectares of land at East O'Malley is developed is drawing a long bow around sustainability. The ACT currently has 34 per cent of its original yellow box red gum woodland in situ as against a New South Wales or regional proportion of 8 per cent. The nationally accepted target for retention of original woodlands is 15 per cent. We're currently twice the nationally accepted target for the retention of woodlands. Fifty-four per cent of the ACT is in nature—54 per cent of the ACT is locked up in reserves. To suggest that 23 hectares at East O'Malley—when 54 per cent of the entire area of the territory is locked into reserves—in some way threatens or can be said to reduce the sustainability or our commitments to sustainability is drawing an enormously long bow. And it's not a fair question to the officer.

MS TUCKER: Well, obviously some scientists disagree with you.

Mr Stanhope: They do.

MS TUCKER: The government is entitled to have its view. But my questions are about the Office of Sustainability. There is certainly disagreement. There are scientists who would sit and argue with you very strongly about what you just said, but I don't want to debate that issue.

Mr Stanhope: Well, certainly there are scientists who would suggest that we should abandon the ACT altogether, that we should stop development. There are scientists who will argue that we need immediately to impose a population policy, not just on the

territory but on Australia—that there be no more expansion. There are a whole range of issues.

THE CHAIR: Perhaps that's a debate for another day.

Mr Stanhope: It is. And it's not a debate for Mr Ottesen.

THE CHAIR: Well, that's the point. Mr Ottesen is being selectively consulted. I think what Ms Tucker is asking is: why does the government choose to ask on some issues and not on others?

MS TUCKER: And it's about the role of the Office of Sustainability. I understand what your view is. Dr Hugh Possingham and Mulvaney and those people who are specifically interested in those issues have different views. So, yes, there is disagreement between you and some experts. But the role of the Office of Sustainability, we are being told by your government, is to ensure that we have a good capacity to monitor and understand government decisions about whatever. Whether it's about water or clearing, and whether we take into account our regional responsibilities. I'm not going to go into the debate but I do have to make that point in response to what you just said. From the answer to that question I have concerns about the Office of Sustainability, but that's a comment, not a question.

Mr Stanhope: I'm more than happy for Mr Ottesen to give an explanation of the principle underpinning sustainability.

MS TUCKER: No, that wasn't my question. It's about how they work.

Mr Stanhope: Well, it is. In relation to East O'Malley, the need for us to balance our economic, social, and environmental imperatives is well known. The provision of housing for our residents is certainly a vital social need. The need for us to have a revenue base that will sustain our social priorities and our other priorities is certainly something that underpins our notion of sustainability. The decisions we take in relation to providing land for housing and development balance our environmental commitment with our commitment to our social and economic obligations and priorities.

MS TUCKER: So are you saying that the main argument is that that's going to bring big money?

Mr Stanhope: No, I'm saying that people need housing, that we don't just look at those privileged few that currently have housing and are living very comfortably in established parts of Canberra. We're looking to the needs of others. We're looking to the needs of those people seeking to buy perhaps their first home. We're looking to the needs of those for whom we're seeking to provide public housing and for whom we need land, and for whom we need money.

MS TUCKER: So you're saying that we can't do without that?

Mr Stanhope: No, we can't.

MS TUCKER: That those hectares are absolutely essential to house the people of Canberra?

Mr Stanhope: It's absolutely essential for us to house the people of Canberra.

MS TUCKER: We cannot do it without those 23 hectares?

Mr Stanhope: It's absolutely essential for us to provide land for housing for the people of Canberra and it's absolutely essential for us to have a revenue base that allows us to do these things, as well as a million other things. In order to do that we have to develop land. Yes, it's a pity that some of the land that we are going to develop has some continuing environmental value.

THE CHAIR: It is a different view to that made by your environmental spokesman before the election. I was at a number of rallies where I was castigated for having a similar view. I'm pleased to see you've crossed to the dark side, Chief Minister. Before the election, Mr Corbell was quite adamant that all this land should be saved.

Mr Stanhope: Well, I don't know. I can't answer for what Mr Corbell said before the election.

THE CHAIR: Well, you were responsible for it. You were his leader then and you're his leader now.

Mr Stanhope: So I can't answer here for what Mr Corbell did or didn't say, Mr Smyth. So I think it's unfair of you to say "well this is what he said" when he is not here to answer for himself. I can't answer for him.

THE CHAIR: Yes, it is unfair to hold you accountable, I am sure. But back to the first question. The first question is how does your government pick and choose what issues go to the Office of Sustainability, and if you are going to have true sustainability, why aren't all of these issues referred to that office?

Mr Harris: I am sorry to disappoint you by intervening, Mr Chair.

THE CHAIR: Forty-nine minutes—you have done well Mr Harris.

Mr Harris: I need to make the point that it is not a case of picking and choosing. The office will provide advice on every cabinet submission that comes through the Chief Minister's Department. I require it to do so. And that advice goes along with the other balance of advices that are provided to the cabinet in respect of all cabinet submissions. So it isn't a case of picking and choosing.

In some cases, partly because it is a very small office—I think three people if memory serves me correctly—it is stretched because it has a very heavy work load and there are from time to time items upon which it may choose not to comment because in the scheme of things the priority that the office attaches to the provision of that advice is at the lower end of the scale. So I don't think it is quite right to say there is a picking and choosing going on.

MS TUCKER: But it is not public—we are not able to see that advice.

Mr Harris: That's true, although there are some pieces of advice and some pieces of work which the office do which are publicly available and I am sure we could—

MS TUCKER: Advice from the Office of Sustainability?

Mr Harris: There are pieces of work which Peter has been talking about his morning in terms of assessments and some scientific work or access to scientific work which they have which I am sure we could make available if that was desired.

MS TUCKER: But just generally, if there are issues of key interest in the community we are not able to ask obviously because they are cabinet documents. We can't ask the Office of Sustainability to give the members of the Assembly or the community access to the advice they would give the government of the day, whether it's this government or another one, on, for example, building the Gungahlin Drive extension or East O'Malley or whatever. We can't. We don't have that capacity. I'm just asking for clarity.

Mr Harris: But that's part of the cabinet system and the Westminster system that we work within. If the government of the day chooses to make that advice available, it's within the government's prerogative to do so.

MS MacDONALD: And that's no different to any other area.

MS TUCKER: No, but that is why we are interested in the discussion about independence of any future Office of Sustainability and the review of the office of the Commissioner for the Environment and so on. It is an important discussion.

I have got another question to Mr Ottesen about procurement. You said you are working on procurement. We had a conversation yesterday as well with Mr Quinlan about this. There was a question asked about water use by government agencies and Mr Quinlan said, well, no we don't—whatever. I don't want to misrepresent him but Mr Cornwell asked a question—I think this has been in the media—if there had been an audit and Mr Quinlan said, “Well, why would we do that?” I think he said it would just be a media release or something. I said, well, do you have consciousness about water use in government buildings? I don't want to misrepresent him and I don't have the *Hansard* here, but basically it seems very unclear. I said, well, you know, the government has a green purchasing policy, which I thought they did. But I checked. In the greenhouse strategy there was a policy of some kind that the government as a consumer was going to be aware of greenhouse implications of their own activities.

Procurement Solutions, I understand from a letter that Mr Stanhope wrote to a constituent, which I was given a copy of yesterday, take into account some of these issues. Maybe it is a question for Mr Stanhope—I am not sure. That letter was on waterless urinals. I don't know if you remember that, Mr Stanhope?

Mr Stanhope: I do.

MS TUCKER: So there seems to be a bit of a contradiction or lack of clarity in terms of what Mr Quinlan said yesterday and then my further reading of it last night, and then

looking at what you are saying, which is that you are working on procurement issues. Now, can you clarify for the committee, for example, is there a mechanism that you are recommending that exists already that would mean that government agencies did have to take an interest in, for example, their water use? They have a requirement to report on their annual reports on ESD.

Mr Harris: The answer to that question is yes.

MS TUCKER: Okay, so then if Mr Cornwell wanted an audit of government agencies use of water, what do you say to that? Do you say, well we don't need an audit because we already know and they are telling us and they are all doing something to change their toilets to still flush if they are not—

Mr Harris: No. My response is we are monitoring the usage by government agencies of water—I can't speak about the others; I will let Peter do that. But in terms of water, through the management council, which is the council of chief executives which I chair and my predecessor was chair, we have since the savings targets came into place been requiring agencies to put in place mechanisms to monitor their water usage and in fact actively monitor reduction in water usage.

We have a couple of obvious large users, Education and DUS being the two primary users. They have very accurate and sophisticated monitoring programs in place to measure their water usage and a reduction in water usage. We have a couple of difficulties in respect of agencies like my own and Treasury who operate in leased buildings where we don't actually have the capacity to monitor the water usage—it's controlled to a large extent by the landlord. Those agencies, nevertheless, have in place policies that tell their people to use less water, but actually measuring how much less water we use is something that is beyond our control.

Those chief executives are required to report back to management council on a regular basis and they have been put on notice that they will be expected to respond to cabinet as well. Procurement itself I will leave to Peter.

Mr Ottesen: If I can just add to that, our colleagues in environment might be able to give you a bit more information, particularly when your questions relate to greenhouse. But on water, in terms of the ACT government, we do as a tenant of many buildings have great difficulties in trying to bring in new technologies because we have a landlord we have to deal with.

I think there is also a reality. Because it is all in-house use, there is actually not a lot of water that gets used within buildings and the focus has been very much on the outside users—the programs which are running parks and places there and schools. My understanding is that some very big reductions have been achieved, greater than 40 per cent. So that is where the effort has been as well—to focus on the big water users where large gains can be made.

In terms of procurement, we have recognised that the current procurement policy, which I think is called the environmentally responsible procurement, which was, I think, drafted and brought out about 1998, probably needs updating to reflect new knowledge and our understanding, and also to bring it into the new procurement system. I have an officer

working on that at the moment so that we can sort of bring it up to speed and ensure that the issues of sustainability are properly addressed within it; and I think also to ensure that there is better understanding of it and therefore better implementation of it.

MS TUCKER: So when are you expecting that to be completed?

Mr Ottesen: In 2004, I would like to believe. I would like to be able to do it in the first half of '04 but I can't guarantee that. It is a question of resources.

MS TUCKER: I have had trouble finding it on the web or anywhere else. That is why I am interested. So we have had something since 1998?

Mr Ottesen: Yes.

MS TUCKER: Is that the Procurement Solutions that Mr Stanhope referred to in his letter?

Mr Ottesen: Well, I think Procurement Solutions is an organisation but there are a number of policies and I think they should be accessible on the web site. There is one called environmentally responsible procurement.

MS TUCKER: Could you get that to the committee, even if it is on the web site?

Mr Ottesen: Yes.

MS TUCKER: The 1998 document that you talked about would also be interesting. Thanks. Can I ask one more question on that. How do you check? If Procurement Solutions have guidelines, for example, that mean that there is a requirement to take environmental impact into account then what are the monitoring or reporting requirements for that unit for anyone procuring something so that we can keep an eye on it? I know that there was complaint made about printers that were bought; that there was an offer of another sort of printer that was clearly much better in terms of its negative impact on the environment and it slipped through. That was government purchase. So what is the reporting and monitoring?

Mr Ottesen: I can't give you an easy answer to that, but that is clearly one of the things that we are looking at. I think the challenge is in terms of the decision-maker in that particular area who has some money and wants to procure some goods or services: what information do we require of them through a policy which says these are the sorts of issues which are apparent as relating to this particular service or good; what sort of information or questions will you ask of a provider to allow you to better understand the implications of that; and then to what extent are you going to take those into account in your decision-making process? And there is a value of money test which is provided. I think your question is: okay, how can we be assured that that has been adequately addressed in making the final decision? Those are the questions we ask ourselves and we are trying to address as we are going through this review process.

MS TUCKER: Thanks.

THE CHAIR: Mr Ottesen, you just said in answer to Ms Tucker again it is a question of resources. You said that initially when we were discussing Gungahlin Drive extension and the east O'Malley area. How do you determine which initiatives or which policies the Office of Sustainability will answer, or question, or do work on, and how badly are you under-resourced?

Mr Ottesen: Well, to address the last question, everyone would like to have more resources but we have to live with what we have.

THE CHAIR: What percentage of referrals to you don't get an answer or aren't looked at in detail?

Mr Ottesen: We participate as part of the policy group in providing advice on cabinet submissions as they go through the system. So we provide that advice. With large issues which emerge and often are unexpected we will try and contribute as best we can. One of the issues I think that has become very apparent is that water has emerged as a very large issue, and we are devoting considerable resources to that because it is a very important sustainability issue and therefore it deserves our attention. So that is certainly one of our biggest priorities.

What we are trying to do is deal with the issues of today and also develop the systems that we can put in place to ensure that responsibility goes out to others. Because in the end sustainability is not about what the office does: we believe it is about what decision-makers do across government.

THE CHAIR: All right. But earlier you said—if I heard you correctly—you didn't comment on Gungahlin Drive and East O'Malley. How many, what percentage of, for instance, cabinet submissions, wouldn't you comment on?

Mr Ottesen: I couldn't tell you that.

THE CHAIR: Is that possible to determine?

Mr Ottesen: No.

THE CHAIR: Is it a large or a small amount? How effective is your office if you are not commenting on everything that comes past you? I know it's impossible to comment on everything but—

Mr Stanhope: I think we need to understand, too, that the essential role of the Office of Sustainability is not to second guess other decision-makers. As Mr Ottesen says, it is about ensuring that decision-makers are informed about sustainability and the making of decisions that are consistent with sustainability principles. I don't expect Mr Ottesen to be second guessing advice that the government takes from other experts and other advisors, for instance in relation to the environmental issues which you raised.

THE CHAIR: Nobody suggested that he would be second-guessing. He is asked as the head of the Office of Sustainability to comment on other initiatives. Part of your objectives and outcomes here was to develop an integrated sustainability framework to assist in the assessment of initiatives against economic, environmental and social

parameters. But then we find out that on at least two occasions the office has chosen not to comment on GDE and East O'Malley.

Mr Stanhope: I think in relation to GDE, Mr Ottesen can answer this for himself in terms of timelines. I think that decision was made well and truly before, probably before, the office was established—certainly before the office was in a position in terms of its early work to be making proposals to the government around the sustainability principles that might apply to decision-making around Gungahlin Drive.

MS TUCKER: But there were extra decisions taken about where the road would go—go onto Black Mountain. So you have been around when those decisions were made.

Mr Stanhope: Well, he has been around when those decisions were made, Ms Tucker, but the road is not going where the government wants it to go. It is probably fair to say the road is not going where Mr Ottesen wants it to go. It is not going where I want it to go. So any contribution that Mr Ottesen might have made to the route of the road I think is purely academic. The road is not going where the government wants it to go, let alone a single officer.

MS TUCKER: It isn't academic, Black Mountain isn't academic.

THE CHAIR: But there is a point there that the office didn't choose before the government—the office chose not to comment on that before the government made its decision and before the federal government made a decision. Go back to the start. If the Office of Sustainability wasn't in at the start on the road decision, then why not, Chief Minister?

Mr Stanhope: I think we do need to better understand the nature of the role of the office. The government made a decision before the last election, before the Office of Sustainability was established, that we would build an extension to Gungahlin Drive. The government made that decision, and the decision is not negotiable. It is not negotiable on the basis of advice that the Office of Sustainability might have.

If the Office of Sustainability had come to me, if Mr Ottesen had come to me, and said, "Chief Minister, I understand you've made an election commitment to extend the Gungahlin Drive extension. There are some sustainability issues that you might want to take into account in determining whether or not you are going to go ahead with that commitment" I would have said, "Thank you Mr Ottesen. I'll be interested in the advice that you might wish to give in relation to the construction of the road, but the road is being constructed."

There has been no debate at all, so far as the government is concerned, around whether or not the road would be built. And there still isn't. The road will be built. We didn't want it to go where it is currently going, and that decision was effectively taken out of our hands by your federal colleagues.

But just to conclude, I think we do need to understand that decisions are made—they are made by the government, they are made by ministers—on the basis of advice. But it is not to suggest that the advice of Mr Ottesen is necessarily more or less valued than the advice of the full range of other sources of advice that the government or ministers have

available to them. In relation to the Gungahlin Drive extension, we took advice from other departments, from other officers, from other experts.

MS MacDONALD: Mr Ottesen, in considering the issue that has come up about understanding the role of the Office of Sustainability I would be interested to know what work the office is actually doing with other agencies to inform them of the work that you do and, in fact, what is involved with sustainability.

Mr Ottesen: At this stage we work on various IDCs.

MS MacDONALD: Sorry, can you not use acronyms, please.

Mr Ottesen: Sorry—interdepartmental committees. We see that as an awareness raising exercise. Also, as I said, our role and position in Chief Minister's Department gives us a great opportunity to deal with our colleagues within the policy group who cover the full ambit and, I suppose, issues, and we were able to work with them and ultimately work with officials in other departments. And, I suppose, through our policy development process.

We would like to when we develop these decision-making support tools back that up with an information and some sort of training program as we move forward. That is further down the track. One of our challenges is: how can we get this issue to become better known first of all and, through that, better understood; and ultimately, how the decision-maker is going to perhaps take into account some other information which they might not otherwise take into account which allows them to make a more informed decision?

MS MacDONALD: So how far down the track do you think that will be?

Mr Ottesen: Well, it comes back to the challenge of sustainability because we talk about it being a journey and the destination is somewhere way down there. So this is a long-term process of change. Some people talk about it as paradigm change, some people talk about cultural change, some say it is about institutional changes. I think we are in that early stage of raising awareness.

THE CHAIR: And part of that awareness raising, though, is the indicators. Where are you at in your work on sustainability indicators?

Mr Ottesen: We are developing, as I mentioned before, what we are calling a towards sustainability report. That flows from the policy. We aim to have that completed in the first half of '04. You may be aware that we have been going most recently through some public consultation processes and workshops to generate some views on our way forward.

There is no off-the-shelf model for sustainability reporting. We have done our state-of-play review and it was one of the first conclusions. There is no simple way of doing this. You don't take off-the-shelf and just apply that model. There are many jurisdictions going through the same process that we are going through now. So we thought that we would gather the best knowledge that we could and then present that to some workshops and say, "Well, here are some options, here are our thoughts, what do you think?" So we

did that during November and right now we are sort of bringing those together, that information together, and we will be making some decisions soon about the model or the models we might adopt and move forward with.

MS TUCKER: Mr Stanhope said that a decision was made pre-election. But you also made a decision pre-election to have an office of sustainability to inform your decision-making. So you were going to be a government that did actually understand the importance of sustainability, triple bottom line reporting and so on.

So isn't it true to say that if you set up an office of sustainability to inform your decisions, and if that office of sustainability then tells you that basically your election promise—and you did make one not to go east as well—can be shown to be not sustainable in any sense, economic, social, cultural or environmental, then surely that gives you arguments? And governments can change their minds if there is evidence. It is about evidence-based policy.

You have got this opportunity to have a really good look, which has never happened through the history of this road. You have got an office that could have done that work and if it was made public you would have arguments. I don't think it's true to say that the community is so stupid as to say, well, you know, maybe politicians will use it. Sure, of course.

But you did make two promises. You made a promise not to go east and you made a promise to build a road. Politically I don't even see that it's such a big difficult situation you are in. Well, you are in a difficult situation because you made two promises but you had the opportunity to use the Office of Sustainability to inform your government's thinking on environmental protection and transport planning, and I don't understand why you didn't use that office. Sorry, that wasn't a question.

Mr Stanhope: Well, I can respond.

MS TUCKER: Yes, I'm sure you will.

Mr Stanhope: Well I can. In relation to all decisions that we take, Ms Tucker, in government we weigh up a whole range of considerations. We don't just take into account. One of the great dangers in sustainability and in so-called triple bottom line reporting is the extent to which somebody with a particular interest or a propensity to vigorously defend one of—

MS TUCKER: Social, cultural, economic and environmental effect—all of them.

Mr Stanhope: Or environmental. If we had somebody that focuses exclusively, absolutely, on one of the component parts of sustainability—and let's take just for example, for the sake of argument, the environment to the exclusion of the need for social and economic sustainability—the notion of sustainability will be distorted and bastardised to a point where it will become almost passe. To suggest that the enormous social demand for access by the 90,000 to be residents of Gungahlin to the rest of Canberra can't be taken into account in relation to some of the environmental—

MS TUCKER: I want it taken into account. It won't work.

Mr Stanhope: Well, I'm not sure that you do, being hypothetical. And I think it's a danger. There is a danger in our capacity to embrace sustainability in it being distorted and it being misused and it being captured.

I see it in relation to the discussion and the debate around the Murray/Darling, I see it in relation to the discussion around the Gungahlin Drive extension, that those with a particular view grasp the notion of sustainability, not yet particularly well understood, and I believe misuse it.

MS TUCKER: Do you know how it came up, the whole notion?

Mr Stanhope: And I believe the danger facing sustainability and offices of sustainability is the extent to which the notion in its development will be captured and distorted and misused and bastardised and demeaned to become almost meaningless at the end of the day.

MS TUCKER: That is what is exactly happening if you look at the history—

Mr Stanhope: It's not happening at all.

MS TUCKER: Of the concept of sustainability. It has been bastardised. It's become sustainable development and grab the other way. The danger is the other way. Sorry, we are just getting into a debate.

Mr Stanhope: No, it's not, Ms Tucker. The danger is that it will be captured by those pursuing an environmental barrier.

MS TUCKER: I have got other questions on a totally different subject.

THE CHAIR: We might move on. On sustainability?

MS TUCKER: On the social plan. I am still interested in the social plan—we got sidelined.

THE CHAIR: All right, well, keep going on the social plan.

MS TUCKER: Just on one issue that we talked about briefly yesterday with the minister, Minister Gallagher. I asked whether there would be or had been a gender audit of the social plan and monitoring and checking of that plan against gender criteria. She said that the Office for Women, the Office of the Status of Women, whatever it is called, had put in a submission but was not aware that there had been, as occurs in social plans in various councils in New South Wales, a gender audit and the capacity for monitoring and checking that. So I wanted to ask you whether you were prepared to see that work done. Or you can tell the committee it is being done but the minister yesterday didn't think it had been done?

Mr Stanhope: Well, I suppose in a strict sense it is probably fair to say, no, there hasn't been a gender audit. But I think, Ms Tucker, once again we need to understand the basis and the reasons for developing it. The stated vision which we have articulated and

consulted on underpinning the social plan is that every Canberran has the opportunity to achieve their potential.

The social plan is posited on the need for us to in a rigorous way address disadvantage to ensure that there is equality of opportunity. The vision statement on the front page is that every member of this community have an opportunity, supported by the community, to achieve their potential. That is what it is all about. And for us to fail in the social plan to ensure that it meets that objective, that it meets that vision, really is a failure of the whole process. So that's what it is all about. It is all about ensuring that there are no barriers to anybody in this community achieving—

THE CHAIR: But surely one of the tests to see whether that is going to be successful is a gender audit, as stated by Ms Tucker?

Mr Stanhope: Well, once again it is almost like saying, well, you can't make any decisions that might impact on the environment unless Peter Ottesen ticks it; that you can't have a group of officers, experienced policy officers, consulting broadly and across the entire public service writing a social policy unless the head of the Office for Women ticks it and says, "Yes that's okay. You've done a good job there." I can't have all of my officers throughout the public service doing all the work they are doing and at the end of the day saying, "Look, can you just come and give me a tick on this?"

This policy is all about ensuring that there is no discrimination, that there are no barriers to equality of opportunity, that everybody in this community can reach their potential. "I just want you to check that I've taken the interests of women into account. I'm an experienced policy officer. That's what I've been employed to do. I've got 30 years experience. It's what my job is and I've consulted with you, I've consulted with the entire public service, I've held all these sorts of forums but just do this little audit for me at the end of the day after I've done my job just to make sure that I've done my job." I can't have the public service operating like that.

What are you saying to me now? What are you saying—you are developing a social plan which you are going to release on 3 February, which is a major commitment, a major undertaking, something we've been working on for 18 months? I've got experienced professionals within the policy group within the Chief Minister's Department responsible for that task.

My reputation stands or falls on the quality of the output from my department and you are asking me, "Well, have you had a specific gender audit and do you think perhaps you should, and do you think perhaps you should go to the Office for Women and make sure that they oversight this particular project?" That is essentially what you are asking. I am saying, well, no, they are not overlooking it. They have been consulted, they have been engaged, as has the entire public service. But has there been a specific gender audit? Well, no, there hasn't and no, there won't be.

MS TUCKER: Well, you have accepted the recommendations of a select committee that suggested that in all your work you will bring that into the basic structure of what policy you develop. My question is not—

Mr Stanhope: Well, I think that is in the context that the Office for Women sees every cabinet submission.

MS TUCKER: My question is not that that office gives you a tick—maybe I wasn't clear in how I said that. But they have a responsibility, as best as they can, to ensure that in how you make decisions you actually structure in gender analysis and audit. I am asking whether or not that has occurred? You agreed that it would, as a government, in development of policy. In the development of a social plan it needs to happen. The Minister for Women didn't think it had happened. I am asking you why it didn't. If you're saying, no, well it's too late, well then—

Mr Stanhope: No, that's not what I am saying at all. I am not saying that at all.

MS TUCKER: Well you said, you know, that you have finished the work. The point is that you have agreed to have this sort of analysis brought in.

Mr Stanhope: We haven't finished the work insofar as the final report hasn't yet been written. A draft social plan was presented to cabinet a week ago. It went through the Office for Women.

MS TUCKER: I guess my basic question is: will you ensure that there is a gender analysis brought into the work of any social planning in the ACT?

Mr Stanhope: Be more specific for me, Ms Tucker, in terms of that.

MS TUCKER: If you really want more information, read that select committee report, talk to your Minister for Women. I have given the Minister for Women examples of New South Wales councils that do it. You surely are not asking me to explain a notion of gender analysis. If you are, I think I would be better off to just give you the work that the committee did. There is endless amount of material on how to do a gender audit.

Mr Stanhope: Ms Tucker, the Office of Woman has been involved in this process. The cabinet submission and the draft plan has been presented to the office for comment and analysis. So yes, we do that. As a matter of course we do it with every single cabinet submission. We did it with this.

MS TUCKER: When you announce and release a social plan, if you are not able to show that in the development of that plan there was gender analysis and the gender perspective brought into it, will you at least tell this committee that you recognise that the gender perspective is important in any social planning and that you will endeavour to make sure that from now on it does become part of how such a plan is developed, and monitored and progress checks done, and reporting on that plan includes a gender perspective? That was the basis of that whole report on the status of women. It is about bringing the gender analysis into governance and how it works. The United Nations is doing it. They are doing it on war. You are supposed to be doing it for the budget—it is not something new that I have just invented.

Mr Stanhope: Well no, it's not. But I am sort of just confused as to what you expect and what overlaying of involvement you are proposing. The Office for Women have been closely involved. They have contributed to the development of the social plan in

a detailed way. They are one of the very few groups or offices within the broad public service that has a specific remit to look at every cabinet submission. They did in relation to this. We have established an Office for Women. We have provided, as part of our cabinet process, that every cabinet submission will be submitted to the Office for Women for advice to cabinet on whether or not it addresses issues of specific interest to women. And that has all been done.

The Office for Women were a vital cog in the development of the social plan. They made specific and direct contributions. They have seen the draft, they have had an opportunity to provide to the cabinet directly with advice on the social plan. They have done all that work. That was the level of their involvement. But once again, we have established an Office for Women, we have involved them directly, we have involved them formally through the cabinet process.

I am not sure whether you are now suggesting, well, there now needs to be a further statement within the social plan itself in relation—

MS TUCKER: How do the—

Mr Stanhope: Would you also propose a similar analysis in relation to our indigenous community or other major target groups within the social plan?

MS TUCKER: A gender analysis actually requires analysis of the impact on men and women and different groups of men and women within a community, so it does bring that into it. And this is not something that, as I said, I have just invented. I can give you, as I am giving the minister, examples of social plans of New South Wales councils and local government that are doing this. It is about saying, “Okay, in this social plan we’ve got this initiative on housing, this initiative on employment, this initiative on health, this initiative on whatever. This is how this initiative will impact on men and women, on men and women in this group and that group.”

The gender perspective is about dealing with the inequality that women suffer on the whole, but men suffer in certain areas of policy as well. That is why I speak about gender analysis, not women’s analysis, even though your government has chosen to have a status of women and focus on women, and that is understandable because it is women that mostly suffer inequality and disadvantage in the community.

THE CHAIR: Come to the question.

MS TUCKER: Well, he asked me the question. He asked me to explain—

THE CHAIR: He is not allowed to ask you questions and you are not allowed to answer.

MS TUCKER: What is a gender analysis about and I am answering it.

THE CHAIR: We might deal with the recommendations of the report. If we move along to page 15—it’s going to be a long morning—to output class 1. Minister, output class 1 is to offer advice and support for the Chief Minister and the executive. Is this the group

that would be looking after the ministerial code of conduct? I can't find a reference to the code of conduct anywhere in the document.

Mr Stanhope: Yes. I am advised that the answer is yes, Mr Chairman.

THE CHAIR: All right. The ministerial code of conduct was to be out by March 2002. We are now in December 2003. Is it, in the words of the Treasurer, to be released soon?

Mr Stanhope: It is.

THE CHAIR: And your definition of "soon" would be?

Mr Stanhope: Well, I would imagine sometime within the next couple of weeks.

THE CHAIR: The next couple of weeks.

Mr Stanhope: Possibly.

THE CHAIR: Is there any reason for the delay from March 2002 to December 2003?

Mr Stanhope: Other than pressure of work, I think, possibly not, Mr Chair. I think to the extent that we didn't meet our expectation in relation to the original release date, it is simply a reflection of pressure of work and of priorities.

The ministerial code has now been completed. It has been submitted to cabinet, and cabinet has considered it. Cabinet had some issues in relation to just a couple of minor aspects of it. It was actually submitted to cabinet, I think two weeks ago. It is currently being just prepared for final release now.

So as I say, with Christmas approaching and the rush of work we have had in the last two weeks, the final sitting week, and just some of the disruptions of this week, I would imagine that it would be probably available for release next week or the first week of January.

THE CHAIR: Also in key achievements, you have got release of the community IT access plan, a plan to close the digital divide in the ACT. What progress is being made on closing the digital divide?

Mr Douglas: The IT access plan has 14 initiatives. To date we have instigated action in relation to 12 of those 14 initiatives.

THE CHAIR: Okay, and how are we going on them?

Mr Douglas: We are going really well. We have had very good advice and support from a community group that we have got set up. We have had very, very good feedback from pretty much all the recipients of the programs that we have got in place. We have had a CIT roving trainer program in place for a couple of years now which has been providing a whole range of training and advice across community organisations. In libraries we have, I think, facilities happening in the ACT libraries, with special screens and equipment for people with disabilities.

We issued grants, I think, to 19 community organisations. We have provided some top-up funding in relation to those grants. We have just instigated a PC reuse pilot with charity computers out in Charnwood where they will be issuing 225 computers to various people and organisations and we have had very good feedback from those recipients of both the training and also the computers.

THE CHAIR: Okay, all right. What is the next step, Chief Minister, in implementing the plan? Where does it go to from here?

Mr Stanhope: I will ask Mr Douglas to respond to that, Mr Chairman.

Mr Douglas: As I said, we have two initiatives yet to implement. We are doing an evaluation of all of those initiatives that we have got next year and we expect that that will inform some advice to government on what we need to do, what remaining programs, which ones we need to ramp up and which ones we possibly need some additional funding for.

THE CHAIR: And this will be included in the social plan, Chief Minister?

Mr Stanhope: Well, the social plan is a strategic plan. I think to better understand the nature of the document, the nature perhaps of some of the consultation, the social plan is a strategic plan. It is not a plan that goes into minute detail around the range of programs that are currently in place and that the government accepts and resources and funds to meet the priorities or the strategies that are incorporated within the social plan.

Certainly in relation to closing the digital divide, it goes in large measure to the extent that closing the digital divide is all about ensuring equality of access to what it is that the community offers. The fact that there is a significant divide in our access to information technology is one of the great emerging new measures of the extent to which we are an unequal community and unequal society. So yes, it is fair to say that issues around information poverty are central to achieving some of the outcomes that are identified within the social plan. The extent to which we continue to fund digital divide programs is relevant to the essential strategies that will be identified in the social plan.

As Mr Douglas says, we have identified 14 separate initiatives in the community IT access plan. This particular report reports that eight of the 14 have been implemented. Mr Douglas has just advised us that as of today, six months after the date of this particular report, 12 of the 14 initiatives have now either been implemented or are in the process of being implemented.

We will look at and assess the success or otherwise of each of those initiatives. We will take advice from the office on the relative success and benefits to be achieved through the separate initiatives and on the basis of that and on the overarching strategies I have represented through, in this instance, the social plan, we will make our funding decisions.

MS TUCKER: Thanks. I have a question on consultation. I don't know if this is the right area but I wonder if it is the policy group that has responsibility for government policy on consultation with the community and if there is an overarching strategy for that. I notice that the previous government's protocol is still on the web page and I recall

that you said you haven't formally adopted it. Or have you? I am not sure. I am actually asking for clarification on the status of that protocol which is on the web page.

Clearly some quite good consultation occurs in some departments and in others it is not at all good. I am interested to know whether you are taking a more overarching approach to it in terms of government?

Mr Harris: From the department's point of view, community consultation ranges across the department, so—

MS TUCKER: Is there one strategy for all departments to follow, guidance—

Mr Harris: We would like to think that all departments could learn a great deal from the strategies that the Chief Minister's Department puts in place. Consultation—

THE CHAIR: If I can just interrupt though. The point is the consultation document put together by the previous government is still on the web. Chief Minister, is that your government's consultation procedure?

Mr Stanhope: I will ask Kathryn Maxwell, the newly appointed director of the community engagement unit within the Chief Minister's Department, to respond on the very significant work that we are currently engaged in in relation to community engagement and consultation. So, Ms Maxwell, if you could just give an overview.

THE CHAIR: Before we go to Ms Maxwell, though, the previous government's document, as pointed out by Ms Tucker, is still on the web. Anybody accessing the ACT government web site would find that and would assume it is your government's approved document. Is it the document by which you are conducting consultation with the public, or do you intend to change it?

Mr Stanhope: Yes. To the extent that there is a formal policy position, it is probably fair to say that that is it. But whether or not the practice actually meets the direct detail might be argued. But I think if Ms Maxwell could tell you where we are up to in relation to our partnership with the community and consultation, it would be of use to the committee.

MS TUCKER: So this is a new area of your department?

Mr Stanhope: Yes. I will ask Mr Manikis to introduce the issue.

Mr Manikis: The work that has been going on for quite some time in terms of consultation, protocol and whole-of-government approach has been conducted by the group for quite a few years now. What has happened over recent times is the Office for Ageing was conducting the work—it is an historical thing—and we have decided to break those two units apart and have more focus on ageing and community engagement. So we do have a new community engagement unit. It has been around for about six months or so, and there has been better focus on work in the Office for Ageing. It has all been done within existing resources.

Yes, the prior government's consultation protocol is operational, it is on the web, it is subject to review. Taking into account feedback that we have been getting, in the new

year we hope to be focusing on that and trying, in the context of other planning that has been happening around the place, to come up with a more robust whole-of-government approach. Also, it is really about the promotion of that into the agencies as well for better use. I think that is where some of the difficulty has been.

We have been focusing on community engagement in terms of the joint government/community reference group, which has been our main forum for extracting the views from particularly the community sector. I will pass on to Kathryn to give you some more information about that and the energy that we are putting into community engagement in particular.

Ms Maxwell: I suppose what we are looking at—and this has been happening in a number of jurisdictions—is a real shift from what is called consultation to engagement. And under this government we have had I think three fairly good examples of that change. Consultation has a very short timeframe. It is really about soliciting information. Engagement is actually about having a relationship with your stakeholders, an ongoing relationship.

The example that we are looking at as part of developing an engagement strategy is the community expert reference group which was set up after the bushfires to have the community, business and the government really work collaboratively on addressing issues of concern. So it's a far more robust, well-rounded relationship and an ongoing one in terms of not just seeking advice but looking at implementation.

Another one which Nik has mentioned is the joint community/government reference group, which again is an ongoing engagement with key stakeholders in the community sector to look at a whole range of community sector issues. So actively involving them in not only identifying the issues and possible solutions but actually working through, finding tools and outcomes to the issues that are addressed. The other one is the various ministerial councils that the government has established.

So what in fact we are looking at from these lessons—the lessons learned from the documentation, the protocol and the manual—is how do we actually, I suppose, develop a range of mechanisms for engaging with the community and with other stakeholders so that we actually do get the best outcome in terms of when we do engage with people outside of government.

So, I suppose what we are saying is we are really moving from consultation to engagement. It is a much more in-depth relationship with stakeholders. I think one of the feedbacks that we are getting is perhaps consult less often but engage on really critical issues of concern out there, and ones where the government feels they can get a value adding to their policy and program development through that engagement.

MS TUCKER: What does that mean in terms of work? Is it just you doing the work?

Ms Maxwell: One of the fortunate things is, because we have actually already got engagement through the community/government reference group with all the other government agencies and with a range of community stakeholders, we are actually working collaboratively to develop the strategy. So, in fact, through the actual mechanism of developing this engagement strategy we are tapping into and utilising

a vast array of expertise that is in the government agencies as well as in the community sector. So, really, at the end of the day it will be a strategy that is actually owned by all the stakeholders.

MS TUCKER: Can you explain how it works? Let's take an example. There's an issue. So what are you going to do now differently under engagement than you would have done under consultation?

Ms Maxwell: The thing that the strategy will do is it will give a whole range of options to an area—everything from holding a public meeting to setting up ongoing committees. It will really say to them that it's not a one size fits all—you have to look at the issue; how much information you need to glean; what, if any, value adding the community or stakeholders can make. A decision may be made on something that is not appropriate. But it really is about opening up, that you can involve your stakeholders far more than just in that narrow term of consultation.

It is a model that is being developed by the jurisdictions. The Queensland government, for example, has moved to this engagement approach. It really is about saying there is a whole range and means and ways of involving your stakeholders. And it is about picking the appropriate level of engagement to the issue and saying that it's not a one size fits all.

MS TUCKER: So do the individual departments make that decision about what would be an issue worth engaging with?

Ms Maxwell: Yes. One of the things that Nik was saying that is very important with this strategy is that there will be an extensive, I suppose, marketing and promotion of it. Our intention is to run training sessions not only with government agencies but with our stakeholders so that everyone fully understands the way in which engagement can take place in the hope that, through that increased awareness, there will be increased adoption.

We are also looking at even things like whether it is possible to look at duty statements and selection criteria to actually include the sort of skills set that is required to actually effectively engage with stakeholders. And so over time you actually enhance the capacity of the agencies themselves to undertake that engagement so they are not always dependent on outside consultants and so forth. You actually enhance the internal capacity so you have that ongoing relationship so that when, say, the intense part of consultation is over you have still got an ongoing relationship in terms of implementation and review and so forth.

MS TUCKER: Is that going to be the role of your unit? Once you have developed the strategy, do you have an ongoing monitoring support role for the different agencies? Is that how it works?

Ms Maxwell: Yes.

MS TUCKER: Thanks. Interesting.

THE CHAIR: Chief Minister, page 18 of this area talks about support for awards and ceremonies. The Assembly passed a motion, I think back in August, calling on the government to recognise the bushfire fighters and the volunteers of 18 January. After the December 2001 fire I think you even cooked at the barbecue that was run for the volunteers and there was a ceremony in Garama Place. Nothing seems to have been done following 18 January. When will that resolution of the Assembly be honoured?

Mr Stanhope: Within the next month.

THE CHAIR: What form will it take?

Mr Stanhope: It is still being finalised. The government has made decisions. The government will between now and the first anniversary be making an announcement in relation to that. Let me just explain in the first instance. The issue of an appropriate recognition for those that were involved in or with the fire is an issue—essentially the motion that you referred to has been a motion that has been the responsibility of the minister for emergency services, Bill Wood. This matter is being pursued by Mr Wood and by his officers. I don't have the level of detail that I might otherwise have had, suffice to say that the government has decided to appropriately recognise each of the volunteers, each of the members of the Emergency Services Bureau, that were involved with the fire.

I am not entirely sure of the detail of the announcement that the minister would have made. I acknowledge I am currently acting minister for emergency services but I am not quite yet across this particular issue. But my understanding is that an announcement on this, which I guess now I will be making, would be made some time in the next couple of weeks. But certainly it is proposed, as I understand it, for all of the details of that to have been finalised by 18 January.

THE CHAIR: Part of the Cabinet Office future directions says that you will be implementing arrangements to change the Auditor-General Act. Is there any indication of what they will be? I am referring to the top of page 19, first dot point.

Mr Stanhope: As I understand it, these are actually implementing recommendations. This is a response to recommendations made by the Auditor-General in a previous report, which the government is implementing. Drafting instructions have been issued in relation to this particular range of amendments. These are amendments recommended by the Auditor-General in an earlier report in relation to his legislation. I am sorry, I don't have the detail but I am more than happy to provide it to the committee.

THE CHAIR: All right. It now being a quarter to 11, we might break for morning tea. Thanks, Chief Minister.

Hearing suspended from 10.49 to 11.21 am

THE CHAIR: Chief Minister, output 1.1 under “Policy Group” refers to completing a whole-of-government approach to young people at risk, including a blueprint for action to reduce young people's involvement in crime. Where is that and what sort of timeframe do we have on the delivery of that blueprint?

Mr Stanhope: I might just take notice of it. In relation to the blueprint for action to reduce young people's involvement in crime, a significant amount of work was done by the policy group on identifying what works in relation to youth crime. We commissioned the Australian Institute of Criminology to undertake significant research on initiatives that are being pursued round the world in seeking to reduce young people's involvement in crime. That report certainly influenced the work that is being done in the development of the social plan.

Over and above that, however—this is the part that I will have to take on notice—the government has developed a policy or a strategy in relation to reducing young people's involvement in crime. This is interesting in its reporting here, but that particular policy initiative is being pursued by Ms Gallagher in furtherance of her responsibilities as the minister responsible for youth affairs. I'm sorry, Mr Chair, but Ms Gallagher is better placed to respond to where the strategy is; but we have developed a strategy that has been agreed by government. I'll take the question on notice, though. I regret that I don't have the level of detail that I'd like.

MS MacDONALD: Where are you at with the plan to finalise the agreement with Qantas in relation to Impulse?

Mr Stanhope: I think issues around that have been concluded. They haven't; I'm sorry.

Ms Hardy: We're still negotiating with Qantas on finalising the milestones under the original Impulse agreement. That's coming to a conclusion and is in its final stages now; we're waiting for a response from Qantas.

THE CHAIR: Is there more detail that we might have or is this part of the toing-and-froing of commercial activity?

Ms Hardy: I can say to you that most of the milestones under the original agreement have been achieved already. There are still a few that we're negotiating with Qantas on.

MS TUCKER: I have a question relating to the hangar. I don't know whether it's correct, but I've been told that the hangar has caused problems for aircraft landing. Have you heard about that?

Mr Stanhope: No, I haven't.

MS TUCKER: It is because of crosswinds that weren't there before, which has meant that there is now a warning for all aircraft coming in to be aware that there could be some turbulence there as a result of that hangar. Could you check if that's right?

Mr Stanhope: I'm happy to check on that. I must say, Ms Tucker, that that's the first I've ever heard of that suggestion. It's not something that has ever been brought to my attention.

MS TUCKER: If you could get back to the committee.

Mr Stanhope: I'd be more than happy to take advice on that.

MS MacDONALD: Do you have any idea of when you're likely to finish the negotiations with Qantas?

Ms Hardy: As I said, it's actually in a very final stage at the moment. We spoke to Qantas only a few weeks ago and the Government Solicitor's Office also has been liaising with them on the terms of the agreement, so it's actually at that stage.

THE CHAIR: Chief Minister, also under the policy group, the third last dot point is about coordinating the ACT's involvement in the development of the COAG national water initiative. Where is that at?

Mr Stanhope: I'll ask Mr Ottesen to give more detail, but the government is engaging actively with New South Wales and the Murray-Darling Basin council and commission in relation to issues around water. We've taken an active role. I'm seeking to ensure that the ACT's interests in relation to water and water issues aren't swallowed up or drowned by the interests of the larger states and jurisdictions.

I've put the position very clearly in relation to the role of Canberra as the major urban centre within the Murray-Darling Basin Commission. Of course, we talked earlier around a number of water issues—those in relation to supply and, certainly, in relation to the water strategy that has been developed by me as Minister for Environment. All of these issues are related and co-related to the COAG national water initiative. The COAG national water initiative, essentially, is focused on a living Murray as much as anything else. That has been the significant focus. The ACT government, I have to say, really has raised its involvement in both a regional and a national sense in relation to water issues, but I'll ask Mr Ottesen to give more detail of some of the specific involvements that we have.

Mr Ottesen: As a result of a decision by ministers to seek to have an intergovernmental agreement on water ready by April of next year, there has been a senior officials group formed with representatives of all the jurisdictions round Australia. The ACT is represented by me and Elizabeth Fowler, who is director of Environment ACT. Two agreements have been developed. There is the agreement to do with water in terms of rights; so a new water reform agenda, essentially, to build upon the 1994 water reform agreement. Also, a second agreement has been drafted to address how the \$500 million which was identified as being critical within the Murray-Darling Basin area should be spent. We are in a process of discussion and negotiation. No agreements yet exist, but we're in that investigation stage and are starting to draft the possible structure of such agreements. The aim is still to try to have something ready by April next year.

MS TUCKER: I have another question on the airport. I realise that it is not totally within your jurisdiction, but I think we do have a right to make comments if we are concerned about process. I'm a bit interested in the process at the moment. We've seen one process which is about the extension of a runway occurring, but we know that a master plan process is occurring at the same time. I'm interested to know your point of view about the fact that this extension proposal is being dealt with before we have got the master plan which, arguably, will be dealing with some fairly significant issues in terms of the impacts of any extension of Canberra Airport upon the community of Canberra.

Mr Stanhope: I understand the point you make, Ms Tucker, and I think it's a fair point. The airport certainly did indicate in advance of the master planning process that has been initiated that it did desire or have a plan to extend the runway. I must say that I probably do need to take some further advice on the extent to which those two proposals are now being coordinated or meshed. I haven't thought about it in any depth.

Within the last week or so I received a letter—I think it was just in the last week—from the Deputy Prime Minister and Minister for Transport, Mr John Anderson, inviting the ACT government to contribute to the master planning process that is now being pursued for the airport. I have to say and acknowledge perhaps subliminally, just in reading the letter and having not yet responded to it, I would have imagined that the proposals for the extension of the runway would be caught up in the master planning process that's currently engaged. You tell me that that's not your understanding.

MS TUCKER: That is not my understanding and I want clarification of that.

Mr Stanhope: As you say, these are issues that are being pursued by the Commonwealth, not by ACT authorities. It's a Commonwealth planning process that we're engaged in here, not an ACT one, it being the Commonwealth's responsibility and Commonwealth land.

MS TUCKER: However, it will have an impact on the ACT.

Mr Stanhope: However, we have a very fine interest in developments at the airport. At another level, and I won't go on about it, I think there are some very live issues in relation to the extent to which planning at the airport is done in isolation of ACT planning principles and priorities. It's a real issue for the territory that developments within the Majura Valley are, essentially, undertaken pursuant to Commonwealth law and Commonwealth planning and that the ACT is excluded from the process.

MS TUCKER: Can you give to the committee whatever information you get about the two processes.

Mr Stanhope: Sure.

MS TUCKER: Also, I am interested in knowing what you think is the role of the ACT. I am particularly interested in knowing what is the ACT government's response to concerns from residents about noise.

Mr Stanhope: About the prospect of additional noise as a result of an increase.

MS TUCKER: Yes, increased traffic as a result of development of the airport and the potential for us to be used as an overflow from Sydney airport and what that would mean. I don't know whether that's a question on notice.

Mr Stanhope: I'll have to take it on notice. The government don't have a position on some of those issues. In relation to some of those issues we simply haven't done the work that would perhaps be required. I've adopted a position in relation to proposed developments within the region, across the border, essentially at Tralee; but, as an underpinning principle, the ACT government, whilst fully supportive of the airport—

and it will continue to be supportive of the airport—does, of course, have real issues around noise.

In relation to the position that we've adopted on Tralee, we would not like to see any development that would require or impose additional noise or impose noise sharing on the ACT. Noise is a real issue for us. In the context of suggestions that have been made at one level, they're very reasonable suggestions or expectations, following the decision not to proceed at this stage with a second airport in Sydney and having regard to expected increases in air travel. There is a real possibility that Canberra will expand significantly in 20 years and we do need to think seriously about the implications for the environment and for the amenity of that sort of expansion. The master planning process that has been initiated may be aimed at seeking some resolution around that.

I'm more than happy to provide the committee with the information available to the government on these dual proposals—the proposed extension or possible extension of the strip and the master planning—but I'm not sure at this stage, Ms Tucker, that I'd have any available material to provide you in relation to the implications of the ACT becoming an overflow airport for Sydney. We haven't done that work.

MS TUCKER: I ask that the Public Accounts Committee be kept in the loop in terms of any communication that occurs between the ACT government and the federal government on either the extension or the master plan. Have you been asked to comment on the extension?

Mr Stanhope: I would have to check my records.

MS TUCKER: We would also like to know that. But just so that we are kept in touch.

Mr Stanhope: Ms Tucker, I'm happy to keep the committee and the Assembly informed of all of these developments. I wouldn't wish to give an open-ended commitment to make available all correspondence that I receive. Sometimes correspondence is received by governments that is, of its nature, not necessarily intended to be made automatically available or available as a matter of course. I can't think of any in relation to this issue that I wouldn't be happy to make available, but I'm loath to make an open-ended commitment that every letter I receive I'm more than happy to give to the committee.

I'm more than happy, in terms of the correspondence I have, to make it available. It's a very real public interest issue and I don't wish to withhold information. There is some correspondence and communication—for instance, around the negotiations in which the government is currently engaged in relation to the potential purchase of land in the Majura Valley—which I wouldn't wish to release just now. I'm engaged in negotiations and I don't want to compromise the ACT's position.

MS TUCKER: No, that's understandable.

Mr Stanhope: But after the decision is taken, I am more than happy to. I will even release the correspondence then.

THE CHAIR: I'm sure you'll tell us.

MS TUCKER: Commercial-in-confidence or security reasons are accepted. But you can also just tell us that. You will have to tell the Auditor-General why you will make certain things private. It's the public interest issues about the airport expansion that we're really interested in.

Mr Stanhope: Sure. I'm happy to keep the committee and members of the Assembly fully informed and to provide all correspondence within the parameters that I mentioned that it's appropriate for the government to release, acknowledging that there will be some correspondence that the government would not wish to automatically release.

MS MacDONALD: My question is in relation to a totally different matter from the airport. One of the plans for 2003-04 is to increase the equitable access to computers and wider communication technology and IT training through the establishment of community technology centres. That, no doubt, is in line with the community IT access plan. I'm curious to know where they're going with it. It is probably in the plan, but I am not aware of it. Where are they planned for?

Mr Stanhope: What's the plan for the community technology centre?

Mr Douglas: At this stage, that's one of the initiatives that we haven't been able to progress. We've had quite a few discussions with our community IT access group, which is our advisory body, and there's been a range of different ideas promoted about the virtual access centres—whether there will be one, two or a whole range of different facilities available, whether we will use existing community facilities and provide the IT services through that process. It's one of the two remaining initiatives that we haven't been able to progress at this stage.

MS MacDONALD: Of 14.

Mr Douglas: Of 14, yes.

MS MacDONALD: You are talking about the possibility of having some or all of them as virtual centres. Surely there would be an issue with equitable access.

Mr Douglas: Yes, that's just one of the ideas that's been put forward by one of our people on our community advisory group. As I said, a whole range of ideas have been put forward and we're looking at those at the moment. We'd be further developing that, hopefully, next year. As I said, it's one of the main initiatives. We will be doing an evaluation of all the other activities next year and that might provide us with some guidance on the things that are working quite well that we might be able to move into that area. One of the ideas is to provide more services to existing community groups and use those as community technology centres rather than a single or two or three major centres across the ACT that would probably cost quite significant amounts in terms of infrastructure.

MS MacDONALD: On the issue of the training of ATSI people to help develop awareness of IT technologies, do you have plans in terms of when, where and for whom that training is going to take place?

Mr Douglas: I know that we have provided some funding for that initiative, but I don't think that they've actually developed it to a stage where they're ready to start doing any activity.

THE CHAIR: Chief Minister, we will move on to output class 1.2. The Multicultural Council will be having another AGM this evening. Does the government have any comment to make on the progress of the council?

Mr Stanhope: The comment I would make in relation to the progress of the Multicultural Council is that I believe it's making progress in settling some of the issues that it has struggled with in the last few months. To go back a step, Mr Chair, I don't want to avoid the issue or be coy about it: the Multicultural Council is a community sector organisation designed and established to represent the broader issues of the Canberra multicultural communities.

It's a matter of record that two attempts, I believe, to conduct an annual general meeting have dissolved; they haven't been successful. I believe we're all aware that there is a serious level of acrimony and dysfunction evident in the management of the Multicultural Council. I think there are some very serious issues within the management and organisation of the Multicultural Council that its membership needs as a matter of urgency to address.

I have been urging my officers that have direct and close contact with the Multicultural Council to assist the council in any way that we, as the government, can without interfering in the internal management of the council, acknowledging that it is not a government organisation, but it does receive significant community funding and we have a vested interest in its being a successful, viable and functional representative of the multicultural communities of the ACT. I think it's probably fair to say, with great respect to all those involved, that there is a high level of disappointment and, perhaps, distress within sections of the multicultural communities about the evident lack of unity and the dysfunction, bitterness and acrimony that have been a feature of its last two or three general meetings.

What my officers have achieved in relation to seeking to work through these issues is an agreement by all the parties involved that the ACT Electoral Commissioner, Mr Phil Green, should be engaged as an independent presence to conduct the essential function of the annual general meeting of the Multicultural Council. I've also asked, and my officers have negotiated with the Electoral Commissioner and with all the parties involved, that the Electoral Commissioner give advice on the changes that are needed to the Multicultural Council's constitution to ensure that the difficulties that have been experienced are avoidable and, if issues do arise, that they're resolvable, that they can be mediated and that there are mechanisms for resolving them. It's quite clear from the advice I've received that there are major deficiencies and gaps in the constitution which have allowed some of the issues that have been raised to fester. It hasn't allowed the membership, essentially, to take charge or have ownership of their own organisation.

I've indicated to my officers and I've authorised them to indicate to the Multicultural Council that the government can't countenance a continuation of the obvious dysfunction and the obvious division within the council in a context in which we will be asked to continue to fund it. I will make a condition of continued funding of the Multicultural

Council significant and major constitutional change. I will, effectively, be looking at the extent to which the Multicultural Council accepts the recommendations of Mr Green about an operating constitution before I'm prepared to support a continuation of funding.

I have no doubt that the council is determined to work through the issues that it has confronted. I have no doubt that, at the end of the day, it will adopt a new constitution and that it will overcome the very obvious and very public difficulties that it's facing. I don't wish to add any energy or fuel to the difficulties. I would prefer this not to become a matter of public moment. I don't believe it's in the interests of the multicultural community for the issues that the council is facing to become, to any greater extent than they already are, matters of public discussion or concern.

I don't think it's in the interests of multicultural communities or of that organisation for this to be allowed to continue and I'm looking to an early resolution. So the government's hope is, without interfering unduly in the internal workings of a community organisation, that it will get its act together because the government's and the community's patience can only be tested so far.

MS TUCKER: I have a follow-on question, not particularly about that group. That raises the issue of governance in associations, which has come up with another group in the last year. When I was trying to pursue it then I felt that it was a little difficult to know how to deal with it. If you do have real issues in governance in an association that is funded by the ACT government and people have genuine and legitimate concerns, the associations act doesn't really have within it an avenue for complaint, recourse or whatever you want to call it to deal with the problems.

I could not find mention of it in the whole complaints mechanism review which was finished recently and which, I think, is in Bill Wood's portfolio area—maybe people didn't provide input to the consultant—but I am wondering whether there will be a capacity for that in whatever you decide to do with complaints, making it positive in the notion of service improvement models. I would hope that any body that you set up will be framed in those terms anyway so that we will get away from the defensive culture that exists across-the-board in lots of ways, justifiably so in some areas because of the way people have been treated and so on. If we are looking for a complaints system which is about service improvement, would it be possible to bring these kinds of issues into that realm or would it be too separate in your view? Is that something you'd consider?

Mr Stanhope: The government's experience in relation to the Multicultural Council has caused me to think around this issue. You're quite right; I shouldn't pick on the Multicultural Council.

MS TUCKER: It has come up with other groups.

Mr Stanhope: There is an opportunity for the government to have far greater influence through its funding agreements and arrangements over the nature of the constitutional arrangements or the governance arrangements. I've asked my officers to relay to the Multicultural Council that I can say, "The taxpayer funds you significantly. We don't believe the taxpayer can look at the performance of this particular council or its behaviour and say with confidence that it is money well spent." I can then go back and say that there are certain minimum governance requirements which we as funders require

on behalf of the people of Canberra and one of those is a disputes mechanism, a complaints mechanism or an arrangement for some mediation around disputes that arise.

I have no difficulty with that and I'd be happy to ensure that it's something we think about seriously in relation to all of our agreements with the community sector. But at another level we're working around this issue of complaints or disputes that exist or might arise between the community sector and the government. I think it's probably fair to say, Ms Tucker, that we haven't perhaps looked as closely as we might or taken the leadership role that we might have in relation to how community organisations that we fund commit to resolving disputes within their organisations. It is a difficult and vexed issue. Mr Smyth, I know, would be aware of that. A range of other issues beset some organisations and perhaps beset the organisation in question.

MS TUCKER: Could you include that function in the functions of the community engagement unit? Those functions could be included also in legislation or in other contractual agreements. It would be a good thing if an agency were able to say, "We have a problem. The government will support these organisations by providing a mediator." If those sorts of issues were involved it would be difficult to choose a mediator. If the government provided support, potential conflict resolution mechanisms, or whatever else was necessary, that might be a better way of dealing with this issue.

Mr Stanhope: This emerging and difficult issue is one that we have been confronted with from time to time. Mr Manikis and Mr Bohlscheid—who is from the ACT Multicultural Council—have also been closely involved in this issue. I do not know whether there is anything Hans Bohlscheid wants to say. We are working our way slowly but surely through these issues. We believe that we are making progress. I do not want to jeopardise the progress that I believe we have made. It has been a difficult and a trying process.

Mr Manikis: What is happening to the ACT Multicultural Council is not unique. It is not the first time that has happened. Community councils across Australia have been facing similar situations for several years now. In response to the question that was just asked, there are moves afoot. We are looking at different options to provide the mechanism that was referred to earlier in the new funding agreement policy that we are drafting at the moment. So we are looking for some complaint mechanism options.

It is still early days but I hope there will be something to fill the gap that exists at the moment. Hans Bohlscheid, director of the Office of Multicultural Affairs, has been involved more than anyone else in government in the new action involving the Multicultural Council. This is a unique little case study of what you are talking about. Hans has been supportive in this area. He has not taken sides or anything like that. I am sure that Hans will expand on his involvement just to illustrate how we can have intervention.

Mr Stanhope: Mr Bohlscheid returned from the last aborted annual general meeting of the Multicultural Council and said to me, "Chief Minister, King Solomon had it easy."

MS TUCKER: Are you linking that work with other work that is being done on complaint mechanisms? Are you working with Bill Wood's department? This issue does not concern only your department; it is a whole-of-government issue.

Mr Stanhope: This complaints mechanism issue is very much a separate issue to the complaints mechanism issue in community organisations. It concerns how we handle complaints that are made to us about government activity. We will take on board the points that you have made. As Mr Manikis said earlier, the Multicultural Council's experience over the past few months has focused our minds on the difficulties being experienced by government in seeking to assist a community sector organisation that is experiencing internal difficulties. It is within our capacity to provide more detailed assistance in the complaints mechanism area and a number of governance issues. We should focus on providing such assistance.

THE CHAIR: I refer to the review, study or planning of a multicultural centre. Where is that centre to be located?

Mr Stanhope: Mr Manikis presented me with a cabinet submission on that issue. I will be in a position to make an announcement about it in the near future.

THE CHAIR: It is not listed in the key achievements or future directions sections of this report; it appears to have disappeared.

Mr Stanhope: Work on that issue has progressed. The Multicultural Affairs Unit has consulted broadly over the past year with communities in the ACT and with government departments about the development of a multicultural centre for the ACT, which is consistent with our undertakings to look at this issue. That has culminated in the preparation of a cabinet submission. Consideration of this matter has progressed fairly well.

THE CHAIR: So we will hear about it soon?

Mr Stanhope: Yes.

MS TUCKER: I have a question about an issue that is not reflected in your key achievements. A relationship is being developed between the Commonwealth government and the ACT government on indigenous services. I attended the initial meeting of the council of Ngunnawal elders, which I think was called shared responsibility, or something like that. I am interested in receiving an update. What has happened since that original meeting?

Mr Manikis: Since that meeting we had a two-day workshop—on 29 and 30 September—with representatives of indigenous community organisations. The 30 or 40 people who were involved came up with the terms of the shared responsibility agreement. The ACT and Commonwealth governments facilitated that workshop. We have been working with the indigenous working group that was formed as a result of that workshop—a dedicated group of about five or six people who will provide the community's view in relation to that document. We have come close to finalising that document. There has been a fair bit of toing-and-froing but, over the next short period, that shared responsibility agreement should be up and running.

MS TUCKER: So what has to be done? Do you have agreement with the local community about the document and the framework?

Mr Manikis: We have had an input from the ACT government, the Commonwealth, the community and ATSIC. When I refer to the indigenous community I am referring to this indigenous working group, which represents community controlled organisations. So we have got that far.

Mr Stanhope: As a result of that process—the consultations, discussions, meetings and working groups—the significant issues that have been recognised and acknowledged are, not surprisingly, the continuing disadvantages being faced by people in the indigenous community in the areas of education, health and, in particular, drug and alcohol abuse and the contact that indigenous people have with the criminal justice system. The partnership agreement has been structured around those three major areas of continuing concern. It is an interesting process. I am pleased to see the Commonwealth government's level of involvement in the development of the partnership between the Commonwealth, states and territories and the indigenous communities in this area of shared responsibility.

Underpinning that project was the expectation that we would better coordinate what we were currently doing in relation to all those identified priority areas. We acknowledge that it is all very well to identify a number of ideal or optimal programs, but there is always the issue of resourcing. The Commonwealth is not bringing money to the table in this exercise. The Commonwealth has identified that a total of \$6 million nationally is required for the project.

One of the disciplines that this project imposes not just on the ACT government but also on indigenous communities is the need for us to assess seriously the effectiveness of the projects that are currently in place in the ACT. We must establish whether those projects are meeting the recognised or acknowledged priorities of the indigenous community. This is another good example of community engagement. The ACT and Commonwealth governments have engaged with indigenous communities to identify leading priorities and to determine, through existing programs, how to respond to those needs. How effective are our current programs in achieving outcomes?

Underpinning that work is the work that has been done by Mr Manikis. As a precursor to the development of the social plan, an attempt was made to analyse how much money is being spent across government and how much Commonwealth money is being spent in the ACT on indigenous-specific and mainstream programs with indigenous components. We identified that 65 separately funded indigenous-specific or mainstream programs in the ACT are funded to the tune of \$12 million to \$14 million. Are those 65 programs, which have a price tag of \$12 million to \$14 million, delivering outcomes for the indigenous community? If they are, which of them is particularly successful? What programs and funding can be redirected into these newly identified priorities?

MS TUCKER: Are health and education new?

Mr Stanhope: No.

MS TUCKER: They do not sound very new to me.

Mr Stanhope: The issues are the same—they have been the same for 200 years—but our responses to them change constantly as a result of our experience, what we learn and whether or not programs work. We are looking at different models of service delivery. In relation to this project we are determining how better to respond to the accumulated wisdom of indigenous communities. What is and what is not working for indigenous people?

MS TUCKER: So your key information is coming from indigenous people? You are shaping this project basically by listening to them?

Mr Stanhope: Very much so.

MS TUCKER: Is there pressure from the Commonwealth not to take into account what indigenous people are saying?

Mr Stanhope: No, not at all. We have had a good partnership on this very good project. It has been an interesting model. The Prime Minister, through the COAG process, has required nominated permanent secretaries of his departments to be directly involved in consultation and liaison. The Prime Minister identified one permanent head for each state and territory, and required him or her to be involved in the project and in the negotiations.

THE CHAIR: And in the agreement?

Mr Stanhope: Yes, in on the ground negotiations with indigenous communities. I acknowledge that significant initiative of the Prime Minister which I think has produced some results. The permanent head was sent out and told to talk to indigenous people.

MS TUCKER: I was present at that first meeting. I am glad that it is going well as I was not all that impressed after the first meeting. The government wanted an answer immediately as the minister wanted to put out a press release. It was only after one of the particularly strong women in the group said, “Hang on, I do not know what you are talking about”, that the government pulled back. I was not that impressed with the high level pressure at that first meeting.

Mr Stanhope: It has evolved.

MS TUCKER: When you come up with the final document could you give it to the Public Accounts Committee?

Mr Stanhope: Absolutely.

THE CHAIR: Chief Minister, one of the future directions for the coming year that is listed in your annual report is the completion of the government’s response to the concessions review. Has the concessions review been finalised? If so, is it available and can this committee have a copy?

Mr Stanhope: A draft cabinet submission was provided to me. We are doing a lot of work, Mr Smyth.

THE CHAIR: You have a lot of catching up to do.

Mr Stanhope: We are there, Mr Smyth.

THE CHAIR: We will see. The public will judge you on that, Chief Minister.

Mr Stanhope: A cabinet submission was presented to me in the past few weeks. Cabinet has not yet considered that submission; it will be considered at the next meeting of cabinet, which I believe will be either 19 or 27 January. Cabinet is having a few weeks off. cabinet will reconvene on either 19 or 27 January. I expect the concessions policy to be considered by cabinet at that meeting.

THE CHAIR: Is a copy of the review available to the committee?

Mr Stanhope: I am more than happy to make available everything that has been done in relation to the concessions review. I will just have to check what is available outside cabinet documentation. I am more than happy to make all that available to the committee.

THE CHAIR: Is the document that will go to cabinet the government's response, or is that the review itself? When can we expect the government's response on this issue?

Mr Stanhope: The government's response will be a concessions policy. I will do that within a short time after its approval by cabinet. As I said earlier, at this stage the cabinet submission has been prepared. It is receiving consideration. Cabinet will consider it at its January meeting.

THE CHAIR: Will any recommendations or the adoption of policies that have financial implications—and I assume most of them will—have to wait for the budget, or will they commence immediately?

Mr Stanhope: I cannot answer that question, Mr Smyth. To some extent it is an issue of revenue foregone. I can give no specific answer at this stage as I do not want to pre-empt cabinet's consideration of the matter. I cannot answer that question yet.

THE CHAIR: I refer to the Office for Ageing. One of the constant complaints that we receive is that whilst the government appears to be committed to ageing there is no action on the ground. Most of the criticism relates to the planning process. Additional beds have been allocated to Calvary Hospital, but over the past two years not a sod has been turned and not a brick has been laid. Southern Cross Homes received approval for additional beds but it has not been able to get through the planning process.

Contrary to what Mr Corbell said in the Assembly the other day, neither organisation has been granted a lease, so nothing can happen until that occurs. What are you doing as Chief Minister and minister responsible in this area to ensure that a planning process is in place that will enable these things to happen quickly, in particular, given the fact that the next round of beds is due for release by the Commonwealth shortly?

Mr Stanhope: There is no doubt about the fact that this is a live issue. All Assembly members would be acutely aware of the issues that are facing the ACT as a result of the exponential ageing of the population. We are behind other jurisdictions in the provision of facilities and infrastructure. As minister responsible in this area I have taken into account the concerns that have been raised. There has been a response to some of the issues that have been raised, for example, the concerns relating to Calvary Hospital. A number of issues have to be sorted out. Nothing is as simple as it appears in this quick planning grab.

THE CHAIR: Is a two-year delay on these approvals acceptable? You are throwing up your hands because, after six years, the Commonwealth cannot come to some agreement on the airport site. Under this government groups in the ACT have waited two years to get approvals to build aged care facilities. What will you do as Chief Minister to make sure that the Minister for Planning does his job?

Mr Stanhope: I do not have specific details about issues concerning Southern Cross Homes and Calvary Hospital. I can assure you that it is not just a question of saying, “Here is a piece of land. We would like to apply” and we just sign on the dotted line. There have been extensive negotiations concerning the provision of beds and other facilities. There have been extensive negotiations with the Little Company of Mary about the extent to which the ACT government will forego a sale or a return on that piece of land.

There have also been extensive negotiations about extending the size of the block that Calvary requires into what is currently open or green space. A number of significant environmental issues have to be addressed. The government has negotiated with the Commonwealth in relation to the allocation of aged care beds. The allocation of beds in this state will be different from the way in which beds are allocated in other states. Fifty per cent of beds in the ACT essentially have come on stream, not within a dedicated facility, but within Calvary and Canberra hospitals. So it is not all doom and gloom.

THE CHAIR: You, as the minister responsible for ageing, cannot push aged-care approvals through the planning system. The fact that you have made alternative arrangements for Calvary and Canberra hospitals just highlights the fact that you are compensating for the Minister for Planning.

Mr Stanhope: It is not as simple as that. The arrangements that we have come to with the Commonwealth in relation to aged care beds are the envy of every other jurisdiction in Australia. I would not be dismissing them lightly as “other arrangements”. We have an arrangement or understanding—a contract agreement—with the Commonwealth that 50 of the beds that have been allocated will come on stream immediately. This aged care funding support from the Commonwealth is a major victory for the ACT.

In one of those strange coincidences in life, today the Minister for Planning, Mr Corbell, and I, as minister responsible for ageing, released a major statement relating to an increase aged care accommodation strategy and the availability of land for aged care accommodation in the ACT. We are fast-tracking the release of additional land for aged care. In addition to the three sites that are ready for development, that are available for

sale in 2004, and that are currently on the land release program, we have identified two additional major pieces of land that are available for development.

In addition, today we are releasing a significant strategy entitled “Building for our Ageing Community”, which includes a number of significant features. That strategy has been enthusiastically embraced by the Council on the Ageing and by all other representative organisations. I will read what Jim Purcell from COTA had to say about this release. I could read the whole release. I could read what the chair of the Chief Minister’s Ministerial Advisory Council on Ageing had to say about the government’s dedication to issues affecting the ageing, but I will not do so.

THE CHAIR: Is having such a document available to you today—on the day that you knew you were going to be asked questions by this committee—not an admission that you have failed in the last two years? You have put together a strategy for the airport and for West Civic and now we have a strategy for ageing. You have a white paper that condemns the Minister for Planning for not providing timely services to the business community. When will you act across the board to ensure that we have better planning in the ACT?

Mr Stanhope: I will not respond to those blatant political points, but I will ask Mr Brady just to put the lie to the suggestion that I responded in anticipation of the fearsome grilling that I would receive from the Public Accounts Committee.

THE CHAIR: I am happy for you to respond, Chief Minister. If you are capable of responding that is fine.

Mr Stanhope: I will ask Mr Brady to indicate in a completely non-partisan way when we began to develop the strategy “Building for our Ageing Community”, which culminated today in the release of the government’s major new strategy. How many months ago did we start working on this, Peter?

Mr Brady: It goes back about 12 months when the Chief Minister’s Ministerial Advisory Council on Ageing saw this as a key issue on which we needed to focus. More recently, an interdepartmental working group comprising all agencies looked at about four key issues. One of those issues was the fact that proposals were already in existence. These issues have been going on for longer than two years; they have been going on for a significant period, for a number of reasons.

In some cases it was up to the proponent to get the thing up and running, but in some cases it was left to the planning process. In some cases it was a combination of both those areas. We determined how to help those proponents who, in essence, were about managing aged care accommodation. I am not talking about developers; I am talking about those who provide facilities for aged people. We looked at ways of improving that accommodation—an issue to which the Chief Minister alluded earlier in his media release. The government will play a significant case management role to assist proponents in developing their proposals rather than just bumbling around the system.

THE CHAIR: Is that through the planning system?

Mr Brady: Through the planning system, yes. The second area relates to bed numbers over the next 20, 30 or 40 years. We are looking at about 75 new nursing beds every year in the ACT, so it is critical that we have land available. The second part of the strategy is to have a land bank specifically for aged accommodation. In conjunction with the new ACT Planning and Land Authority we have developed a strategy that will enable us to roll out land in the medium to longer term. The Chief Minister also indicated that in the short-term to medium-term a number of sites have been identified to address these issues.

The third part of the strategy will be to address long-term issues. The Office for Ageing is working closely with the policy group and other agencies to examine issues concerning different types of housing and different needs of the aged community. It is not a case of one size fitting all. Some people want to stay in their homes and it is preferable for others to be in nursing homes. We have to address independent living unit issues. We are looking in the medium to longer term for sites to accommodate those people. We will be doing a significant amount of work to disaggregate those issues.

The fourth area concerns our relationship with the Commonwealth. In the past these issues have been dealt with at a more junior level by both governments. We have established the need to strengthen our relationship with the Commonwealth. A working group has been established that comprises aged care providers and representatives from the ACT and Commonwealth governments. We are looking at ways of making that process more sophisticated.

At the moment the formula for identifying beds that is written in the legislation does not address the subtleties in each state or territory. We are looking at adjusting that formula in the short term and changing the legislation in the long term. As the Chief Minister said earlier, there are four key elements to the strategy that will assist aged care providers in providing sites in the short term to medium term. The long-term strategy involves us working with the Commonwealth.

THE CHAIR: Chief Minister will you table the strategy to which you referred earlier?

Mr Stanhope: An attachment is missing. I will obtain the complete document and return it to you, Mr Chair.

THE CHAIR: Apparently the document is not available. When will that document be released to the public and to the media?

Mr Stanhope: I think today.

THE CHAIR: The document is being tabled today.

Mr Stanhope: I have not tabled the document, Mr Chair.

THE CHAIR: Are you not going to table the document?

Mr Stanhope: I will table the document but I want to check the attachments before I do that. I am more than happy to provide this document to the committee today. However, the document is not complete.

THE CHAIR: I would like to see the document now, if I may.

Mr Stanhope: You cannot see this draft. I am more than happy for officers to obtain a complete document. I will then table the complete document.

THE CHAIR: Thank you, Mr Chief Minister. We look forward to that. Mr Brady referred earlier to managing aged care through the planning system. Your white paper states that small business and business need to be managed through the planning system. Aged care now has to be managed through the planning system. Special consideration has to be given to planning issues concerning West Civic in particular and Civic in general. Why is the planning system not working, Chief Minister? What will you do to make it work better? We have conducted a number of reviews and implemented a new system. ACTPLA was supposed to deliver more certainty and a better outcome. Why is it not doing so?

Mr Stanhope: I do not accept your premise that the system is not working.

THE CHAIR: Why then are you implementing a strategy so that aged care is managed through the planning system? If the system is not delivering why are you implementing special provisions?

Mr Stanhope: We are being systematic and strategic in our planning. We are talking about the development of a strategy that has just been completed. We are determined to ensure that we meet the needs of our ageing population, particularly in relation to aged care accommodation. But that involves planning. That involves decisions being made by our planning authorities, by ACTPLA in particular and by those who work within the Office for Ageing, about demographics and about the complex, broad and different requirements of people as they age.

We all have different views about how we wish to be accommodated as we age. A number of options are available to each of us. The Office for Ageing and the Ministerial Council on Ageing are dealing with those issues in detail. The Office for Ageing is talking to ACTPLA about the accommodation needs of our ageing community. We have done that work and today we are releasing a strategy on these issues. That does not signal that planning is failing; it signals that planning is working really well. We are being strategic and forward thinking. We are being proactive rather than reactive. We are identifying needs before they arise and we are moving to ensure that they are met.

THE CHAIR: You identified a problem 12 months ago. It has taken you 12 months to come up with a strategy. The centre point of the strategy appears to be that you will manage aged care through a planning system that is obviously not responding to the needs of the aged. I think that is a damning indictment of your planning system. Clearly, these sectors will fall apart. You threw up your hands and said that you will not deal with the problem as it has taken six months. We have special strategies for Civic and for the ageing. As a result of your white paper we will have a special strategy for small business so that ACTPLA is more responsive. If that is not a damning indictment of this government, what is? You cannot turn a sow's ear into a silk purse.

Mr Stanhope: It is not an indictment of this government. This government is strategic and it plans for the future.

Mr Brady: Mr Chair, I referred earlier to the object of having case management. Many proponents are not familiar with the planning or development systems. Our object is to assist them to work through those systems. We need to explain the process to them and they need to be able to work with the planning authority. We are attempting to work with other governments.

THE CHAIR: So at this stage we are not working with other governments?

Mr Brady: That is what we are trying to achieve in the provision of aged accommodation. It is an area that was identified by some of the proponents who have those skills and expertise. A lot of them do not have those skills and expertise. One of the objectives of the strategy is to assist them in those areas. The other thing that our office and ACTPLA will be attempting to do is to improve the processes at the micro level. We will attempt to refine the system and make available that land for aged accommodation.

THE CHAIR: One of the other future directions of the multicultural and community affairs group is to review and update the consultation protocol, manual and kit and to work with agencies to ensure their adoption and use. Is there a timeframe on that?

Ms Maxwell: Yes, the intention is to complete the strategy by June 2004.

THE CHAIR: Does that mean that, if there are any financial implications, we will miss out on budget consultation? Will we have to wait until the following year's budget?

Ms Maxwell: No, a parallel process is taking place.

THE CHAIR: Another area for which you are responsible, Chief Minister, is public service management. I refer to the reference in output 1.3 of the report to the complete dissection, commencement and implementation of the new human resource system for the ACT public service. Is there an update on the progress of the new HR system?

Ms Davoren: Yes, we do have an update. As the report indicates, we requested proposals in April this year. We have been through an evaluation process and we identified the first ranked proposal. We will be moving through to proof of concept early in the new year with the aim of implementing the new system in 2004-05.

THE CHAIR: When will the system be implemented?

Ms Davoren: It will commence early in the 2004-05 financial year.

MS TUCKER: When you give us information about how much you spend on consultancies in different outputs I find it a bit hard to understand. You have a list of individual consultancy services below \$5,000, and in each output you detail how much you have spent. You then have a list of contractor services below the \$15,000 threshold. This is probably something that I should know but I do not. Why is it arranged like that? Why do we have different figures? How do I find what you have spent across the board?

Mr Harris: The dollar numbers are the procurement thresholds that were in the guidelines at the time. That is why they are reported in those categories. So up to \$5,000 we can do inside the department, but up to \$15,000 we need three quotes and so forth.

MS TUCKER: So any consultancies under \$5,000 and any contracts under \$15,000 are listed in your annual report?

Ms Davoren: That comes out of the annual report directions. Historically, that is the way we have been responding to Assembly committee reports over a number of years. Those have been the thresholds for reporting on consultancies. The threshold for consultants is \$5,000 and for contractors it is \$15,000. In last year's Assembly committee reports there was a request that we show total expenditures below those threshold points.

MS TUCKER: I see.

Ms Davoren: Historically, the practice has been to report above certain thresholds. There was another request that we organise it by outputs. Those requests were reflected in the annual report directions.

MS TUCKER: Where do I find any expenditure above those amounts? On what page is that reflected? How much is spent generally?

Ms Davoren: Overall?

MS TUCKER: Yes.

Ms Davoren: Those figures are not reported in that way. You would have to add it all up. The report directions require people to report on individual consultancies.

MS TUCKER: Under a certain threshold?

Ms Davoren: For any expenditure over that threshold. So individualised reporting refers to every consultant and contractor over the set threshold.

MS TUCKER: I do not understand it. These figures are below that threshold. You said that the Assembly asked you to list the total cost of individual consultancy services below the 5,000 threshold so that we could see the smaller amounts.

Ms Davoren: We were asked to total expenditures, so that might be multiple consultancies under a certain point.

MS TUCKER: If a consultancy cost \$50,000 where is that reflected?

Ms Davoren: That would be reported in the list of consultants. You would look under the relevant output.

Mr Stanhope: From page 92 onwards.

THE CHAIR: Page 28 of the report refers to the public service injury prevention and management strategy. Chief Minister, you launched that strategy in February this year.

Has that strategy had any impact? Has there been a decrease in the number of injuries that have occurred? Have we achieved better management?

Ms Davoren: For a strategy like that you would be looking for results over a period of time. We have excellent information. It would be too early to expect that type of feedback in our injury prevention and management performance in the first year. We are certainly hoping to have those kinds of results showing up in our premium and injury rates over the coming years. But there are a number of different approaches to looking at that, for example, improved rehabilitation, implementation of safety systems, better risk management approaches in agencies and better communication and leadership in injury prevention and management.

THE CHAIR: Yesterday we asked the Minister for Industrial Relations what the insurance premium was doing. Last financial year's cost of insurance is included in this report. Do we have a comparison? Has that figure increased this year?

Ms Davoren: Yes. I will refer to the premium as opposed to the total premium, or to the percentage of total payroll. That permits me to compare figures better across the years. The premium for 2003-04 is 3.16 per cent of total payroll, or 2.87 per cent excluding GST. That is a little bit up from the previous year's figure, which was 3.14 per cent including GST, or 2.86 per cent exclusive of GST.

THE CHAIR: Is that figure in the report, or did I miss it? Do you have a different document?

Ms Davoren: No, there was just the single figure.

THE CHAIR: What is the expected cash amount for the coming year?

Ms Davoren: The total premium for 2003-04 is \$28.92 million.

THE CHAIR: What is the figure before GST?

Ms Davoren: I am afraid that I do not have that figure.

THE CHAIR: Does the increase in that figure indicate that we are not reducing injuries or that we have a dilemma, or is it simply a function of the insurance market?

Ms Davoren: Obviously you referred to a number of issues in that question. Overall, our injury rates have been trending down over a period. Two key issues are included in that slight increase. The first is a slight cost increase that is being passed on by Comcare. The second is the suspected increase in psychological injuries. The data that we have enables us to examine those issues. In the strategy we are focusing on how to manage and prevent psychological injuries.

THE CHAIR: When you say that there has been an increase in psychological injuries are you referring to work-related stress injuries or to something else?

Ms Davoren: To be compensable they are obviously related to work or they are aggravated by work. I think the current term is “psychological injuries” rather than “stress”.

THE CHAIR: Do we have figures that reflect that increase?

Ms Davoren: We provided quite detailed information to question No 986—a question asked on notice asked by Mr Pratt. I will provide you with some of that information. Currently, 111 of the open workers compensation claims that are made by public servants relate to psychological injuries. Let me provide comparative data. In 2001, 37 claims were accepted; in 2002, 55 claims were accepted; and so far in 2003 we have received 30 claims.

You would have to look at a number of different factors—from the approach of the AAT, to Federal Court cases, to broader issues in the community, and to work issues. A similar scenario exists in the Commonwealth. We have been working with Comcare and with other Commonwealth agencies to look at a broader strategy and to better understand the features of those kinds of injuries.

MS TUCKER: I refer to the update that is provided at the end of the report.

Mr Stanhope: Which page are you referring to?

MS TUCKER: I refer to page 116 of the report and to the government’s response to recommendations that have been made by the committee relating to elder abuse. I have raised this issue in the Assembly but the minister now has an opportunity to talk about it. I am concerned about the length of time it has taken the government to respond to some of those recommendations. I compared the government’s September 2002 response with its current response. When did you prepare this response?

Mr Stanhope: I assume it was 30 June.

MS TUCKER: From September 2002 until June 2003 you have not done much in relation to a number of key recommendations. I will not go through all of them; I refer only to elder abuse prevention. You said that the elder abuse prevention implementation task force was exploring options for standards of operation and for locating a phone line relative to established community service phone line services. In many ways that was a fairly simple but important recommendation, and still nothing has happened. Nothing has happened in relation to a number of those recommendations. Why has it taken so long for those recommendations to be implemented? That report was recognised as being a significant report for aged people.

Mr Stanhope: I take the point, Ms Tucker. I will provide you with a detailed response to each of those recommendations.

MS TUCKER: What has happened since June?

Mr Stanhope: I acknowledge those important issues and that important report. The government has accepted those recommendations. I will provide you with the latest information.

THE CHAIR: We will deal now with output class 3, corporate services, on page 55 of the report. The first dot point on page 56 of the report states:

In 2003-04 Corporate Services will:

- improve the effectiveness of administrative processes to meet compliance with taxation requirements of the Goods and Services Tax and Fringe Benefits Tax for both departments;

Does that mean that the department has not been compliant?

Mr Hextell: The department has been fully compliant with the goods and services tax and fringe benefits tax requirements. Improvements are being made to include better documenting procedures so that people have better information on how to comply with these procedures throughout the department. That is being done in conjunction with the development of a whole-of-government taxation framework.

THE CHAIR: Is the Auditor-General involved in that process?

Mr Hextell: The Auditor-General is aware of the process. He has seen the draft framework.

THE CHAIR: Is it expected that there will be much need to fix up this dilemma?

Mr Hextell: Nothing has to be fixed up. The ATO has been doing compliance audits of government departments in the areas of GST. To date only minor procedural matters have been detected. All departments have been fully compliant. They have been reviewed by the ATO.

MS TUCKER: You have established a carers' room that enables employees in both departments to continue working when short-term emergency dependent care is required. I would like to know a bit more about that. Where did that proposal come from? How is it working and has it been picked up by other agencies?

Ms Whitten: We implemented the carers room as part of our accommodation refit program for the Canberra Nara Centre, which aligns to a policy relating to the work-life balance that was released about a year ago. We implemented the recommendations in that policy at the Canberra Nara Centre.

MS TUCKER: What is in the room and how does it work?

Ms Whitten: A workstation is provided for the relevant officer. We have a booking system so only one officer and the person that officer was caring for would be in the room at one time. The room is fitted out with a workstation, a television and a bed for the young or old person that is being cared for. I cannot tell you the exact dimensions of the room.

MS TUCKER: I was just trying to understand how it works.

Ms Whitten: It is a reasonably sized room that also has a fridge. We operate through a booking system.

MS TUCKER: Has that room been used for anything?

Ms Whitten: Yes, it has been used. Some of our team members used it over the winter period. There were unexpected emergencies, for example, people with flu or people who just could not take an ill child to day care. The room has been used really effectively in that way.

MS MacDONALD: Where is that room located?

Ms Whitten: It is located on level 3, just outside the lifts in the Canberra Nara Centre.

MS TUCKER: Is that something that you want to see provided by other agencies?

Mr Stanhope: I would be interested to know whether it occurs in all agencies.

MS TUCKER: Why did it happen in just this one agency?

Mr Stanhope: We do not know whether it has.

Ms Whitten: There is a whole-of-government policy.

MS TUCKER: We know that it has happened.

Mr Stanhope: Ms Whitten said earlier that she knows it has happened in the Chief Minister's Department. She is not aware of what other agencies have.

MS TUCKER: It has happened in one agency. Why did it happen in one agency? Was it just an initiative of that agency in response to those recommendations rather than a whole-of-government response?

Ms Davoren: It is a whole-of-government policy. A raft of policies has been implemented in relation to the work-life balance. I refer to published policies encouraging agencies to have a carer's room. A number of agencies have them. I know for certain that the Department of Urban Services has one. There may well be others, but I do not have information about them. A number of work-life balance initiatives are reflected in our template enterprise bargaining agreement. So it is part of a broader range of initiatives.

MS TUCKER: You said that you encourage agencies to provide a carer's room, but is it pretty much left up to them? Is anyone keeping an eye on how it is working?

Ms Davoren: No, not at this stage.

THE CHAIR: Is it possible for the committee to get a list of all the government sites where these rooms exist?

Mr Stanhope: Yes.

THE CHAIR: Is it possible to work out the usage rate of the room in the Chief Minister's Department?

Ms Whitten: Yes, we can do that.

MS MacDONALD: As the Department of Urban Services provides a carers room perhaps we could look also at its usage rates.

Mr Stanhope: We will provide a detailed response on that issue.

THE CHAIR: We will deal next with output class 4, bushfire recovery. Chief Minister, I think we would all agree that the recovery centres work well. We would want that praise passed on to people in all those agencies who have done well. You referred recently in the Assembly to the ongoing need for counselling and assistance for survivors of the bushfires in January this year. Will you elaborate on what is to happen?

Mr Stanhope: I will ask Ms Healey to respond to that question.

Ms Healey: At the moment three full-time counsellors are at the recovery centre. They are funded through the ACT Health bushfire recovery allocation. We are monitoring new clientele. By the time we close the recovery centre, which is planned for the end of March, we will know how many clients need ongoing counselling services. Health is recommending that if ongoing services are needed we should continue to provide those services in a specialised way, that is, through a specialised team.

One of the counsellors comes from Relationships Australia, so the best option would be for her to return to Relationships Australia and to take her clientele with her. The other two counsellors are from ACT Health. Similarly, they would return to the Child and Adolescent Mental Health Service and to the Adult Mental Health Service and continue with their clients until there was no longer a need for such counselling.

THE CHAIR: Clearly, all those people using the service would be told how they could contact the service in the future, rather than coming through the recovery centre?

Ms Healey: Yes. We will finish off by ensuring that all our clients at the recovery centre have an ongoing service, or they know where to get help should they need it if some of their symptoms recur.

THE CHAIR: Under "Key achievements" in the report you state that nineteen editions of "Community Update" have been published. Obviously, more editions have been published since June. For how much longer will "Community Update" be published if the recovery centre closes in March? Will the "Community Update" end at that stage or will it continue?

Ms Healey: It will probably end at that stage. Again we are monitoring demand and we are listening to what the community is telling us. We think that it will end around about that time. At the moment it is still a weekly publication. We will continue publishing that document throughout January. The final editions of the document will be published fortnightly.

THE CHAIR: Will the advertisements that are appearing weekly in the *Canberra Times* continue?

Ms Healey: We are operating under same plan.

THE CHAIR: You will wrap it up at the end of March and withdraw the publication?

Ms Healey: That is right.

MS TUCKER: I know of a family that has lost its home. The adult daughter has a disability so the house had to be modified to accommodate that disability. Basically, the family requested assistance—the normal support of \$5,000, or whatever it was. The mother was not really supported in any way by the government. The whole process failed. I will provide you with the details of that case as I know you have made a big effort to deal with people who have been severely traumatised. This family has been traumatised. It cannot afford to modify the new house that it had to buy urgently. This mother, who has been failed by the system in many ways, is seeking assistance to modify the new dwelling so that her daughter can have a reasonable quality of life.

Is the government able to assist this family? The Department of Disability, Housing and Community Services cannot offer the family any money. I believe that the government does not want to offer money to individuals for a particular reason. Does the government have the capacity to deal with situations such as this?

Mr Stanhope: The government has that capacity but, as you would be aware, there are difficulties involved. The government has sought to respond to every circumstance, but it has to be acknowledged that everybody is confronted by a different situation. There are some constraints on the government and its capacity to fund individuals who have suffered loss as a result of the bushfires. A number of programs are in place. If the member provides me with the details of this case I will ensure that we appropriately and thoroughly assess it.

MS TUCKER: I will provide the Chief Minister with that information.

Ms Healey: I was aware of this case but it has not been raised with me as an ongoing issue.

THE CHAIR: The first line on page 67 of the report refers to the Chief Minister's website address. Is it a true and correct website address, as it is slightly different from the website address that is listed in the introduction of the report?

Mr Stanhope: I have never used that website.

THE CHAIR: The Chief Minister should look at that website at some stage as it is interesting.

MS MacDONALD: He should check the website addresses in his annual report to ensure that they are correct.

Mr Stanhope: I am advised that that is the correct website address. Other website addresses are inconsistent.

THE CHAIR: It is just a small point. There are always typographical errors in your reports.

Mr Stanhope: The website referred to in the introduction of the report is the wrong address.

Ms Whitten: That address would have been included after the report had been published.

THE CHAIR: I thank the Chief Minister and his staff for attending today.

Sitting suspended from 12.56 to 2.07 pm.

Appearances:

Mr T Quinlan, Treasurer, Minister for Economic Development, Business and Tourism and Minister for Sport, Racing and Gaming

Chief Minister's Department

Mr M Harris, Chief Executive

Mr G Keogh, Director, Business

Ms S Marriage, Director, Sport and Recreation

Ms M Whitten, Director, Corporate Services

Mr K Phillips, Financial Controller

Department of Treasury

Ms T Pham, Acting Under Treasurer and Chief Executive

Ms M Smithies, Acting Deputy Chief Executive

Mr K Ahmed, Acting Executive Director, Financial and Budgetary Management

Ms K Thompson, Acting Director, Budget Coordination and Reporting

Mr P Hextell, Director, Accounting Branch

Mr D Butt, Director, Economic Analysis

Mr N Bulless, Director, Government Business Enterprise Management

Mr J Robertson, Director, Procurement Solutions

Mr R Broughton, Executive Director, finance and Investment Group

Mr G Dowell, Commissioner for Revenue

Mr T McDonald, Director, Legal and Insurance Policy

Mr S Finn, Acting Director

Mr P McAuliffe, Manager, CFU

Mr G Cartwright, Manager, Superannuation Unit

Mr J Purcell, Manager, Commonwealth-State Finances

Mr D Stewart, Manager, Economic Analysis

Mr M Vanderheide, General Manager, InTACT

Mr R Hart, Director, Solutions Delivery, InTACT

Mr E Hocking, Director, Services Delivery, InTACT

Mr R Shaw, Director, Business Operations InTACT

Ms B Edwards, Chief Financial Officer, InTACT

Mr R Burton, Manager, Finance, InTACT

Gambling and Racing Commission
Mr T Curtis, Chief Executive
Mr P Collins, Manager, Coordination and Revenue
Government Procurement Board
Mr G Gaskill, Chair
Mr A Eggins, Deputy Chair
Mr B Venables, Secretariat
Insurance Authority
Mr P Matthews, General Manager
Australian Capital Tourism Corporation
Mr R MacDiarmid, Chief Executive
Ms S Hitchcock, Corporate Services Manager
Mr J Lalor
Stadiums Authority
Mr D Harley, Chief Executive Officer
Mr T Blunn, Chair
Totalcare Industries Ltd
Mr M Zissler, Chief Executive Officer

THE CHAIR: Treasurer, good afternoon and thank you for your reappearance as both Treasurer and Deputy Chief Minister. You should understand that these hearings are legal proceedings of the Legislative Assembly and are protected by parliamentary privilege. That gives you certain protections but also certain responsibilities. It means that you not only are protected from certain legal action, such as being sued for defamation for what you say at this public hearing, but also have a responsibility to tell the committee the truth. Giving false or misleading evidence will be treated by the Assembly as a serious matter. Treasurer, I think the agreed timetable is to deal with the Chief Minister's sections of your portfolio first. Would you like to make an opening statement?

Mr Quinlan: No, thank you.

THE CHAIR: Dealing first with output 2.4, one of the key achievements is listed as funding of \$200,000 for further work on plans to develop Canberra's convention capability and facilities. Could you update the committee on where that is at?

Mr Quinlan: We are in the process of receiving expressions of interest. I cannot tell you the exact date. I will get back to you on that tomorrow.

THE CHAIR: We all have to wait for tomorrow now, I take it.

Mr Quinlan: I have not read them at this point. Have you?

Mr Gordon: No, I have not read them.

THE CHAIR: Is there any indication of how much interest has been displayed in the Convention Centre since the advertisements went in the paper?

Mr Gordon: A total of 130 organisations or individuals drew down the EOI documentation.

THE CHAIR: Did any of them ask for further information or briefings from your unit?

Mr Gordon: There was a public briefing given during the EOI term at which 70-odd people attended. Given the probity issues around this sort of commercial venture, the formal process is such that any questions and answers regarding the EOI process have been launched through the web site and are available to all to observe the questions and answers.

THE CHAIR: The key achievements also list a business incubator forum to discuss the existing local business incubator environment. What were the outcomes of that and has anything happened since that forum?

Mr Gordon: The forum was held to inform the government about the creation of the incubator policy which would be reflected in the economic white paper. The economic white paper does contain references to incubation and the reasons why government would support physical and virtual incubators. All involved in the commercialisation process, including the incubator operators, were put together in the same room to talk about the contemporary view of incubators and policies around them. It allowed us, the ministry, to better understand each other in terms of our aspirations. The policy is reflected in the white paper.

MS TUCKER: I am interested to know what recommendations came out of the regional olive industry forum. What was the result of that forum?

Mr Gordon: The forum was conducted some time ago now. It was a preliminary process. We got most of the significant players in the olive industry together to try to get a sense of their aspirations in terms of allowing the government to be better informed about the extent of current and future plantings and how we could work with the olive industry to integrate the development of the industry into tourism aspects of the region. The forum has not met for some time. We are essentially waiting for the industry to come back to government with a refreshed view about what it might hope to achieve and then how the government might contribute to that.

Mr Quinlan: I have attended meetings with the owners as well. Owners have organised their own forum meetings. They are getting together.

MS TUCKER: It is potentially an industry that government wants to support?

Mr Quinlan: The government wants to support all industries. There is concern that it will not be the fashionable industry and to ensure that, by the time all the plantings mature, we will not have an oversupply and that the macadamia nut syndrome has not applied. We are concerned to that extent. We are concerned to promote all industry, particularly industry that creates jobs effectively.

MS TUCKER: Are there any environmental issues related to an olive industry?

Mr Quinlan: They are grown in the dirt and take up land.

MS TUCKER: Is that what you got from the Office of Sustainability, Treasurer?

Mr Quinlan: Yes.

MS TUCKER: Can we have that tabled?

Mr Quinlan: Hang on, I will just write it down for you.

MS TUCKER: It is a serious question.

Mr Quinlan: Yes.

MS TUCKER: Did you go to the Office of Sustainability about that? You said that you supported industry, but I thought you supported industry with an understanding that some industry is more desirable than others for various social and environmental reasons. My question is a serious one: how is the Office of Sustainability or Environment ACT involved in these decisions?

Mr Quinlan: I think the Office of Sustainability comes into it when there is application for leases for specific purposes within the territory. I do not think there is all that much particularly happening. If you drive along Hindmarsh Drive you will see plenty of olive trees. I do not think we have done a sustainability study or an environmental impact study of the few olive plantings that have been done within the territory's borders.

Mr Gordon: Land use policies for the territory are managed by parts other than the minister's portfolio. The interest we have in the industry as such is much the same interest we have in the wine industry. The vast majority of wine and olive plantings in the region are in places outside the territory. The tourism potential of a thriving olive and wine industry in our region will have a great impact on the territory's economy over time. Even though the vast majority of the industry is not inside the border, we work with the broader industry for a tourism outcome.

MS TUCKER: The government is getting industry stakeholders together with the aim of working with industry. As a government, do you think there is a need to do more than just work out potential economic benefits? Do you feel you also have a responsibility to check with the Office of Sustainability or Environment ACT—whoever may have a view on the development of a particular industry in the ACT? An industry may have social issues as well. As a general practice, do you think your job is to look at the economic viability of an industry, which is what I understand you to have just said?

Mr Gordon: No. That is not what we just said. We said that there is a range of factors and people in the system involved in managing particular aspects of whatever the enterprise might be. If I can speak for the government: it is not the government's job to run enterprises; it is the government's job to work with industry as they develop to try to get outcomes that are acceptable to all. The issues of sustainability have not been elevated in the olive industry because there is no coherent industry as yet. The wine industry is a better example. We have gone through a number of years of development with that industry with issues such as environmental water use for disease prevention. A whole range of environmental and social protections were brought to the surface one way or the other between industry and then government over time. It just takes time. In

my experience, the olive industry is not yet mature enough to have had those conversations as an industry.

MS TUCKER: But you are encouraging it to become mature, to become bigger?

Mr Gordon: We have had one forum to test their aspirations.

THE CHAIR: When we discussed industries like this during mid-year estimates, particularly in relation to the white paper, the Treasurer indicated that wine and olive industries would appear in the white paper. I do not believe they are there. Is there a backing away from that decision?

Mr Quinlan: No, there isn't. It is a case of "That is a paragraph we probably should have had in there". Take it as read. We want to build a tourism experience within the tourism industry. Let us move from wine tours to an experience in Victoria where there is not so much a wine tour trail but, effectively, an epicurean trail. It is a combination of the local produce beyond wine and that gives diversity to that experience. We are interested in that more mature development. Olives probably should have got a mention, but they did not loom large. This is not leaping out at you as a huge industry that is going to grow within the territory or region. There will certainly be some development in the economic area that we identified. As I said earlier, at this stage there is no great certainty as to the industry's long-term viability or contribution. It is still worth pursuing and taking an interest in and meeting with the people within the industry, as we have done.

MS TUCKER: I am still interested in how you work. If I understood you correctly this time, Mr Gordon, you said that once an industry becomes developed you take a look at social and environmental implications. Is that correct?

Mr Gordon: That was our experience with the wine industry, yes.

MS TUCKER: We know, for example, that the olive industry has caused social costs in South Australia because of the impact on wild areas from seedlings. That cost is borne by the public purse basically, and would be in the ACT. As a group supporting an emerging industry, I am interested to understand at exactly what point you take an interest in social costs of that industry. I am not quite clear from your answer exactly where that is structured into your processes. You are saying that it is not your responsibility. We understand from this government—you have a whole-of-government approach to things and do talk to each other—that there is going to be an interest in the social costs of this particular industry. I would still like to understand how you think it works.

Mr Quinlan: I am presuming that that would work in a wider land use policy. If we did all the studies that have been suggested in this room from time to time that is all we would be doing. You have to take a wider view. I expect that those sorts of evaluations are not done within land use studies.

Ms Gordon: As far as I am aware I think there is only one major olive plantation inside the territory.

MS TUCKER: I understand that. You are putting here as an initiative the fact that you have had a forum. The minister said that you are interested in supporting industries. Fine; we all are. My question is: how do you make decisions about which industries you support? By having a forum you are obviously interested in this industry, and that is fair enough, but I want to know how you make decisions about whether or not it is a good industry.

Mr Gordon: Industry approached the government and said, “If we come together, will you help us?” We said, “We will listen to what you have to say.” They have not, as yet, matured beyond that point.

Mr Quinlan: They do offer variety in the regional tourism experience possibly.

MS TUCKER: I understand that there are benefits. You said that there is a time at which you take an interest in the social costs of an industry, as you did with the wine industry. My question is: how do you structure that into your processes basically? When do you decide to do that?

MS MacDONALD: Would it be fair to say that the olive industry is not developed enough to make that decision at this point in time?

Mr Quinlan: I am presuming—this is a presumption on my part outside my portfolio area—that land use policy takes into account those impacts within the borders of the territory. Outside the borders of the territory we possibly should have a wider conscience. I do not know what could go wrong with growing olive trees: they could run wild or something.

MS TUCKER: It is about understanding it.

Mr Quinlan: Yes. Before today I have heard no suggestion that olive plantings offer some major danger.

MS TUCKER: There are some dangers. I do not know if I would classify it as a major danger, but it is seen to be a danger in some areas. You are assuming that land use policy will deal with that. Could you take the question on notice and get back to us on whether or not that happens and, if so, how it happens.

Mr Quinlan: Sure.

THE CHAIR: Treasurer, on page 51 under “Future directions” in this same area one of the objectives is to complete the development of the economic white paper. That has been done and has been announced. The total cost of consultants listed on pages 95 and 96 is about \$520,000. Did we get value for money for that expenditure for reports that were done to support the white paper?

Mr Quinlan: Value for money is in the eye of the beholder. I am certain that if you were in the public forum, Mr Smyth, you would be saying we did not. At this time we are satisfied that beyond the white paper there is a body of work that did not exist before. It gives us, in large part, pragmatic analysis of the economy within which we operate. That body of work is of far greater value to the territory and the territory’s future than the

number of glossies that have been produced over the years that would have cost far in excess of that spend.

THE CHAIR: In what way is it of far greater value? Most of the business groups, in what you have termed as praise for the white paper, have said that it is consolidation or bringing together well-known fact and information. Is there value in that consolidation?

Mr Quinlan: In large part, Mr Smyth, you will hear what you want to hear.

THE CHAIR: As I am sure you do, Treasurer.

Mr Quinlan: Let me tell you that as recently as this morning I have been informed that the white paper has had a very positive reception. Business sectors and those that represent business and would want government particularly to focus resources on business or create an even more attractive taxation regime are still going to keep the pressure on government. They are not going to say, “Beauty! Wonderful!” and stand back and give you a standing ovation and that is it. They are going to say, “We will wait and see. I want to see where the dollars are. I will be waiting to watch these actions come into place.” Maybe some of them will say that there could have been more, that it could have been higher. Given the total absence of criticism of content, thrust, direction and assessment that the paper has received, and given the positive endorsements, you would have to say that it has been universally accepted.

THE CHAIR: Perhaps you are just hearing what you want to hear, Treasurer. I have read press releases from the Business Council. I do not believe the chamber put out a press release, but I heard their comments on television.

Mr Quinlan: They probably did not have one written for them.

THE CHAIR: We do not have to do that, Treasurer. They do it of their own accord.

Mr Quinlan: You used to.

THE CHAIR: To say that there has been a total absence of criticism is certainly taking it a bit far. The Business Council has been quite critical of the real lack of planning and targets and how it would be achieved. The Chamber of Commerce has said the same. Even the Tourism Industry Council, in what you could term “praiseworthy press release”, said that they would await the detail. After two years—I do not have the full answer yet from your department, but I assume that there has been close to \$1 million worth of expenditure and effort—why do we not have greater detail that the business community is still waiting for?

Mr Quinlan: I believe that you are misrepresenting the Business Council in terms of their emphasis. Within a day or so of bringing down the white paper, I was invited to launch their exporters club and met with some of the people and principals of the Business Council. Their approach has been positive. They have said that they want to see specifics and have expressed their willingness to await the specifics as they unfold.

THE CHAIR: They do not have a great deal of choice, do they?

Mr Quinlan: That is more of a political statement on your part. I do not have an answer for that.

THE CHAIR: Let us go to the policy you started in June 2001. You articulated in the election that it would have plans and targets.

Mr Quinlan: Did I?

THE CHAIR: Yes, you did. I can get you a copy of your policy if you seem to have lost it. There do not seem to be any concrete plans or targets.

Mr Quinlan: Let me say as politely as I can: there are some who would say, “I want to see a number beside that.” If you look through that plan with an open mind, you will see that there are targets throughout. They are not so specific that you are in a position to say, “You said 12 and I got only 11½” or “You said November and we did not get it until December.” I am sure that you would love to have that process. The paper is bigger than that—sorry.

THE CHAIR: If the paper is bigger than that, what does it achieve? Perhaps you will outline your plan for the space industry. There is a section that talks about the space industry, and that is fair enough: there is a space industry here. But what is your actual plan for it? What is your target? What do you hope to achieve?

Mr Quinlan: We will build a rocket come Friday.

THE CHAIR: If you pull away the motherhood statement, there is not a great deal there.

Mr Quinlan: As I said, if you want to take a small-minded approach that says “unless you can specifically say that in that industry there will be specifically that thing done or that product developed” I think you are missing the point, Mr Smyth. For the first time we wanted to set direction and a broad plan for the territory—and we have.

THE CHAIR: I know that you would like to move away from plans and targets, but that is what your policy said. Your policy says, “We will accept plans and targets” and there are no plans and targets.

Mr Quinlan: I will have to refer to what that says precisely. We will have a look at the context because it will not be the first time that you and I have discussed matters that have been taken out of context.

THE CHAIR: I can recite it just about verbatim for you. It talks about conducting a review and the outcome of that review would be an economic white paper which will detail plans and targets. I am surprised that you are not as familiar with your own policy as is the opposition.

Mr Quinlan: I am sure that I have not grubbed through the detail looking for criticism. I have been involved, along with a number of people, in putting together a substantial plan for economic development in the territory and region, and that is what we have got. You can bandy words if you want to, but you are missing the point and, I suggest, may be being obtuse. But I will leave it to you as to whether it is just too big for you.

THE CHAIR: Your degree of embarrassment is always proportional to the way your language modifies and the attack becomes personal. The detail of your white paper lacks discipline.

Mr Quinlan: I am sorry, Mr Smyth: if there is anybody in this place that gets personal, in the short, sharp grabs in the media, it is you.

THE CHAIR: That is an issue for outside the chamber, Treasurer.

MS MacDONALD: This is not being productive.

THE CHAIR: Treasurer, the next step—

Mr Quinlan: There are certain things I need to say. If you persist in asking questions, then the only logical response is that I think you are barking up the wrong tree—and probably deliberately so. It is you that is barking up the wrong tree. It has to be that personal, I am sorry.

THE CHAIR: If the correspondence and the conversations I have had from community and business groups are an indication—they are still awaiting the plans, targets and the cash to implement them—I will take their indication of their assessment of your plan. It does lead to the question: what happens now with the white paper? At the briefing on the afternoon of its release, your office has said that commitments were not funded. What happens now? Do we have to wait and see which parts would get through the budget process or will it all be funded?

Mr Quinlan: Yes, you do. This is not a plan that will be implemented in an instant of time; it is a direction. These are all the aspirations. It takes a fair bit of courage for a government to list those things. Quite frankly, it was always done at the risk that we will get the response that we are getting from very few, fortunately, that, all of a sudden, we not only informed ourselves—we informed the territory; we informed the Parliament. You will appreciate that the plan's assessments and directions have not been criticised. A series of plans have been put together under the Canberra Plan and they will all come together in the next couple of months. We would love to be able to implement everything in them, but we will not be able to do that because there will be a limit on resources.

I am still happy to say to the people in Canberra that these are all the things we would like to do and these are the things within that wish list that we think we can do now, given that we have done our priority setting as between our social, community and economic objectives. There is a political risk in that because you have served up a number of other things that we think we would like to see happen, we want to see happen and we intend to see happen over the longer term but cannot do now. That will be fodder for criticism or political debate. I do not think that is enough reason to not put together a decent economic white paper—and that is what we did.

MS TUCKER: I have two questions. You say under industry policy issues that advice was provided to the Department of Health and Community Care regarding the ACT Gene Technology Bill and the recommendations of the Standing Committee on Health. Would we be able to see that advice or is that secret in-cabinet advice?

MS MacDONALD: What page are you on, Kerrie?

MS TUCKER: Page 50. You have got it listed here as something that you have done.

Mr Quinlan: Yes, if it is not cabinet-in-confidence, it is yours.

MS TUCKER: You list the areas that you think will generate employment growth, strong economic performance and so on. You include in that personal services. As you know, there were some concerns expressed that your document did not adequately acknowledge the value of the community sector in terms of the employment generation. I note that you talk about personal services here, which I assume is the community sector.

Mr Quinlan: No, it is wider than that. What we have seen in the evolution within economies is the fact that quite healthy, normal functioning human beings are availing themselves more of personal services. Whether it is within the community sector or without—

MS TUCKER: Yes, I think I did read that. Sorry, I think you did explain that in the paper.

Mr Quinlan: We do not claim that we have made every point that we want to make in that absolutely crystal clear for everybody, but we really want to make the point that for the economy to grow there needs to be wealth creation. Once there is wealth creation, you can get the multiplier effects. A whole raft of activities occur within our economy that are dependent on the size of the economy. The size of the economy depends on the pointy end, the creation end, which is where we have focused in the paper and where we will focus, in large part. If you do not have a healthy economy, you cannot provide all of the services and infrastructure that a decent, humane community ought to have.

MS TUCKER: I understand that argument. I heard you put that. Do you see a role for the community sector in employment generation and training? Do you think it is worth supporting in some way?

Mr Quinlan: Personally that is not the way I would come at it. Quite clearly, we have unmet and continuing need in the community. Unfortunately, there are always going to be trade-offs, but we should be making best endeavours to minimise, if not eliminate, that unmet need—not as an economic but as a social objective.

MS TUCKER: Your argument is that if we have a high end of the knowledge spectrum or skills spectrum—

Mr Quinlan: This might be tourism as well, which is wealth creation. Importing hard dollars, as they say.

MS TUCKER: If those industries take off, do you think that will provide employment for people who are not skilled, through trickle down, follow on.

Mr Quinlan: Yes. It will provide all of the dimensions of the humane, modern community, but we do need to focus on wealth creation to some extent.

THE CHAIR: The package that we put together for NICTA was some \$20 million and part of that was to help with the establishment of the site itself. The building has been rejected by the Planning Authority three times now. What happens now? Do we try a fourth time?

Mr Quinlan: I think they are pretty well sorted now.

THE CHAIR: If the government cannot get its own buildings through the system, how can anybody else?

Mr Quinlan: Was it rejected three times?

Mr Gordon: I am sorry, I need to understand the question.

THE CHAIR: There was an article in the *Canberra Times* recently that said “NICTA tries, yet again, for its building”. NICTA has put in an application three times and it has been rejected. There was a first and second proposal. NICTA submitted a third proposal about two weeks ago.

Mr Gordon: Simon Grose’s article was an interesting and generally positive one. We should focus on that rather than focusing on that bit. The original conversation with NICTA—this is an extraordinarily great opportunity for the territory if we get its operations right—was for it to settle on a relatively small parcel of land inside section 61, the car park bordered by Marcus Clarke Street, Farrell Place, Gordon Street and London Circuit in the corner closest to the School of Music. Consequently, NICTA engaged development advisers who convinced NICTA that there is a business proposition for them to build a building much larger than would initially be needed—about 5,000 square metres. It was proposed to build a 20,000 square metre building in two parts, but it clearly could not fit on the initial block of land. The proposal then was that it be located on another parcel of land inside section 61, but the configuration of the block was not covered by the development and control plan agreed between the Planning and Land Authority and the National Capital Authority. Consequently, we explained to NICTA that it had to settle on a block of land within the DCP. NICTA eventually settled, so everybody is happy.

No particular proposal was rejected, except that we now have an approved DCP, agreed between the National Capital Authority and our land people. It is acceptable to NICTA and suits its development aspirations.

Mr Quinlan: These were not detailed designs each time by any means.

THE CHAIR: So there were no rejections. The *Canberra Times* got it wrong?

Mr Gordon: If you call a rejection NICTA asking for a block of land configuration which did not exist, I suppose you would call that a rejection. Once it was explained to NICTA that it had to choose from within the blocks laid out in the DCP it more than happily changed its view to an alternative block.

MR TUCKER: I have a question on the Business Incentive Scheme and ACT business fund. Can you have a look at page 166? Could you help me understand what is happening with the Telstra grant which expires on February 2004. There was a cash grant of over \$1 million. As I understand these figures, you are saying that assistance utilised to date is \$300,000 of that cash grant. Is that right? Is that what that means?

Mr Keogh: Yes, that is right.

MS TUCKER: So in two months time that contract will expire. Only \$300,000 of an initial grant of over \$1 million has been used. What will happen to the remaining \$700,000? Do you keep that?

Mr Quinlan: It depends on the employment milestones.

Mr Keogh: That is right. The contract was subject to Telstra meeting employment milestones. It met its first milestone and was paid \$300,000 for doing that. It did not meet its second or third milestone and we have since terminated its contract.

MS TUCKER: So that is it, basically?

Mr Keogh: It has just finished, yes.

MS TUCKER: You state in the report that Telstra was committed to 265 full-time employees but that it employed only 203. Is that right?

Mr Keogh: That is right, yes.

MS TUCKER: So that means it did not meet its second or third milestones?

Mr Keogh: That is right.

THE CHAIR: The white paper now states that both the Knowledge Based Economy Board and one of the other boards are rolled into the Partnerships Board. What happens with the knowledge fund?

Mr Gordon: The knowledge fund and the Knowledge Based Economy Board do not have any direct connection. We sought nominees from the Knowledge Based Economy Board to advise the government on the efficacy of the application. So industry will continue to be involved. Nominations for that advisory group and applications relating to the knowledge fund will be considered next year.

THE CHAIR: Ms Tucker asked earlier about the genetically modified advice that was given to the Department of Health.

MS TUCKER: That is what Treasury does to advice.

THE CHAIR: Hopefully it is enhanced advice to make the department perform better. I assume that most of that advice relates to the work of Epicorp Ltd and our investment with Epicorp. What returns are we receiving from that investment at this stage?

Mr Gordon: Just to disconnect the two, the first aspect relates to the establishment of the gene regulator and the ACT government's position on that. We will find out what it is and make sure that that information is available. Second, Epicorp is working within a range of eight to 15 high-technology start-ups at any one time. It is in full negotiations with the Commonwealth about round two funding. Its Commonwealth funding expires in the middle of next year.

THE CHAIR: So is our funding of Epicorp dependent on Commonwealth funding or do we fund projects independent of the Commonwealth?

Mr Gordon: There are two aspects to our funding of Epicorp. Initially, we gave it a grant to help renovate the building that it is in. Secondly, the government invested in its investment capability. So we have given it no operating funding at all.

THE CHAIR: If Commonwealth funding is not forthcoming what will happen?

Mr Gordon: We continue to impress on Epicorp and other organisations that have been created as a result of Commonwealth initiatives that it is not the job of the ACT government to patch up organisations that the Commonwealth has walked away from. At the moment it is a Commonwealth to Epicorp challenge.

Mr Quinlan: Obviously we will stay interested in it, but we do not want to see good prospects burned because of the Commonwealth's easy-on, easy-off policies.

THE CHAIR: When will we see the results of the 38 commercialisation grants and five industry development grants that were made in the past financial year? About 275 additional jobs were forecast. Are we starting to see results, or are the timeframes longer?

Mr Gordon: The contract that the grantee gives us and the amount of money the grantee receives are contingent on certain milestones being met. Those milestones are measured by assessing the number of people who are employed. At each stage every month we receive progressive information about the relative success of those organisations meeting their milestones. We hope that, over time, some of those companies will become significant employers. Some will, but some will not.

MS MacDONALD: On page 45, under the heading "Future Directions", you refer to establishing the Council of Education Export. What does that involve?

Mr Gordon: The Council of Education Export has been formed and it has had its first meeting. The government told us to work with educational institutions to enhance the economic benefit that education contributes to the ACT economy. All major institutions are represented on the council at senior levels. They have agreed to their terms of reference which, essentially, are to work and collaborate with educational institutions. Team Canberra will identify the things that can be done to enhance our institutions and the ability of schools to attract foreign students and income.

The first wave of activity it will be commissioned to determine will be what student accommodation challenges there are. Universities and schools should be able to attract

more students. What are the barriers from an accommodation point of view? Do we, as a city, need better marketing collateral? Institutions and schools are fantastic at selling themselves but we probably need some Canberra-based collateral.

We must also look specifically at tourism aspects. We have 10,000 or more students coming to Australia every year. We must encourage members of their families and their friends to come and visit. So we have signed off on three main areas of activity. Council initially signed off on two of those areas.

MS MacDONALD: I know that this question does not relate to economic development, but recently the Canberra Institute of Technology signed a memorandum of understanding with Dili Institute of Technology to give in-kind assistance. I believe it is exploring a similar proposal with the Cook Islands. Has any thought been given to involving the Council of Education Export not just in exporting the education that we provide, but in exporting expertise to sister institutions, thereby helping them to improve their educational facilities?

Mr Quinlan: That was certainly not the intention when we established that body. It was our intention to harness economic benefit for the ACT which is pre-eminent in education and which has diverse educational opportunities. This body is not an overseas aid organisation.

MS MacDONALD: I am not suggesting that the body should be an overseas aid organisation. It should address the wider implications of training people from overseas in their own countries. That would generate economic potential not just for us but for the entire south-east Pacific region. I know that that was not necessarily your original intention when you established this organisation. However, I suggest that it could generate possible benefits for us. Rather than having people come to Australia to be trained, that training could be provided overseas. That would be less draining on our facilities.

Mr Quinlan: I am sure that our educational institutions will take advantage of every opportunity they have to broaden their experience by making some sort of contribution. I do not think that that has been woven into the charter.

MS TUCKER: Page 159 of the report refers to sponsorships, contributions and assistance. What is the difference between a sponsorship and a contribution? Is your name published if it is a sponsorship?

Mr Gordon: That partly represents the difference. We sponsor a lot of business events and celebrations. A number of business-related activities, in particular, in the tourism and other areas, require some sort of contribution from the government. But you would not call it a sponsorship because it is not for a specified event-type outcome. We could explain all those items if you require details about them.

MS TUCKER: I do not quite understand the difference. They appear to be similar events. You made a contribution to an IT secrets competition and you made contributions to microbusiness awards and conferences. It is a small point that I am trying to understand. I am happy to see that the list of sponsorships is fairly consistent. Included on that list is the Marist College in Canberra. You sponsored an information

evening at that college. Is that what you offer to all schools when they do that sort of thing?

Mr Gordon: We try to connect the education system to business. Marist College is one of the few non-government schools that make a considerable effort to provide vocational experience and training to students. It organised an elaborate, well-researched and resourced careers night and it sought a minor sponsorship from us to emphasise the business aspects. We were more than happy to provide \$500.

MS TUCKER: A number of other public schools provide vocational education.

Mr Gordon: I referred to non-government schools. I said that Marist College is a competent non-government school that provides that sort of experience. I do not recall receiving any similar requests from non-government schools. We provide resources for a number of career nights and expositions in which the government is actively engaged.

MS TUCKER: Would you consider giving such grants to government schools?

Mr Gordon: Of course.

Mr Quinlan: On a case-by-case basis.

MS TUCKER: So those schools just have to apply?

Mr Quinlan: They do not just have to apply. As Mr Gordon pointed out earlier, each case has to be considered on its merits. Schools have to prove that their activities will contribute in some way to the community.

THE CHAIR: We will hear next from Sue Marriage, Director, Sport and Recreation and Danny Harley, Chief Executive Officer, Canberra Stadium. The Stadiums Authority has been looking for some time for a naming rights sponsor. Following a search, a name was referred to ActewAGL. The minister would not approve the naming rights sponsor until he obtained certain other information. What stage have you reached in relation to the naming rights sponsor for the Canberra Stadium?

Mr Quinlan: I met with Stadiums Authority representatives this morning. We generally agreed that we should approve a naming rights sponsor that would still identify with Canberra. During the World Cup there is the likelihood that commentators will describe the stadium as the ActewAGL stadium. On balance we thought that that would not be of great benefit to the city. ActewAGL will be paying for that sponsorship. As the government owns half of ActewAGL it would be paying for half that sponsorship in the great wash of things.

The current naming rights sponsor price tag is considerably lower than previous price tags so the government decided to run with the current suggestion—a decision that has been fairly well received by everyone. The Stadiums Authority is still looking for a naming rights sponsor but we have agreed that, where possible, we should pursue something that identifies with Canberra. There is value in a name being repeated in broadcasts of regular events, for example, the Super 12, which involves both South Africa and New Zealand. There are also tourism prospects as a result.

THE CHAIR: In the lead-up to the bid or the nomination, Capitol Chilled Foods withdrew its nomination the day before the recommendation went to you. In its letter to you Capitol Chilled Foods said that it believed that certain personalities had become involved in the issue and that it could lead to a political football game—not one with which it would want the Canberra Milk brand to be associated. Why would the naming rights of a stadium become a political football? Who was the person involved in the project?

Mr Quinlan: I am not sure about all the detail. I had a chat with Gary Sykes, the principal of Capitol Chilled Foods. He said, “It is all getting too hard for me. I do not want to talk about it.”

THE CHAIR: So you are not aware of any personalities or political footballs?

Mr Quinlan: Capitol Chilled Foods, or Canberra Milk, had a level of sponsorship anyway. If it was not in the stadium it was when football teams played at the stadium. When you watched the Raiders play you would see padding on the goal sticks and that sort of thing. There was negotiation to determine what rights should be conferred on the naming rights sponsor—where those rights began and ended. I do not know whether that was a political football. I talked to Mr Sykes who said, “I am happy to be out of it. Do not worry about it.”

THE CHAIR: In your response to the letter written by the Stadiums Authority you asked for a list of information so that Treasury could conduct an evaluation before the project went ahead. Did Treasury evaluate the material that was provided?

Mr Quinlan: Yes, I think it did. I was specifically interested in establishing what negotiations had taken place. Let me put this into perspective. The Stadiums Authority sought naming rights back in December 2001. There has been no public call since that time. There had been negotiations with a number of companies about a different economic proposal. I wanted to get a perspective on it so I asked Treasury to examine the original request to determine whether or not the expressions of interest were valid in light of the changed circumstances—that is, a reduction in their value.

I then had to determine whether some of those people might not have been interested if the price had been different. I wanted to satisfy myself in relation to those issues. I think that matter was referred to the treasurer. Mr Harris just confirmed that that matter was referred to the treasurer. I tried to get some sort of idea about what it was worth.

THE CHAIR: So you recommended that a report be given to the treasurer?

Mr Harris: Yes.

THE CHAIR: Can the committee have a copy of that report?

Mr Quinlan: Yes. If it is not covered by freedom of information legislation you can certainly have it. I have just been advised that it was a cabinet document so I will have to take a look at it.

THE CHAIR: So the report from Treasury to you was a cabinet document?

Mr Quinlan: It became a cabinet document.

THE CHAIR: If you establish that it is not a cabinet in-confidence document, will you send it to me?

Mr Quinlan: There are no reasons why I should not be able to do so. I will look at it later.

THE CHAIR: I assume that there were evaluation criteria to determine which bid would be the winning bid. When were those criteria determined?

Mr Quinlan: According to your schedule, Mr Harley from the Stadiums Authority will be giving evidence later.

THE CHAIR: I am happy to wait to hear from Mr Harley. We will deal now with Treasury. The former chief executive, Mr Harris, refers on page 5 of volume 1 of Treasury's annual report to a \$7.7 million deficit in the 2003-04 budget. He then refers to an aggregate surplus of \$66 million for the period 2005-06. Given that most of the speculators in this area have said we are at the top or we are approaching the top of a cycle, is it appropriate for the budget to be in deficit? Because of our revenue and income this is probably one of our richest periods.

Mr Quinlan: That will probably end up not being the case. You would be aware, as a result of debates in the Assembly relating to public land development, that there is a dip in the land revenue curve. The government will be disposing of some of its land post-development as opposed to pre-development. That timing difference in the receipts for land sales will cause that dip to occur.

It is not something that requires a higher level of expenditure on the part of the government. You have probably been bored to death hearing me talk about not setting budgets in the short term. It is not appropriate for budgets to be set in that way. That dip in the bottom line has been caused, in the main, by the deferment of land sale receipts.

THE CHAIR: What do you expect the surplus to be this year?

Mr Quinlan: I am advised that it will be about \$40 million.

THE CHAIR: So it has not increased since the last financial statements. Earlier you said something that I think is quite important. You said that you do not set budgets in the short term. Even when we were at the top of the cycle we set a budget that took us into deficit. Was that appropriate at the time, given your belief that you should not be doing that, or was it something that cabinet decided it would do?

Mr Quinlan: Are you referring to this year's budget or to the previous year's budget?

THE CHAIR: I am talking about the proposed \$7.7 million deficit this year.

Mr Quinlan: I have explained what that is.

THE CHAIR: You then went on to say that you should not be setting budgets in the short term.

Mr Quinlan: We should not be setting fundamental budget issues in the short term. If there were a deferment or a timing difference in the cash flow for land sales and we took those factors into account before setting the budget that would be equally inappropriate. You have to set a budget that is sustainable over the longer term. I am sure that you have looked at the forward estimates.

THE CHAIR: I have looked at the forward estimates. The new federal Leader of the Opposition asked what the states and territories should be doing with stamp duty. Is the government determining what amount of stamp duty has been collected and how equitable it is?

Mr Quinlan: The government has just entered into its budget cycle. Those sorts of fundamental revenue items must be evaluated in the context of the overall budget. They will be evaluated.

THE CHAIR: Is any work being done to determine threshold and other issues?

Mr Quinlan: Yes.

THE CHAIR: Have you achieved any outcomes?

Mr Quinlan: The outcomes will be reflected in the budget, Mr Smyth.

THE CHAIR: All right.

Mr Quinlan: You would not expect anything else, would you?

THE CHAIR: Not from you, Treasurer. I would be disappointed if you changed your line. When were you first made aware that this year's budget was not going to be a \$7.7 million deficit?

Mr Quinlan: I cannot recall. I do not retain that information in my head. I have had discussions with Treasury officials on a regular basis. They advise me of the changing conditions. I do not demand that they provide me there and then with updated statements so that I can rush out and deliver them. It is appropriate that there are periodic reassessments.

When I was a member of the opposition you will recall that I introduced legislation that changed the reporting process from monthly to quarterly so that we could do a bit more work at the quarterly level and ensure that we brought the estimates of outcomes—a most important column in that report—consistently up to date. That is what I intend to continue to do. A particular event might have a material effect on the budget, but a lot of other things could occur at the same time that could have a cumulative, similar, equal or opposite, or exacerbating effect on the budget. This is not an analogue process.

THE CHAIR: The last dot point on page 13 of the report states:

- continue to work with the States and the Northern Territory in seeking recognition about the increasing Commonwealth and shrinking State-Territory share of national tax revenues.

How bad are those shrinking revenues and how is it affecting the ACT?

Mr Quinlan: I do not have a graph with me. At the last treasurers council meeting the states and territories made sure that this item was on the agenda. In the graphs you see a share of the tax cake measured between the states and the Commonwealth. Clearly, the Commonwealth share has increased proportionately at a greater rate than it has in the states.

You are limited in what you can do about that. The treasurers council applies pressure, generally through public forums. That is the only way that it can be done. In that way we can ensure everyone is aware of it. It might not be much but at least that embarrassment or pressure could make some difference. Over the past year or two I am sure you have heard federal ministers say, “Now that the states have their GST and they are rolling in dough, they should pay for this and that.” Each time you hear that statement you know that there has been a cost shift in health, education or disability services in the community. The Commonwealth tries to engineer those cost shifts while its tax take, versus the tax take in the states and territories, is growing.

THE CHAIR: Can you provide those charts to the committee?

Mr Quinlan: We can find you the charts that went to council, yes.

THE CHAIR: Do those charts take into account GST revenue?

Mr Quinlan: They do. You have to remember that when those charts were prepared only two states or territories were heading into positive GST territory—that is, Queensland and the ACT.

THE CHAIR: I recalled seeing predictions in the press releases of the federal treasurer. They showed the growth in GST revenue to the states. We have now gone positive.

Mr Quinlan: We have, yes.

THE CHAIR: The out years look reasonably stronger than those original predictions.

Mr Quinlan: It would depend on other considerations of the Grants Commission, which are not public at this stage. We are concerned about the Grants Commission collective formulae for applications for what is considered to be a moveable feast. There is pressure by three states—New South Wales, Victoria and Western Australia—to have the whole process thrown out and restructured. There are rumours that, because of the way in which things have changed, a couple of states might not do as well as they did before and they might be tempted to join that camp. The majority of council members might opt at any time for a total review of the process. The federal Treasurer who, at that stage, had a funny smirk on his face, said, “It is up to you blokes.”

THE CHAIR: The chart from the federal Treasurer shows that growth will be quite strong over the next four or five years.

Mr Quinlan: The Commonwealth is already trying to claw that back.

THE CHAIR: Does that have implications for us? Will either the Grants Commission or the federal government claw back payments that are made to the ACT?

Mr Quinlan: We are more likely to be affected by a change in the emphasis that is placed on the Grants Commission analysis. It changes its formula from time to time. In the past it has changed its formula and that has benefited the territory considerably. There is always a chance that the reverse might be true as it is a moveable feast. A continuous review is conducted by a specific regime.

Effectively, every Australian citizen should have the same access to government services. This is an equalising process. The states that are against that are those that claim there is no incentive to build wealth. They want to retain their earnings, in particular, mining royalties. Believe it or not, they solemnly promised to reinvest those earnings in their economy, thus enhancing the national economy.

THE CHAIR: I refer to page 13 of the report under the heading "Future Directions" which states:

- continue to monitor the implementation of the Intergovernmental Agreement underpinning national tax reform;

Does that take into account the potential removal of other taxes, such as stamp duty and payroll tax?

Mr Quinlan: I cannot answer that question off the top of my head. Under the intergovernmental agreement certain taxes were to be phased out by a certain stage and some of them were to be reviewed. There was talk by some states about reneging on commitments in the intergovernmental agreement, just as the Commonwealth has done in relation to fuel excise. A couple of years ago it made a big song and dance about pegging the fuel excise, but it then sent the bill to the states.

For six or seven months it claimed credit for trying to hold down petrol prices when there was considerable public pressure, but it had already sent the bill to the states. It directly reneged on the intergovernmental agreement. Some states have got rid of a bad tax and others have not. Some states might want to do that now. If they are permitted to pick and choose will they abide by the intergovernmental agreement when the Commonwealth did not?

THE CHAIR: Is 2005 the next review period?

Mr Quinlan: Yes, that is the big break point. After 2005 it should be all over.

THE CHAIR: So in 2005 there will be a discussion about which other taxes will go and which taxes will stay?

Mr Quinlan: There will be discussions before that. It will be a phased-in process. I cannot remember whether there will be any candidates in 2004.

THE CHAIR: I refer next to page 14 of the report. Under the heading “Future Directions” there is a reference to completing the update of the department’s input-output model. What stage have you reached with that project? What are the implications of such an update?

Mr Stewart: The model has been updated to incorporate 2001-02 data. We use that model to carry out an analysis of industry investment policy and so forth.

THE CHAIR: So you are not actually changing the model; you are changing some of the data contained in it?

Mr Stewart: Basically, it is an update of base data.

THE CHAIR: Because of the way in which it has been presented I thought you were going to rewrite the entire model.

Mr Stewart: The update of base data changes all the multipliers within the model, but the model specifications remain basically the same.

THE CHAIR: I refer to the last dot point on page 16 of the report under the heading “Government Business Enterprise Management Branch”, which states:

undertake a Request for Proposals process for the AIHS;

How far have you progressed with that?

Mr Quinlan: I think we have received about seven proposals. Only three of them come anywhere near complying with our requirements. Those proposals are being evaluated.

THE CHAIR: What is the likely time for an announcement?

Mr Quinlan: I had hoped that it would have occurred by now. I am also making inquiries about general concepts such as probity. How much negotiation can I do in relation to the offers that we have received? It could be said that those offers are not too bad but it is a matter of defining our legal position. Purely because of probity requirements we might have to start from scratch if we do not like any of those offers.

MS MacDONALD: Will you inform the committee about the review of ACTTAB’s dividend policy?

Mr Quinlan: Yes. One hundred per cent of its profits went back into dividends. For reinvestment purposes the cash generation of its depreciation provisions were expected to be sufficient to meet its needs. It is in a developing field so we have reduced the requirement on dividend to 50 per cent of its net profit.

THE CHAIR: I do not know what area national competition policy falls under. Recently an announcement was made in relation to the withholding of \$1.2 million in policy payments. An article in the *Canberra Times* indicates that we can get that money if we meet some requirements. The two areas that appear to be of some concern are pharmacy and taxi deregulation. Obviously you are addressing the pharmacy issue. What is happening in regard to taxi deregulation that would result in the withholding of this payment?

Mr Quinlan: I think we are waiting for an Assembly committee report. It is a vexed question. Do you deregulate, in the conventional sense, taxi services in a city of 300,000 people with a satellite population of another 100,000 or so? I look forward to a bolt of wisdom coming from that committee.

THE CHAIR: If it can solve the taxi dilemma it will be doing well. You can, of course, claim public benefit. Was any thought given to saying, "We are too small"?

Mr Quinlan: That might be the bolt of wisdom that we get.

THE CHAIR: "We are too small; therefore subjecting us to this is unfair"?

Mr Quinlan: A framework was put forward—a framework that received at least a verbal tick from the present head of the ACCC, who was formally the chairman of the Competition Council. I am sure that people expected us to test that framework rigorously. Effectively, we received notification from the Competition Council that no excuses would be accepted in 2003.

THE CHAIR: So the likelihood of getting that \$1.2 million is good?

Mr Quinlan: I have sought, and I have not been able to obtain, a definitive division between pharmacy deregulation and the taxi industry. I am confident in relation to the pharmacy issue but I am not sure about the taxi industry. We will have to make a decision down the road in relation to taxis.

THE CHAIR: There is a reference to affordable housing on page 19 of the report. The report states:

The branch participated in the Affordable Housing Taskforce which finalised its report to the Government in December 2002.

I state again that the report does not appear to refer to government charges and to the cost of land. Was consideration given to canvassing those issues in the report?

Mr Quinlan: The report has been tabled in the Assembly.

THE CHAIR: I know that the report has been tabled. Taking into account all the things that were discussed, the report does not refer to the actual cost of land and to government charges on top of that. Is there any reason why that was not discussed in the report? Did the department not put that suggestion forward?

Mr Quinlan: We participated in the task force.

Mr Finn: I was actually on the task force, representing Treasury at the time. The task force examined a number of financial issues. It looked at land planning and regulation to determine what potential benefits could be derived by providing more affordable and sustainable housing. Referring specifically to costs and land costs, we recognised that there was an impost when we addressed the issue of affordable housing. The task force concentrated on the land and planning regime to establish what could be done to free up land and to make land more affordable.

MS TUCKER: Did you look at different forms of financing for housing such as bonds or using some of the superannuation money?

Mr Finn: Yes. We looked at forms of financing ranging from budget support right through to foreign sector financing. We established that there were a number of difficulties in the various options. We had a look at those options and the issue was left on the agenda. When we address affordable housing in a national sense we should bring on board the private sector.

MS TUCKER: What comments would you like to make about the public-private partnership model that the federal government is pushing at the moment?

Mr Quinlan: I am not sold on it. However, I am still open to being sold on it. I am not sold on this sort of partial ownership, partial equity plan. Sooner or later the costs of providing that house have to be met, either by the community or by the individual. If a structure was created enabling investors to receive a reasonable return and affordable housing was also provided we would say yes. I have been involved in real estate investment in a minor way and I know that it is not a simple or particularly rewarding process.

The Chief Minister recently announced that the government intends to increase public housing stock. The ACT now has the highest level of public housing of any state or territory, with the exception of the Northern Territory. We have a high proportion of public housing and we intend to increase it. At the same time you would be aware that money is available in the current budget to meet the lower end of homelessness in the ACT. I am always open to suggestions. We regard and will deal with that issue as a priority.

THE CHAIR: When the Chief Minister made that announcement he mentioned the figure of \$30 million. I think he said that that money would come from the housing loan portfolio. How will that be facilitated?

Mr Quinlan: An assessment has been made of that portfolio. We have commitments to the Commonwealth which we cannot pay out immediately as they are too favourable. We need to keep the fund there to meet those commitments in the longer term. The probability of non-recovery in the loan portfolio would still enable us to withdraw \$33 million from that fund and remain covered. We have assessed what is really needed. The future of the fund has been modelled. That fund is probably over-funded, so we can withdraw from it and still be covered for our potential liabilities or debt failure.

THE CHAIR: Is that brought off line, or is it done through appropriation?

Mr Quinlan: It would be done through supplementary appropriation.

THE CHAIR: Under the heading “Future Directions” on page 21 of volume 1 of the report is the following dot point:

- explanation of the *Financial Management Act 1996* (FMA)—to accompany the FMA development of ‘grey letter’ explanations of FMA provisions, to assist with correct application;

Will someone explain what that involves and why it is necessary?

Mr Hextell: The FMA, like all legislation, requires interpretation. The legislation requires additional explanation if practitioners are to be able to use it. It is our intention to develop some grey letter guidance that will assist practitioners in correctly interpreting the FMA.

THE CHAIR: Is that in response to the Auditor-General’s report and his recommendation regarding the use of the Treasurer’s Advance, or is this a general issue?

Mr Hextell: This will cover the whole of the FMA, not just section 18 and the Treasurer’s Advance. It will include the Treasurer’s Advance and it will cover all sections of the FMA.

THE CHAIR: When is that likely to happen?

Mr Hextell: Work on that issue has already commenced. However, it will be done in stages. It is quite a large task. As it will be done in modules it is likely to be completed by the end of the next calendar year. Modules will be coming on line and people will be able to use them progressively throughout the year.

THE CHAIR: Will you be required to table those guidelines in the Assembly, or are they more or less guidelines for use?

Mr Hextell: They are just guidelines for use.

THE CHAIR: Is work being done to modify section 18? Is the government progressing with its work on that?

Mr Hextell: Legislation is being drafted at the moment relating to section 18 and to the Treasurer’s Advance.

THE CHAIR: When are we likely to see that?

Mr Quinlan: In 2007.

THE CHAIR: We will have to debate an Australian Democrats bill before then.

Ms Smithies: No.

THE CHAIR: The government committed itself to taking action within three months of coming into office in December 2001. Is there any reason for the delay in fixing this problem?

Mr Quinlan: I do not think we committed ourselves to taking action in that area. Mr Hextell and his people have been progressively reviewing and improving the Financial Management Act. The Assembly has implemented many of those changes. So we are trying to fix the problem. This act is a prime target for amendment. Assembly members are continually pursuing greater accountability or control over what the government does. This act has the potential to become untidy because someone always wants to up the ante.

Phil's people have done a good job in trying to turn it into a decent act. They have not said that it is complete or that it will not have to be touched again as they know that, at the end of the day, it is a personal opinion. People will voice opinions about how much flexibility there should be in the Treasurer's Advance. Some people do not think there should be any flexibility.

THE CHAIR: Are payments that are made under the Treasurer's Advance included in the annual report? I know that it is tabled in about August each year.

Mr Quinlan: Effectively, we table it as and when those payments are made.

THE CHAIR: Is a summary of expenditure from the Treasurer's Advance reflected in either volume of the annual report?

Ms Smithies: No. As part of our reconciliation process each agency in its financial statements identifies any calls on the Treasurer's Advance. Apart from the document that we table those statistics are not included in Treasury's annual report.

THE CHAIR: Last financial year \$100,000 went to the Canberra Cannons, which I now believe is embroiled in some legal action. What was the nature of the request that was made to the government for the provision of funding?

Mr Quinlan: I think it was in the nature of a loud call for help. It certainly came quick and fast. The imbroglio that surrounded the Cannons emerged towards the end of last year. The timeframe for their survival condensed very quickly. I had some meetings with people who were involved or interested in the issue. Peter Head, chief executive officer of the Southern Cross Club, had an interest in basketball. The president of Canberra City Club, Cal Bruton and Kevin Neal were also effectively trying to help out. It all happened very quickly. I also spoke to ActewAGL about its position.

That all occurred in a short space of time—a couple of days or something like that. It was a matter of great concern that decisions had to be made so quickly. Effectively, I said that provided we had the assurance of other finance coming through, which would make the package workable, we would effectively advance the money that was to be allocated in the next financial year. That was subject to a deed, a legal document, and all those sorts of things. In the meantime I thought it was something that should have bipartisan support. At that stage the opposition spokesman for sport was Mr Pratt.

My office contacted Mr Pratt's office on two occasions and obtained general agreement on a reasonable way to proceed. We accepted that there was no time for niceties before we made such a commitment. We made that commitment and we then made sure that we had the necessary legal documents. It was understood that it was to be a loan. There was commitment on the part of the Cannons to raise further sponsorship. I said that if any further sponsorship was raised the first \$100,000 would have to be returned to government as part of the contract. That never eventuated. Effectively, we lost the Cannons and we lost \$100,000. If that had eventuated we would have been paying out this financial year. But we got no value for money.

THE CHAIR: So the Cannons made that request in December?

Mr Quinlan: I think it was in December. It was certainly towards the end of the year.

THE CHAIR: Was advice sought and obtained from Treasury or any other government agency as to whether that funding should go ahead?

Mr Quinlan: No. It was certainly discussed with them. We discussed the process of tying it down and ensuring that we had a legal framework around it.

THE CHAIR: So advice was sought and obtained from Treasury before the agreement was made with the Cannons?

Mr Quinlan: No. Treasury did not conduct an economic assessment of the future of the Cannons.

THE CHAIR: Ms Tu Pham is shaking her head in disagreement. Was advice sought before or after the agreement was struck?

Mr Quinlan: I did not receive advice from Treasury as to whether or not I should support the Cannons. It is probably not advice that was within the spectrum of Treasury's responsibilities; a judgment choice had to be made. This was the first side that had won a national competition.

I had to know whether it was worth preserving that national team in order to maintain the town's psyche. I had to know whether it was worth risking the public's money. It really was a judgment call. As we had a limited timeframe I spoke with a number of people, in particular, Mr Head of the Southern Cross Club. We discussed the viability of the project. After we had done all the back of the envelope stuff we sat down, had a meeting and nussed through this project. We had to determine whether or not it was viable and whether it would work if the sponsorship that we had been told about materialised. That sponsorship did not materialise; it was not realised. We knew that we could potentially lose.

THE CHAIR: Was any check carried out to determine whether what was on offer was real or illusionary?

Mr Quinlan: Yes. The backers who were interested were checked out but, because of the timeframe, it was beyond our ability to carry out economic stability checks on an

American businessman or on Magic Johnson who was going to come out and run a fundraiser with Mr Bruton.

THE CHAIR: Did you receive a report from Treasury relating to those investigations?

Mr Quinlan: No, Treasury did not carry out that sort of analysis. I was just reminded that, after the decision had been taken, Treasury was up to its armpits in work. We had to put in place the best legal structure that we could, given that we had to make a judgmental decision.

THE CHAIR: But Treasury did not provide to you a written report of its investigations. It just carried out the work that you asked it to do.

Mr Quinlan: That is right. It did not carry out a before the fact analysis of the potential of the Cannons.

THE CHAIR: So you were not provided with a written document to inform you whether or not to go ahead or what was the best way to proceed?

Mr Quinlan: No.

THE CHAIR: Will the government seek to recoup the funds that were provided to the Cannons? Will it have any opportunity to do so?

Mr Quinlan: I do not think we will have such an opportunity.

THE CHAIR: So all that money is gone?

Mr Quinlan: I think so.

THE CHAIR: This annual report, which is based on the year to 30 June, has a reference on page 24, under the heading “Future Directions”, to the following:

- review and implement revised changes to the ACT Rating System in accordance with the Government’s policy and direction.

Could you provide the committee with an update on the rating system?

Mr Quinlan: An analysis is being done and a report will be released early next year.

THE CHAIR: Next year will be a busy year.

Mr Quinlan: We are busy every year, Mr Smyth.

THE CHAIR: I refer to the superannuation and provision account. Are you happy with the decisions that were made to get out of equities and get into cash, or have we done ourselves in the eye?

Mr Quinlan: I am happy with the diversity that we have built into our investments.

THE CHAIR: Are the investments now travelling well?

Mr Quinlan: As at the end of November, investment earnings stand at approximately \$28.6 million, or 2.7 per cent. That is approximately \$4 million ahead of budget.

THE CHAIR: So at this stage we are doing well?

Mr Quinlan: At the moment, yes.

THE CHAIR: We will keep an eye on it. I refer to volume 2, page 143 of your report, which refers to the fact that the asset allocation was amended to focus on cash and on fixed investments. Page 143 refers to the central financing unit. When you were away the acting treasurer said, “We have changed the balance of asset allocation with more than 58 per cent of the portfolio now invested in cash and fixed interest assets.”

He also said, “The strategy was to provide some relief from the impact of poor returns.” He concluded by saying, “The result reinforces the need for a more sensible reporting framework from the one adopted by the former government.” Has a more sensible reporting framework been put in place? If so, are we seeing the benefits of that? Is the Assembly being kept informed, or does it simply receive information through quarterly reports?

Mr Quinlan: As you know, there have been no performance reports since that time. Treasury’s internal reporting process has become more sophisticated. I do not follow our investments week by week; I devote my time to the controllable rather than to the uncontrollable. Advisory boards have been put in place and a panel of experts that we pay monitors the whole process.

THE CHAIR: How often do you receive reports?

Mr Quinlan: I receive reports monthly.

MS TUCKER: I refer to your comments on page 70 relating to ecologically sustainable development. Your agency has done a great deal in the waste reduction area. Worm farms are now located in kitchens and a battery recycling bin has been placed in the building to reduce battery waste in landfill. Your agency seems to have done more than any other agency to reduce waste. Was this the initiative of one person in your agency? I would love to see these policies adopted more widely.

Mr Quinlan: I understand that it is a whole-of-government initiative. Perhaps we are just better at reporting these issues.

MS TUCKER: So you believe there are worm farms in the kitchens of all government offices?

Ms Smithies: The batteries recycling project was coordinated by the Department of Urban Services.

MS TUCKER: Perhaps you are better at reporting these issues than the other agencies.

Ms Whitten: The battery initiative is being implemented at a whole-of-government level. We have a receptacle on the plaza level in which we collect all batteries. Worm farm bins are located in all kitchens in the Canberra Nara Centre. I do not know whether they are located in the kitchens of every government department.

MS TUCKER: Can your printers use recycled paper?

Ms Whitten: Yes, some of our printers can use recycled paper. I cannot be sure about all of them, but we use recycled paper in some of our printers.

MS TUCKER: The word that is used in the annual report is “encourage” when referring to the use of recycled paper. Earlier today we had discussions with officers from the Chief Minister’s office relating to procurement guidelines. I saw a reference to procurement guidelines somewhere in your report. When you develop new guidelines I am sure that the printers and photocopiers that you buy in the future will be able to use recycled paper and do double-sided printing.

Ms Whitten: A new circular was issued this year relating to procurement guidelines. That circular includes sustainability principles specifically for printers. That is really a matter for InTACT. I think it is looking at that issue at the moment.

MS TUCKER: That reference is to be found in the report under ecologically sustainable development. The report, which refers to procurement support services, states that you are now working with the Office of Sustainability to develop guidelines. I look forward to seeing those guidelines.

THE CHAIR: Any further questions relating to Treasury should be placed on notice. We will deal now with the Gambling and Racing Commission. The committee welcomes the Commissioner for Racing and Gambling. I do not believe that the commissioner was present earlier. In order to formalise these proceedings, I have to read out a document. You should understand that these hearings, which are legal proceedings of the Legislative Assembly, are protected by parliamentary privilege. That gives you certain protections but it also places on you certain responsibilities.

It means that you are protected from certain legal action, such as being sued for defamation for what you say at this public hearing. It also means that you have a responsibility to tell the committee the truth. The Assembly will treat as a serious matter the giving of false or misleading evidence. I ask witnesses to state their names and the capacity in which they are appearing on the first occasion on which they speak. Treasurer, do you wish to speak to the report of the Gambling and Racing Commissioner?

Mr Quinlan: No, thank you.

MS TUCKER: I refer to page 16 of the report, which refers to the Ministerial Council on Gambling. At its meeting on 20 April 2001, council agreed to establish a national gambling research program. There does not appear to have been a meeting since that time. Why has progress on this issue been so slow? Will such a national program help to inform our work?

Mr Curtis: The Ministerial Council on Gambling met approximately five weeks ago. There was some tardiness on the part of the Commonwealth in convening the ministerial council. I think it has been well over 12 months since it last met. An MOU was agreed to. It was a rather cumbersome task in getting each jurisdiction to sign up and only very recently the last of the ministers signed up. It is now in place.

The territory is committed to its share of funding of that program. The working party has met on a number of occasions. Mr Collins, the Manager of Coordination and Revenue, is the territory's representative on that working group. I will hand over to you, Phil.

Mr Collins: We met two weeks ago in Sydney, the first meeting since the MOU has been signed. South Australia and the Commonwealth were the last to sign that memorandum of understanding. The Commonwealth signed on 27 October. At the meeting in Sydney a proposal was put forward by the Victorian Gambling Research Panel Secretariat who are looking after the administration of the research working party and the funds from each state and territory. Their proposal was for the development of a new gambling screen and for a survey to be carried out of the screen nationwide. That is now being considered by state and territory representatives.

MS TUCKER: On page 17 there are comments on multicultural education. There is a comment about a joint seminar organised by the Multicultural Council and Chief Minister's office. What came out of that?

Mr Collins: That was a briefing by a number of ACT government departments to members of the multicultural community in Canberra. We were one of five or six organisations that spoke. We essentially outlined what we were doing, particularly with research and legislation. Following those presentations we asked for feedback from the people there and from community organisations. As I recall, there was no feedback. I do not think I was asked a question on gambling policy or gambling research. It was more of a briefing and, as I say, to encourage any feedback on a range of topics right across government.

Mr Curtis: I think it would be fair to say that at that stage we were probably trying to get the message across on the code of practice and the fact that we had published a number of documents in a number of other languages and that they were available should people want to access them.

MS TUCKER: One of the points that was made was that there was not enough information on how gambling affects particular cultural groups in our community. What other work is envisaged in order to carry out the recommendations in the study?

Mr Curtis: Since Jan McMillan became the head of the Gambling Research Centre at the ANU we have had a number of discussions about research agenda. They are conscious of our needs in that regard. Any survey work that will be undertaken will build in that component so that we are hopefully going to identify specific needs within particular cultural groups.

MS TUCKER: Are you saying that Jan McMillan is going to do further research which looks at issues for different cultural groups?

Mr Curtis: No. A range of research will be undertaken over the next 12 months. Most of that has come about as a result of the review of the Gaming Machine Act and the government response. The minister has written to us asking that a number of research projects be undertaken. It would be fair to say that the government's intention was that, in the development of policy in respect of gambling and problem gambling, decisions being taken by the government be informed by specific research.

For example, we have been asked to undertake research in relation to ATMs in gaming venues. We are only in the very preliminary stages of discussions with the ANU as to how we are going to do that. It is important too that we do not act in isolation to things that might be happening in other jurisdictions and perhaps nationally. Going back to your original question about the national program, we would see Jan McMillan and the ANU playing a leading role in the conduct of some of that national research. If we can, we want to play off what might be happening nationally so that we are not duplicating work that might be being undertaken nationally.

MS TUCKER: I thought you said previously that there was a need for local research on local issues.

Mr Curtis: Certainly. A lot of these issues are common to every jurisdiction. If we can play off the work that might be undertaken somewhere else, that is probably the best way to go about it.

Mr Collins: I point out that in the paragraph above we highlighted the fact that we had the information brochures translated into a number of languages. We also had a feature in the Chinese community newspaper in which we highlighted the code of practice and the counselling services available through Lifeline.

MS TUCKER: Your report covered various issues around gambling. When the government decided to give access to taverns to class B machines, the Gambling and Racing Commission did not support it. Is that correct?

Mr Quinlan: I do not think that was what they said. They said that, given the situation that prevailed before, there was no point in keeping the classifications. That was about the end of it.

Mr Curtis: The recommendation was to remove the classifications but that access be limited to not-for-profit groups or not-for-profit entities—that is, clubs.

MS TUCKER: Class C machines?

Mr Curtis: No, just the general category of gaming machines. We recommended the removal of the three existing categories and that there be only one category.

MS TUCKER: And that they only be allowed to go to non-profit groups?

Mr Curtis: That is correct.

MS TUCKER: You did not support increasing the level of poker machines to taverns?

Mr Quinlan: Can we just put this in perspective. Taverns do not have poker machines because of technical definitional problems. They are entitled to poker machines. It is just that nobody makes the kind of machine to which they are entitled. The world has moved on a bit. It is a moot point as to whether this is an extension or whether it is not just making what is legally allowed practically allowable.

MS TUCKER: You made the decision as a government not to allow class C machines?

Mr Quinlan: Yes.

MS TUCKER: I was just interested in the commission's response to that.

Mr Curtis: We have not discussed the government's response. It is not appropriate to do that until we see the legislation that is currently being drafted and the outcomes from the Assembly once the legislation has been debated.

MS TUCKER: You do not think it is appropriate to discuss it because you do not know what the proposal is and you want to see the legislation—

Mr Quinlan: Can I just interpose. These gentlemen are the officers of the Gambling and Racing Commission. A board makes decisions as to recommendations to government—which it has done—and the government then decides whether to accept them and what it will recommend to the Assembly. I do not think it is appropriate to be asking officers of the commission if they differ from government policy.

MS TUCKER: That is my point really. I wanted you to say that.

Mr Quinlan: I know.

MS TUCKER: Why aren't members and the chair of the board here? Do we have an issue with the legislation in terms of the independence of the Gambling and Racing Commission?

Mr Quinlan: Sorry?

MS TUCKER: There have been problems with the structure of the legislation that created the Gambling and Racing Commission because of the unclear role of officers of the commission. When we are looking at the annual report of the commission, I would like to ask questions of the board or the chair. I thought it was called the Gaming and Racing Commission. That was a really strong point we made once. Didn't that ever happen?

Mr Curtis: No.

Mr Quinlan: It is the Gambling and Racing Commission.

MS TUCKER: We wanted it to be the Gambling and Racing Commission. That is right.

Mr Quinlan: And you got it.

Mr Curtis: You won.

MS TUCKER: We won it, yes. I forgot.

Mr Quinlan: Well done.

MS TUCKER: I am getting totally confused at the end of the day.

Mr Quinlan: Is it the end of the day?

THE CHAIR: Not quite yet.

MS TUCKER: I am not confused about the structure of the Gambling and Racing Commission and the way it was formed. The commission is independent and gives advice to all in the Assembly.

Mr Quinlan: It does.

MS TUCKER: Why do we not get to talk to the board at this hearing? Would it be easier to talk to the chair?

Mr Curtis: Probably.

MS TUCKER: That is just a thought.

THE CHAIR: Perhaps you could put the questions on notice that you would like answered and we will forward them to the board. It is something to keep in mind in future.

MS TUCKER: On page 22, I notice that there are 1,379 breaches or offences. How do you follow up a breach once it has been detected? In particular, there are 119 failures to display gambling warning notices on machines. What follow-up was done to ascertain the commitment of clubs to reducing problem gambling? How many clubs were involved in the 119 breaches? If that is too much detail, I am happy for you to take it on notice.

Mr Curtis: I would prefer to take it on notice, but I will make a general comment. We have an audit program which runs across all gambling providers. I would think it is fair to say that most of the 1,379 breaches are of a minor nature. For example, 568 related to failure to correctly record machine opening particulars in the repair book required under the act. Often there is malfunctioning of doors on machines; perhaps there are multiple attempts to close them. Each time the machine is opened it is recorded on the computer software. On questioning, they are often unable to provide an explanation, which would give rise to concern that the machines have been unlawfully accessed or accessed by unauthorised people.

There are a number of other measures put in place to calculate the revenue due from those machines and to verify that we are getting the correct amount of taxation. The display of gambling warning notices on machines generally came about as a result of notices falling off. You are probably aware that notices are so small that people do not

see them. They are stuck on the tops or the sides of the machines and over a period they occasionally fall off.

Our follow up is, in the first instance, to write to the licensee, bring these matters to the licensee's attention and ask that they be rectified. That is followed up with a second audit. In the case of second and subsequent audits, if the matters have not been addressed, formal disciplinary action is taken. You will see from the following page that disciplinary action was taken against a number of clubs, ranging from the issue of censures to suspension of a licence for 48 hours.

THE CHAIR: Minister, it appears that members have questions that can be put on notice for the Procurement Board and the Insurance Authority. So we will jump them and put them on notice as we are rapidly running out of time. I apologise to the staff that have been in attendance. We will move back to the Stadiums Authority and finalise some of the earlier questions. Also, we will run out of time for Totalcare so we will put those questions on notice, which is most unfortunate. We will do the Stadiums Authority and then spend some time with the Canberra Tourism Events Corporation. You can see from representatives' gleeful faces that they are not unhappy.

Treasurer, when we adjourned this section earlier you were giving a commitment that you will look at supplying a copy of Treasury's analysis of the issue. You said that you thought it may have become a cabinet document and that you would check whether it is available and get back to us. It is germane to what we are discussing, given some of the analysis done in Ms Marriage's report to you on the whole matter.

Also, you said that you thought one of the reasons for not going ahead at that time was that the naming rights may have conflicted with the rugby. The presentation that the Stadiums Authority did said that naming rights were not included with games for the Rugby World Cup but only for rugby live sides during the finals.

Mr Quinlan: I don't think I said that it would interfere with the rugby. I do not understand that.

THE CHAIR: I will check the *Hansard* and then come back and ask you to clarify what you have said. Ms Marriage, the Director of Sport and Recreation ACT, in her report to you raises the issue that evaluation criteria were determined after the final proposals had been received and that this caused the probity auditor some concerns. Why was that so?

Mr Quinlan: I will let Mr Harley answer the question. What happened was that an offer was being made and some fairly proper business was being done on a business basis. You might like to ask Mr Harley specific questions.

Mr Harley: On the basis of your question, Mr Chairman, the formal writing of evaluation criteria for naming rights or for sponsorships in general was not written in documentation but it was something that had been discussed many times by the board over the previous three years. Bear in mind that the first expression of interest for a naming rights sponsor for Bruce Stadium back then was in July 2000 and this process had evolved over three years.

In early 2003 the board was well and truly of the very strong and considered view that the evaluation criteria should follow lines along the procurement process—loosely—in the sense that value for money was the most important criterion, and that was a combination of the gross revenue we could receive, taking away the sponsorship servicing costs and providing a net revenue. We regarded that to be 55 per cent of the criteria. As to the effect on existing contracts, we have fairly complicated arrangements with our major hirers and they restricted what the authority could bring into sponsorship arrangements. That was the second most important criterion.

The third criterion, as far as the stadium was concerned, was the actual fit. We had taken the measure to change the name to Canberra Stadium the previous year to improve the positioning or to enhance the reputation of the authority. We believe that worked to our advantage as far as negotiations were concerned and that we would get some interest. Bear in mind that in three years we have not been in the situation where companies have been knocking our doors down trying to come in and name the stadium.

The fourth criterion was the consideration we had to give to hirers on conflicting sponsorships and the like. We were restricted in what we could bring in. We could not bring in a television station, for example, because of our contract with the Raiders. We had restrictions to avoid conflicting with their major sponsors. Those sorts of issues meant that we were very much operating within tight parameters.

THE CHAIR: That does not take away from the fact that the evaluation criteria were determined after the final proposals had been received. The probity order on page 3 concurred: It stated:

The criteria were developed following the submission of the proposals and this represented some risk within the process.

It went on to say:

Evaluation criteria were not identified at the outset of the sponsorship identification process and made available. This resulted in a lack of transparency during the initial stages of the process. The risk ... is the perception that the criteria or other aspects of the evaluation process had been developed in favour of one proponent.

Treasurer, are you happy that the process has gone this way? What will you do to make sure that it does not occur again?

Mr Quinlan: There is a moot point as to exactly whether the Procurement Act applied to the Stadiums Authority. At the end of the day I want the Stadiums Authority to operate in a businesslike fashion. I want it to optimise opportunities. It is a statutory authority for those purposes. In relation to this particular exercise, we differed in opinion and you see the result.

THE CHAIR: How did we differ in opinion?

Mr Quinlan: We differed in opinion as to whether the stadium should be named ActewAGL, and now Stadium Canberra—

THE CHAIR: I do not care what it is named or who wins the sponsorship. To get the sponsorship right will be good. This is about a process. It would appear from a report from your own department that the process falls over because the overall procedure was not carried out in an appropriate way. The next point is conflict of interest of one of the board members. At the meetings of 23 May and 6 June one board member declared an interest and the decision was taken to allow the member to participate in the discussion. Yet section 16(2) of the Stadiums Authority Act states:

- (2) The disclosure must be recorded in the minutes of the meeting and, unless the board otherwise decides, the director must not—
 - (a) be present during any deliberation of the board on that matter;
 - or
 - (b) take part in any decision of the board on that matter.

Mr Quinlan: The board decided otherwise. You just told us that.

THE CHAIR: I am moving through some of the issues that have been raised. These are issues that have been raised from the Treasury report that you are considering whether or not we can have. The third point that Treasury raises, and identified by Ms Marriage, is that the proposal appears to be largely prepared by the stadium staff. The comment is:

This appears true. However, as in all negotiations, the final proposal was presented and signed.

Is it appropriate that stadium staff are preparing proposals on behalf of ActewAGL?

Mr Harley: When you go out to the marketplace, who else is going to prepare the proposal other than the person actually going out to sell the property? We are the ones that are trying to sell the property and we have to prepare the proposal for an outside company to consider. The proposals are put together by me.

THE CHAIR: Yet that is one of the criticisms of Treasury of the whole process and I assume one of the reasons that the Treasurer knocks it off.

Mr Quinlan: At the end of the day the government did not want the stadium to be called ActewAGL Stadium but would have preferred a name that at least incorporated Canberra Stadium. So the decision government took was on that basis. We have some differences with how this was done from a purely bureaucratic public administrative perspective versus a private business perspective. That is where the differences are. Mr Harley will tell you from his quite lengthy experience in this particular area that business people are somewhat more flexible than our Procurement Act would provide. There is a legal difference of opinion between legal practitioners, I understand, as to whether or not the Procurement Act applies to the Stadiums Authority.

THE CHAIR: I note the interest in whether or not the Procurement Act applies, but this is really in your department's response back to you. The final point that the department assesses against the Treasury response is that a no value for money assessment was completed. Why would you not do a value for money assessment before you knock it off?

MS MacDONALD: How do you benchmark?

Mr Quinlan: Would you like to suggest what that value for money assessment might take into account? If we were using a Kate Carnell assessment we would say that \$9 billion was the value.

THE CHAIR: Kate Carnell is not sitting before the committee, Treasurer.

Mr Quinlan: I am giving you an example of just how flexible—

THE CHAIR: As always, thank you, Treasurer. Your own letter back to the Stadiums Authority says, though, that the lax appeal and the funding level are not appropriate. If a no-value-for-money assessment was completed, how would we know that the funding level is not appropriate?

Mr Quinlan: That is an opinion.

THE CHAIR: Yes, so we are finding out.

Mr Quinlan: Sometimes people in government have to make judgments, and that is a judgment.

THE CHAIR: Are you happy with the process so far in trying to find a naming rights sponsor for the Canberra Stadium?

Mr Quinlan: From the documentation I have seen I am very happy with all the first stages of that and with the number of companies that the Stadiums Authority went through. It got to the point where we said, “We are not going to pull this off.” I am happy with that, but I am not quite so happy that it then started the other way around. In my position you immediately know that there is going to be the witch-hunt style approach to what happened.

The work had been done and there was no naming rights sponsor. Then there was an emergence of interest. If you are working in a private sector—“Fine. It is a deal. Let us do a deal. How do we work it out? How do we write it up? How do we make this thing work?” And that is what was happening. On the other hand, I know that one day I am going to be sitting in a room like this and someone is going to be asking questions along the lines of a public administration process—chapter, verse, crossing the t’s and dotting the i’s.

THE CHAIR: Very much like you used to do, Treasurer.

Mr Quinlan: No, I did not. If you go back through the history, you will see that I did not play with pedantry like this. But I knew that it would have to pass through that level of pedantic examination and that is when I had communications and discussions with the Stadiums Authority. I am satisfied that everything was done with the best intent in the first instance. It was done coming from a different standpoint. There is no matter about which I should be concerned in the process.

THE CHAIR: Thank you, Treasurer. I look forward to hopefully receiving the other document. The other issue about the Stadiums Authority is on page 163 of the Auditor-

General's report No. 10. The Auditor-General notes a write down of the stadium's assets, namely, the media centre upgrade to the value of about \$702,000. I am not sure I can find that in the annual report. Is the write down recorded somewhere in the annual report?

Mr Harley: The value?

THE CHAIR: Yes, the value of \$702,000 in terms of assets.

Mr Harley: Media facilities are written off because they do not meet the recoverable amounts test of the auditor. Most of the activities are written off. They are an expense item and do not feature in the balance sheet. The only thing that does is the video replay board which we have had revalued.

THE CHAIR: Where is the write off noted in the annual report?

Mr Quinlan: You will remember, Mr Smyth, that I think that we wrote off virtually everything that we spent at the stadium over the last few years under the reasonable recovery rule.

THE CHAIR: We wrote certain amounts off, yes.

Mr Harley: I will have to take that on notice.

THE CHAIR: That is it for the Stadiums Authority. Thank you, Treasurer.

Mr Quinlan: Thank you. On the matter of taking questions on notice, I understand that the committee will sit next year?

THE CHAIR: It will sit in the next year to deliberate, yes.

Mr Quinlan: I will need a few days tolerance on the questions on notice because I will be on leave as of tomorrow evening. The questions on notice will have to be signed by Mr Stanhope in my stead and we will need a bit of time for briefing and content.

THE CHAIR: How much time would you like, Treasurer?

Mr Quinlan: Just a few extra days. That is all.

THE CHAIR: If they are here by, say, the first week of January that would be fine. We will negotiate a date. I am told that it can be a bit later. I now call representatives of CTEC for their final appearance. This is the last CTEC report. Treasurer, thank you for appearing with your tourism hat on. Would you like to make an opening statement about the final Canberra Tourism and Events Corporation annual report?

Mr Quinlan: No thanks.

THE CHAIR: Treasurer, page 4 of the report says:

The Corporation has received a clear mandate from the ACT Government to proceed with the implementation of its strategies through an increase of \$4 million in the 2003-2004 Budget.

Does that \$4 million take it above the 2002-03 level or is it just money that keeps it at the same level?

Mr Quinlan: It depends on how much was really spent on tourism in the previous year. I could not give you a precise number. There have been some public statements about how much was spent on tourism. You really have to say that it was more the case of how much was overspent on a particular event in previous years.

THE CHAIR: On page 13, under the heading "Research", eight key areas of activity that CTEC will undertake have been listed. Under the subheading "Future Directions" the report states:

In 2003-2004 Research will work towards:
Initiating regular consultation with key stakeholders to guide research and encourage joint research projects with industry

Would Mr MacDiarmid like to expand on what that will involve and why it was not carried out, for instance, in 2002-03?

Mr MacDiarmid: I am not sure why it was not done in 2002-03. I think it was principally because we did not have a dedicated research function. We now have a research manager. In that capacity she is organising regular forums, providing opportunity for those who are involved in research, be they from national institutions or from other places, to combine some of that research activity into a single research program.

THE CHAIR: What format will that take? How will the regular consultation be conducted?

Mr MacDiarmid: She has already established a specific forum inviting the industry, national institutions, the NCAA, the University of Canberra and others into a working group that looks at research programs being proposed by those organisations independently, attempting to ensure a much better coordination of the research activity across the ACT.

It is an area that we are focusing on because a lot of national institutions undertake their own research and they spend a fair bit of money asking the marketplace questions. If we were better coordinated we could get better utilisation of the dollars and, if questions are being asked of the marketplace, avoid having to go back and do similar sorts of research on two or three occasions because we have not got good coordination.

THE CHAIR: On page 17 of your report, you note that the web site had a reduction of 25 per cent of hits from the previous year. Will the research section look at why the web site has taken such a sudden dive?

Mr MacDiarmid: Yes. Part of the answer to that question is that we have a web site that is in the process of being redeveloped right now but was not user friendly or easy to access. That process is being addressed as we speak. Over the next two or three months leading up to the end of April, we are building a corporate web site and then a new consumer web site. That is part of our program for this financial year.

THE CHAIR: Sorry to rush through this, but we are going to run out of time. We had a lovely lunch at the Southern Cross Club the other day, minister, and you gave out the plaques and posters for Floriade. What will happen to the permanent site in Commonwealth Park?

Mr MacDiarmid: We are in negotiations with the NCA at the moment. There is a fair bit of cynicism around this which has been going on for 16 years, an extraordinary period of time. We are closer now than we have ever been in getting some agreement. There is still some work to be done on issues such as the cost of establishing a permanent location or permanent precinct, the partnership arrangement between the ACT government and the NCA in managing that precinct, what the costs of the infrastructure would be and so on. We have some of that information, but at this stage we have not finalised a memorandum of understanding or a working model that we can present to the government. By the end of this financial year, we propose to present a business case for consideration for the establishment of a permanent precinct of which Floriade will be part—not a permanent site for Floriade necessarily.

The good news is, though, that we have, for the first time, left some plantings in to see what happens. It will reduce the costs of having to make good areas that otherwise get dug up every year.

THE CHAIR: Is consideration of a permanent fence part of the discussion?

Mr MacDiarmid: It is part of the quantity estimates. That is something the NCA may want to consider.

THE CHAIR: Do you have an opinion on whether a permanent fence should be in place? Perhaps the Treasurer might want to answer that question.

Mr Quinlan: We would prefer to have no fence, but, quite clearly, with all the concessions that are there and the property that is there around the clock during Floriade, there needs to be some security at the site. It may be that there is a permanent fence or fixtures that allow the rapid erection of a fence from time to time. It just depends. That is work to be done.

THE CHAIR: The report says that, under the overall management of CTEC, you brought the Subaru rally back into the fold, as it were. Why was that necessary? What are the benefits that have come from that?

Mr MacDiarmid: It was necessary because we were initially looking for some cost savings in the event. By employing someone internally, the commission being paid to an external party is not required. The fact that expertise has been brought into the organisation from a previous project manager of that event means that we do not lose the expertise and the skill.

Another benefit we derive from having that skill in the organisation is that there are lots of other event activities that we are involved in, particularly marketing and sponsorship activities, that needed some expertise. The expertise we have brought in from the previous project manager enables us to manage those activities far more effectively, particularly around the EAP, the Event Assistance Program Fund. So we actually manage to achieve some economies, some savings, to the organisation, as well as get much better coordination of a range of activities around the events that we are involved in.

From memory, we also provide funding to 24 other events through the Event Assistance Program. We believe that those events simply should not receive the funding without getting the benefit of some expertise across the marketing and sponsorship of those events. One of the concerns we have is that there are lots of events we run in the ACT and in the region that are good events, but, when it comes to marketing and sponsorship activities associated with those events, we do it very badly. We are focusing a lot of our attention at the moment on trying to improve the coordination of those events, as well as making sure that we provide the marketing and sponsorship support that enables them to achieve their potential.

THE CHAIR: What is the size of the savings?

Mr MacDiarmid: I will have to take it on notice. It is in the order of \$60,000.

THE CHAIR: On page 22 it is stated:

The Rally management in 2002-2004 will be brought under the overall management of CTEC to minimise risk and improve its commercial viability.

What risks were you seeking to minimise?

Mr MacDiarmid: There are not just the risks associated with the rally; there are risks associated with lots of events. We are starting to provide the expertise in this area. It is not a liability to the government that necessarily flows from providing funding. If we can help some events that receive funding through the Event Assistance Program to minimise the risk by having expertise in the organisation that manages not just the rally activity but also a range of other activities, I think we are doing a service to those event organisers as well as to the industry generally. That is exactly what we are doing. Dominic Teakle, the rally event manager, is running a series of programs across other events and organising groups to talk about risk management. I think that has been very well received.

THE CHAIR: How will you improve commercial viability?

Mr MacDiarmid: One of our problems was that we were working in tight timeframes from the time of tendering out the project management responsibility to running the event. Having this position in the organisation on a contract basis for an extended period of time means that we can start planning for the event well in advance of the event and we have been doing that.

Last year we were only about three months out from the event, having made a decision on the project management company, which does not provide us with a great deal of time to get the coordination organisation working as effectively as it should. Having this position in the organisation means that we will be working on the next event 12 months in advance, and that is where we need to get to in order to ensure that the event can achieve its potential.

THE CHAIR: Will that see increased numbers of competitors and spectators?

Mr MacDiarmid: Absolutely. We are trying to deliver increased numbers of visitors as well as increased numbers of competitors.

THE CHAIR: What is your expectation for the coming event?

Mr MacDiarmid: At this stage the expectation is high. We are looking at increased numbers of visitors. The early indications are that we are going to have an increased number of competitors as well. We are looking to extend that into another mini event associated with the rally.

Mr Quinlan: Competitors like the event. They rate it with the Western Australian rally.

THE CHAIR: On page 38—going back to the permanent site for Floriade—\$85,000 was received in funding during 2000-01 to undertake a feasibility study. The report states:

The project is expected to be completed in the 2003-2004 reporting period.

Have you got the report? What does it say? Why has it taken so long?

Mr MacDiarmid: We have had that funding available to us for at least 18 months that I am aware of. We have utilised that funding for some of the work that is under way at the moment—for example, we are at a quantity surveyor analysis. We propose to use some of that funding for developing a business plan, building a cost-benefit analysis and effectively building a submission to government. Part of that funding has been utilised in this 12-month period. We anticipate using the majority of it before the end of the financial year in undertaking what I was saying was the next phase of the analysis.

THE CHAIR: Ms Tucker is not here, so I will ask the question on her behalf. On page 41, under the section “Ecologically sustainable development”, it is stated:

The Canberra Visitors Centre has developed an environment policy as a requirement to attain accreditation status under the National Tourism Accreditation Program.

Can the committee have a copy of that policy?

Mr MacDiarmid: Absolutely, yes.

THE CHAIR: The report continues:

The Corporation promoted ecologically sustainable development through:

Participation in the Tourism Industry Council's National Tourism Accreditation Program

Event specific activities

Office practices.

Can you outline what that involved?

Mr MacDiarmid: We have recycling bins in the office for all our recycling of materials and a corporate services manager who is vigilant about turning off our computers and lights whenever we leave the building. These are the sorts of activities we are involved in to try to reduce power usage. We try to re-use materials as much as we possibly can.

THE CHAIR: One of the other departments has a worm farm.

Mr MacDiarmid: We have not quite gone to that stage, Mr Chairman.

THE CHAIR: In your financial statements on page 72, I note that cash at bank has gone up significantly—almost \$800,000. Why has there been an increase? Why are you holding such large amounts of money?

Mr MacDiarmid: That has been carried forward from 2002-03. We had received funding through the year and, as it turns out, one of the things we will be asking for is a utilisation of that funding for some of the activities we are involved in in the second half of this financial year. It was also the residue after the termination of the V8 supercar race. We had not anticipated carrying forward that level of cash but we have now got it and we are looking to utilise some of that for the balance of this financial year's programs.

THE CHAIR: The budget this year for ACTC is approximately \$16 million; in the out years it goes down to \$12 million. Is there extra money coming for ACTC?

Mr Quinlan: I certainly hope so.

THE CHAIR: I can hear the answer already. Can we know what the quantum is?

Mr Quinlan: You can when I can. I will know when the budget is signed off.

THE CHAIR: Mr MacDiarmid, we all know that funding is critically important. Some of the activities you wish to carry out include the extra domestic as well as international advertising and other activities. How much is ACTC asking for?

Mr MacDiarmid: Mr Smyth, there is every—

THE CHAIR: They are a statutory authority. They can answer for themselves without your assistance, Treasurer.

Mr MacDiarmid: We will not shy away from that because it will not give you the quantum, Mr Chairman. Every tourism organisation in Australia is always looking for more money, and we are no different. We have put a submission to government. It will be considered in the budget process. We hope the rigour that we have put into that submission is such that it gets due consideration. As a marketing organisation we are obviously going to try to market ourselves to encourage the government to make the investment.

THE CHAIR: Some of the campaigns you have carried out recently seem to be effective. Do you want to comment on the effect they have had on the local market?

Mr MacDiarmid: Absolutely. It is interesting that you should ask that question.

THE CHAIR: It is the freebie for the afternoon.

Mr MacDiarmid: Thank you very much for that. We received today the September quarter figures comparing ourselves against last year. Last year domestic day visitors were 368,000 for the quarter; this year they are 428,000. Overnight domestic visitors were 460,000 last year; this year they are 549,000. So there has been a 90,000 increase over that quarterly period, and that was even before Floriade.

Mr Quinlan: Two wet weeks of Floriade.

Mr MacDiarmid: The Masters Games and Rugby World Cup had just started. Working collectively as an industry with the Stadiums Authority and others seems to be working for us. We are pushing very hard to raise awareness in some of the markets—for example, we have just run a television campaign in Adelaide. We had a 40 per cent awareness of the campaign, which is a very high number. Sixty per cent of the 40 per cent indicated an interest in finding out more about Canberra and had an interest in coming here. Prior to the campaign we researched the market and found that we were described us as a high risk destination. What does that mean? It means that nothing was known about Canberra other than Parliament House and the War Memorial. The message we would want to convey is that for five months—in particular in July and August—we have had extraordinary occupancy levels in hotels. This coincided with the winter campaigns we ran. We are eight per cent above the previous year, so we have seen a continuation of the good news through the industry over the last five months. This is about raising awareness and also about the marketing promotional activities under which events in the future might have more chance of being attractive.

THE CHAIR: Any further questions can be put on notice. I thank Mr MacDiarmid for his attendance. The minister and everyone else can go home.

Mr Quinlan: Thank you. Well done.

The committee adjourned at 4.57 pm.