



LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY

SELECT COMMITTEE ON ESTIMATES

(Reference: Appropriation Bill 2005-2006)

Members:

MS K MACDONALD (The Chair)
DR D FOSKEY (The Deputy Chair)
MR R MULCAHY
MS M PORTER
MR Z SESELJA

TRANSCRIPT OF EVIDENCE

CANBERRA

MONDAY, 23 MAY 2005

Secretary to the committee:
Ms S Leyne (Ph: 6205 0490)

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 9.35 am.

Appearances:

Mr J Stanhope, Chief Minister, Attorney-General, Minister for the Environment and Minister for Arts, Heritage and Indigenous Affairs

Chief Minister's Department

Mr Mike Harris, Chief Executive

Dr Maxine Cooper, Executive Director, Arts, Heritage and Environment

Mr John Heinemann, Finance Manager, Resource Management, Environment ACT

Mr Peter Liston, Acting Manager, Water Resources, Environment ACT

Dr David Shorthouse, Manager, Wildlife Research and Monitoring, Environment ACT

Mr Geoff Wells, Manager, Parks & Conservation Service, Environment ACT

Mr Rod Hillman, Public Affairs & Information, Environment ACT

Mr Bob Neil, Manager, Environment Protection, Environment ACT

THE CHAIR: Ladies and gentlemen, we will commence proceedings. 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.

Would each witness, on coming to the table, state their name and the capacity in which they appear. Would witnesses also bring their nameplates with them to the table. That will be helpful for Hansard, and also so that members of the committee know whom we are speaking to. Please clearly identify when you are taking a question on notice. It is then your responsibility to check the transcript and respond to the question. Responses to questions taken on notice are required within five full working days. The transcript will be emailed to the minister and the departmental contact officer for distribution to witnesses as soon as it is available.

Proceedings are being broadcast to specified government offices, and the media may be recording proceedings and taking visual footage. Would all witnesses and members please ensure that mobile phones are not used in this room, except for Mr Seselja who, for valid reasons, has dispensation to use his mobile phone during the next couple of weeks.

We will follow the set order in the detailed daily program. As chair, I will try to ensure that we adhere to timeframes so we get through everything. Can I remind members and witnesses that, as we have limited time, they should please refrain from entering into argument or debate. Good morning minister, Ms Cooper and Mr Harris. Minister, would you like to make an opening statement?

Mr Stanhope: Thank you, chair. I have nothing specific to say other than to thank you

for inviting the department to attend today. Officers of Environment ACT are present and willing to assist on any matter related to the portfolio that members may be interested in.

THE CHAIR: We will start with questions. We've got overview questions, which of course include capital works.

DR FOSKEY: What percentage of cuts has there been for the Environment ACT allocation in 2005-06 and future years?

Mr Stanhope: I'll ask Dr Cooper to respond to that.

Dr Maxine Cooper: Our budget is down by \$1.16 million. They're the savings we will be achieving.

DR FOSKEY: Do you have any idea, at this point, how you will do that?

Dr Cooper: Yes, we do. There's been general awareness and consultation with staff, so they know the target we have to aim for. We have not identified specific areas—we're doing that in the next week with our staff—but we have identified the general approach we're going to take. The general approach is, first of all, to look for efficiencies. We will look for those efficiencies in things like our vehicle fleet, in both the numbers and the way we use it.

We are going to look at things like whether or not we can combine some areas. For instance, we have heritage grants and environmental grants. Instead of two people, there may be only one person processing those in the future. We're looking at combining activities such as park care and land care. We're looking at our committees and our councils. We have a very high number of committees that we have to look after, and we're looking to see if they can streamline their activities. We recently approached one committee. They were able to assist us without, they felt, losing much in the way of their contribution, by around 25 per cent. We're doing all of that. We're also thinking about how we can perform things smarter. As you know, we operate seven days a week.

We're looking at targeting visitor services. For instance, we have two visitor services staffed seven days a week from 9 to 5. We are looking at the idea of, when we are in the heart of winter and have, say, one visitor to that centre every five days, offering a phone number instead of a person so visitors can make contact that way. We would like to emphasise that all parks and reserves will always be open; it is just those two visitor services. That is the approach we are using. This week, having shared that approach with the staff, we are sitting down and talking about specifics. Is that sufficient?

DR FOSKEY: Do you have any sense of how this might affect staffing?

Dr Cooper: Yes, we do. Approximately 18 to 14 positions could be affected. It depends upon how well we achieve our savings in the other areas we are trying to streamline. We are trying to manage it via managing the vacancies. Often you will have a vacancy that is not where you would like it to be in trying to find these savings. So we would be looking at the skills of the people in our organisation to see if they could occupy the other positions that might be vacant. We would then look at reducing their activities. So we are

very much taking a targeting approach. There is much consultation with staff and then, of course, the unions, so that at the end of it there are savings to be made. We anticipate that that will be done quite effectively and quickly.

MR SESELJA: Treasury informed us that there would be 260 redundancies across the public service. How many redundancies are likely to occur in your area?

Dr Cooper: I can't tell you that until we have finished further discussions with the staff.

MR SESELJA: Are you anticipating some redundancies?

Dr Cooper: There may well be. As I said, I cannot tell you that until we have further discussions with the staff.

MR SESELJA: There is no figure in mind as to how many positions might need to be removed through redundancies, as opposed to natural attrition?

Dr Cooper: No, there is not. Our preference is to try and achieve it through natural attrition.

THE CHAIR: It is normally at this point that I would talk about the offer of part-time positions. As I raised that with Mr Harris last week, I am not going to waste the committee's time. We can move on.

DR FOSKEY: I wanted to follow up something that I am not sure about. I have heard that Environment ACT underspent last year up to \$8 million. I would like to check whether there are any unspent funds in 2004-05, what programs they were in and whether they have been rolled over.

Dr Cooper: There is funding that has been rolled over, and I will go through that with you. I will ask my budget officer to join me. If we refer you to budget paper 4, page 40, I think that will assist us all. There are two areas for the rollovers to occur. One is in our recurrent budget, which we will go through first.

Mr Heinemann: There are a number of relatively minor expenditures being rolled over from 2004-05 into 2005-06. They are listed at the bottom of page 40 for the recurrent budget, including catchment management, rural fences and the Tidbinbilla Nature Reserve design costs. In capital works on page 42, in the Cotter precinct half a million dollars is being rolled over. The amount for the Tidbinbilla Nature Reserve is \$570,000, and for the treetop walk design there is funding of \$135,000. As you can see, they add to a figure much less than \$8 million.

Dr Cooper: If I may, I will give reasons for the rollover. The initial one, the catchment management, was rolled over because we are resolving issues. We had a change in the AAOs. Some of the responsibilities went to the Office of Sustainability and some stayed with us. We put a person on to do some of the catchment work, but there was a bit of a delay. We're keeping her on into the next financial year while we spend that money. It achieves the objective that we needed.

One of the things that came up in respect of rural fencing was that rural lessees are

generally going for repair, not replacement—so that rolled over some more money—and some of them are not doing it as quickly as we'd hoped. I refer to the Tidbinbilla design issues, both for the recurrent and the capital on the following page. That was rolled over because we've done more detailed design work and therefore weren't quite ready to spend some of those funds. One of them will be completed at the end of this year. For instance, there's \$100k for the Tidbinbilla Nature Reserve restoration. That's 100 out of a million left for the playground. It is on track but, because of detailed planning, some of that has moved into the next financial year. But it will all be spent.

MR MULCAHY: Minister, I have a few questions in different areas, one of which relates to environmental noise issues. In budget paper 4 at page 31 it declares that part of the task of environmental management regulations is to administer environmental protection across the ACT, including air quality and emissions, water resources regulation, hazardous materials, contaminated land and nuisance noise. Could you confirm that the government ensures that the EPA conducts assessments of noise created by construction sites in Civic and, if so, what the results have been in relation to this.

Mr Stanhope: I will call the relevant officer.

Mr Neil: What was the specific question?

MR MULCAHY: Do you conduct assessments of the noise created by construction sites in Civic and, if so, what have the results been?

Mr Neil: No, we don't monitor them as a routine measure, we respond in relation to complaints. That is pretty clearly set out in the noise control regulations or in the environment protection regulations. Where we get complaints, we respond. We measure the noise and, if it's excessive, take whatever action is required to stop it.

MR MULCAHY: How many sites have you been called in to monitor? How many sites have you taken action in relation to, including prosecutions?

Mr Neil: We've not undertaken any prosecutions at all. I would have to check—and I'm quite happy to take this on notice—the number of infringement notices we've issued to these people. I would have to check the number of sites, but there are certainly not many.

MR MULCAHY: There may have been fines, but there have been no prosecutions?

Mr Neil: Certainly no prosecutions.

MR MULCAHY: Is it an area of regular activity on the part of your officers, or is it a rare event?

Mr Neil: I think that to some extent it's seasonal. If you have concrete pours and that type of thing, they're normally early in summer. I'm thinking of the Canberra Centre. We had some problems there for extended periods of time because they were working through the night. It took a little while to sort that out, but generally they're not huge problems.

MR MULCAHY: Are you saying they were breaching the EPA regulations by the hours

they were operating?

Mr Neil: No.

MR MULCAHY: They were allowed to work through the night?

Mr Neil: You are allowed to work, but you're not allowed to make excessive noise. There's a separation between the two. If you want to paint at midnight and you don't make any noise, we're really not that concerned; however, if you want to do noisy construction work and you affect someone, then we are concerned. To that extent, we are required to prove that the noise is excessive.

MR MULCAHY: I imagine you use decibel meters.

Mr Neil: Yes. We have to measure it.

MR MULCAHY: Complaints have been raised in areas like Braddon and Turner suggesting that, on some occasions, there has been construction as early as 6.30 on Sunday mornings, which obviously troubles residents. Have you any recollection of dealing with issues such as that?

Mr Neil: Yes. There is one area in Turner which borders on residential and Civic, as two separate land use policy areas. The builders on one side of the street would be in Civic and therefore allowed to start earlier in the morning.

MR MULCAHY: How early would that be?

Mr Neil: From memory, six o'clock. The builders on the opposite side of the street are in a residential area and can't start until seven o'clock.

THE CHAIR: Does that include Sunday mornings?

Mr Neil: In Civic, yes; but in the residential areas, no.

MR MULCAHY: Obviously you're going to be affected severely if it's on the other side of the street, aren't you? But you're saying it's lawful to do that?

Mr Neil: It's lawful for the contractors to work in town centre areas from 6 until 10, I think.

MR MULCAHY: Okay. That's all I have in relation to Mr Neil. It would be appreciated if we could get that information, minister.

Mr Neil: Certainly.

MS PORTER: Minister, can you expand on the specifics of the greenhouse gas abatement scheme, which has been appropriated in the portion of funding within the 2005-06 budget on page 174 of budget paper 3?

Mr Stanhope: Greenhouse matters were transferred to the Office of Sustainability—

Mr Ottesen.

MS PORTER: All right, I apologise.

Mr Stanhope: I believe the Chief Minister's Department will be doing that, although I think we might have completed Office of Sustainability.

MS PORTER: I'm sorry; I didn't hear you.

Mr Stanhope: I was making the point that the Chief Minister's Department is returning next week. I'm not quite sure where the committee was up to in its deliberations.

THE CHAIR: We dealt with Mr Ottesen last week.

Mr Stanhope: Environment ACT is no longer responsible for that issue.

MS PORTER: Can I ask you a question, since I got that one wrong? It's like being in class, isn't it?

THE CHAIR: No. We don't want to make it seem too much like a classroom environment!

MS PORTER: Let me know whether I've got this one right. How has the transfer of responsibility for the environment policy from the Department of Urban Services to the Chief Minister's Department impacted on the way in which environmental considerations are accounted for when government is formulating policy? Do you think this move has worked well so far?

Mr Stanhope: As the minister now responsible I certainly do, but that is not to detract from the fantastic work done by the previous minister and the previous department. I think it's fair to say that, in a small government with a very small number of ministers and a small number of departments with myriad portfolio responsibilities and issues, there are at times, of course, some interesting decisions to be made in relation to the portfolio mix and the nature and structure of separate departments. Sometimes I think it is something of a task to seek to get the mix, or the synergies, right to deliver them optimally.

I believe there is a real advantage in Environment ACT now being located within the Chief Minister's Department. There is a range of issues around the environment, many of which are now the responsibility of the Office of Sustainability, in relation to greenhouse, energy and water. The Office of Sustainability resides within the same department as Environment ACT; it's just with a different organisation with different reporting lines and a different structure. I believe it is appropriate. It's an area of portfolio responsibility that I take a very direct and personal interest in. There are some significant environmental issues facing this community, and indeed all communities. It is appropriate that the environment be within that department.

There are some other interesting questions and issues in relation to environmental management, particularly in relation to land management, that the government is continuing to give consideration to. In the ACT, in relation to the structure of the

territory and the nature of the land title system, I think we have five separate land managers. Environment ACT is the land manager with the greatest area of land under its responsibility, to the extent that it's responsible for Namadgi, which comprises just under 50 per cent of the territory.

There are other issues on the relationship between Environment ACT as a land manager and other land managers—notably forests, ACTPLA and CUPP—that I think pose some continuing issues for consideration by the government. But I think the move has worked particularly well.

MS PORTER: Did you say there are five land managers?

Mr Stanhope: I think there are five. There's one other land manager. There's Environment ACT, Forests, CUPP, ACTPLA, the Land Development Authority and, to another extent in the territory, the NCA. So there are six separate land managers in the ACT.

MS PORTER: It must be complex. Thank you.

MR SMYTH: On the question of where organisations fall, I note on page 6 of the appendix to budget paper 4, note 3, that you have moved water resources and greenhouse strategy to output 1.1, strategic policy. Why would it be there, rather than under the Office of Sustainability?

Mr Stanhope: I don't know the answer to that; I'll ask Mr Harris.

Mr Harris: It is in output 1.1, but it is within the responsibility of the Office of Sustainability.

MR SMYTH: Which is output 1.3?

Mr Harris: Yes.

MR SMYTH: How does it work that it is in one output but the responsibility is in another output?

Mr Harris: It's a quirk of outputs and outcomes methodology, Mr Smyth.

MR SMYTH: Could you explain that quirk, Mr Harris?

Mr Harris: A quirk is defined as a management challenge.

MR SMYTH: What are the management challenge issues that see these two very important issues under "Strategic" rather than the Office of Sustainability?

Mr Harris: Ensuring the communication strategy around the senior management table is effective.

MR SMYTH: But "Communication" is actually 1.4.

Mr Harris: That's correct.

MR SMYTH: So that it could be in 1.4 as well, is that what you're saying? Are we going to keep playing with this?

Mr Harris: I don't mean to be flippant in my answer but, going back to the Chief Minister's comment about small jurisdictions and complexity, when you have effectively a central policy department, which is what the Chief Minister's Department is, having a broader range of responsibilities across what in other jurisdictions might be better defined as line agency responsibilities, then you do get oddities that come into the way we describe how we do things. I think the important point is that the admin arrangements brought together within the Chief Minister's Department, per se, responsibility for energy policy and water policy, as well as environment policy. It is true that one of our tasks around the senior management table is to ensure that we have the executive directors of those various divisions effectively talking to each other, which did not happen to the same extent when the entities were separate entities.

MR SMYTH: Will there be a lessening of the effectiveness of the area—and we all understand the dilemma of small jurisdictions—given that it could have been in sustainability or it could have been in environment, but you put it in strategic policy? How would you guarantee that dialogue around the table of senior managers? Will there be any lessening of the effectiveness of the delivery?

Mr Harris: No, I don't believe so. It is true to say that we could have cut the cake probably two or three different ways. It is also true to say that our internal admin structures aren't set in concrete. We change them on a regular basis—indeed, we made a slight change only a week ago—and we continue to review the way in which those arrangements work. I suppose the ultimate test is the satisfaction of the relevant minister. If we are getting the policy settings right, then we will have that satisfaction. I think that the last thing to say is that what we are trying to do is ensure that within environment they have as sharp a focus as they can possibly have on their core issues and within sustainability we get as sharp a focus as we can possibly get on sustainability and, because they both sit round the same table, they are better able to talk to each other than would otherwise be the case.

MR SMYTH: What was the minor change you made a week ago?

Mr Harris: To our corporate services area, our internal governance arrangements.

MR SMYTH: What was the change?

Mr Harris: We transferred a couple of executives to strengthen our internal management processes and our internal governance arrangements.

DR FOSKEY: I have some questions about the sustainability indicators. I am just looking for feedback.

MR MULCAHY: Chair, I want to draw your attention to the fact that, apart from a supplementary, Mr Seselja was bypassed then and you have gone back to Dr Foskey.

MR SESELJA: That's okay; I'll go after Dr Foskey.

THE CHAIR: I will make sure he gets a chance to ask some questions.

MR SESELJA: Thank you.

DR FOSKEY: I am just wondering whether Environment ACT has any comments on the new sustainability indicators.

Dr Cooper: Dr Foskey, if you could be specific, we would be happy—

DR FOSKEY: I am asking it as a general question because this is the first time that such indicators have been incorporated into the budget publication and the Treasurer, Mr Quinlan, indicated that they were working in the dark to some extent. Certainly, he complained about the lack of feedback from this place. Different departments gave varying degrees of feedback. I am just using these hearings as a way of getting a sense of how satisfactory they were. In some cases we have identified where there could have been better indicators or further indicators. I just wondered whether you found them useful or if you had heard anything about them from anyone in your department or elsewhere. The outcome is meant to be a budget that helps us to measure our progress towards sustainability.

Dr Cooper: Dr Foskey, what happens in process, as Mr Harris said, is that between the Office of Sustainability and our offices, they do form joint working groups. On this issue, Treasury was certainly, in my understanding, involved in it. These indicators have been worked through between our teams. So, from our perspective, if you could give me a particular page that you are referring to, I can then talk to the specific indicator. But we work with the Office of Sustainability and they are not a surprise to us. In fact, we have helped them in their definition.

DR FOSKEY: I might come back to you on that. I will have to do a bit of hunting myself.

THE CHAIR: Do you want to do that while we go to Mr Seselja?

DR FOSKEY: Yes, that would be fine.

MR SESELJA: Environmental flows to the Murrumbidgee River, I understand, are to be reduced under the think water, act water strategy. Are you able to take us through how much less environmental flow there will be? I understand that this is to be done under sections 5 to 11 of the Water Resources Act. Are you able to take us through that process as well?

Mr Stanhope: I'll ask Mr Liston to respond, Mr Seselja.

Mr Liston: The environmental flows, as you suggest, are being reviewed right now. There is a draft document out for public consultation at the moment. You have asked, in particular, for the volumes that have changed. We are currently preparing a tabulation of the volumes that have changed across all the subcatchments in the ACT and subregion, that is, 32 subcatchments. We do know that in our critical subcatchments, in the water

supply subcatchments, the volumes required for release as advised initially by Actew have decreased, but we are compiling the actual numbers as we speak.

MR SESELJA: So you don't have much of an idea as to the percentage drop in the environmental flow at this point?

Mr Liston: I can't give you those details. I don't have those details yet.

MR SESELJA: I understand that you don't have the details, but is there an idea as to whether it will be a 50 per cent drop, a 10 per cent drop or somewhere in between?

Mr Liston: It would not be a 50 per cent drop. It would be specifically in the water supply catchments where we would see the most significant changes. In our other catchments, we will probably see no changes in the volumes required for environmental flows. In the water supply catchments, I'd estimate the reduction would be between 10 and 20 per cent.

MR SESELJA: Between 10 and 20 per cent. What is the likely environmental effect of that and what process will be undertaken to measure the effects of that?

Mr Liston: I beg your pardon. My colleague was conferring with me. Could you repeat the question, please?

MR SESELJA: What is the likely environmental effect of a 10 to 20 per cent drop in the environmental flow and what process will be undertaken to measure any possible effects?

Mr Liston: I might just preface that by saying that these are not confirmed changes. These are draft suggestions. The suggested changes to the environmental flows, which include this reduction, are based on advice we have taken from the Cooperative Research Centre for Freshwater Ecology. They initially advised us, at our request, on how we might refine our flows. Principally, the first thing we asked them was to ensure that we meet our environmental objectives and if we could, in conjunction with meeting our environmental objectives, refine those flows whichever way required. In this instance, it has been that a reduced flow would still satisfactorily meet our environmental objectives; so be it. So my answer really is that we would, on their advice, satisfactorily meet those ecosystem protection responsibilities we have.

MR SESELJA: So there would be no concern about affecting fish stocks and the like in reducing the flow.

Mr Liston: No, the advice we have is that these flows will achieve those objectives.

MR SESELJA: You talked about a draft being out. I have mentioned sections 5 to 11 of the Water Resources Act. What is the process for that occurring? Are you able to inform the committee of that?

Mr Liston: Yes, the draft is now out for public consultation until 14 July. At that point we will compile the submissions we have received in relation to that draft and finalise the document. The environmental flow guidelines are a disallowable instrument. So,

when finalised, they will be presented to the Assembly for consideration.

MR SESELJA: And the environmental flow won't change until that instrument is put to the Assembly or is completed?

Mr Liston: That's correct.

MR SMYTH: Chair, can I ask a supplementary on that?

THE CHAIR: Yes. I didn't hear the link with the last question, but go on.

MR SMYTH: Ms Porter's question was about sustainability and greenhouse water, and greenhouse water was the substance of my question. Chief Minister, I had a briefing on this on Wednesday from the staff and did ask the same question about the reduction. How is it that we cannot have today exact knowledge of what the reduction will be? We have put out draft guidelines that will change the flows in our river system, but that was my first question the other day and, clearly, Mr Seselja has the same interest. How is it that we can actually put out something when we don't know what the effect will be?

Mr Liston: We have been consulting rather closely with Actew in particular in relation to the effect of these flows, particularly in the water supply catchments. Our concern was that we meet, in these draft guidelines, ecosystem protection responsibilities but also know the consequences of that for our water supply. Consequently, we have asked Actew in relation to that work to model, if they could, the implications of the changes that we are proposing as draft guidelines. They presented that data to us, not as volumes but, in terms of their future water supply options, as the delay in the need for infrastructure augmentation. We took that advice as the most appropriate advice to consider the implications of the revised guidelines, rather than as volumes. But we are now returning to those guidelines, to consider them as volume changes rather than, as we briefed you, in terms of a delay in infrastructure requirements.

MR SMYTH: Sure. It is probably a question for you, Chief Minister. The ordinary person in the street actually wants to know whether the environmental flow has gone up or down. Most people can't get their heads around the whole scenario and are clearly looking for a simple answer. Has it gone down and how much has the flow gone down? Can we not have that answer at this committee today?

Mr Liston: No, I cannot provide this today. I can take that on notice and provide that within a matter of two days. We are compiling it currently. It is taking time, but not today.

THE CHAIR: Mr Liston, you are entitled to take five days to get that answer to the question on notice. We would not want you to rush it and make a mistake. We want the correct figures.

MR SMYTH: Chief Minister, I have a question for you. Are you concerned that you do not know what the reduction in volume of the environmental flows will be?

Mr Stanhope: Not at this stage, no, I don't. There is an environmental flow document currently out for consultation. Mr Liston has indicated the bases on which that process

will proceed. It will proceed and the government, at the end of the day, will not take a decision that impacts adversely on the environment or on the river and its systems and I am quite confident that no decision will be made that will have detrimental environmental impacts. I am quite relaxed about the process that we are engaged in and I am very confident in the advice and the expertise of Environment ACT, of Mr Liston, of Actew and of the Office of Sustainability.

At this stage, I have no concerns about the way in which the process is being conducted and, as Mr Liston has said, any decision that the government takes in relation to an adjustment to the environmental flows will be a disallowable instrument and will be debated in the Assembly, if that is the view of members of the Assembly. It will be a decision that will be made on the basis of the best science available to us and it will be a decision that is reviewable by the Assembly. I have no concerns about the process.

MR SMYTH: Just going on with that: correct me if I am wrong, but it says that the minimum flow required for, say, below Cotter Dam will be 15 megalitres a day, yet the base flow when we are in drought is also 15 megalitres a day. Does that mean we are putting our rivers on drought standing permanently?

Mr Liston: There is a difference below Cotter Dam in that during drought periods there is a minimum base flow which is the same as a minimum base flow during non-drought periods. During non-drought periods, in addition, there is a flushing flow that would be required below the Cotter Dam, which would assist in flushing sediment from those streams. We were looking and are looking to the minimum flow that would maintain those systems during a drought situation; so the base flow is a key minimal component. We suggest in these draft guidelines that the flushing flow could be set aside during drought conditions as something that could, when restored after drought periods, then restore the river to its full condition.

MR SMYTH: Based on this, we could have a situation where the minimum flow for the rivers below both the Cotter and Googong are exactly the same, whether we are in drought or not, because you are setting both minimum flows at the same level. Does that give Actew, the government or whomever the right to restrict those water levels to virtually drought levels at all time?

Mr Liston: I think that might not be the correct reading of what we are suggesting there. We came at it not from suggesting that that is a drought flow; we are suggesting that that is the minimal base flow we need for those streams. During drought conditions, we can fall back to just a base flow. During non-drought conditions, it is the same base flow because the same advice relates to the base flow, having additions and other components to add a flushing flow.

MR SMYTH: But if you limit the flushing flows, depending on whether you do it as riffle or pool maintenance, to a couple of days of water, what you can have for all but, say, eight days a year is the river at constant drought levels. Is that not true?

Mr Liston: It is the same volume, but I would disagree with your interpretation that it is a drought flow because, as we are seeing, the flows that we are letting down, the environmental flows, are built up of the components needed to maintain that ecosystem and we understand that. So, when we talk about a drought flow, it is all the components

required during drought. In a drought it is just the base flow, but in a non-drought it is the base flow plus another flow. So I do not think it is quite appropriate just to look at the base flow during a non-drought period and say that it is a drought flow. It is not. We must look at the entire package and say that it is the base flow plus the flushing flow that occurs and the advice we have—again I refer back to the advice we have got from the Cooperative Research Centre for Freshwater Ecology—is that those flows together in the non-drought period are adequate to maintain the aquatic ecosystems there.

MR SMYTH: Except, if we concentrate on the Cotter, the base flow for the Cotter is 15 megalitres a day, whether it be drought or non-drought—

DR FOSKEY: Madam Chair, I was just wondering about the appropriateness of this line of questioning at this point in this forum. It is interesting, but I thought we should be focusing a lot more on the budget. Certainly, I have lots of questions that do that.

THE CHAIR: I take your point, Dr Foskey. This has been raised before. Mr Smyth, it might be appropriate to ask the questions in another forum at another time.

MR SMYTH: Budget estimates are normally wide-ranging. That is the tradition and practice of this Assembly.

THE CHAIR: Yes.

DR FOSKEY: There may be an opportunity for you to ask those questions later.

THE CHAIR: Mr Smyth, if we can, we will come back to it, but other members who are members of the committee do have other questions that they would like to ask. I think we have been talking on this issue for at least 10 minutes.

MR SMYTH: A whole 10 minutes!

THE CHAIR: That does take up time. We have had this conversation before, Mr Smyth. Other members of the committee do have other questions. If we have time, we will come back to it. It is not an attempt to stop you.

MR SMYTH: There will be no more questions.

THE CHAIR: Dr Foskey has expressed a desire to ask a question and, as a member of the committee, I am going to give her the right to ask the question.

MR SMYTH: That's fine. It is stifling debate, though, and you know it.

Mr Stanhope: If I might just be of assistance. Mr Liston is very aware of the line of questioning from Mr Smyth. I volunteer that Mr Liston would be more than happy to provide an additional statement on the point that he was making, Mr Smyth, in relation to the flushing flows in a non-drought period. I think the point that you make is well made and I would be more than happy for Mr Liston to expand on his answers and his explanation, if that would be of assistance to the committee.

DR FOSKEY: Is that now?

Mr Stanhope: No, in writing.

MR SMYTH: That would be really good, but apparently it is not possible.

Mr Stanhope: Essentially, I am asking Mr Liston to provide a further explanation in writing.

DR FOSKEY: Actually, I was just going to follow up on that by asking whether the environmental flows consultation document has been made available, because I think we have been—

MR SESELJA: Didn't you say you didn't want us to go down this road, that you want us to focus on the budget?

DR FOSKEY: Sorry, I was asking for the document to be tabled.

MR SMYTH: I can table a copy of the document.

DR FOSKEY: Excellent. In the *Canberra Times* of the day after the budget the Chief Minister was quoted as saying that there is a need for consolidation. I would appreciate it if you could outline in more detail what you meant by that.

MR MULCAHY: What was that on?

DR FOSKEY: I don't know. It was in the *Canberra Times* the day after the budget. That is why I am asking about it—the need for consolidation. I do not know whether it was along the lines of the things that Dr Cooper was talking about before in relation to cost-saving measures; that is why I am asking the minister to spell it out.

MR MULCAHY: I don't understand your question.

DR FOSKEY: But I am not asking you.

MR MULCAHY: I think the Chief Minister looks as puzzled as the rest of us.

Mr Stanhope: I am sorry, Dr Foskey. I wish to be as helpful as I am able, but I am just not quite sure of the context.

DR FOSKEY: That is fine. I will come back to that, if need be. Can I just follow up by asking you about the details of funding to groups like the conservation council, the environment centre and the RSPCA? Have you got any final word on the level of grants to those organisations?

Mr Stanhope: In consultation with Dr Cooper, I took an explicit decision not to involve those three organisations in the across the board efficiency dividend that has been required of Environment ACT. So, to the extent that Dr Cooper spoke earlier about the cut that is required of her organisation, in a moment of weakness, I think, I excluded a range of areas, including the funding to those three organisations, acknowledging that they are not, one might say, overly generously resourced. But they have been excluded

from the budget cut.

DR FOSKEY: Does that mean they are getting the same level as last year plus indexation, or what?

Mr Stanhope: Yes, they are getting the same. I understand they are getting the same. Their budget allocation has not changed.

DR FOSKEY: Plus indexation?

Mr Stanhope: I would have to check on that detail. But those organisations have been excluded from cuts.

DR FOSKEY: It was not a moment of weakness, Mr Stanhope. It was a moment of clarity. I am happy to let one of my aggrieved colleagues have a chat.

Mr Stanhope: I must say, Dr Foskey, to be fair, that I was mindful of the fact that the conservation council had just had their federal funding reduced dramatically in a circumstance that has left them struggling to meet costs that had already been committed in this financial year. That was in my mind when that particular decision was taken.

MS PORTER: Just on this subject of funding, Dr Cooper, if I heard her right, mentioned that two different areas of project grants would be amalgamated into one area as a possible efficiency that might be made to those two areas. I have been an advocate for some kind of rationalisation of that system for a long time.

Mr Stanhope: Yes. I will get Dr Cooper to expand on that, Ms Porter, but the point that Dr Cooper was making is that we currently run, through Environment ACT and through Heritage ACT, separate grants programs. There is quite obviously an overlap in the administration of those two schemes. There is an obvious sameness in the work undertaken. One of the proposals that Dr Cooper proposes to implement as part of saving and rationalisation is to combine the heritage grants function and the environment grants function within one office. But Dr Cooper might give more detail on that.

Dr Cooper: Fundamentally it will not affect the recipients. It is an administrative process. It is cheaper to put one ad in the paper than two ads. It is cheaper to run the one community consultation process, rather than two. So it is really not going to affect the outcome. It is just the way we do it.

MS PORTER: One application form instead of two application forms?

Dr Cooper: Yes, absolutely, and you can go to one information session. We do realise, though, that for most of those grants, two quite distinct groups want them. It is just the way we do the administration.

MS PORTER: So there will not be less money available in the budget allocation?

Dr Cooper: No. It is the way we do it.

MS PORTER: Thank you very much.

MR MULCAHY: Chief Minister, in relation to capital expenditure, the capital upgrades for environment of \$250,000 in budget paper No 4, page 43, can you just inform the committee what they relate to? It is possibly somewhere else, but it is not immediately evident.

Mr Stanhope: What page was that, Mr Mulcahy?

MR MULCAHY: Page 43, budget paper No 4, capital upgrades, environment, \$250,000.

Mr Stanhope: Dr Cooper has the details. I might ask her to go through it, Mr Mulcahy.

Dr Cooper: Our capital upgrades are a mixture of projects. What we are looking at this year is some funding going towards the Canberra Nature Park area for signage in various reserves across the urban area. If you have walked through there, you will see that signage at different times could certainly do with some replacement. That is for that.

We are also looking at the site called Jedbinbilla, which is right next door to Tidbinbilla, with a lot of emphasis being put on Tidbinbilla and the refurbishments and activities there. We are looking to do some rehabilitation work on that particular site. That site has large significance to the Aboriginal community because of all the Aboriginal artefacts we have found there. It is also a wealth of regeneration. So we are going to be looking at making sure we protect that.

Mr Stanhope: I might just make the point in relation to Jedbinbilla that, as a result of the fire, significant numbers of indigenous mainly stone sites were discovered there. It is actually quite fascinating, something of a digression, but it actually goes to explain the expenditure. Dr Cooper, you might just explain what has been discovered in Jedbinbilla. The block 60 pine forest that was in Tidbinbilla valley is now Jedbinbilla, and the government proposes as a result of what has been discovered there post the fire to develop this area with a particular focus on its indigenous significance.

Dr Cooper: Fundamentally, the whole site is a carpet of artefacts. The fires revealed all of that. One of the wealths of the fire has been that exposure. Also our indigenous trainees have taken to that site in terms of identifying more closely with their own culture. They can take you for a site visit, and explain, you know, "This is where we collected the emu eggs and this is what happened there." So there is a whole story that our Aboriginal trainees, in fact, now our Aboriginal employees, are able to tell on that site. So it is just a carpet right across that landscape.

MR MULCAHY: That will be accessible in some controlled way, will it, Chief Minister? People will be able to have a look at that down the track?

Mr Stanhope: Yes, and the work that Dr Cooper just mentioned was the beginning of a process for acknowledging the significance of the site. But it is within the boundaries of the Tidbinbilla Nature Reserve now and will be controlled, along with all the other control mechanisms, of course, that are in place at Tidbinbilla.

MR MULCAHY: Just on the tree walks or treetop walk design, your colleague Mr Leonard in Tasmania has endured an extraordinary amount of attack for what, I think, is one of the finest tourist attractions in Australia. Do you expect to encounter the same response from sections in the environment movement? Can you tell us where and what is planned in relation to this project?

Mr Stanhope: I am interested in your commentary on the treetop walk in Tasmania, Mr Mulcahy. The first time I visited the treetop walk was on a family holiday at Christmas 2002-03. I was absolutely taken by the attractiveness of the treetop walk as great tourist magnet. It was when I returned from that holiday that I first spoke with Dr Cooper about the prospect of developing something similar. I had some vision of trying to achieve the same sort of success in a tourist sense that the treetop walk in Tasmania had achieved.

I have to say the day that I went there was certainly during the Christmas holiday period, but the car park at the site was absolutely full. There were eight buses parked in the car park. There was a wait to access the walk, and it was quite magnificent, with a level of scenery that I believe can be matched in different parts of the Canberra Nature Reserve.

I spoke with Dr Cooper about it and requested that the matter then be pursued as a possibility for the ACT. Unfortunately, that was in the week before the fire decimated the nature reserve. The fire had an enormous impact on sites that we had tentatively identified, and that is some of the reason for the delay in rollover. I have to say that there is a magnificent site near Pierces Creek settlement and the top of Vanities Crossing hill. Unfortunately, the entire forest has been burnt, so it has been somewhat affected.

There are a couple of sites adjacent to the Murrumbidgee, but the site at Vanities Crossing I think would have been just superb. It would not have attracted some of the concerns that environmentalists and others I believe erroneously have laid at the feet of the treetop walk in Tasmania. There is an environmental and scientific imperative to the maintenance of nature reserves, but they are also there for people. It seems to me that it is almost counterintuitive to wish that people would not visit areas of high quality with a high level of nature conservation.

It seems to be at one level counterproductive not to invest in people. I think the sense to protect and to be able to enjoy is almost elitist. So I do have a concern about some of the negative attitudes of people who argue an environmental reason for restricting access to sites like that. I find it elitist and unnecessary and at one level an unworthy slight on people's respect for the environment. They are some of the issues we face. I must say I now have a level of concern about the treetop walk, and we are working our way through that, because of some of the damage that has been done to the reserve. It is recovering very quickly and I believe that we perhaps should start in earnest again to search for an appropriate site.

One of the concerns I have—I do not want to repeat myself—but I believe the ultimate site is the site at Vanities Crossing because much of the vista from that particular vantage point was pine forest, which is now gone and not yet replaced. It might be some years before that particular site returns, whereas other potential sites at other parts within Namadgi are recovering extremely well already.

MR MULCAHY: So are you still site searching, basically?

Mr Stanhope: A number of sites have been identified, but one of the issues that is of concern to me, and at one level I am responsible for the delay in this, is that I believe the best site is at Vanities and the second best site is on the Murrumbidgee near the Kambah Pool. There is a potential site there. It is not so much a treetop walk. There would be the potential to build one of those swing bridges across the Murrumbidgee at the Red Rock gorge, and that is another possibility. It is getting away from the notion of a treetop walk somewhat, whereas the Vanities would be genuine treetop and quite a spectacular experience.

MR MULCAHY: I have got two more. Do you want a break?

THE CHAIR: No, do it now.

MR MULCAHY: Just two quick questions. Is any of the cost of the arboretum within these capex provisions, Chief Minister, or is that coming elsewhere in the budget?

Mr Stanhope: No. The arboretum, and Mr Harris might correct me in relation to this, is currently being managed by the Chief Minister's Department but in the context of funding it is land managed currently managed by ACT Forests. The capital expenditure for the arboretum I think might appear in the ACT Forests budget.

Mr Harris: It sits within the Department of Urban Services.

Mr Stanhope: Yes, Department of Urban Services.

Mr Harris: Not specifically forests.

MR SMYTH: Who will be responsible for it ultimately? Will it stay with urban services or will it come to environment?

Mr Stanhope: At this stage, the land on which it is proposed to develop the arboretum is land currently managed by ACT Forests. At this stage there is no proposal to remove responsibility for the management of that land from ACT Forests to another organisation. Having said that, it has to be said that that is the situation in relation to Mt Stromlo and the situation in relation to Narrabundah Hill. All of those lands are currently lands managed by ACT Forests, but much of the work that has been undertaken, for instance at Mt Stromlo on the redevelopment of that area as a recreational reserve as well as a forest, is the responsibility of ACT Forests. At this stage, the strategic projects unit is also undertaking much of the management of issues.

MR SESELJA: To follow on from that, the international design competition for the arboretum—I might have missed it—has that been finalised? Has the decision been made?

Mr Stanhope: No. Each of the short listed finalists presented to the jury last week and it is hoped that a final decision will be made within the next week—

MR SESELJA: In the next week?

Mr Stanhope: so that work can commence.

MR SESELJA: Okay. So your trip to the gardens in Vancouver will not be going to actually contribute to how the arboretum is likely to look, given that the winning design would already have been chosen before then?

Mr Stanhope: No. I am not an arboretum designer and I would not be making a contribution to that. We have engaged Australian and world experts in design and we have engaged Australia's leading architects and designers on the jury to determine those particular questions. At no stage would I have been involved in a determination of appropriate designs or outcomes for the arboretum.

But there are myriad other issues that need to be pursued in relation to management, style, resourcing and potential outcomes in the determination and the creation of a vision around what is possible, exactly how great an opportunity having within the ACT a world-class tourist attraction will be for the ACT and how best to manage that and achieve optimal outcomes. I believe, and I am encouraged in this belief by people such as Ross McDermott, Sandy Hollway, Terry Snow and a range of others whom I have had conversations with and consulted in relation to the arboretum, John McKay, Eric Koundouris and others, that it will in time, and not too distant a time, be on the list of two or three things that visitors to Canberra will want to see. Not just that, but it will become a tourist magnet, and I believe far faster than we would anticipate.

If one stops and ponders the attractiveness of Floriade, with in excess of 300,000 visitations a year, the potential for an international arboretum, a first-class, fine arboretum with gardens associated I think is unlimited. It is a confirmation of those views and how to achieve it and maximise it that is at the heart of a desire to experience the reasons for the success of places of Bouchard.

MR SESELJA: Just in relation to Bouchard Gardens, I understand they charge around \$22 Canadian for admission. Do you envisage that there would be an admission charge to the Canberra arboretum at some stage?

Mr Stanhope: Ultimately, yes. In terms of what we hope to achieve and some of the cost benefit work that has been done in relation to the arboretum, and I guess that is my point, that within five years of this date, so by 2010—and I do not have the detail of the cost benefit, but I am more than happy to actually provide that to the committee—it gives an indication of what is potentially achievable with the Canberra arboretum gardens. I believe that there will be a significant private sector interest in investing in and contributing to the arboretum, and that is very much part and parcel of the work that we are continuing to do on entering into a genuine partnership with the private sector.

As I mentioned before, I have had discussions with Terry Snow and Eric Koundouris. I have had discussions with the community's leading business people in relation to this proposal and what they believe the prospects and the future and the vision from a business or private sector perspective are. Terry Snow and Eric Koundouris and others think that the prospects are unlimited.

MR SESELJA: So you would be happy for it to become a predominantly private sector

operation?

Mr Stanhope: I do not know, in terms of ultimate management structures, what the best structure is. They are the sorts of decisions that we need to pursue. I believe that consideration probably needs to be given to the development of an arboretum board or trust as a statutory authority. I think that is perhaps, in a management sense, the next step or stage we need to take. At this stage my inclination, and this is just an intuitive position, is that the arboretum and gardens should be governed in its construction and its operation should be a management responsibility, probably of a statutory authority. I would expect that that would be peopled, staffed, probably almost exclusively by senior members of Canberra's private and community sector. We are talking here about a major project, a significant tourist attraction, which I believe will become self-funding and, through its operations, generate a significant return to the ACT. In that context we should utilise the best entrepreneurs amongst us.

MR SMYTH: Madam Chair, can I ask a supplementary question on something the Chief Minister has just said?

THE CHAIR: This area is actually not part of Environment ACT. The issue of the arboretum was covered last week.

Mr Stanhope: I am more than happy to take this question. I do realise the pressure on the committee, but we are into it. I am more than happy to take this question, but I am in your hands, Madam Chair.

THE CHAIR: All right. I'll just hand over control to the rabble.

MR SMYTH: You mentioned last week the Rotary gardens up at Hunter Valley. They have spent something like \$50 million to \$100 million over five years to get it to the stage where they charge, I think it is \$18 for visitors—

Mr Stanhope: Where do you get those figures, Mr Smyth?

MR SMYTH: I have made my own inquiries, Chief Minister.

Mr Stanhope: I visited and was a guest of Mr Roche at lunch last year, Mr Smyth, and that is not what he told me. That is a dramatic escalation. Let me just say this. I am not prepared to reveal the content of the discussion I had with Mr Roche over lunch last year at his gardens. He said nothing of the sort to me, and we discussed that issue.

MR SMYTH: That is the point. Is the \$12 million you have put to this adequate to at least start the grand scheme that you are talking about?

Mr Stanhope: Absolutely. At this stage we have enough funding. Money has been appropriated to date in both capital and recurrent to kick-start this project. I have said before that a project such as this is a project essentially of unlimited potential. It is up to this government and, I think, future governments to determine what potential they see and we as a community see for the arboretum gardens.

Something has to be done with the site. It is a 250-hectare site. It is a particularly

important site. It is visible from most of Canberra. It is to the west of the lake. It is one of the significant rigid buffer areas of Canberra. It simply encircles or collars the town. It was destroyed in the 2002 bushfires. It has been replanted with *radiata* pine. The government has taken a decision following the McLeod report that it is not appropriate for that area to remain as a wall-to-wall *radiata* pine plantation.

It needs to be adjusted. Something needs to be done with the site. If it is not to be a *radiata* plantation, it needs to be something else. It is not appropriate that it simply be left. We have taken a discussion to value add in a most significant and, I believe, visionary way, in a way that will suit the community particularly well and return an enormous dividend. The extent to which we develop the site will be, of course, dependent on the attitude of subsequent governments. While we are in government, we will support it. We have supported it to the tune of \$12 million. There is a whole range of additional expenditures that could be made, depending on the ultimate vision and the decisions that are made.

But \$12 million is a significant sum to kick-start the project, to establish it and to get us to a point where we can open it as an attraction within four years time and continue to build it in subsequent years and subsequent decades, indeed over the next century, just as they have at Bouchard. Remember, Bouchard is over 100 years old. It has had 100 years of investment.

MR SMYTH: Recurrent in the fourth year is only \$800,000.

THE CHAIR: Mr Smyth!

MR SMYTH: The National Botanic Gardens are currently at \$8 million.

THE CHAIR: Excuse me, Mr Smyth.

MR SMYTH: Have you underestimated that?

THE CHAIR: Mr Smyth, would you like take some notice of what I am saying as the chair?

MR SMYTH: That was my last question.

Mr Stanhope: At this stage, in terms of our expectations, no. In terms of what we need to achieve over the next four years, no, I do not believe we have.

THE CHAIR: Ms Porter has a question of clarification. Then we go to morning tea.

MS PORTER: I will be very quick. Minister, I presume the bush fire memorial is in the Chief Minister's Department, not in Environment ACT. Where does that sit?

Mr Stanhope: That is correct. Once again, it is actually in the same management stream as the arboretum, except that it has those complications. It is being managed by the strategic projects unit. There is now a very significant artsACT involvement and it is on land managed by ACT Forests.

THE CHAIR: We will come back from morning tea at 11 o'clock.

Meeting adjourned from 10.45 to 11.02 am.

THE CHAIR: Welcome back. Dr Foskey, you've worked out the questions you wanted to ask earlier?

DR FOSKEY: Yes. Remember, I asked about strategic indicators and their usefulness in terms of sustainability. Well, the truth is, I can't find many strategic indicators for environment. There's a very specific one about asbestos, strategic indicator 1 on page 34, which has some relevance to the environment. They could be somewhere else in the budget and I haven't found them. Can you guide me to where I will find the strategic indicators?

Mr Harris: Let me refer you to last year's budget papers. Treasury, as part of the budget package, issued a discussion paper on indicators, objectives and performance measures in general. The purpose of that discussion paper was twofold. One was to generate some discussion about moving to triple bottom line reporting, so called. The second one was to attempt to simplify and improve the performance measures contained in budget papers. There had been some frustration expressed by members of this committee and others about the quality of those performance measures.

What you see in the budget papers this year is the first cut from the work that Treasury did and we played a part in the work to generate strategic objectives, which are listed for each department, and also accountability indicators, which are on pages 36, 37 and 38. Without speaking for my colleague the Under Treasurer and his Treasury officers, it would be my view that we have an improvement on what we had before but we still have some way to go. The discussion paper from last year and indeed commentary this year encourages members of committees like this, particularly, to provide feedback to us so that in subsequent budget papers we can improve the quality of strategic objective indicators, strategic indicators and accountability indicators. I don't believe there is another place in the budget papers where you would find the indicators that you are referring to. However, we would be more than happy to take feedback on what you think they should be so that we can continue to try and improve the budget papers.

DR FOSKEY: Okay, that's certainly helpful. My office would encourage you to try and have the kinds of indicators that are meaningful in terms of deliveries. My other question referred to a *Canberra Times* article where the Chief Minister was quoted as saying that there is a "need for consolidation". This was an article on 4 May titled "Nature takes a beating with jobs, funds cut". The relevant quote reads:

Defending the downgrading of environment in the 2005-06 Budget, Mr Stanhope said Environment ACT needed to consolidate delivery of some of its continuing projects.

Further:

In terms of its work across the board, I think there's consolidation to be undertaken.

Mr Stanhope: Just a couple of points in relation to that, Dr Foskey. I wasn't, to the

extent that it was attributed to me, defending the downgrading. I don't accept that there is a downgrading and I never said it. That was simply the approach that the journalist chose to take on the budget. The issue in relation to consolidation, the point that I was making there, was that Environment ACT has an awful lot of work in hand. I was simply suggesting that it is an opportunity—not just for Environment ACT but also for every ACT government agency—over this next 12 months to continue with the work that they're doing.

Certainly, in the budget just delivered, there is a lessening of new money for new projects. Despite that there was significant new moneys for new initiatives and new programs, not in every area, and not across the board, as has been the case in previous years. Much of the ongoing funding that's been provided to the departments does, of course, continue. Agencies such as Environment ACT, those that have been significantly impacted by the fire, have been working at a frenetic pace in recent years.

For Environment ACT, in particular, the fire affected much of its estate. It needs to be remembered the maximum non-urban impact of the fire was on lands managed by both Environment ACT and forests. Tidbinbilla and its infrastructure was severely impacted, with much of the infrastructure being destroyed. Much of the infrastructure at the Cotter was destroyed. A number of Environment ACT occupied homes were destroyed. Much of Namadgi nature reserve was burnt. The bogs were severely impacted. There is a whole range of issues around the fire and its consequences that Environment ACT has had to manage over and above its normal work. In addition to that of course there's been the drought and the very significant impact of the drought on lands and responsibilities of Environment ACT in relation to water and water management and in relation to Environment ACT's responsibility for agriculture and rural lessees.

In the last three years Environment ACT has been called on to an enormous degree and has extended itself enormously in that time as a result of that dramatic change in its responsibilities brought on by the fire. The point I make is that, over this last 18 months, environment and many officers within Environment ACT have been focused on recovery, restoration and rehabilitation in a way that they would not normally have been had there been no fire. We are rebuilding the Cotter; we are rebuilding Tidbinbilla. We are seeking to re-establish fragile areas of Namadgi that were destroyed. We are re-establishing the brush-tailed wallaby breeding program. We are re-establishing a koala population. We have established a Corroboree frog breeding facility program. These are all over and above its normal work.

The reference to consolidation was that this does perhaps, to the extent that no significant new moneys were provided to Environment ACT in this year as opposed to the three previous years in which Environment ACT's budget increased by 30 per cent or 40 per cent, offer an opportunity for some consolidation. It is an opportunity to get on and advance the work in the rehabilitation of the Cotter. It is an opportunity to get on and do some of the fantastic things that we are doing at the Tidbinbilla Nature Reserve. There is a whole reordering, restructuring and rebuilding of Tidbinbilla, almost from the ground up. There is an enormous amount of work that needs to be done. It has diverted enormous resources and enormous attention and has required enormous energy. I think there is an opportunity, over and above delivering all the programs that Environment ACT has always delivered, to work on and consolidate that work that is a direct response to the fire.

In addition, it needs to be said that a number of new plans of management in relation to different ecosystems or animals or areas of the ACT have been completed. We have increased the size and the nature of the lands administered by Environment ACT—for instance, through the creation of Goorooyarroo, a major new addition to the natural park system. We are in the process of creating new grasslands reserves in Jerrabomberra. We have created a new nature reserve at Callum Brae.

All of these additions to the natural resource estate impose a management responsibility from the ground up. We are establishing new nature reserves and an enormous amount of work has gone into Goorooyarroo as well as the plans of management that are being developed. If one looks at those plans of management and understands the detail and the level of the science and the rigor of the work that has gone into the development and updating of our plans of management, one can understand the level of work and energy that there is within Environment ACT.

Over and above that, there is a range of other work in progress. For instance, we are developing new tree legislation. It is a massive task and the resources need to come from somewhere. We are not providing additional resourcing to Environment ACT to develop that new legislation so they are finding that from within existing resources and that is what I meant by consolidation. It is not as if there is not plenty of work to be getting on with in Environment ACT. There were no significant new programs funded in this budget. It may be that there will in the next budget but we are having a pause in terms of new expenditure and new moneys and Environment ACT has plenty to be getting on with. In that context, I refer to it as a year of consolidation—getting on with the plans of management and their implementation, getting on with rebuilding the Cotter, getting on with rebuilding Tidbinbilla, getting on with the creation of a formal management plan for Namadgi, getting on with the new environmental flow regime and getting on with general management and policy work.

MR SMYTH: I've got a couple on capital works. On page 42, BP4, there's \$160 000 now coming in for ground water bores. What does that involve? How many bores and where will they be? Or is it an administration of the licensing system?

Mr Stanhope: I'll ask Mr Liston to give you the detail of it but one of the issues that is of growing and continuing concern to me—and Mr Liston may correct me on some of this, but I'll talk about my understanding of it perhaps more than the scientific or general or broader understanding—is that we don't know as much as we should know about our ground water resources within the ACT. There has been significant pressure over recent years, particularly as the drought has bitten, on Environment ACT to approve an increasing number of applications for bores. In the first instance, we are concerned about the sustainability of yield from ground water resources. I don't think the ACT is particularly well endowed in relation to ground water supplies and we are concerned that we understand the environmental or ecological impact of the taking of ground water for the environment and for sustainability of that particular supply.

What we are seeking to do is to advance our knowledge of the ground water resource. Members of the committee would be aware of a recent decision of the Supreme Court of the ACT in relation to issues around licences and ownership of ground water within the ACT, and the changeover of responsibility or ownership or at least of the legal regime

that applied post-1998 and the implications of that decision for the ACT government's capacity to control access to ground water. We will be able to pursue that issue with better information based on science so that our response will be for a most appropriate, equitable and certainly fair use of a fairly limited resource.

I have a concern that with a limited supply of ground water we do, as a community, need to look at how we should ensure the greatest public use or benefit from ground water. It appears to me that if there is an excess of ground water we should make decisions about its allocation on the basis of the greatest public good or the greatest good or the greater good. As it has operated in the past, it has essentially been allocated on the basis of capacity to fund the construction and utilisation of a bore. I think that is a very poor way for a limited resource to be allocated in an environment where there are a number of public uses. For instance, a number of our high schools and public ovals are now not in use for want of water but we have bores being operated to service private gardens.

One might mount an argument that the greater good or the greater benefit from that limited resource would have been that the water be applied to a school oval rather than to a private garden. Similarly, the government has received a number of applications from organisations. Without being overly specific, the one that comes to mind is the zoo. I think we are all aware that the zoo, in the context of its plans for expansion, has a greatly enhanced need for additional water. And the government has concerns about its capacity to provide in a sustainable way ground water for the use of the zoo. So we need more information. Mr Liston, you might correct me if I've been off beam, but what's this \$160,000 going to do?

Mr Liston: The budget item we're talking about—the \$160,000—is to ground truth what we know about ground water in four catchments and will involve drilling six bores in each of those catchments, three pairs of bores in each of those catchments. Desktop studies have indicated to us the recharge—the water that's entering the aquifer—and the flow through that aquifer. We want to confirm those two figures with ground truth bores. To do that, we need to drill bores and then do pumping tests on those bores. So in each catchment with six bores there'll be three pairs—a pumping bore and a monitoring bore. We need three pairs because we need to have bores sited around each of those four catchments so we can assess the homogeneity of that catchment. There are geological differences across catchments and we need to quantify that variation. The four catchments we're looking at are the ones under the most stress or under the most pressure for use. They are the Lake Burley Griffin catchment—these names may not mean so much but that catchment relates to the area we're sitting in now—which is the area that drains into Lake Burley Griffin, the Woolshed Creek catchment, which is a creek that flows down past the airport into the Molonglo Reach, Woden catchment, and the fourth catchment is the Fyshwick catchment.

MR MULCAHY: Chief Minister, you've said the resources are quite limited in terms of ground water but, from what Mr Liston is saying, it sounds like we really don't know at this stage what those limitations are that you were speaking of in terms of the life of the supply. I hear your criticism of people using them to—

Mr Stanhope: It's not a criticism.

MR MULCAHY: Well, your belief that it's inequitable for people to be able drill bores,

if they've got the financial capacity, to look after their gardens. But, in terms of the government's own management of this resource, what bores has the territory sunk to service it's own water needs for school facilities and the like?

Mr Stanhope: I'll ask Mr Liston to detail that, but I'm not aware that the ACT government has sunk any bores; Mr Liston will know.

MR MULCAHY: It does sound a bit dog in the manger to say, "We don't like you doing it but we're not doing anything ourselves to look after our stuff."

Mr Stanhope: Well, historically, we haven't, I guess that was my point. As I look at the state of some of our public ovals and some of our school ovals—I attended the Kaleen High School fete two weeks ago and the Kaleen High School is one of the government high schools where the oval has been rendered out of bounds by school authorities so that none of the Kaleen High School children are able to access their school oval—I think about an appropriate government response and I am mindful that, had there been a water resource accessible in the Ginninderra sub-catchment, one initiative may have been to utilise water from the Ginninderra sub-catchment to water Kaleen High School oval.

I subsequently made enquiries and was told that the Ginninderra sub-catchment allocation is fully allocated. That has been allocated on the basis of, I think what Mr Liston referred to as, the desk assessment rather than the ground truth, which is now being undertaken. I guess the point of the expenditure and the ground truth that Mr Liston referred to is so we can determine with greater exactitude the level of the resource.

I'm not being critical of those who have utilised a right. They have acted within the law and I have no issue with that. I'm talking about the prospect of a new set of policy parameters. With our recent experience, and with the focus on water and water use that is now very much part and parcel of our life, which it was not 5 years ago, the world has changed. We need to change with it. We need to change our mindset. We need to change our policies and we are in the process of that. Through this particular budget allocation, we are providing money to get, for the first time, a detailed scientific understanding of the ground water resource. We have never done it before as a community. Circumstances now move us to raise this particular issue up the agenda in terms of the expenditure.

Five years ago this place, and the then government, would not have thought of that as a priority. I think perhaps three years ago I did not think of it as the priority that it now is. But I now believe it to be a significant priority, as I do every issue in relation to water. We have a ground water resource. We need to know it and understand it better than we do, and I think we need to think about it in ways that we did not previously think about it and its use.

MR MULCAHY: I guess I am trying to ascertain, even with your desktop data or a top line assessment, is there an indication of what you at the moment believe is the viable life of available ground water? Mr Smyth has just reminded me that bores were regulated seven years ago. I guess that is when he was in government. I am just trying to get an idea of what you are relying on for information, notwithstanding more precise geological work.

Mr Stanhope: Let me just respond to that. Bores were regulated but in a way that essentially did not inhibit their use. If an application was made and the so-called sustainable yield had not been achieved then the bore licence was simply granted. So there was a form of regulation but there was no policy decision taken in relation to the use or ultimate use or public use issues around whether there was a public benefit or a greater public good to be achieved through the use of ground water. That has never been addressed until now. We are now addressing it, and we have done that through an announcement of a complete review of the Water Resource Act and, to that extent, we have announced a moratorium on the granting of new licences in order to ensure that we address this issue around future use.

The recent decision of the Supreme Court has significant implications for the use of water. The result of the judgment of the Supreme Court a few weeks ago is that it essentially removes from government control all access to water by all of those who have a pre-1998 licence. There are significant implications for us in that decision. We need to review how the water resource legislation and policy overlay operates in order to protect the resource. Mr Liston will respond to your specific issue around how much water is there.

DR FOSKEY: Madam Chair, may I ask the committee to consider the way we use the rest of our time here this morning.

MR MULCAHY: He's just in the middle of responding to my question. After he has finished, could we address that issue?

DR FOSKEY: Mr Mulcahy, I will just finish my sentence.

MR MULCAHY: No, no, my question has not been finished yet. The Chief Minister has just referred to Mr Liston and I would like to hear the balance—

DR FOSKEY: I am drawing the committee's attention to the time.

THE CHAIR: Both of you stop talking.

Mr Stanhope: How much water is there, Mr Liston, roughly?

Mr Liston: Yes, we are responding to the question about how much water is there and whether we are operating sustainably. The resource is managed so that we ensure that we do not use the resources as though we are mining the resources. So we need to balance how much we allow for allocation against how much is recharged into the catchment through rainfall. The critical points for us in both the desktop studies and now these field validation tests is how much recharge occurs in each catchment. We do have a fairly good idea on recharge from our desktop studies because we have employed a hydrogeologist who has something like 35 years local experience. We feel confident with the information that he has given us. But these are catchments under pressure, so we want to be sure about these catchments. We have moved to the next stage just to be quite sure that we have full information on the recharge on those catchments. Field validation tests are needed.

MR MULCAHY: Yes, I do not think you have actually addressed what I was talking about in terms of the useful life of available water on your best estimates, notwithstanding a recharge.

Mr Liston: On that basis we're looking at an infinite life, because we're looking at using the resource sustainably into the future. So we would not be drawing down that resource so that we have a limited life. We're looking to maintain that catchment into the future forever.

Mr Stanhope: To match inflows with outflows. I think the point Mr Liston is making is that we are seeking to arrive at a position of equilibrium that we never take more than we fully understand is entering the system so that there is a state of equilibrium in the ground water—unlike the Great Artesian Basin where it is open slather. One of the great environmental issues for the nation is the thousands of uncapped bores running out of the Great Artesian Basin. We have learnt a lot since then and the philosophy is that no more is to be taken out than enters so that it will last forever.

THE CHAIR: We will move onto output classes. Dr Foskey?

DR FOSKEY: In the lead-up to the election, Chief Minister, the ALP committed to ensuring that Canberra's environment administration works better and is subject to appropriate outside scrutiny. Amongst the initiatives that you promised were a conservator of flora and fauna independent and separate from the day-to-day administration of Environment ACT, an immediate review of the environment management authority to assess the level of resourcing required by the authority to meet its environment protection education enforcement responsibilities under the Environment Protection Act and an options paper on the appropriateness of establishing environment management authorities and independent statutory authorities.

My questions are: where is the money in the budget to further those initiatives? Secondly, I note that there has been a discussion paper and final recommendations on the creation of an independent EPA. I am also wondering how we are progressing there, because I do not see any dollars put to any of those things in the budget.

Mr Stanhope: Thank you, Dr Foskey. I once again would have to go back to the detail of the document that you are referring to. In relation to some of those issues that you raised—and I will just defer to Dr Cooper in relation to the process that was followed by the government—the government has received recommendations following a review of issues around the Environment Protection Authority and the appropriate structure for it.

The end result of that was that a decision was taken—and I will ask Dr Cooper to confirm this—that there was no perceived advantage in a statutory environment protection authority, that they were under legislation that invests in them very significant and non-reviewable power. That is respected. It was felt that there was nothing to justify the additional cost of a statutory authority to underpin the work of the EPA. Dr Cooper might just go to the process that we utilised in relation to that to refresh me.

Dr Cooper: There was a process whereby many experts advised on the outcomes of the EPA review. There were practical outcomes as well as structural issues looked at. One of the most practical outcomes is that we now have an officer engaged to work with

industry to ensure that, from building sites, which, as you would appreciate, is a major area of focus for the EPA, the sediment and the controls that they have to contain the sediment—hence our water quality issues—are certainly paramount. It ranged from what the minister has just said about an overview of the location of the EPA right through to some specifics.

Mr Stanhope: So that part of the work has been undertaken and concluded, Dr Foskey, but the work that goes to your question on the desirability of an independent conservator is work that the government proposes be pursued in relation to a major review of the Nature Conservation Act. It had been the government's intention that that proceed from this first budget. Indeed, Environment ACT appropriately lodged a budget submission seeking funding for a detailed review of the Nature Conservation Act, which did not survive the budget cabinet deliberations. At this stage, without pre-empting next year's budget, the bid will be remade and, hopefully, the project will proceed from next year.

DR FOSKEY: Is there any possibility of us seeing some documentation around the response?

Mr Stanhope: I would be more than happy to—

DR FOSKEY: Particularly about the decision not to have a statutory, independent EPA.

Mr Stanhope: Environment ACT will provide those documents to the committee.

MS PORTER: Minister, in an answer to a previous question—this is output 2.1 that we are looking at, page 31, budget paper 4—I heard you and Dr Cooper mention the work that has been undertaken in relation to indigenous sites, et cetera. That output says that the key role of the department is to provide policy advice in relation to indigenous engagement. I was just wondering whether you could give us some further information about this.

Mr Stanhope: Thank you, Ms Porter. I will ask Dr Cooper to provide additional information, but I have to say that, across government, the government has been determined to seek to create opportunities for indigenous employment and indigenous engagement.

It is fair to say, with respect to the broad public service, that Environment ACT's response to this particular issue has been exemplary. I think Environment ACT probably has something to teach other agencies within the ACT public service in relation to engagement with indigenous people, the employment of certainly indigenous rangers and the engagement and cooperation that it has engendered and generated, for instance, through the joint or the interim Namadgi board of management.

There has been a very concerted attempt to ensure that indigenous people and representatives, particularly elders, are engaged in much of the work that Environment ACT does, certainly to the extent that it is an organisation now that incorporates heritage, in relation to heritage work and the management of lands within the responsibility of Environment ACT.

As was indicated before in the example we used of Tidbinbilla, that is very much

a heritage issue, to the extent that significant indigenous scatters and other finds have been revealed since the fire. Those are essentially heritage issues but they are on land managed by Environment ACT. Similarly, there is the government's determination, through the interim management board for Namadgi—it has been established; and I acknowledge in fact its establishment by now Senator Gary Humphries—to establish it in a way that incorporates the joint management of Namadgi by the ACT government and by representatives of the indigenous organisation. I think it is a very successful and far-sighted management regime for Namadgi that involves indigenous representatives as 50 per cent of the interim board and, to the extent that we are moving to a permanent board, will involve the same level of representation on a permanent board.

I think it would be appropriate for Dr Cooper just to give some more detail on indigenous employment and engagement by Environment ACT.

Dr Cooper: Thank you, minister. We certainly have a robust indigenous trainee program and we are very pleased to say that the trainees that were part of that program now have secured permanent jobs within the agency, not because there was any bias in the selection process towards them but because the training that they had made sure they were totally competent and in fact beat the range of other applicants. So that is something we are very proud of.

In terms of promoting Aboriginal activities, last year's budget gave money specifically for some tracks and trails work, and a route has been put in place in different areas that you can go on a walk and you will experience the Aboriginal culture. So we are certainly, from the broad policy right through to the pointy end, making things happen on the ground. We are doing that.

THE CHAIR: I understand Mr Seselja has a supplementary question on this one.

MR SESELJA: Yes, just a quick one, minister. You said in your answer just then that Environment ACT has something to teach other ACT government agencies in relation in dealing with indigenous issues. Are there particular ACT agencies which you have concerns with?

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Mr Stanhope: No, Mr Seselja. But to the extent that some agencies embrace a responsibility with obvious determination and energy, I have been long impressed by the energy and the determination that Environment ACT has engaged with the indigenous community. I applaud them for it.

THE CHAIR: Just before I go to you, Mr Mulcahy: Mr Seselja, that was a supplementary question. Did you want to ask another question on this output class?

MR SESELJA: No. I am happy to come back. I will see whether my stuff is covered.

MR MULCAHY: Chief Minister, under output 2.1, environment management regulation, one of the dot points you have listed there is to “deliver programs for urban tree protection” and various other things. Notwithstanding there is budgetary provision in urban services of \$290,000 for street trees and enhanced maintenance program—no

doubt you are across the relationship in terms of urban trees—do you have any indication, any data, that would indicate the number of trees that may have been lost due to the obvious water issues over the last year or two and what the cost has been?

Also, what are you going to be doing proactively in the future, given that I understand your government is planning to embark on what is described as “program preventative maintenance”? It is a bit like being proactive in healthcare, I think, hopefully stemming problems before they hit the community rather than reactive maintenance, as that expression is used. Could you give us some information on this issue?

Mr Stanhope: I am not quite sure what that expression means. Maybe it means “water trees”.

MR MULCAHY: That is what I suspected, in English.

Mr Stanhope: I am not sure, Mr Mulcahy. The reference to “deliver programs for urban tree protection” in this output is a reference to Dr Cooper’s role as conservator and the role which the conservator plays in relation to the decisions to remove significant trees. Responsibility for the issue that you raised is essentially an issue for Canberra Urban Parks and Places within the Department of Urban Services. I do not know whether Dr Cooper, through her role as the approving agency for the removal of significant trees, would be able to assist you with the statistics you seek. I think that it really is a matter for the Department of Urban Services.

MR MULCAHY: So you are just talking about trees, about particular heritage or historical—

Mr Stanhope: That is right, exactly. When a person has a tree that they are concerned is dangerous and require it to be removed or seek to remove a significant tree—whether it is as a result of danger or whether it is in the way of an extension or whatever, or simply that it is too hard to manage—Dr Cooper is required to agree to its removal. So there would be statistics available on the number of trees that it has been agreed should be removed, but it would not go to the issue of drought that you are referring to. That is a matter for urban services and CUPP.

MR MULCAHY: So any escalation in the last year would not be reflected in the number of approvals?

Mr Stanhope: Dr Cooper might be able to tell you.

Dr Cooper: It would be hard to distinguish, because some of them are due to disease. Whether it be the disease or the drought issue for that particular tree, it would be very difficult to determine, Mr Mulcahy.

THE CHAIR: Can I suggest that you revisit that issue when the Minister for Urban Services is here.

MR MULCAHY: Yes, I will, with urban services.

MR SMYTH: Can I ask a supplementary to that on the role of Dr Cooper under the

legislation?

THE CHAIR: Yes.

MR SMYTH: Part of the legislation prohibits tree-damaging activity. If we know that trees are at risk through reduced water or not watering, which makes them susceptible to failure due to drought or increased susceptibility to disease, does the act allow you to call that a tree damaging activity, and therefore have CUPP been in violation of the act?

Dr Cooper: The legislation does not cover the public domain lands. The answer to your question is: technically that would not be a situation that would occur.

MR SMYTH: If a citizen stopped watering in an attempt to conserve that resource or, more simply, couldn't afford it, and a significant tree was damaged and died, would they be liable under the act to having caused a tree-damaging activity?

Dr Cooper: My understanding is that they would not. Of course you would have to go and have a court decide, but my interpretation would be that that would probably not be considered that kind of criterion. It is mainly the development impact around it.

MR SESELJA: I have a question around future water options. There is a bit of preamble, if you will forgive me. The first area of particular environmental focus listed in the 2005-06 budget papers is setting direction for water resource management through addressing challenges of future water supply, environmental flows, et cetera. In this regard I should like to refer to Actew's April 2005 report on the ACT's future water options. I appreciate that it is a complex issue and that the original three options were further extended to about 26 alternatives. This suggests the need for caution but also perhaps for urgency.

The recommendation for pumping water from the Murrumbidgee River near Angle Crossing to the Googong reservoir provides a relatively cheap—I think \$20 million—and short-term solution to short-term problems. However, it seems that the difficult and important long-term options have been effectively shelved. I will come to my question. How long does the government propose putting off the decision on some of the more important, expensive, long-term options?

Mr Stanhope: Mr Seselja, following the receipt of the Actew report in April, I referred it to the Chief Minister's Department to facilitate the development of a response to the report and advice to the government on the report. That is being managed by the Office of Sustainability, under the stewardship of Mr Peter Otteson. I was concerned that the Actew report be reviewed and analysed. I was interested in some external involvement in the review of the report.

I believe that the assumptions that underpin the recommendations within the report do need to be tested, and be tested externally. The Office of Sustainability has engaged—Mr Liston may be able to help me with the identity—some outside expertise. I am not sure of the name of the organisation or the individual, but the Office of Sustainability is analysing the assumptions that underpin the recommendations within the Actew report. That is essentially the Angle Crossing/Googong option that you referred to. Of course I think it is important that we do that.

That particular recommendation is based on certain assumptions in relation to population growth, certain assumptions in relation to climate change or future yield, certain assumptions in relation to the extent and the implications of bushfire damage to the catchment. I think there were perhaps other significant assumptions. The other assumption was the extent to which we will meet the water savings targets outlined in think water, act water. They were the four essential underpinning assumptions to the recommendation.

The assumption was that it would be appropriate to proceed with the dual options of Angle Crossing to Googong and the reticulation proposal, or project, that is currently in hand, namely, the decision by Actew to adjust its capacity, I guess, or to implement a process that, amidst the reticulation of water from the Cotter system through existing infrastructure, with the addition of some extra pumping capacity and a capacity to dechlorinate water within the system, would deliver about 12 gigalitres of water a year from the Cotter system to Googong, as an interim measure, and give us the comfort of that capacity.

If one added to that the Angle Crossing option, the construction of a pipeline to take water from the Murrumbidgee system—it is from the Murrumbidgee, but it is essentially out of the water catchment—the capacity to take an additional 12 gigalitres from the Murrumbidgee gives us an additional 24 gigalitres in a fairly short space of time. That is the basis of the recommendation.

As you would be aware from the report, subject to the other assumptions that Actew has made, that potentially defers the need for consideration of a dam by a decade. I think that is very much consistent with the underlying philosophy of think water, act water, which is that we defer a dam for as long as we can whilst we await developments in relation to population, climate or weather and progress with the implementation of think water, act water.

So, at this stage, the government hasn't put off any decision, because the government hasn't yet made a decision. I have asked the Office of Sustainability, or the Chief Minister's Department, to report to me, I think I said, within three or four months on its analysis of the Actew report. Cabinet will be making a decision before the end of this year—in September or October. I have asked the department to have available, for cabinet's consideration, a submission in September or October. And we will make decisions then. At this stage, we have made no decisions.

MR SESELJA: Just on the report: it says, on page 1, that it is supposed to be a final report on the preferred approach for additional water supply, if it were required. In its recommendation for a phased strategy, Actew says that this should allow us sufficient time to deliver any of the bigger infrastructure options, as you have mentioned, if necessary, in light of more definite information. The Actew report comprises 22 documents in total. I am just wondering how much more definite information do you think is needed before such a decision could be made or such a recommendation could be made.

Mr Stanhope: Mr Seselja, if we accept the report and its recommendations, and the way in which Actew has recommended a phased approach, we could make those decisions in

concert with the phasing recommended by Actew, if we accept its report. At this stage, we are testing the assumptions that underlie the report. At this stage, subject to the outcome of that testing, we will make no decisions. If the Chief Minister's Department so recommends, in its analysis and the expert advice that it takes from others as well as from within its own resources and its own expertise, it may be that we will reject the recommendation.

It may be that we will accept the recommendation. If we accept the recommendation, or the report, holus bolus, then it sets out a range of proposals in relation to how we might proceed from now. That involves proceeding with the Angle Crossing option and it would involve, as I understand the recommendation—I don't have the report in front of me—our continuing to work on working up proposals in relation to those longer term needs, for instance, or potentially a new dam. There is a range of time frames suggested by Actew in relation to that.

But we wouldn't be rushing to a decision on a new dam if we accept the essential recommendation that we can defer that decision; we shouldn't shelve it; we should continue to work on some of the scientific, environmental and practical issues involved in a decision to proceed with a dam. But we won't be rushing into that decision, for the very reason that Actew has drafted its recommendations in the way that it has. It would give us a breathing space within which we could monitor things such as population growth and the success of our implantation of think water, act water.

There are some very challenging targets in think water, act water. There are suggestions that we can reduce total water use by 20 per cent over the next 20 years and the significant increase in grey water usage that underpins that report. These things have yet to be met and there is a significant cost associated with meeting them. So these are challenges for us.

In response to the essential thrust of your question: if we accept the report, if that is the advice we receive and that is the decision cabinet takes, then the report sets out a time frame and time lines. Essential to that is the opportunity not to be forced into a hurried decision on a new dam. In fact, the essential position is: don't rush into a decision on a dam because it might not be needed, ever.

MR SESELJA: How much did the Actew report cost in total? Where would we be able to find those accounts?

Mr Stanhope: I would be happy to take that on notice and provide information. I simply don't have it with me. But I am more than happy to take that question on notice and give you the detail of all the cost.

THE CHAIR: We are dealing with Actew next week.

MR SESELJA: We are dealing with water policy. It is best to take it on notice.

MR MULCAHY: Chief Minister, in the context of your planning there, have you had cause to revisit your population growth forecast of, I think it was, 500,000 residents by 2030, which obviously would not only underpin your plan but would be a significant consideration in the planning for water needs? Given that, for example, the conservation

council thinks that they are extremely optimistic population forecasts and given the latest data that we have seen, have you revised your forward projections of population for Canberra?

Mr Stanhope: No, there has been no formal revision of that particular projection. That was a projection, I think, which was incorporated within the spatial plan and as a result of the work that was done in the development of the spatial plan. I think that is a number that relates to the region as much as to the ACT. I would have to check that.

There is of course, in terms of the work that been done within the Chief Minister's Department by the ACT demographer, as such, Mr Patrick Stakelum, a projection in relation to ACT-specific population growth which, in fact, is that the population will peak at somewhat less than 500,000 but, for the purpose of the spatial plan, a population of 500,000 people has been assumed.

It certainly is the case, though, in the last two to three years, that the population growth has been at a level that I think is far less than was used particularly in the spatial plan projection. I think you are quite right, but we have not at this stage reviewed, revisited or adjusted that number.

MR MULCAHY: He is doing forward estimates, though, is he, or projections?

Mr Stanhope: Patrick Stakelum does those regularly. I don't know over what period. I don't believe any work has been done in the last year. I think the numbers or projections that were previously prepared by the Chief Minister's Department were some time ago. But I would have to check. I am happy to check that as well and provide the information to the committee.

Mr Harris: The most recent projections are actually in the budget papers. There is a table. I don't have the page number off the top of my head, but there is a projection, a population projection table in the budget papers.

MR MULCAHY: Is that new data by the demographer or is that old data?

Mr Harris: No, it is new.

MR MULCAHY: Maybe you could take us to it. Thanks

Mr Harris: Page 11.

DR FOSKEY: Mr Stanhope, last week in this room, Mr Stefaniak suggested, in relation to the noise levels of the proposed dragway, that a special regulation could be made to, I assume, allow more noise to be made at this facility than in other instances. In your tabling statement outlining the autumn 2005 legislation program you also suggested that legislative solutions, in light of the government's commitment to the dragway, be brought forward in a bill enabling the enactment of legislation for the control and regulation of meetings for motor vehicle racing, et cetera.

This indicates to me that there is potentially a move by the government, which certainly sounds as though it would be endorsed by the opposition, to create special legislation to

allow the dragway to go ahead, given that certain research indicates its noise levels will be too high for existing legislation. But I am just wondering why we can't use the current EPA and associated noise regulations that we have in place.

Mr Stanhope: Dr Foskey, I am awaiting briefing from Environment ACT and the Chief Minister's Department on issues around the dragway and noise as a result of work that they have undertaken in relation to the noise and noise assessments and the potential impact of noise around the operation of a dragway on the site that has been identified in Majura Valley. I haven't yet had that.

Subject to that briefing—and I may be contradicted by Dr Cooper and Mr Neil—the government has never indicated an intention to legislate specifically to allow noise levels to emanate from the dragway that aren't consistent with our current legislative position. I think the legalisation which you referred to is a reference to the fact that there is a management regime or a governance regime that needs to be established for the operation of the dragway, and perhaps even an ownership arrangement or regime that needs to be put in place.

It may be that Dr Cooper or Mr Neil can provide you with more specific information on how we would anticipate issues around noise being controlled in the event that the dragway does, as currently anticipated, go ahead in the Majura Valley.

Mr Neil: Having listened to what has gone on, I think the first thing to say is that the current Environment Protection Act does allow us to manage activities including dragways. It just becomes then a balance through their authorisation or their licence as to how much noise is allowed, the frequency and that type of thing. And that is nothing unusual for us; we have done it in the past with the Fairbairn Park Control Council. This is just another motor sport that can be managed with the current Environment Protection Act.

DR FOSKEY: Mr Stanhope, would you rule out that our future standards and regulations for air quality as well as noise pollution will not be less than our current standards and that, in addition, they will reflect national and international best practice for air and noise pollution?

Mr Stanhope: The government has no intention, Dr Foskey, of legislating separately for the dragway.

DR FOSKEY: Just for clarification: I felt that Mr Neil's response there was that, within the licensing agreements, levels could be set that may actually exist for this sport that don't exist elsewhere and that those, in fact, may compromise our current standards.

Mr Stanhope: As I indicated earlier, Dr Foskey, I am awaiting a briefing on this; so I am at something of a disadvantage, but it is not my intention to legislate, to license or to seek to create a regime in relation to either noise or air quality that wouldn't be in a position in relation to noise or air quality where the EPA wouldn't, as a result of its day-to-day operation in relation to all of the work that it does, be other than consistent.

Having said that, it has to be accepted that dragways are potentially very noisy. They are, I am told, smelly; and, I am told, they generate some fairly odious fumes. But that is the

nature of the sport. I accept that. We accept in relation to a range of activities that there is a range of outcomes that not all of us actually enjoy or perhaps think are necessarily ideal.

DR FOSKEY: Or are actually good for the environment.

Mr Stanhope: We are talking about sustainability and we are talking about a whole range of—and I think we need to do that—impacts on environment as a result of a whole range of activities that make up human life and the life of this city and this society. Some of them might not be the cup of tea of some of us, but they are of others. I think we need always to be mindful of that. We are talking here about a society that creates opportunities for all, irrespective of their outlook or their interest. This is motor sport and it is a significant interest for a very significant proportion of people. There is a whole range of other activities of other people that impact on the environment but which we accept without reservation or thought.

DR FOSKEY: Some of course.

Mr Stanhope: I think we do need to be a just a touch broad-minded in our assessment of what is or is not environmentally acceptable, depending on our world view. People who love motor sport have a right to love motor sport and enjoy it. I believe we, as a community, have an obligation to support those who support and love that sport.

DR FOSKEY: Indeed.

Mr Stanhope: I think to make disparaging remarks about the fact that their particular enjoyment impacts more adversely on the environment than enjoyment of others really is just a touch elitist. We need to put that into some perspective.

DR FOSKEY: Mr Stanhope, I really do need to respond there because there was no implication of that. I just want to say also that there is an expense involved here. That is why I am talking about it.

THE CHAIR: That is a fair point, but let us not get into a debate.

Mr Stanhope: In relation to the operation of the licensing system in the legislation, Mr Neil knows a lot more than I do.

DR FOSKEY: That is fine. I am satisfied with the answer.

Mr Stanhope: I am inviting him to give us the benefit of his knowledge.

MR SMYTH: I do not think he wants to.

Mr Neil: We obviously understand that it will be noisy to some extent, but the exact extent will depend on where it sits and all that kind of thing. But in all things we do, we look at the balance. You can manage such things as dragways or motor sport events by timing, by the number of events, by total noise levels, by different sorts of descriptors. It is not foreign territory for us and we are definitely looking at other areas, other jurisdictions, to see what sorts of controls they have. We would expect to be able to have

something that is acceptable to the community because that is really part of what we need to do in developing environment protection policies.

THE CHAIR: Do you have another question? I am mindful that we are still on 2.1 and that we are due to break soon, so maybe if we move on.

DR FOSKEY: The questions are briefer than the answers quite often. I will make my questions brief. That is my part of the deal. What role is Environment ACT taking to ensure that the revegetation work in the Cotter catchment is meeting environmental objectives?

Mr Stanhope: Issues, as you are aware, around the revegetation of the Cotter catchment and the management of the Cotter catchment have been very much a focus of attention over the last two weeks. I think members would be aware that, as a result of turbidity levels and observations and the work of the EPA, the work in fact ceased for some little while whilst there was a reconsideration of how best to manage the restoration of the Cotter catchment.

There are a number of administrative structures in place at a number of levels, including at a catchment level. With the appointment of a catchment management group at a senior officers level and the appointment of a senior officers water group chaired by Mr Harris, through the work of the EPA and its statutory responsibilities, there is now enormous oversight of issues in relation to the water and catchment management in the ACT.

As a result of that level of focus, the government is, at the moment, reconsidering some of the management issues in relation to, particularly, the lower Cotter catchment and how best to ensure that the number one imperative for the restoration of the catchment, namely, the maintenance of water quality, is best met. I think it is fair to say at this stage that I believe that, with the experience we have to date, we need to adjust some of the decisions that have been made in the past in relation to the relationship or the quantity or the geographic identification of the places on the ground for the planting of natives as opposed to pines within the catchment. So there is a work in hand in relation to the final look or the final decisions in relation to the catchment.

The biggest issue, or the most significant issue identified, I think, by the EPA, by the catchment management group, is the issue of the impact of roads within the catchment on turbidity. Roads are the number one issue of concern; it is a far greater issue than whether they are pines or natives. Issues of whether they are pines or natives, in the sense of catchment management, are at the periphery. There is a range of other issues in relation to the debate or the dialogue around whether we plant pines or whether we plant natives. The issue at the heart of the debate in relation to the lower Cotter is the issue of roads and the road system.

In response to your question, the EPA is playing a significant role. The EPA, of course, is within Environment ACT. Dr Cooper can actually refer to a more direct role of Environment ACT other than the EPA.

Dr Cooper: Thank you, minister. We also provide support to our colleagues in forestry at a technical level. Our wildlife research people are involved. Dr Shorthouse is here today. Some of his people are involved. Mr Liston has been involved and our parks and

conservation people have been involved. So there is a team, if you like, rather than looking at it as a jurisdictional issue of who manages what land, how you can best assess it and then get the right mechanisms in place.

THE CHAIR: Mr Smyth said he had a question on 2.1. Then we might move onto 2.2.

MR SMYTH: I was just looking, Chief Minister, at the accountability indicators that you put there. Can I suggest that they are somewhat meaningless in that they are simply the day-to-day functions of the department. This area includes things like the implementation or protection of natural resource management; yet there is no water saving target or water management target in it. Are they not just statements of things that departments do that are easy to comply with?

The department will, in the course of the year, put together three management plans. That is almost a given. It is going to put together three bits of legislation. You have already outlined which three they are. Putting documents together to the grants process, that is a given as well. And there is always an ACT environment grants program. Are they meaningless targets or are they simply designed to be that way?

Mr Stanhope: They are not meaningless, Mr Smyth. I think we have this conversation probably every year, whichever side of the table we sit on, in relation to how better to design accountability measures. These statements describe the core business of Environment ACT. This is what they exist to do. There is always a debate or an argument about how do we determine, on the basis of these measures, how well Environment ACT is achieving its aims or delivering its core business or outputs. Of course, that is the \$64 million question.

It is achieved through a range of other mechanisms. It is achieved through this process; it is achieved through annual reporting; it is achieved through the extent to which it has in place not just mechanisms for delivering these programs but that it reports on it and is held accountable. So, it is a difficult task. We have had this conversation year in, year out. It happens across the table in every estimates process in Australia. But I don't believe they are meaningless. I believe these statements go to the heart of what Environment ACT has been established to do.

MR SMYTH: What are the three management plans that will be prepared?

Mr Stanhope: Dr Shorthouse.

Dr Cooper: I have got that.

Mr Stanhope: Dr Shorthouse is the world expert on the management plans.

Dr Cooper: I will just introduce it. The three key ones that we will work in a macro sense are the Namadgi plan of management; we are also looking to do a variation to the Tidbinbilla Nature Reserve plan of management, to allow camping; we are also doing the Googong foreshore plan of management and the Jerrabomberra plan of management. Underpinning that are some pretty significant works around conservation strategies. Dr Shorthouse can outline the three key ones in that area for you.

Dr Shorthouse: The plans referred to relate to threatened species and endangered communities. We have a program to produce three multispecies and community action plans. The first one was completed last year and covers yellow box/red gum woodlands and other lowland woodland communities and, I think, nine threatened plant and animal species. We are currently completing the second strategy, which is for lowland native grassland and for five threatened species. That went out for public consultation at the end of 2004. We are currently finalising that and responding to that public comment. The third strategy relates to aquatic species, the four fish and one invertebrate, the crayfish and riparian zones. The result will be a comprehensive and integrated set of strategies covering those threatened species, wherever they are in the ACT. They are not area-specific in the sense of a particular nature reserve or national park.

MR SMYTH: Are they the implementation plans that are identified in output class 2.2 under the third dot point?

Dr Cooper: They are the strategies that underpin the three plans that I mentioned for Namadgi, Jerrabomberra and Googong. They are the minimum, but we sometimes do more than we've got in the budget papers.

MR SMYTH: Chief Minister, we have just heard that there are at least six plans in place, plus a variation to Tidbinbilla. I agree that it is hard to put in a target. We argue all the time about what is a meaningful indicator, but we have just heard of six different plans. So there is the ability there to come back and say, "We have done our target." It's hardly meaningful to put in the target for 2005-06 as three management plans. I am sure there are other areas of your department and responsibilities, Dr Cooper, for which you will be preparing management plans. That is the whole point that I make.

Dr Cooper: Mr Smyth, as you and the minister have said, the issue of targets is a vexed one, but on this occasion what we try to do with our targets is for them to be stretch targets, realistic. Sometimes, though, you might find that you've finished one management plan ahead of another and therefore you can move it on. In the case of Tidbinbilla, that was totally unexpected, and it was something that was critical in terms of where it needed to go in the future, so we actually did the variation to allow the camping. That will be going out soon for public consultation. I appreciate your comments and respect them.

DR FOSKEY: I realise that we are battling against time here. What was the rationale for dropping ongoing funding of the wood heater rebate scheme, seeing that it was playing a fairly significant role in combating small particulate pollution due to wood fires?

Dr Cooper: That was a program that we had funding for over several years. It is coming to a conclusion. Any programs that are put out there, in any sustainable or environmental area, are meant to bring about awareness and a bit of a cultural change. This one certainly has been very successful in those factors. We have had just under 400 wood heaters removed from service, so that actually has a physical outcome in the environment. Also, in terms of being a catalyst to get others to sponsor it, we have additional private sector funding for rebates to continue, and that has certainly helped. There are programs that have their moment in time for, if you like, accelerating some of the change, and that has happened. One other thing I will say while I have got my technical officer with me is that, as part of that program, we had monitoring equipment

set up. Mr Neil can speak to that.

Mr Neil: We have, with the assistance of ACT Health, purchased some air monitoring equipment, one to be fixed at Belconnen. It will measure finer particles, and that allows us to comply with our national environment protection obligations. They also purchased two transportable air monitoring devices. So, based on that, we expect to be able to get information on hot spots should the need arise.

DR FOSKEY: You said that 400 had been removed.

Dr Cooper: Just under 400.

DR FOSKEY: How many inefficient fireplaces and so on would be left? I think that often they are congregated amongst people who actually need subsidies to help them change their source of heating.

Dr Cooper: We do not have the figure but, as I said, it is an issue about community awareness raising and it is an issue about providing the incentive for business, if you like, to come in and see that this is really a growth area for them and take it on board. That certainly has been the case with this program.

DR FOSKEY: My final question refers to the national zoo expansion. I am just wondering what Environment ACT's involvement will be in assessing the proposed expansion of the National Zoo and Aquarium.

Dr Cooper: It will be in several areas. Of course we will have our EPA role in looking at the water, discharges and those kinds of licensing issues. Also, we have there an animal welfare issue, and the territory vet has been, and will continue to be, involved in those kinds of issues.

THE CHAIR: We might try to cover a few things under output class 2.2. I understand that Ms Porter has a question.

MS PORTER: Yes. It may be one that the minister will want to take it on notice. I noticed in output class 2.2 that the department is funded to promote environmental awareness and action, including support and information for public and volunteer groups, in relation to parks and reserves. Over \$15 million has been allocated to this output class, which obviously has a number of outcomes that it is going to achieve, not only the one that I have just mentioned. Can you inform the committee how much of this money will be directed towards supporting the volunteer programs?

Dr Cooper: Yes. It is probably a good idea now to invite Mr Wells up to talk about park care and land care. It is his area that links out there with the rangers in the field. In head office we have a policy area.

Mr Wells: I would prefer to give you the details on notice, but in broad terms we do have a park care function which deals with groups who want to help us and help themselves look after the local environment, mainly the nature park units in Canberra. We also have a land care function that looks after the rural activities. We also have a number of groups that look after the water, the water watch groups and frog watch

groups along our urban creeks and waterways, and there are other much broader activities which encompass groups of volunteers coming together from time to time to undertake a large planting of an area of a protection nature. That is the broader sense. If you would like further details, I can provide those on notice.

MS PORTER: Yes, you might get that detail on notice. I was also interested in what Dr Cooper was saying about some of the groups. I thought I heard you say that some of the management of that might be amalgamated. Is that right?

Dr Cooper: Yes, that is quite correct. We are actually looking not at the groups being amalgamated themselves, but our administration of it. So, where we might have had two officers before doing that, we will now have the one officer.

MS PORTER: Do the groups self-select? Is it a natural thing that happens out of the community? It is not as though you go out there and select particular areas.

Dr Cooper: We don't actually select, but we do encourage. There are areas that may not have a park care group—and Mr Wells can speak to this more than I—but we certainly would target the community around them to try to get them interested in looking after, say, part of the nature park that was next door to them. It fosters good neighbourly relationships. Therefore, with fuel control, weeds and all of that, through them being part of that park care they will then do the right thing on their block and we will do the right thing, we hope, by them on our block.

MR SESELJA: I have a couple of questions about the parks brigade and urgent duty driving. How much money has been set aside to fund training for firefighters in the parks brigade to respond to emergency incidents under urgent duty driving conditions?

Mr Wells: The cost of the training that we are providing, which is two full-day courses undertaken by professional driver trainers and which is fully accredited, is \$600 per person. So far we have fully trained 12 of our tanker and light unit drivers and command vehicle drivers.

MR SESELJA: As to the current standard operating procedures for parks brigade personnel responding to bushfires, is it still the case that they cannot break the road rules when responding to a fire?

Mr Wells: The standard operating procedure, which is administered by the Emergency Services Authority and operated under a memorandum of understanding between Environment ACT and the Emergency Services Authority, states that urgent duty driving is taken as voluntary and not compulsory. It is a very important point to understand that it is not a requirement; it is something we can do. Yes, the ban has been lifted. But it is worth noting that the Emergency Services Authority, after this issue came to a head, decided to review the standard operating procedure. That is currently under way as well. It will look at the safety of the citizenry and the safety of the staff doing the driving, as well as the risk of increased damage being caused by a bushfire or difficulty in putting it out caused by any delays.

MR SESELJA: When was that ban lifted?

Mr Wells: When the drivers were trained.

MR SESELJA: Do you have a date for that?

Mr Wells: They went through in two batches of six.

MR SESELJA: When each driver completed the training it was lifted in relation to each of those individuals, was it?

Mr Wells: Yes, that's correct.

MR SESELJA: Was that in the early part of this year, in the past couple of months?

Mr Wells: In February the first training was undertaken.

THE CHAIR: I am mindful of the fact that it is just about 12.30 pm. Minister, we will get in contact with your office and see whether we will be able to get you back again on a spillover day. I thank you and your officials for your attendance today.

Mr Stanhope: Thank you, Madam Chair.

Meeting adjourned from 12.30 to 2.03 pm.

WILLIAM TULLY was called.

THE CHAIR: We will commence proceedings. 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. Do you understand that?

Mr Tully: That's fine.

THE CHAIR: Thank you, Mr Tully. I would also ask that, when you start, you state your name and the capacity in which you appear today. Just for your information, the proceedings are being broadcast to specified government offices, and the media may be recording proceedings and taking visual footage. They have already been here today, and I don't think they are coming back. Because we have other witnesses from other community groups speaking to us this afternoon, we have to keep to a fairly strict 15 minutes. Would you like to start?

Mr Tully: I'm the president of the Friends of the ACT Library Service. I seem to be life president; there is no opposition because it is a fairly small organization. We have been going since around 1997, and we've done a few things since then. To give a little bit of background, I worked at the national library from 1968 to 2002, when I retired. Our group is an incorporated non-profit organisation. It has a constitution, which we got in 1998. It's not strictly part of the ACT Library and Information Services—ACTLIS—and it's dedicated to defending and extending the free public library service in Canberra.

We are linked to a national peak body called Friends of Libraries Australia. In fact, they helped to set us up about nine years ago, with the senior librarians. I don't know whether it was a doubtful blessing, but they got us through. I think they felt a bit worried about people being separate from the library but, anyway, we got through and we've managed.

Last year I appeared before your committee and argued against the transfer of the present Civic library in East Row to Civic Square. Looking at the scaffolding and the bulldozers at work at the moment, there's very little point in my railing against that particular event. It has happened, and I think most of the people in our organisation have reluctantly accepted it as a fait accompli. It is, I think, much better to look at what is coming at the moment, and where we're going.

The question of access to the new library worries me very much. I think there is a need for a public transport system—buses preferably—to go around near the Vernon Circle area, so that people can get easier access. At the moment, the Civic library has no access.

Another question is the flexibility of the building. It's restricted, for all sorts of reasons. The National Capital Authority put a little bit of restriction on height. I don't think it can go sideways because of the other activities that are going to happen in the square. I have several suggestions to make about what could be done, given this fait accompli. My wider brief is to make a plea for the new library, not only in Civic Square but also the

new library in Kippax. I did have a look at the budget but was not able to get much out of it. I will go into that a bit later, but there's a wider thing I'm trying to get at.

If there has to be a library in the square, then I think there should be better transport design, which I have already mentioned, and more staff and more pay for them, because the building is three storeys high. It is awkward for them, and I think a little bit of reimbursement and a little bit of assistance is needed for getting used to running up and down an area which is, of course, much bigger than the Civic library.

I would also suggest—and this is not meant in any sense in jest—an opening ceremony dedicating the library to the present and past indigenous peoples of Canberra, whose sacred site has possibly been defiled. I don't know. There is a little plaque over the place where Jon Stanhope did the worthy citizens thing a couple of months back, which may be appropriate. I just make that point.

I would also make the suggestion that, instead of filling the square with commercial business activity, we put what remains of the space towards perhaps opening a theatre, or it could be for community-type activities—bring that into it. I think “vibrancy” in the purely commercial sense doesn't necessarily mean “vibrancy”, which is so evident in our community here in Canberra. There are lots of theatre groups, actors, singers and people like that who could give free entertainment for people, as well as the entertainment you get inside the theatres.

Kippax is going to have a new library soon, and I suggest that generosity might be welcome here. It would make up for the fact that people in the area suffered a shed library, which wasn't terribly good. The fact is that they have lost a community space that I think they were hoping to get in that area. It has been, I think, another victim of commercialisation. I would also make a plea for more staff, more pay, better conditions, increased stock and equipment and a public toilet, for a start. That seems to be one of the things public libraries haven't really got used to having. Of course, the same goes for the one in Civic Square.

There are great concerns by supporters, such as us, of public libraries—and they're all around Australia. I think there are about 60 or so groups connected with public library activity. In Canberra there's currently, as we all know, a flurry of activity and plans by Terry Snow of the National Capital Authority, and indeed by the government of the ACT. In those plans—I don't think it's my near-sightedness; it's just not there—there's not much provision for library expansion.

I suggest this may mightily disturb the spirits of Walter Burley Griffin and Marion Mahoney Griffin, who were great supporters of libraries. In fact, they did have one of them pretty much in the plan. They had the linking together of all the various government, community and commercial activities. It seems to have got lost. I suspect also that—there's the spectre of globalisation here and user pays, and pays heavily—this trajectory overhangs the whole public library system. Canberra has had a magnificent public library system ever since the 1960s, or 1961, when it separated from the national library. They've given very good service, but I think they are a part of the community that tend to get a bit lost.

In a recent visit to urban services minister Hargreaves I raised matters in the budget.

I have had a look at the budget but have not read all of it—heaven help me. I have been appalled by the paucity of detail about libraries. It is scattered in various parts. For instance, I found rather mysteriously in budget paper 4, a figure for 2004-05 of \$375,000 for revitalising the collection—that is not the current one; I guess that's been done—and a figure of \$700,000 in 2005-06 for new capital works. It is a bit mysterious.

Also worrying me—I guess it's something to do with the future—is a rather mysterious projected figure for user satisfaction of the libraries that I couldn't quite work out. The projected figure—in other words, possibly the figure senior library staff are hoping for—is 80 per cent. I don't want to go into the past about it, but I think this figure is a little bit odd because all the other figures have “not available” on them. It's good to find out just how satisfied people are with the library, and particularly with new libraries, old libraries and libraries that are going. I'd suggest that this needs to be tightened up a bit.

Finally, may I make a plea for more involvement by library users—groups such as us and many other groups—in the processes of setting up new libraries, organising them, getting stock for them and that sort of thing. There's a lot of wisdom out there; there are a lot of people with experience, whom John Howard would be very proud of, who wouldn't even be paid for doing this. Volunteerism is very strong in Canberra and, in this field, there are certainly a lot of ex-colleagues of mine as well. Thanks very much for your attention.

THE CHAIR: Thank you, Mr Tully. We have time for just a few questions. You have made mention of better bus access. You talked about buses going on Vernon Circle and being able to stop outside the new library. Did I understand you correctly?

Mr Tully: Yes. I think what I meant was behind the theatres. There's a sort of access filtering through the theatres.

THE CHAIR: You are talking about an access road coming off Vernon Circle and then maybe going back onto Vernon Circle, so that the buses could come past and people could get off there?

Mr Tully: Yes, rather than that way. I think I'm pointing in the right direction.

THE CHAIR: London Circuit.

Mr Tully: Yes, because that means a bit of a long walk.

THE CHAIR: We need it in words, rather than pointing, because it does not show up very well in *Hansard*!

Mr Tully: I understand. Vernon Circle is nearer where I meant.

THE CHAIR: Thank you.

MR MULCAHY: I was also going to flag the customer satisfaction area. I am not sure if you are aware, when you were saying to tighten it up, that when most organisations measure customer satisfaction, if they are falling below the nineties, it is quite significant. Eighty sounds okay except that, when you have 20 per cent of people doing

business with you who are unhappy, it means you have some issues. I take it from your suggestion that it should be tightened up a bit that you also have an expectation that we really ought to be aiming for better goals.

Mr Tully: I'd say just make it a little more real. I feel that some sorts of expectations of readers are not there. Of course, we're very pleased to have a library service; we're very happy that it's operating as it is, but I think there are also several little areas of dissatisfaction that perhaps could be dealt with. I think 80 per cent is a laudable figure, if they could reach it. When we did our survey last year for the move to ActewAGL, just about everybody in the petition didn't like it. On another one, where we had it on a questionnaire, around 80 per cent didn't want to move from Civic. That was fairly evident. In that sense I suppose I mean that it's all very well to say everything's hunky-dory, but it's nice to inject a little bit of realism. I suppose that's what I meant by tightening it up.

MR MULCAHY: I don't know if you ever look at other state libraries—I haven't done any study myself—but it is indicated here that about 32 per cent of the library collection is less than five years old, meaning that 60-odd per cent is older than that. Old books aren't bad things, of course; there are lots of valuable old books, but do you feel that acquisition is at the right level, or do you feel that there's not enough put into acquiring new publications?

Mr Tully: I think there's a need to get much more in the new publications area, particularly in recent years. In the last four or five years there has been an enormous growth in Australian publications—small publications as well as large ones—that don't seem to be picked up. Here in Canberra, I think there's a burgeoning number of smaller, local publications that perhaps don't get picked up in the net. So I'd suggest a much more generous figure for that. This is one of the things I meant when I was talking about improving collections.

MR MULCAHY: Thank you.

THE CHAIR: We might finish it there, Mr Tully. Thank you very much for coming along today and talking to us. We'll keep your comments in mind when we deliberate on our report.

Mr Tully: Thank you very much.

DAVID DAWES and
JERRY HOWARD were called

THE CHAIR: I call Mr David Dawes from the Master Builders Association to the table. I'll read the card. You should understand that these hearings are legal proceedings of the Legislative Assembly, protected by parliamentary privilege. That gives you certain protections but also certain responsibilities. It means that you are protected from certain legal action, such as being sued for defamation, for what you say at this public hearing. It also means that you have a responsibility to tell the committee the truth. Giving false or misleading evidence will be treated by the Assembly as a serious matter. I know you have heard that before, and I'm sure you understand it. Please indicate if you don't.

Mr Dawes: I understand. One of the things that we wanted to put on the public record is our disappointment with some aspects of the 2005-06 budget, although there are obviously some things there that we welcome. I think one of the key things is the capital works program from the master builders' perspective. We represent nearly 1,000 members across all the disciplines in the building and construction industry. That is commercial building, civil contractors, the residential sector, and our professional council as well as the suppliers and so contractors. We've got a very broad membership base and we try and cater for all our members.

If we look at the capital works programs over the last few years, there have been severe underspends each year. If you look at the capital works program for 2005-06, there's not a lot of new work in that program. There's some additional funding for Gungahlin Drive, but a lot of projects mooted there have been around for a while and have been in previous capital works programs.

One of the things of most concern to us is the fact that, when you look at the infrastructure here in the territory—and I'm not sure if we've had it valued in the past couple of years—we have somewhere in the order of \$3 billion worth of road networks, sewerage and stormwater pipes and we haven't been adequately addressing a robust maintenance program.

One of the problems we see is that if, for example, we don't start investing in the maintenance of that infrastructure, when you come to redo it, it costs quite a lot and it's going to be quite a burden on the ACT taxpayer. The Institute of Engineers has prepared a paper on major infrastructure and I think they're delivering it later in the week. That's a document I would encourage you to look at, because they've been able to do a bit of an audit on some of the major infrastructure that we have currently. They also look at adequately supplying infrastructure for future Canberrans. With some of the things we're talking about, some hard decisions need to be made.

I touch on the dam issue here in the ACT. When you look at the weather patterns that are occurring, we're not seeing the rain as we used to coming down in downpours. Even though Actew has come up with an alternative that will certainly satisfy the short-term process, I put on the record that I think we really need to be moving towards preparing for a dam for future generations.

There is a critical shortage of water in most jurisdictions. We saw the front page of the *Canberra Times* only last Saturday, where there was a photo of Goulburn. To me, that is

another possibility, where we might be able to supply water to the rest of the region. I think we need to ensure that the ACT and New South Wales governments, with the surrounding regions, work more closely than they have been in trying to prepare a water strategy for this particular region.

The other area I wanted to touch on is ACTPLA. That comes under quite a bit of criticism from time to time about delays in planning and that. I would say that some of those criticisms are unfair. I think we have to look at a lot of the government agencies working a lot closer together than they have been as well. If we go back and look at the unfortunate events of the bushfires that occurred back in 2003—I have been fairly involved with that since that process started—we find that there was a real cohesion and togetherness of the various government agencies in working together.

Unfortunately, as time is lost or has dissipated, we've seen each of those departments getting back into their solos. I think one of the lessons learnt in that experience was the fact that they could work together. We look at urban services, for example, working closely with ACTPLA to ensure we get the best outcomes. Environment has been working with them as well. The Land Development Agency also needs to work with them. There are a number of examples. One site that I could mention is the Bunnings site in Belconnen that was sold last year. If you look at the basic planning principal, and if talk to a number of senior planners in Canberra, it was one of the worst outcomes you could possibly have for that particular site.

What has that cost the territory? I think there needs to be a lot more work done between the agencies to look at that particular development, which was a major site, to say, "Righto, what can we do with this site? How can we get the best return for the ACT?" As of today we still haven't got any building on that site because there is some argy-bargy going on between a couple of departments.

That leads onto another point about investment coming into the territory. We've talked quite often about investment coming into the ACT. It's one of the most moveable things we have today. If people think Canberra's a good place for investment, they will direct the funds here. If they think it's too hard they will be moving them to more appropriate areas. We've got to ensure that we're working with these people to attract it. That leads into another point about lost opportunity in the budget, which is economic growth.

When we look at the population growth over the last few years in the ACT, we haven't really addressed what we can do. I think that. Again, there needs to be far more work done, from both the private and public sectors, to look at how we can attract new people to Canberra, and new business opportunities as well.

Looking at the last couple of years, we had nil growth in 2003-04. They're anticipating about .5 in 2004-05 and .8 in the outyears. I must admit that, unless something is going to change drastically, I can't see us achieving those targets.

I believe there's an opportunity for all of us to work together to look at how we might be able to attract more investment to the territory, achieve population growth and attract other business enterprises to the ACT. I think we can lever a lot off that with the university. I think that's a great catalyst, but to me that's just the start of it. I might deflect to Jerry to talk a little bit about the skills area.

Mr Howard: I think we've lost an opportunity there, in that we don't seem to home grow our tradespeople here. If we have major projects in Canberra, as we've had recently, we've got to import all the trades from outside the territory. As David said, this does nothing to contribute to the growth of the ACT. They simply come in, work through the week and go back to their families in Sydney over the weekend.

If these skills were created in the territory, you'd find that these people would live in the territory and contribute to the economy of the territory as well. We've had some chronic skills shortages. David and I have addressed, or tried to address, these issues with previous governments in the territory. Again, no real provision was made to improve the climate for training people with the allocation of the new budget.

There is so much reliance on the industry to train people, but the incentives have to be created for the industry to train people. At master builders we're certainly doing our part in addressing some of these areas for our industry, but there has to be some opportunity and some incentive there to train these young people from the ground up.

Mr Dawes: This has been a pet subject of ours. We look at user-choice funding that we get from the government to train apprentices. There are some trades, for example—and I'll be explicit—the automotive industry has the same motor that they pull down and put back together year in year out. Unfortunately, in the building and construction industry, if you cut a piece of timber, that's it. So there hasn't been a differential between some of the trade areas, and I think that needs to be recognised. That's been on my agenda for, I think, the last seven years.

THE CHAIR: I seem to recall you talking to me about it before, in another forum.

Mr Dawes: Yes. We're still faced with that same issue. I think we really need to recognise that, with a simple thing like hanging a door, if you hang it twice, it's thrown away, whereas a motor can be pulled down and rebuilt time after time. I think we need to really understand how we're allocating some of the funding, I suppose.

Mr Howard: I think there also needs to be greater emphasis on the school-based apprenticeship programs. We were the first MBA, locally, to start this program 10 years ago with Marist and Canberra college. We've found that that has helped dramatically in creating awareness for our industry as well, but we need support from the schools to make this happen.

THE CHAIR: Okay I will have to stop you there, in order to allow the committee members to ask you a couple of questions.

MR SESELJA: In your initial discussion about capital works you seemed to be contradicting what the Treasurer said. The Treasurer told us the other day that the industry wasn't crying out for more capital works. Is it your contention that that's wrong, and that you would like to see a lot more?

Mr Dawes: When it comes to the capital works program, the civil area is depending on one major project getting underway. I go back to the argument that we used to run several years ago with the previous Liberal government as well about having land on the

shelf ready to release. One can see the same problems occurring. If that major project doesn't proceed and there are no other projects on the shelf, what do we do with that sector of the industry?

Here we are; we've been gearing up for the last few years; we've put a lot of time and resources into training additional civil contractors, and civil trainees and all of that, for that work and there's nothing else to go on with. I know that you're not going to be able to pluck off another \$90 million or \$100 million project, but the thing is that, when you look at the maintenance of the territory there are other projects that could be planned for. When you look at the design up front, it's a very small part of the equation in establishing that design program.

We believe there should probably be more investment put into forward design so those projects are sitting on the shelf, ready to plug some gaps. I remember several years ago when the industry—and again it was the civil area in particular—had no work. We were laying off about 140 people over the course of about two months. Once you start laying off, they go elsewhere and those skills are lost to the territory. It costs a lot to import them again or whatever.

One of the things we need to do is have a robust program. It might change for one circumstance or another, or a job might come in that's tendered that is over what the estimate price is, but what else can we substitute for that particular project? At the present time, the industry is buoyant. We know that there is some \$3 billion worth of work in and around the region, so we are certainly not crying out for work. I believe that, if we're managing and moving forward, we should always have plan B, and we don't have a plan B.

DR FOSKEY: I am interested in teasing out a little bit of what you said about the Belconnen Bunnings site. You said it was the worst possible outcome for that site. Do you mean that we didn't get as good a price as we could have had; that it's the wrong kind of development? Were you suggesting that, really when it comes to these sorts of things, we need a bigger picture and that we should then decide what's required and be a lot more discriminating about inviting proposals of particular kinds?

Mr Dawes: That's probably a complicated issue. I'm conscious of time, but I will summarise very quickly. I think you have a mains connection there from Belconnen Way through to Lathlain Drive, I think it is. You have the Belconnen markets there. They had an indicative master plan for what they were trying to achieve with their precinct, but there was no consideration taken into account for that particular master plan.

If you were to look at that connecting road, the design that came out, you were looking at a tin shed or a tin wall up that particular street. There was no interface between the markets in that particular site, mainly because of one tree, or two trees. They were trying to design around those. Those trees are gone now because they weren't of any significance anyway, but that comes to the point of where the agencies were not working together to look at the best possible result for that.

We now have, which I think is a sensible thing, a slip-road access off Belconnen Way. If that had all been put into the original master plan, I believe that that site may have realised a better return for the territory. Those sorts of things have all been incorporated

and created into the master plan or the design today, but, to me, that's an opportunity that the territory missed out on.

You can look at other major sites. For example, one of the commercial sites sold in the city some years ago is having a building built. It is coming well and truly out of the ground today. It was originally sold for about 15,000 square metres. Obviously, with the way tenancies are coming up in the territory, it's now up to 30,000 square metres, which we recommended and encouraged the minister to call in to get that particular project off the ground. If the right planning had gone into that project in the first place, it may have been sold for 30,000 square metres and you may have got more money for the land. I believe that there needs to be better integration between the Land Development Agency, ACTPLA and the other lead agencies, such as urban services. Quite often engineering sorts of results and outcomes—and I am talking about access and egress and all of that off those sites—do have an effect on the value of the land.

THE CHAIR: Thank you very much, Mr Dawes and Mr Howard.

JOHN MILLER was called.

THE CHAIR: Welcome, Mr Miller. Were you here when I read the yellow card? Do I need to read it again?

Mr Miller: No, I was not, but I have heard it before and it is still indelibly imprinted on my mind.

THE CHAIR: I think you were here when I read it to Mr Dawes.

Mr Miller: Yes.

THE CHAIR: That's fine; I do not need to read it again. I am quite sure that you do understand it. You are nodding in agreement. Please state your name and the capacity in which you are appearing.

Mr Miller: My name is John Miller. I am executive director of the Canberra Business Council.

THE CHAIR: Would you like to make an opening statement before we ask you some questions? We have 15 minutes and then I will have to try to move you out of that chair so that we can get through.

Mr Miller: That will be welcomed. I have another thing following. The Canberra Business Council is the territory's and the region's leading business group, arguably. We represent not only our own members but also more than 35 other industry organisations, known as the kindred organisations, and that translates to over 5,000 business. Our primary role is the promotion of Canberra as both the national capital and a business centre and to support and promote the retention of growth across business in all industry sectors in the Australian capital region.

We identified a number of major issues in our 2005-06 ACT budget submission, and it is on those I wish to address the committee. We believe each of these issues is or will be impacting on the future economic growth of Canberra and the region. The key economic issues as we see them currently facing the ACT, as were brought up by the previous presenter, are the ACT skills shortages, the slow population growth, infrastructure requirements, particularly water, and the area of tourism. They are issues that are phenomena locally. They are obviously national issues as well. We are pleased that they are recognised by the ACT government amongst its priorities. However, we think that more needs to be done.

The Canberra Business Council urged the government to use its 2005-06 budget to explicitly recognise the importance of these issues, not just during 2005-06 but also because of the long-term significance to the territory, especially in relation to its planning and forward estimates. Our budget submission to the process recognised Canberra as both the national capital and a centre of business and private sector opportunity. We are mindful of the role and importance of the ACT government and its budget to Canberra in establishing the economic climate that continues to support strong growth in the private business sector and the private sector's ability to provide services

to the ACT, including the ACT government and the Australian capital region. Again, our submission was prepared in response to the invitation for budget submissions.

The council supports the ACT government's stated strategy of achieving a balanced budget over the economic cycle. However, we do have concern with the deficit that was announced in this year's budget and, therefore, would have some concerns over achieving it over the cycle of the budget. Within that strategy, the business council urged the government to give higher priority to capital and infrastructure expenditure than has been the case in previous years. The council is concerned about the continued low levels of investment in physical infrastructure and the length of delays in deciding to commit funds to urgently needed infrastructure, of which the new water supply for Canberra and the region is one example, although we have seen announcements recently.

The convention centre was another area of concern within the business council. The ACT's medium-term economic efficiency is significantly dependent on maintaining and improving our infrastructure. As previously expressed, we are concerned about what we would consider a decline in the public works budget while operational expenditure has increased. The ACT does need a long-term program to maintain and upgrade its infrastructure and go beyond the existing capital works budget, as mentioned by the previous presenter.

We did, in our submission, suggest that some attention be paid to revisiting the 1989 Else-Mitchell report on ACT assets as a means of auditing the ACT's current public infrastructure and planning the ACT's long-term capital works requirement. Furthermore, we believe that borrowing against the ACT's AAA borrowing rating is an entirely appropriate means of funding major capital works that will provide long-term returns to the territory.

I reiterate our concern with water. Water security is a major issue facing the territory and the council urges at least the establishment of new storage supply arrangements. Whilst that has been addressed in the latest future water options strategy, we believe that a dam is still going to be required and planning should have been part of this budget for its future introduction. Again, the rate of population growth and, a related issue, the skills shortage, continue to concern the council and the business sector. Whilst the council does welcome some of the initiatives of government, we think that there is much more that needs to be done.

We think that there was certainly some missed opportunity in this budget to reduce taxes and charges in the ACT, with priority on reduction of the charges and taxes that are a cost to business and are built into the costs of services and goods produced in the ACT and the fees and charges that are higher in the ACT than in New South Wales. We could comment on the area of payroll tax—on which we get taken to task each budget that comes out—but, again, we press the issue that we believe that payroll tax needs to be addressed; the threshold for payroll tax, by default with other costs, not being increased means that more and more businesses are being captured into that net. Whilst we may have only a certain number of businesses paying payroll tax, we think that it is a severe problem if we continue to frighten off larger businesses. Either it needs to be indexed or some other thing needs to be done to address the issue of payroll tax as a disincentive for business.

THE CHAIR: I would think that there was something wrong if you had not raised it.

Mr Miller: I am pleased that you would think that there was something wrong if I had not raised it, but we will continue to do so. We do see it as a major concern. Again, we keep coming back to the issue of skills and population migration. Again, we believe that another opportunity was missed in this budget to address some programs that might promote business and business growth. We understand it needs to be done in conjunction and in partnership with the business community. There were discussions pre-election that some activities would take place that would promote Canberra as a business centre, as a centre for investment for more people to come and work here. Again, we don't think that enough has been done to address that issue.

Bearing in mind the time constraints that you have—I could continue—our major concerns, as I said, are with the issues of population, employment, business taxes and the convention centre. We think that provision should be in there for a new convention centre. We think that the upgrade to the current convention centre is only going to give it a life for a particular period of time and we should be planning right now for a new centre. Of course, other infrastructure, including water, needs to be addressed urgently.

MR MULCAHY: Mr Miller, I have a couple of questions.

THE CHAIR: You might only ask one because there might be others who want to ask one.

MR MULCAHY: Right. In terms of the agencies that you hear the most complaints about, which area do you think your members are most frustrated with in terms of their dealings and growing their businesses?

Mr Miller: The one that comes up quite often is the area of planning. It's a time element. The problem with planning, I guess, is the tendency for investment to be withheld until matters are resolved. But that area is one that causes particular concern to the business community.

MR MULCAHY: Can I ask one more? A major part of the budget in the territory, as you well know, is outlaid in terms of wages. What is the impact on your members of the current wages approach of the ACT government? Is there a flow-through impact in terms of recruitment or pressure for more wage demands? Do you see a relationship between that and your private sector members?

Mr Miller: Yes, we absolutely do. In fact, we have taken that up previously, not only with the ACT government but with the commonwealth as well. The significant increase in wages obviously relates to the skills situation. Obviously there is more demand at the moment for skilled employees and we believe that in the private sector sense that is pushing up the demand for wages. Coming back to the council: as I said, we represent over 35 kindred organisations. I can report that when we meet with those kindred organisations, without fail, the issue of the competitiveness to attract and retain employment in the private sector is one of considerable concern, obviously feeling that that is being exacerbated by the increased wages being offered within government, both territory and commonwealth.

THE CHAIR: Mr Miller, about the convention centre, you made the comment that you think a refurbishment will give only a limited additional life to it. How much life do you think the refurbishment would give?

Mr Miller: That depends. We understand that the amount, if the new agreement goes ahead, is somewhere in the vicinity of \$30 million. However, it depends on how much is allocated annually after the introduction of that funding to refurbish the existing centre as to how long it might last after that. If, as has been the case in the last 10 or 15 years under the operation of the convention centre, basically nothing is set aside for its ongoing maintenance and refurbishment, you would expect that it would probably last the next five to 10 years. Notwithstanding that, I think a new facility, with the opportunity to incorporate vastly new technologies and the like, is much needed in the territory. We have just seen the release of a business events study which confirms the value of business events to the ACT economy, injecting about \$990 million a year into the economy plus being responsible for 6,600 direct jobs.

THE CHAIR: Okay, we will finish there. Thank you very much for your time here today, Mr Miller.

Mr Miller: Thank you. It has been a pleasure.

CLIVE JOHN HAGGAR and

TIMOTHY BLAIR McNEVIN

were called.

THE CHAIR: I call Clive Haggar and Tim McNevin from the Australian Education Union. 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. If you could both start by stating your names and the capacity in which you are appearing today and, if you like, giving us a little bit of a talk, we will then ask some questions.

Mr Haggar: My name is Clive John Haggar. I am ACT branch secretary of the Australian Education Union

Mr McNevin: My name is Timothy Blair McNevin. I am an Australian Education Union ACT branch organiser, with responsibility for the CIT and VET in schools.

THE CHAIR: If you want to make a statement, we will be happy to hear from you.

Mr Haggar: First of all, we appreciate the opportunity to appear again before the estimates committee. We believe it is an important process in terms of the transparency of ACT government and allows community organisations to provide a perspective on the annual funding regime. I think it is also important that we recognise before the committee the situation in our public education and training systems and that we have, particularly over the last four years, seen a significant injection of new funds within our TAFE and school system, which has allowed a number of major improvements for us.

We are again a competitive organisation in terms of the wages and conditions that we can offer. Last year there was a 17 per cent increase in applications for employment with the Department of Education and Training, after several years of being unable to match the salaries available in the private sector or in New South Wales. We were finding it extraordinarily difficult to fill various areas of shortage. We have certainly also benefited from the class size initiatives, which were supported, I believe, across the chamber in the Assembly, and increased funds for professional development and information technology.

We are, though, in the situation of trying to recover from many years of neglect of the public education and training system in the earlier years of self-government and the fact that our infrastructure, which is, on average, now more than 30 years old, has not had adequate levels of funding. It certainly remains a major challenge for us, with our ageing and, in many cases, underutilised school buildings. We have also got challenges for the future with the loss of experienced staff. The age profile has an average age now of 47 and, in certain components of our system—for example, CIT and the secondary colleges—the average age of the work force is in the 50s.

We are facing a situation for the future, too, where education will remain, both within the ACT community and nationally, a highly politicised arena and a very strong responsibility is being sheeted home to the ACT government to ensure that the very divisive and ideologically motivated education and training policies of the federal government do not have a negative impact on the public sector in the ACT. I have to flag, in terms of both the TAFE legislation and the schools legislation that is before the federal parliament, that we will have extraordinary difficulty delivering quality improvements and lifting the status of the profession and the added value of the work of teachers in our classrooms if they are facing the kind of industrial relations agenda that is on the cards at the moment.

On the 2005-06 budget, I would like to say that we welcome again the provision of the necessary increases to support our enterprise agreement and the extension of the pre-school hours to 12. There will be a significantly better community service available as a result of that. We welcome the improvements—the refurbishment and the greater levels of support—for disabled students. We are very keen on the college review, building on what was undertaken in the past 12 months in terms of an examination of how our colleges might deliver better to the ACT community. Also, we support the IT initiative, the electronic whiteboards, which will be the precursor to a major revolution in teaching practice in this country over the next few years.

I will say all of those positive things before I get on to the obvious areas of disappointment, but again it is in the context that we do recognise the very significant support that we have had and the fact that there is a very substantial deficit facing the government for this year. I think the failure to fund the additional positions in high schools will be felt keenly this year and the inability to provide significant funding to support curriculum reform will create difficulties for us. I would also have to say that there was an equity provision in terms of CIT, which was the suggested payment of the fees of year 12 students, and that will be targeting a fairly vulnerable group of young people in the community because that is not funded in this particular budget.

The reduction in positions within the department, to the tune of \$2.8 million, will have an impact. Although it will not be a direct impact on schools, certainly the loss of any positions there in what has been in the past a very lean and mean operation, even to the extent of being unable to fulfil some of its core responsibilities, is a disappointment. We are having discussions with the department and we will follow that with discussions with the minister to address the issue of job cuts. We also recognise that the CIT was quarantined from that kind of productivity saving but, in a circumstance where the CIT now operates an annual budget in real terms of \$17 million less a year than it had a decade ago, one would expect that it had been quarantined.

It was interesting to sit in the audience and listen to expressions of concern about skills shortages and our lack of capacity in the ACT to address those, but we have quite calculatedly over recent years deliberately underfunded the CIT although, again, we have to acknowledge that there was some provision, \$1.5 million per annum for the next two years, to meet apprenticeship and traineeship needs. But in the overall context, we operate a very much smaller CIT than we did years ago.

To return to my previous comment about the impact of the federal government's

demands on public education and training: the Australian technical college, in whatever form, planned for Queanbeyan, an ideologically driven exercise that will waste hundreds of millions of dollars nationally of federal government money to address a skills shortage that could be addressed through TAFE and existing arrangements, is a particular disappointment. It will have an impact on secondary education, both public and private, in the ACT and, in all likelihood, if some of the proposals being floated are followed, the possible closure of the Queanbeyan high school.

As to the issue of third party usage within the federal legislation for TAFE, if the TAFE has to hire out its facilities to private providers when, in fact, it should be properly funded to enable any kind of unmet demand like that to be picked up within the ACT, it is of concern. To reiterate the point: how on earth are we meant, representing 95 per cent of the teaching work force in the ACT, to deliver whole-of-profession, whole-of-system improvement through the enterprise bargaining process when individual contracts are being forced down the throats of our members? That is of particular concern to all of us.

In conclusion, regarding the budget, we recognise the very tight financial circumstances for the ACT in the coming 12 months and we will recognise in a positive ways the priority that was given, even within that very tight budget exercise, to public education and training. We encourage the government to consider those unfilled commitments from the 2004 election in its next budget.

MS PORTER: Mr Haggar, I want to go back to the issue that you raised about some schools not being utilised properly, being somewhat empty. Do you have some ideas as to how we might address that together?

Mr Haggar: Certainly. With effective utilisation of infrastructure, at one end you can look at, for example, the area of Gungahlin and the need to provide proper infrastructure there over time in a timely manner. We have suggested, for example, the creation of a joint secondary college and TAFE campus in Gungahlin. That kind of joint facility is something we have also encouraged elsewhere through partnerships between the CIT and secondary colleges and it has been met with at least some degree of interest by our members and by the minister.

We are also focusing on particular areas of Canberra where we have informed the government of examples of addressing issues that have been undertaken in Queensland and Western Australia, which have involved school amalgamations around new infrastructure. Whilst that involves significant capital expenditure, when you've got a situation of major reductions in the physical infrastructure simply because of, essentially nearly two decades now of underfunding of renovations, repairs, refurbishments, et cetera, it is going to require some fairly dramatic ways and means to address that issue. There is increased provision for refurbishment in the current budget, but we don't believe that it is going to meet the foreseeable demand.

DR FOSKEY: Could you tell us a bit more about the college review? I know that it is in train, but I am actually not sure, and you may be able to enlighten me, about whether we are reviewing the colleges as to how they work for students or other changes. Are you able to give me a bit more info?

Mr Haggar: We conducted an internal review earlier this year, late last year, which

examined the kinds of issues that might be addressed by the \$100,000 review that the government has funded within the budget. It was internal. A couple of our college principals met with over 200 individuals and other organisations to get a snapshot of where we were and where people felt that we needed to go. I think that virtually every aspect of the colleges will need to be reviewed. It's a very long time since we had essentially an educational review of the colleges.

When it was done in earlier years, there was always an economic imperative and we saw the colleges lose staff on a couple of occasions, to the point where I think the kinds of expectations that the colleges themselves would have around pastoral care for students, particularly given the changing nature of the clientele with increased retention rates, certainly need support. I think that there will be a broad range, whether it is curriculum or pastoral care. The nature of the work force has to be addressed. The average age of relief teachers working in our colleges is in the 60s. How do you maintain expertise in a situation where we will lose probably in excess of half the work force over the next four or five years?

MR SESELJA: Thank you for coming in, Mr Haggar. Firstly, a point of clarification and then a quick question. I think you said before that you covered 95 per cent of the teaching work force.

Mr Haggar: In public education.

MR SESELJA: In public education. Thank you; I wasn't sure what you meant by that. As to the reduction of positions within the department, does the Australian Education Union have any estimates as to how many jobs will be lost there, or have you had any indication from the minister?

Mr Haggar: Given that there is a financial total to pursue, which is \$2.8 million, you are looking at, depending on the classification and the positions removed, around 25, possibly even 30, positions. There are some unfilled vacancies in the department and there will be other officers who, for example, might be supernumerary for medical reasons and could gain access to a voluntary redundancy. Then, of course, we start to cut in the areas that are delivering services, either within the department or the schools, and we are particularly interested in having further discussions in those areas.

MR SESELJA: Are you concerned that that will have a significant impact on the operations of the department?

Mr Haggar: I have to say that, on our analysis, there are parts of the department—for example, the Board of Senior Secondary Studies—where it is essential that there actually be an increase in staff. We don't believe, given the very ambitious curriculum reform that the department has taken on—I would have to say with our support and that of parents and the independent sector—that there is adequate staffing in that area at the moment. So I would expect to see more movement of staff numbers and, within that, an accommodation of a certain number of jobs to be lost.

THE CHAIR: Thank you very much, Mr Haggar and Mr McNevin.

KEVIN COX was called

THE CHAIR: Dr Cox, 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. Do you understand that, Dr Cox?

Dr Cox: Yes

THE CHAIR: For the benefit of Hansard would you state your name and the capacity in which you appear and then make your statement.

Dr Cox: My name is Kevin Ross Cox and I live in Ngunnawal. I appear before you as a representative of the Gungahlin community through the Gungahlin Community Council. Today we are going to offer you some practical suggestions that we think will help Gungahlin residents, as well as all residents of Canberra.

The suggestions we are going to make are no cost or low cost and are mainly different ways of looking at things and presenting information and organising different existing resources. The first suggestion is a very simple one, which is to establish a set of easily understood numerical indicators—other places call them social indicators—that show the geographic distribution of community resources.

This would be a valuable tool for the Assembly to measure equity, but also to measure improvements and progress in the development of community resources throughout the whole community. It is not proposed that these measures be prescriptive in the sense that a community must get this number of things, but it is meant to be a descriptive way of being able to show distortions within the communities.

The second suggestion is related to the first because it shows what happens when we do not have proper measures or measures that are sensible. Because of its name, there is a perception that the Gungahlin Drive extension is only for Gungahlin residents and hence expenditure on the Gungahlin Drive extension is seen as an expenditure on community facilities in Gungahlin. When we complain that not very much is happening out there, we are told, “Well, you are getting the GDE, after all.” But the GDE is for all Canberrans and it is as much use to people who approach it from the Tuggeranong Parkway as it is to people coming from Gungahlin Drive.

I would like you to just imagine the change in the perception of the road if we called it perhaps the O’Connor bypass or perhaps the Tuggeranong Parkway extension or the Belconnen throughway. To solve these misconceptions, we suggest that we come up with a name that does not have geographical connotations, perhaps highway 101 or maybe even Al Grassby way.

THE CHAIR: You would have to make it very bright colours if you called it that, I suggest, Dr Cox.

Dr Cox: It could add to the environmental impact of the way, I am sure. The third suggestion is a variation on the first. We would like to see indicators of business and office development for the different areas of Canberra. Any measure of business and office development would just highlight the plight of Gungahlin. Gungahlin is being developed solely as a dormitory town, and the evidence of the past 10 years supports that. Gungahlin residents are actually unhappy at the concept of Canberra as a city with sleeping suburbs and a dominant CBD instead of a group of towns with relatively equal town centres. That whole idea of having town centres seems to have fallen by the wayside and now all we are doing is getting concentrations, with all the problems that occur, particularly in the Civic area.

The fourth suggestion is a practical one relating to the Gold Creek Homestead area. There is a block of land out there of about 12 hectares. The current proposal for this piece of land is to somehow get private developers to build some sort of community facilities at no cost to the government to build and run. The government will take the money from the sale of the land and not allocate any of it to community facilities for the Gold Creek Homestead site. This approach is unlikely to result in any worthwhile community facilities. To get worthwhile facilities, we would suggest that all proceeds from the sale of the land should be spent on community facilities at the Gold Creek Homestead site. It is very simple. Instead of putting the money into consolidated revenue, why do we not spend the money on community facilities on that particular site?

The fifth suggestion, which you may not have—it came as a later one—is a system to ensure that Gungahlin residents get their fair share of water. We are at the end of the pipe and when the water supply problems really start to impact the water flow, we are the ones who are going to suffer the most. On one occasion, when they changed the restrictions, the water pressure out to Gungahlin dropped. Very little water came through, and what came through was a very low quality. We can imagine what the situation is going to be like in a few years time when the drought really takes hold.

The current system of permanent water restrictions is not a viable option for the long term. We just do not think that water restrictions are a viable way of organising the consumption of water in the long term. We need a system that is self regulating and removes the need for water restrictions, which provides us with the resources for new sources of water and helps to conserve water. We also need some way to bring market forces to the provision of water supply and reuse.

We have been working on such a system. We have designed such a system and have built many of the components. At its heart it operates by giving people rewards for using less water. The rewards can only be used on schemes to increase the supply of water and decrease the consumption of water. This is a very practical solution and there have been indications that this sort of thing would work with things that are called “feebates” in various other areas of the world, but no one has really tried it properly in a whole way yet.

This sort of solution would have little effect on the budget. It would have no effect essentially on existing infrastructure because it is an information system, as opposed to building pipes and dams and so forth, and it could be operational within six months. It

would have an immediate impact on the consumption of water and is likely to remove the need for water restrictions if you set the parameters appropriately. The system is socially equitable and revenue neutral and we believe it will pay for itself. More importantly from the point of view of Gungahlin residents, it will keep our water flowing. Thanks for your attention.

THE CHAIR: Thank you, Dr Cox. Mr Mulcahy has a question and I might ask you a question if I get a chance.

MR MULCAHY: Thank you, chair. Mr Cox, when you look at the budget, and I do not expect everyone who comes here to know it chapter and verse, in terms of the needs of people resident in the Gungahlin area, what would you have liked to have seen included that obviously has not been put in there that could have made a significant improvement and is within reasonable bounds in terms of this budget?

Dr Cox: It is pretty hard to start.

MR MULCAHY: I am just talking about a single major addition that might have been made to improve the situation in Gungahlin.

Dr Cox: I guess the biggest area actually is in the area of office and job opportunities.

MR MULCAHY: You mean like moving a department up there or something of that nature?

Dr Cox: Not necessarily. There are probably better ways of doing it than just moving a department there. Some thought that the area might actually have some employment other than servicing the town centre with shops and things. In fact, I think the Liberal Party had some suggestion, which sounded to me quite a good idea, to come up with some sort of a scheme for films and other sorts of things of that nature, not necessarily that sort of thing, but a group of industries that could be located there or encouraged to locate there so that you get a critical mass. It is the same principle, if you like, that you see in places like Hong Kong where you go down one street and it is all paint shops and you go down another street and it is all kitchen shops. The same sort of principle might apply.

MR MULCAHY: But the point you are trying to get across, I guess, is to have local employment where people could actually live and work in Gungahlin without having to trek down the path to Tuggeranong or the Civic area? That would be your objective to help improve the quality of life for Gungahlin.

Dr Cox: Yes, and that will actually bring more of the community facility that we need. Let us just take a simple case of restaurants. If you have got people working there, then you are more likely to have restaurants there. So that gives us more restaurants. If you have got people working there, they are more likely to want to have a gym there. So we might get a gym. They might also then demand, if you like, or require a swimming pool. So I think that bringing industry and jobs to the area is more likely to bring community facilities than anything.

THE CHAIR: Dr Cox, I was talking to a friend of mine the other day who is a former resident of Tuggeranong and now lives in Gungahlin. You have talked in your submission and today about the government setting up some sort of social investment indicators system. I wonder if you might make comment on what he had to say. Do not get me wrong. I understand the plans for Gungahlin have been on the books longer than they have been for Tuggeranong, but Tuggeranong was actually established first. The comment that was made was that Gungahlin is actually probably on an equal footing to where Tuggeranong was, if not in advance of where Tuggeranong was, at the same point of development. Do you have a comment to make about that?

Dr Cox: I think that is an indictment, myself. What I am suggesting is that by having some social indicators we will see that sort of thing become apparent. I am not saying that Gungahlin is the only area in Canberra that is suffering. I think that what we need to do is to try to make these things a bit more transparent so that we can see, yes, Tuggeranong is suffering; Tuggeranong should be getting more facilities and more jobs and so forth, as well as Gungahlin. I think that by having these out in the open, we are more likely to do something about them. What we have is the feeling that things are more advanced, but it is just a feeling. Let us try and get some numbers on there, so that we have got something a little bit more concrete than just a feeling about how things are.

DR FOSKEY: Dr Cox, I was interested in what you said about the change in understanding the structure of Canberra from being a multi town centred place. I think it became clear that that happened with the spatial plan last year, but it has not really been something that has come through discussion and it keeps being reinforced when we see great debates about the city development, whether there is an official eschewing of the Y-plan or whether it just sort of happened. I was just wondering if there is anything that you could suggest at this point, when there is still just talk about Civic, some way in which we might be able to get the voices of Belconnen people and others as well who might be feeling a little bit concerned?

Dr Cox: It is a bit like being a frog in water, I think. The water has been heating up and we just have not noticed it, although we probably should have. But I believe that there has been a fundamental change in the idea of Canberra away from what I thought was a series of town centres. Again I think that this whole business of getting some indicators might help highlight what is going on. Do we really want to have a central business district? I do not think we do. We can still make Civic lively and useful and good for tourists and a supplement to the parliamentary triangle, but we do not have to put all the jobs here. That is crazy. Everyone else is trying to get away from that sort of thing. We had an approach that was distributing work around the areas and now we are simply going away from it.

MR SESELJA: Can I just make a quick comment?

THE CHAIR: Comment or question?

MR SESELJA: Comment.

THE CHAIR: Okay.

MR SESELJA: It is just in response to your Tuggeranong-Gungahlin analysis. I do not

know, chair, that your friend is actually right. About 15 years after Tuggeranong was established—Gungahlin was established about, what, 12 to 13 years ago—it had the Tuggeranong Hyperdome, the Tuggeranong Parkway, the Monaro Highway and Adelaide Avenue. So, for infrastructure and other kinds of facilities that Gungahlin is after, I think Gungahlin is way behind in relative terms. I just thought I would put that on the record.

THE CHAIR: I will pass it on to him. Thank you, Dr Cox, for your attendance today.

CATHERINE CARTER and

STEPHEN BYRON

were called.

THE CHAIR: Ms Carter, I do not think you were here before when I read the yellow card out, so I will read it out again. 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.

Would each of you start by stating your name and the capacity in which you appear today and then make your statements. We need to get through this in 15 minutes. We have got another lot of people coming in. Thank you for your attendance today.

Ms Carter: Thank you for your invitation today. I am Catherine Carter, Executive Director with the ACT Division of the Property Council of Australia. I am here with Steven Byron, who is a member of the division council of that same body.

THE CHAIR: Would you like to make a statement to the committee?

Mr Byron: I think the most important issue confronting business and confronting particularly the property industry is the issue of state taxation and the GST. The GST was introduced specifically to eliminate inefficient taxes, nine of them, and they were all listed in the 1999 agreement. It is a replacement for inefficient taxes. The states in fact suggested that those nine taxes be got rid of. What happened was that, because of the change to the base of the GST, it was said that the revenue from GST could not be guaranteed to cover the removal of those taxes for a number of years but that it would be revisited and changed at the point where the revenue was enough.

Today the revenue is enough. In ACT terms, over the budget estimates period, the four years, the ACT will get \$231.4 million of extra GST over and above the guaranteed amount. With that amount of money, it should be able to abolish all these nine taxes. Yet our industry is most concerned that Ted Quinlan has identified the removal of only a few of them, and only on a very staged basis. The cost to the ACT over those four years is \$13 million. Business will be paying double taxation.

The most important of those taxes to remove is stamp duty on commercial conveyances. The reason it is the most important is not because it directly affects our industry, but because independently, objectively, it has been assessed as the most inefficient. The other side of that coin means that the economy and all people in the ACT gain the most in terms of jobs and new economic activity through its removal.

The removal of that tax would cost \$33 million, and we would be hoping that the ACT government would warmly embrace the commonwealth government's opportunity to get

rid of that. The reason is not only because it is the most inefficient tax, but also because the commonwealth is offering a guarantee that the revenue will be underwritten if we do the deal now. If we do not, we may well face a situation where the revenue is removed from us, in any case.

Can I shortly take you to page 81 of budget paper No 3, where it is noted that the cost of removing the taxes the Treasurer has identified would be \$13 million. Importantly, it goes on:

It is expected that this cost would be partly offset by changes in the Commonwealth Grants Commission's GST funding relativities. The net cost would depend on when the Commission assess each tax is no longer being "standard policy".

In other words, if other states remove a tax, then the grants commission will take the money off us anyway in terms of GST relativities. We are at a relativity of about 1.12; we go to 1.14 next year. So we are getting a better share. We hear New South Wales complain about their share, but we are getting a better share than the odds and we are getting an increasingly better share. But when you look at the schedule of all the taxes, by 1 January 2007, Victoria, Queensland, Tasmania and Northern Territory—that is four—will have no lease duty and no stamp duty on marketable securities by that time. Yet we will have it and by then the Commonwealth Grants Commission will be docking our GST relativity because it is no longer a standard tax.

These are important issues for the ACT. There is a great opportunity for us to have a pro-business, pro-economic development policy here, where the risk of not getting the revenue is underwritten by the commonwealth. We think we should be negotiating on behalf of the ACT and not worrying too much about the other states.

MR MULCAHY: Mr Byron and Ms Carter, I have just a couple of questions. The stamp duty on commercial realty transactions, do you have any data or can you give an observation of what the impact of that might be on economic activity in the ACT if it were removed?

Mr Byron: I meant to include a simple example, and I think particularly of this coming glut of vacant property in Canberra, old property that needs to be renewed, not only in Civic, but also in Woden. At the moment those office buildings are held by institutional owners who just like to collect the commonwealth government's rental cheque. They are not people that change property, redevelop it or spend money. They have been very good at not spending money.

To see those properties developed, you probably have to sell them to someone, to a company or entity that is more creative. That sale would see the ACT government impose a 6.75 per cent conveyancing duty. But that is not the end of the matter. At the end of it, the developer per se probably wants to exit their investment. So they have to sell it again, and again there is another 6.75 per cent duty paid.

What that means is that you are seeing 13.5 per cent tax paid on the renewal of a property. I can tell you that the deals are only as good as about 15 per cent IRR or profit return anyway. So the government's take is equal to the required profits take. The outcome of that is two-fold: rents, costs and charges are all higher; secondly, less of it

happens. It just makes it too hard to do, so you end up with rundown, downtrodden buildings that are full at the moment, but will be empty. It is just such a great disincentive to the spending of new capital on these buildings.

MR MULCAHY: The second question is: the Treasurer is on the record now on four occasions—and I am tracking them—as saying that if you give relief to business through taxes, it is unlikely to flow through into the economy; it will simply go away interstate or overseas to the owners; ditto for payroll tax reform. It really will not do much for the local economy. Do you have a view on that, Mr Byron?

Mr Byron: My view is it automatically goes through in terms of lower rents paid by retailers, small business, office occupiers and by people. We all buy the goods and services of these people in offices and other retail buildings. We are buying the services and they are charging us higher prices right now because of it. They are charging us higher prices now because they have got the GST slug on it and they are charging us higher charges now because they have got the stamp duty slug on it. It was supposed to be one or the other. The more efficient way to do it was the GST. Together the states and the commonwealth said, “Let’s have a GST and get rid of this inefficient tax. The benefits will be passed on to the community, who will see lower prices and also more activity.”

Ms Carter: If I can comment on that as well, recently in Victoria they have made announcements about doing away with some of the taxes. In Queensland there is a more competitive tax environment. I cannot give you specific details today, but I can tell you that property council members in the ACT are already looking to invest their money outside the ACT, particularly in Queensland and now in Victoria. Again we would contend that that also is of economic detriment to the ACT.

THE CHAIR: Dr Foskey has a question.

DR FOSKEY: Yes. This is a little off the subject of the presentation that you gave us, for which I thank you. One of the issues that I think we are facing with the redevelopment of Civic, as planned and potentially, if we ever see a bit of redevelopment in other town centres, is the loss of community facilities. I am just wondering if you see any role for private developers and how the government might encourage private developers to think beyond their own bottom line to the community’s need?

Mr Byron: I think you are seeing it already in terms of section 84. The QIC, the outfit owned by Premier Beattie and his taxpayers—they are, if you like, our statutory development corporation for Civic—are redeveloping Civic. All compliment to them. They are rebuilding a new Griffin Centre, including accommodation for a large number of community groups. I also know that, subsequent to the deal per se, one community group, the Friends of the Brain Injured Foundation, will have facilities included in that. So I think developers and property owners can do it. It is a question of it being an understood obligation at the time one purchases property. But if it is clear, particularly where redevelopment sees community facilities as being removed, then they can be replaced in a much better way.

MR SESELJA: This question was asked before of the business council, so I will put it to you as well. Is there a particular agency or part of the ACT government that your

members feed back to you is a particular problem or of particular concern?

Mr Byron: You deal with the members.

Ms Carter: I deal with the members. To turn the question another way—

MR SESELJA: Is there an agency that they do not complain about?

Ms Carter: I guess it is no secret that there has been dissatisfaction over the last couple of years with the way in which planning has happened in Canberra. We are looking forward, obviously, to this coming Friday, when the planning minister has said there will be a number of announcements in relation to that.

We welcomed recently the announcement by the minister of the establishment of a Canberra central taskforce. We have not seen yet the names of who is to be on that taskforce, but we will be working very closely with them. They have got a reporting date of the end of August. Our strongest recommendation to them in relation to the revitalisation of Civic will be for the establishment of a statutory authority to drive that process. So, yes, turning that question around the other way, I think that is probably the answer to what members are looking for.

THE CHAIR: This question is a bit out of the blue. I have a friend who is a business person who has chosen to move to Canberra. The product that he delivers to the Canberra public is unique. In fact, he does not just deliver to the Canberra public. I do not want to name what he does, because it will make it obvious who this person is.

He was looking for space in Canberra, because he was working out of Sydney, which is a bigger market, but travelling down every Sunday to sell his product at the Kingston markets. He was looking to purchase a property to run his business and this workshop out of. He was pretty much laughed at by the real estate people that he spoke to about purchasing property within Canberra. The comment was that it was a closed-off market.

Ms Carter: It was, sorry, a what market?

THE CHAIR: A closed-off market, not available generally. There is no property to purchase. Do you have a comment to make on that?

Mr Byron: The major comment is that we are a unique city, probably in the western world, but certainly in Australia because relatively little land is held in the private sector other than that which is currently in use. There is not very much held in private sector hands that is just waiting for market demand to grow and for it then to be developed.

All of that land is held by the ACT government. So if someone wants an industrial site and there is a great shortage of industrial sites or if someone wants to build an office building in Civic, it is impossible because you cannot get the land. You cannot even think about wasting time with architects because you know it is frivolous. So the reason that person's situation is the same as anyone looking to set up, say, a legal practice is because there is almost no space in Civic. There is very little space around Canberra because of the, if you like, inability of governments over the periods—and I mean all governments—to sell enough land. This issue of the sale of land is absolutely

fundamental and, even though we are seeing that there will be a bit of a vacancy rate in Canberra in two years time, particularly in Civic, we still need to sell land so that new buildings can be built because most of the empty ones will be old ones that need to be knocked down anyway.

MR MULCAHY: I have a supplementary, chair.

THE CHAIR: We really have run out of time and need to move on.

MR MULCAHY: It is pretty relevant to what you raised.

THE CHAIR: I know, but we have to keep it to 15 minutes. We can talk about it later.

Mr Byron: I will give a short answer, if you like.

THE CHAIR: No. We really do need to move on. Thank you very much for your attendance today, Mr Byron and Ms Carter.

Ms Carter: Thank you.

THE CHAIR: Welcome members of the St Vincent de Paul Social Justice 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 actions such as being sued for defamation for what you say at this public hearing. It also means that you have a responsibility to tell the committee the truth. The giving of false or misleading evidence will be treated by the Assembly as a serious matter.

KEVIN CONNOR was called

Mr Connor: Madam Chair, my name is Kevin Connor and I am the secretary of the Social Justice Committee for the St Vincent de Paul Society for the archdiocese of Canberra and Goulburn. I am appearing here today with my colleague Mr Nick Stuparich who is the president of the same committee of the same society. We are making an appearance here today primarily because our ministry visits the poor and homeless within the Canberra metropolitan area. Both of us are very much involved in our own parishes, as such, and we see a lot of the underprivileged. We see many of the homeless and we see many of the people who struggle and we are concerned, in the context of the budget, that there is enough, shall we say, provision, for the homeless. I know that a number of people within my own parish sleep rough. I know that a number of people, again within my own parish, because of an institution that we have within the service, are waiting for priority housing. We are deeply concerned as an organisation about the housing and about the number of houses available for priority housing. With those opening comments, I will pass to the president of the committee, Mr Nick Stuparich.

NICK STUPARICH was called.

Mr Stuparich: As Kevin said we visit people every week. In Canberra we have about 28 conferences with about 250 to 260 members and the people in these conferences go out every week to assist people who seek our help. Over a year, we assist over 11,000 people and provide over a million dollars of assistance to the Canberra area alone. Our concern is wider than the housing area of course. There are many needs that we see in the community—health, education, transport and other matters that come to our notice—but we have focussed on the question of housing because in the context of the ACT budget that is an area that is clearly within the responsibility of the ACT government.

In that context, there is very little that we could see that was provided in the budget to meet the needs that are very obvious to us in the community. The expenditure in the budget for the Department of Disability, Housing and Community Services represents about four per cent of total expenditure, which is obviously not a high priority area. In terms of increases in expenditure, the total budget expenditures are estimated to increase by just over five per cent whereas disability, housing and community services are to increase by four per cent, so it is falling further back.

One thing we noted in the budget is that one of the major areas under the Disability, Housing and Community Services heading is housing and it provides for funds to manage 11,179 public and 288 community housing properties. We also noted by having a look at the performance indicators in budget paper No 4 that the target for the previous year was the management of 11,530 public and 340 community housing properties. The

budget seems to indicate that there is going to be a reduction in the properties managed from last year. We have also noted in a broader sense that the housing stock seems to be decreasing. For example, from 1996 to 2003, there was a reduction of 1,000 properties.

Just looking at the ACT government's homelessness strategy, there are some major points there, particularly the vision of the strategy which is that all Canberrans have the right to safe, secure, affordable and appropriate accommodation with the necessary supports to live as independently as possible within our community. Then it sets out how that vision is to be achieved through integrated and effective service responses, to a focus on clients and the outcomes they desire, access to appropriate housing and housing assistance and increasing the housing supply. The aim of the strategy, so it says, is to have no people sleeping rough in the ACT by 2013, and to have no waiting lists for crisis accommodation. I note, according to the government's own figures, there are about 1,229 homeless each night in the ACT and it is estimated that 105 of these sleep rough each night. Those figures are from the government's own paper on homelessness strategy. We are concerned that, although this strategy is admirable, we don't see any evidence in the budget for 2005-06 of a movement towards the achievement of these aims, and the achievement of this vision. In fact, rather than there being a progression to an increase in accommodation, there seems to be a decrease in properties available to people.

MR MULCAHY: Thank you, Mr Connor, Mr Stuparich, and I commend you for the work your organisation does. It stands out as a great provider of need and support for many in our community. You rightly observe the expenditure situation in disability, housing and community services relative to growth and expenditure in the budget. With that incapacity to match growth in other areas have you, through your organisation, observed a worsening situation for those in need, homeless and the like, to parallel the slow down in expenditure?

Mr Connor: I'd say that at this stage, from the raw figures we have, we are seeing a progressive deterioration. Of course it does wax and wane with the seasons in Canberra. There is a demand for our services, and for other services, as the weather gets colder.

Mr Stuparich: I would hope that government policy would be aimed at reducing the need for people to call on us. What we would like to see is a reduction of calls on our services, and this has not been apparent for some years.

MR MULCAHY: Do you think the ambition of having no homeless by 2013 reflects an understanding of the fundamental issues that cause homelessness? It smacks a bit of Mr Hawke's "No child will live in poverty" promise. Do you think it's realistic that they will eliminate the problem by then or does that fail to understand the fundamental issues that contribute to homelessness?

Mr Connor: I think it's a noble idea. I think it's idealistic but, unfortunately, there are some practicalities involved, with some worsening situations at times, economically. Canberra is a strange place in that we are an affluent society but we are also a society that has a lot of poverty. We, as members of the society, see that side of society.

Ms Stuparich: I just wanted to add that it would be no news to anyone here that tackling

poverty is a very complex matter. In fact, we think that the only realistic way of going forward in that task is to have a cooperative approach between local, state and federal governments in coming up with a coordinated strategy. There are many factors that impact on homelessness and on poverty and on the continuation of poverty and on children in poverty. There are questions on early intervention, prenatal support and support in schools to overcome the disadvantage that poor children experience. It's a complex of matters that leads to one of the factors, homelessness.

MR MULCAHY: If this committee were to suggest changes—not changes in the bottom line of the budget—to government outlays, either within housing's budget or within other areas of government, is there something you'd like to suggest that they should eliminate in order to help address some of the areas of need that you have identified and work with on a daily basis?

Mr Stuparich: I have not specifically thought of an area but there are areas which have been given a priority in the budget involving recreational activities, for example, which are important in themselves, but which seem to indicate an incorrect priority. We see that the needs of these people that we see day to day are far greater than the needs for certain large expenditures on sporting facilities.

DR FOSKEY: Thanks very much for coming and putting that perspective because it's actually one that hasn't been put by any community organisations. I know from my involvement last year in the antipoverty week that there are an awful lot of organisations really concerned about it. When we talk about things like homelessness strategies, which in this case does have a timeline, a target—and that's something we're always asking the government for—it might be improved by having a series of measures and intermediate time lines that might make it a bit less utopian. Do you think, when governments make statements that "We'll get rid of homelessness" they've actually got organisations like yours in the equation? Groups like yours are kind of buffer zones between the impact of government policies and economic trends. Your groups are seen as various wonderful community sector organisations, the ones that do the rough work in a way. Have you seen that as the situation gets worse with growing poverty you are getting more support from governments because of your role in taking up this slack?

Mr Connor: The basic funding of our support comes from our doorknock. We are not in the business of providing shelter for the homeless apart from Samaritan House, which only has 12 beds, which for this territory is miniscule. We are also concerned about Ainslie Village. Ainslie Village does not have any extra beds. Again, we get demands all the time but we can't provide. All we can do is provide crisis assistance, and each person we see is unique. We see this issue, as Nick said, as a context issue. It's an issue that all governments, all parties, really need to address, particularly from our perspective within Canberra. We are concerned about it because, from anecdotal evidence we have, the situation is not getting any better.

Mr Stuparich: We are largely funded from the community. There has not been any government program that provides adequate funding to meet these needs. We rely on the generosity of people who make donations, very largely.

THE CHAIR: Mr Connor, Mr Stuparich, thank you very much for your attendance today and your contribution. We appreciate it very much.

Mr Connor: Madam Chair, we would dearly like to have a cross-party meeting with both the government and the opposition on some of these matters at a future date, because it is an issue that we are concerned with as a committee.

THE CHAIR: We are a select committee and, while I can't pre-empt what will go in the report, the comments you have just made will no doubt be taken and discussed within the report itself. We can talk about that within the report. We are all happy, I am sure, as individual members, to see what we can do to assist your committee in achieving that end.

Mr Connor: Okay. Thank you, Madam Chair.

The committee adjourned at 3.54 pm.