



LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY

SELECT COMMITTEE ON ESTIMATES 2006-2007

(Reference: Appropriation Bill 2006-2007)

Members:

MS M PORTER (The Chair)
DR D FOSKEY (The Deputy Chair)
MR M GENTLEMAN
MS K MacDONALD
MR S PRATT
MR B SMYTH

TRANSCRIPT OF EVIDENCE

CANBERRA

WEDNESDAY, 21 JUNE 2006

Secretary to the committee:
Ms S Lilburn (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 that have been authorised for publication by the committee may be obtained from the committee office of the Legislative Assembly (Ph: 6205 0127).

APPEARANCES

ACT Planning and Land Authority	264
Land Development Agency	216

The committee met at 9.31 am.

Appearances:

Corbell, Mr Simon, Attorney General, Minister for Police and Emergency Services and Minister for Planning

Land Development Agency

Skewes, Ms Anne, Chief Executive Officer

Ryan, Mr Gerry, General Manager, Corporate and Finance

THE CHAIR: You should understand that these hearings are legal proceedings of the Legislative Assembly protected by parliamentary privilege. That gives you certain protections but it also places on you certain responsibilities. It means that you are protected from certain legal 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 Assembly will treat as a serious matter the giving of false or misleading evidence. Thank you, minister and officials, for appearing before us today. Would you like to make an opening statement?

Mr Corbell: At this stage I do not propose to make an opening statement, but officials from agencies for which I am responsible and I are happy to try to answer your questions.

THE CHAIR: I have a couple of questions which I will ask together because you might be able to answer them together. One of the major deliverables in part 2 of the nature and scope of activities to be carried out in the Land Development Agency statement of intent is “contributing to the government’s portable housing strategy through agreed initiatives”. Could you outline those initiatives for the committee? What brings about this affordability and how will its success be measured? Other key deliverables in the same document, which are set out in part 4, are “to set a new and better standard in urban design and affordable housing in an environment of sustainability”. Is that part of the strategy to which I referred in the first part of my question?

Mr Corbell: The two things that you asked are connected. One of the continuing objectives of the government is to address issues of housing affordability along with improved subdivision design in greenfields areas and improved measures to address key issues around sustainability of the built form, particularly in water and energy use. So the government is seeking to ensure in all its developments that a level of housing affordability is built into those estates.

For example, the government is continuing with its affordable housing or moderate income housing ballot, which makes blocks of land available to people on moderate incomes. That is a pre-qualification process. At a broader macro level we are also looking at mechanisms to continue to reduce the cost of land development. One of the issues outlined in the statement of intent is that the Land Development Agency will undertake a benchmarking exercise over the next six months to ensure that its development costs are contained and, if possible, are lower than industry standards so we can ensure that land is being delivered to the market at the cheapest possible price.

Of course, we will have to balance that by ensuring we get a good standard of residential subdivision that meets market needs and people's expectations. The LGA will undertake that complex but important exercise over the next six months to ensure that land development costs continue to be contained. A range of other innovative new approaches will be adopted by the LGA and in joint venture. First, the LGA is continuing to pursue options for affordable housing displays in Harrison—as I understand it, that work is ongoing—and also in the new suburb of Forde.

A range of new housing products will be brought to the market by that joint venture, products that we previously have not seen in Canberra, aimed at providing housing at the affordable end of the market, or for first homeowners. The government is continuing to focus on these all-important pieces of work to try to improve housing affordability.

THE CHAIR: Can environmental sustainability also be achieved with that affordability, minister?

Mr Corbell: This is one of the issues that the benchmarking exercise will be looking at closely. Often the critique is made that measures requiring greater levels of on-site rainwater retention, grey water reuse, or measures reducing energy loss in dwellings can add to up-front development costs. That is something at which the government will be looking closely as part of its benchmarking exercise.

Generally speaking, the government's view is that any impost on up-front development costs is low to moderate and can be easily justified, given the payback periods and the long-term benefits for homeowners in relation to their energy or water costs and for the community as a whole. That is an ongoing debate. The LDA, as part of this benchmarking exercise, will undertake to ensure it is keeping land development costs in line with industry standards. That is a factor that will be taken into consideration.

DR FOSKEY: Mr Corbell, how do you define housing affordability?

Mr Corbell: In relation to housing affordability we need to make available to people a range of housing products. The government, through its housing affordability task force, identified five quintiles of income areas that were deemed to comprise the market as a whole. I do not remember all the details but, essentially, in the first couple of quintiles, those people were seen to be persons whose incomes could not sustain the purchase of a property.

The focus of the housing affordability task force in that regard related to other housing options, such as public, social or community housing, or private rental. In the other three quintiles we identified people who can and should have an opportunity to purchase properties in the property market, so our housing affordability measures focused in particular on the threshold between people being in the private rental market and being able to move to purchase properties themselves.

DR FOSKEY: In the suburbs that you are planning to build is there anything for people in the two lowest quintiles? Will people who will never be able to buy a property have access to public, community, or other housing, or are they to be excluded from these new suburbs?

Mr Corbell: The government does not exclude anyone from suburbs. Issues concerning public housing are matters for the housing minister. I am not responsible for public or community housing.

DR FOSKEY: They must need to work with the LDA, ACTPLA, or somebody, to get a foot in the door?

Mr Corbell: The LDA, and the government though the LDA, make land available for community housing in new suburbs in Canberra. We have done that on a number of occasions in Gungahlin over the last couple of years. The opportunities that we continue to explore are driven from a policy perspective by the Housing portfolio, not by the Planning portfolio. When it comes to community, social, or public housing, the role of the Planning portfolio is to ensure that land is available when Community Housing Canberra or ACT Housing are seeking sites. That process works well but it is very much a delivery role for the Planning portfolio; it is not a policy role in that regard.

DR FOSKEY: I am not sure whether Liberal members have a question about affordability.

MR SMYTH: I have a question that will follow on neatly from yours. You have defined affordability, but how do you measure it? How do we know whether we have achieved increased affordability in the ACT?

Mr Corbell: “Affordability” is a very broad term. From our perspective the key issue is providing sufficient product in the market to meet demand for those people in that third quintile. The third quintile is the group of people that have enough income to sustain the ongoing purchase of a property through a mortgage, but perhaps have some difficulty getting over that hurdle and into the market—so out of private rental and into the property owning market.

The housing affordability task force, in its report, went through these figures in quite a bit of detail. They are still the basis for the government’s assumptions. That report makes clear the types of income levels for people in that third quintile. Assumptions are made, which are based on national assumptions, about what percentage of people’s income should be available for home purchases versus other costs in their lives. That is all built into that model and that is the model we use in targeting affordability. So the aim, for example, in relation to the moderate income earners land ballot is to have blocks of land up to \$150,000 in value. We have identified that that price threshold meets the needs of people, in particular in that third quintile.

MR SMYTH: What sort of income do you need to sustain the purchase of a block at \$150,000 and then put a house on it?

Mr Corbell: I cannot recall the income levels, Mr Smyth. I would have to take that question on notice. After getting some advice from Ms Hughes, I am told it is a combined income of approximately \$100,000.

MR SMYTH: What are the average weekly earnings for the ACT?

Mr Corbell: Again I think it is of the order of \$75,000.

DR FOSKEY: Only a couple would be able to afford a moderately priced home.

MR SMYTH: So our definition of affordability does not even meet the average weekly earnings expectation for the ACT?

Mr Corbell: It is important to remember that Australia's average weekly earnings are lower than ACT average weekly earnings. Land development costs across Australia certainly exceed average weekly earnings, regardless of jurisdiction—something that I think you acknowledged from your response. The housing affordability task force and a number of other university research groups—for example, the National Centre for Social and Economic Modelling, or NATSEM—identified this third quintile group as the group that has the capacity to move out of private rental, or social and community housing, and into home ownership.

That is where we can achieve our greatest result. Those are the people who currently do not own property and who do not have assets of the nature that people in home ownership generally have. We are focusing on that group. These days, average weekly earnings for individuals is not enough to enable them to afford a new home, but that is not unique to the ACT.

MR SMYTH: Since 1 July 2003, when the LDA came into existence, has affordability increased or decreased in the ACT?

Mr Corbell: I will have to take that question on notice, Mr Smyth, as I just do not know. Ms Skewes might be able to answer your question.

Ms Skewes: If you look at some of the indicators represented through the HIA-Commonwealth Bank affordability report, you will see that housing affordability in the territory has improved by 1.8 per cent. That has been the trend since June 2004. According to those statistics, there has been an ongoing trend in improvement in housing affordability in the ACT. In the year to March, first homebuyer prices have fallen by 6.9 per cent. Those sorts of statistics suggest that the ACT is continuing to improve housing affordability.

As the minister mentioned, one of the other measures involves the issue of land supply. The LDA has played an important role in respect of land supply and the availability of land in particular market segments. Those sorts of statistics indicate an improving picture in relation to housing affordability. We have also seen a moderation in land prices that has contributed to that improvement.

MR SMYTH: Has the moderation of land prices been as a result of the market softening, or is it directly attributable to the actions of the LDA?

Mr Corbell: That is a complex question, Mr Smyth, because the housing market is subject to a range of factors. I would not for one moment claim that the establishment of the LDA has been a major factor in issues surrounding housing affordability.

MR SMYTH: Has it been a factor?

Mr Corbell: I would argue that the LDA has played an important role in delivering options to the market to improve housing affordability. In my view, housing affordability is mostly dictated by market forces rather than by institutional arrangements. But the fact that we have a Land Development Agency means that we have the capacity to deliver to the market directly more affordability measures than we could have previously.

MR SMYTH: How many blocks have been made available for this third quintile in the last year or so?

Mr Corbell: The moderate income land ballots target first homebuyers on moderate incomes. Blocks are sold for \$150,000 or less to households with incomes of \$100,000 or less and they cannot have owned property in the last two years. Since that program commenced, 104 blocks have been offered and 102 have been sold.

MR SMYTH: When did the program commence?

Ms Skewes: I will have to take that question on notice. I think it was about 2003.

Mr Corbell: If I recall correctly, about 18 months ago.

MR SMYTH: So 102 blocks in 18 months?

Mr Corbell: Yes.

DR FOSKEY: I am pleased, minister, that you are now calling it a moderate income land ballot rather than a low to moderate income land ballot. I think that is a truer reflection of it.

Mr Corbell: We have always called it a moderate income land ballot. I do not think we have ever called it a low to moderate income land ballot, because it was never the government's intention to offer land to people who, because of their incomes, clearly could not afford to buy land. The only misconception in that regard I think has been from the Greens, Dr Foskey.

DR FOSKEY: We would probably beg to differ on that issue. Ms Skewes, could give me a list of projects that are under way? I have observed signs around the place, for example, in east Woden, but I am not sure of your other projects. I would like you to give me a list of places where you have an interest at the moment and where you are selling. A list of projects would give me a sense of where attempts have been made to enable people other than those above the third quintile—I guess we would be talking about the fourth and fifth quintiles—to purchase land.

Mr Corbell: Dr Foskey, if you refer in particular to page 9 of the statement of intent of the Land Development Agency, you will see the indicative residential land sales program which outlines where the LDA is intending to sell land.

DR FOSKEY: I would like more detail than that.

Mr Corbell: The three suburbs in Gungahlin are: Harrison, the Wells Station project; Franklin will be commenced this financial year by the Land Development Agency; and

Forde, through joint venture, will be commenced this financial year, and sales will commence this financial year. Those are the three suburbs in Gungahlin. Metros estate, a residential estate within Gungahlin town centre, is continuing to be sold. That commenced this financial year but it will continue to be sold in the coming financial year. It is proposed to develop Woden east through joint venture. That joint venture process is still in its tender evaluation stages. There is potential for a small land release direct to the market at Kingston Foreshore.

DR FOSKEY: Is that existing buildings, or is this in order to build some more housing?

Mr Corbell: No, it is the sale of raw land to the market to build residential houses.

DR FOSKEY: Exactly where is that?

Mr Corbell: It is at Kingston Foreshore. Ms Skewes might be able to answer that question.

Ms Skewes: It is at the eastern end of the precinct where we have service land that is currently in the process of being finalised. We expect that land to be brought to the market in stages, commencing next financial year.

DR FOSKEY: How close is that to the causeway?

Ms Skewes: It is within the Kingston Foreshore precinct, at the eastern end. So it is the easternmost end of the project.

DR FOSKEY: It is not that land around the causeway?

Ms Skewes: No; it is within the Kingston Foreshore precinct.

Mr Corbell: There will be a release in Tuggeranong, at west Bonython.

DR FOSKEY: Which of those land releases gives consideration to people other than those in the fourth and fifth quintiles?

Mr Corbell: As I have already indicated, Dr Foskey, Wells Station at Harrison does that, Forde does that and Franklin will do that.

DR FOSKEY: So it is more suburban developments. Woden east has been promoted as a lifestyle, which means it will be expensive.

Mr Corbell: The joint venture partner for Woden east has yet to be finalised. I have indicated to the LDA, and it has built into its tender assessment, the need for a level of affordable housing product in that development. That will be subject, of course, to the outcomes of the tender process. On behalf of the government I have told the LDA board that the government expects a level of affordable housing product in that development. I am looking forward to seeing the outcomes of that tender process.

DR FOSKEY: It is not a stipulation; it is a recommendation.

Mr Corbell: That is a criterion in the tender process.

DR FOSKEY: Does that need to be ticked off against something?

Mr Corbell: Yes, in the same way as was done at Forde.

MR SESELJA: I have a quick question on land release. I threw in a question that did not get answered because Dr Foskey was still asking questions. My question, which is a general one, relates to the number of housing blocks in west Bonython. Recently I spoke to some industry groups. Whilst they are happy with the amount of land that has been available to date, they are concerned that with thousands of former public servants coming into the territory there might not be enough housing in the next couple of years. What will the LDA be doing to ensure that a land bank is ready to go should there be a slight influx?

Mr Corbell: I am happy to answer your question, Mr Seselja. Firstly, in relation to west Bonython, it is 200 blocks.

MR SESELJA: Will they be standard residential blocks?

Mr Corbell: Standard residential blocks.

Ms Skewes: Supplementary to that, there will be some smaller mixed-use or medium-density housing. Largely, it is a more standard residential subdivision but it offers a range of blocks. The planning stages are being finalised now. The mix indicates a variety of allotments, but probably the majority would be more of a standard residential nature. There are approximately 200 in that stage. We hope to commence releasing the first stage in 2006-07.

Mr Corbell: In relation to your question about land supply, I think your assessment is correct, Mr Seselja. Certainly that is what I am hearing from industry. Both the HIA and the MBA in particular generally have been comfortable with the level of land supply for the past 12 months. They are concerned that there could have been too much land supply in the market over the past 12 months and that that could have seriously dampened demand and prices, which obviously is of concern to builders.

Up until the last two months or so we have felt that they have been pretty much in equilibrium. However, since the Commonwealth budget it has been quite clear that there will be increased demand for residential land. A factor that the LDA identified is that there is a possible expansion of the Commonwealth public service with the employment of an additional 3,000 to 5,000 new staff. That might increase annual demand for housing from about 1,900 dwellings to as many as 2,600 dwellings a year for the next three years.

On top of that we are seeing some improving market conditions with monthly sales rates increasing from 60 blocks a month in 2005 to 72 blocks a month in 2006. So the market is starting to pick up again. At the same time, land at the more affordable end of the market, at Dunlop and Wells Station, is selling very strongly. Dunlop is pretty much completed. We are seeing continuing strong demand for both privately held land and LDA estates, certainly at Wells Station.

In response to all that it is fair to say that since the statement of intent was produced there has been a shift in the market. The government recognises that. In my discussions with the land and building sector, as is the case with the LDA, we are anticipating the need to increase supply from around 900 blocks in the coming year to between 1,300 to 1,500 blocks. We are ready and able to do that, subject to state development plans being approved by the ACT Planning and Land Authority.

The ACT Planning and Land Authority signed off on concept plans for a whole range of new suburbs, particularly in north Gungahlin, Franklin and Forde. North Gungahlin structural planning is complete so we have that land, and much of the concept planning for those parcels has been completed. That means we are able to bring forward additional supply. We certainly will be working to do that.

MR SESELJA: Referring to the ability to respond to spikes in demand, no-one really knows exactly what the demand will be. We can forecast that there will be an increase in the number of public servants, but if that demand were greater than is currently anticipated, how quickly could you bring some of this land on line? How quickly would it be ready to go to market if there were a significant spike in demand over the next 12 months?

Ms Skewes: If you look at one of our objectives in the statement of intent you will find we have deliberately put in the need to prepare the agency for an upturn in market conditions. Over the past few months we have been working on a program to enable us to do that. Effectively, it involves us recognising that a range of landholdings in the territory have in place approved concept plans. They can now move forward to preparation of estate development plans.

MR SESELJA: After those concept plans have been approved, how quickly could those blocks be sold if the market demanded it?

Ms Skewes: The principal issue here is to get the estate development plan in place. That is the key document. Effectively, once approval is obtained from the ACT Planning and Land Authority, we are able to proceed with the civil works programs, create the blocks and then sell them. The program we have in place and on which we hope to deliver over the next two years or so will ensure that about 2,000 or more blocks will have approved estate development plans. We will then be able to proceed with civil works programs, create those subdivisions, and sell those blocks.

We are now in a position in the territory where we want to prepare ourselves actively for what might transpire. As the minister indicated, there are predictions about the market. This is the time to be having that release-ready land. With the concept plans in place we now have to go to the next level of detailed planning, which is when the subdivisions are defined and the lots are created. Depending on the size of those subdivisions, the civil works programs can take anywhere between, say, six to 12 months, or eight to 12 months. It depends on how you take the land out to the market. The principal matter is attending to those EDPs so we can ensure we are well prepared for the land supply.

Mr Corbell: There are a number of ways in which you can supply the market. For example, the market can be supplied once sales occur between a land developer—

whether it is the LDA or the private sector—and the builder or homeowner. As soon as the sale happens you are starting to satisfy demand. Once the sale has been made people can make plans either to build a home that they can sell to a client or to build their own home. So you can sell off the estate development plan without any physical work occurring on the ground.

That is one way of being able to meet demand, but there are a number of others. You do not physically have to have the infrastructure in place to be able to start meeting market demand through sales. People must be able to make plans about where their home is going to be. If a builder has six blocks on which he is going to be building over the next six to 12 months he must be able to start marketing those to clients and so on. So there are a number of ways of delivering it. As Ms Skewes said, it depends on the delivery methods.

MR GENTLEMAN: While we are still on land release, minister, you have given us a clear indication of the release of residential land, but what about commercial and industrial areas? Could you give us some possible locations for new commercial and industrial areas?

MR SMYTH: When you are doing that could you give us some possible locations for caravan parks? I think that was mentioned in the land release program earlier this year.

Mr Corbell: I think we should be sending the bill to you, Mr Smyth, for any grant of land for a caravan park.

MR SMYTH: No, Mr Corbell, the Assembly agreed with that decision, so you would be complicit in it.

Mr Corbell: I do not think anyone finds it as funny as you do, Mr Smyth.

DR FOSKEY: It is no laughing matter, Mr Smyth.

MR SMYTH: I am not laughing at all; it is the minister's response.

DR FOSKEY: You were sniggering.

MR PRATT: I think that was me.

THE CHAIR: Order! The minister has been asked a question. Members should give the minister some respect and listen to his answer.

Mr Corbell: To respond to Mr Gentleman's question, the LDA will undertake a series of auctions this coming financial year for commercial land, which includes industrial land. A series of sites will be released early in the financial year in Mitchell, which continues to grow in strength as a light industrial area, and a mixed trades type area. There is strong demand for that, given the growth in residential land on the north side. There will also be releases in Dickson and Griffith. The release of a childcare centre in Yarralumla is proposed. There will be then a series of smaller-scale releases in some established suburbs where there are still vacant pockets of industrial or commercial land uses. So there will be a series of releases across the Tuggeranong area in particular, and also in

Belconnen and Weston Creek. Those will be the key areas of focus. There will also be a few sites in Hume.

On top of that there are the commercial land release demands in the city centre itself. Following on from Mr Seselja's question about the pick-up and demand following the commonwealth government budget on residential, that is also having an impact on the commercial office market. The government is currently progressing the preparation of an additional site in the city to accommodate another large commonwealth office-type tenant. There is demand for at least one other commercial office commonwealth-type tenant, which is currently not being met, but can be anticipated to be needed over the next six to nine months. So we have identified a site for potential release, and some final planning work is happening on that now so that that site can potentially be released to the market early in the coming financial year.

MR GENTLEMAN: What size would that site be?

Mr Corbell: It would be able to accommodate approximately 30,000 square metres of office building. So it is a large commonwealth tenant.

MR SMYTH: As a supplementary to that question, are any of those sites for retail space?

Mr Corbell: The ones I just went through?

MR SMYTH: Yes. Is the government planning any expansion of retail space in the ACT on any of those sites or in the near future?

Mr Corbell: Yes, the government is contemplating the expansion of retail space in the ACT. In particular, we are anticipating finalisation of arrangements for the expansion of retail space at the Belconnen Town Centre, and that process is well advanced. That is tied up with the redevelopment of the Belconnen bus interchange, and those negotiations are well advanced. Of course, there is the already approved retail expansion in the city, which everyone can see. I am not aware of any concrete proposals at this stage for expansion of Tuggeranong, beyond those which have already been approved. By that I mean the existing Hyperdome itself. The owners of Woden plaza have indicated that they are interested in seeing quite a moderate expansion of their retail space.

MR SMYTH: Do you want to define "moderate"?

Mr Corbell: There are no concrete figures yet, but again it is tied up with the possible redevelopment of the Woden bus interchange, but that is in its infancy and certainly nowhere near as well advanced as Belconnen. I envisage we probably would not see that for at least another 12 to 18 months.

MR PRATT: A decision on that in 18 months?

Mr Corbell: No, actual work. Certainly I would not see the decision within the next 12 months. I am not sure whether any retail area is available in the other sites I have indicated. There may be some minor retail uses permitted in these commercial leases, for example a cafe or those types of uses, but we would have to take the question on notice,

and I do not know whether all the lease purpose clauses have been finalised for those sites.

MR SMYTH: But the use of retail will be confined to those areas in the territory plan that allow for it?

Mr Corbell: Of course.

DR FOSKEY: If I could take you back, minister, to the statement that there will be an additional site in the city for an office block for commonwealth purposes.

Mr Corbell: Well, possible commonwealth. We know that there is potentially another big commonwealth tenant out there looking for a new building.

DR FOSKEY: That sounds a bit scary, in terms of poor guessing, but my office has heard that the planned development at the northern end of QIC's massive development in Civic is no longer likely to be residential but will become offices instead. Is that what you are referring to?

Mr Corbell: No, I am not referring to that.

DR FOSKEY: So something else again?

Mr Corbell: Yes. I have heard that rumour.

DR FOSKEY: It is just a rumour?

Mr Corbell: As far as I can tell that is all it is, a rumour. There has been no approach to change—

DR FOSKEY: You would know, would you not?

MR SMYTH: Would the government consider allowing the residential to drop off and allow offices to go on that site?

Mr Corbell: I have serious reservations with accommodating that.

MR SMYTH: Is that a yes or a no?

Mr Corbell: The intention was for there to be a residential component in that development. That is still the government's preferred outcome. The issue the developers are probably facing is the significant level of oversupply in the unit market in the territory at the moment. So the question for the territory is whether or not we are prepared to allow that site to not be developed for a further period of time in the anticipation that we will ultimately get the residential development there, but obviously it needs to be commercially viable for the developer to proceed with that. At the moment it would be fair to say that generally speaking there is not a strong demand for unit development in the territory at the moment.

Over 6,000 units are already approved or built in the city, which is a significant level of

oversupply, and that is one of the reasons we are seeing so much activity in commercial office—many developers are shifting their focus from unit development to office development, where there is more demand and better returns to be made. I would have very serious reservations about anything other than residential going on that site. No approach has been made to the government. No application has been made to the planning and land authority in relation to that, and as far as I am aware, there is no proposal by the developer to not build residential there. I do not want to pre-empt what may come before government, but I can give you my general preference, and my general preference is absolutely that it should be a residential component.

DR FOSKEY: I am not sure how the City Hill strategy relates to LDA, but we heard a lot about it last year and we have not heard a thing about it since. I am just wondering where it is at? It would seem to me that to make decisions about turning from residential to office, placing an office somewhere, would need to be considered in the context of the whole design of City Hill. I hope we do not do ad hoc planning after we have had this process.

Mr Corbell: That is very much the government's view.

MR GENTLEMAN: Minister, if I could just bring you to another subject. One of the strategic and operational issues to be pursued in 2006-07, according to page 499 of budget paper 4, is that the LDA will provide direct land grants for the purposes of aged care facilities and community purposes. Can you expand on this and inform the committee whether any areas have been earmarked for these grants?

Mr Corbell: The most recent site for direct grant for aged care purposes, which has just been announced, is the site at Nicholls. That site has the potential to accommodate a 100-bed residential aged care facility as well as 150 independent living units. That is the most recent proposed release. The way we are co-ordinating our releases for aged care is by following the allocation process set by the commonwealth. The commonwealth has a bed allocation round. It assesses applicants for those beds. We know the commonwealth wants to deliver a certain amount of its beds in a single large package as well as supplementing existing operators with smaller allocations. So we anticipate that the commonwealth will make a decision in the coming months to allocate enough beds for a new standalone facility to an operator. Once that decision has been made by the commonwealth Department of Health and Ageing we will engage in direct negotiations with that successful applicant for the purchase of the Nicholls site.

The reason we are doing it this way is that some risk was associated with the previous approach where we went through a tender process for the allocation of land at Lake Ginninderra, where both the LDA and the commonwealth ran their own application rounds. So the aged care providers were bidding for beds with the commonwealth department and then bidding for the land to attend the process with the LDA. The risk with that process was that the people who got the beds were not necessarily the people who were assessed as offering the best outcome for the land. So you get this mismatch.

We were fortunate at Lake Ginninderra that the people who got the beds are also the people who put forward the best built-form deal, and so on, for the land at Lake Ginninderra. But it cannot be guaranteed that we are always going to get that outcome, particularly when the commonwealth, obviously for its own probative reasons, will not

inform the ACT government what its thinking is around its preferred allocation, and we would not either, for similar reasons. So we now simply follow the commonwealth bed allocation decision and provide land through our direct grant criteria to that provider.

MR GENTLEMAN: Has the commonwealth increased that provision? Is it looking at an ageing population? Has it indicated to you that it is going to increase that provision in the years to come?

Mr Corbell: There has been a medium increase in the number of beds. I think in the initial round it proposed less than 100 and it is now proposing, in the current round, around 150 to 170 residential aged care beds.

DR FOSKEY: Is the government considering any more innovative approaches to old-age residential care? Looking at my future, I am interested in what is being built for elderly people now. Are there other models that do not isolate elderly people together and allow them to remain part of the broader community?

Mr Corbell: Yes. I agree with your assessment. There is no doubt in my mind that as a community—as, indeed, all communities in Australia will face—we will not accommodate the great majority of people over the age of 65 in residential aged care facilities. They will be accommodated in their own homes in standard neighbourhoods.

DR FOSKEY: If they have one.

Mr Corbell: Well, most people over the age of 50 are the fortunate generation in terms of home ownership.

DR FOSKEY: Most.

Mr Corbell: Yes, I said most. So, from a planning perspective the approach is to recognise that there has to be scope for change within suburbs to accommodate new types of housing that meet the needs of an ageing population. Whilst I do not want to reopen some hoary old chestnuts of debate, I have to say that the whole purpose of core areas in each of our suburbs is to provide for a level of redevelopment that is able to meet that changing demand in a neighbourhood. For example, denser but not dense redevelopment around local shops but within existing neighbourhoods close to public transport that provides the opportunities for older people to stay within a familiar suburban environment but still have a form of housing which is different from that which has met their needs for most of their lives, that is, in a large house on a single block. So the core area of provision in the territory plan is designed to do just that, to allow that sort of change to occur.

In specific initiatives the planning and land authority already requires a percentage of all new units in multiunit development to be built to adaptable housing standards. That is, wider doorways, easy access in and out, appropriate positioning of light switches, power points and so on, to meet the needs of people as they age. We require 50 per cent, if I recall correctly, of all new units in a multiunit development to be built to an adaptable standard. That is leading Australia in provisions for adaptability. In other specific initiatives, the Woden east development is designed to be a mixed community in that it is designed to provide a range of housing choices for both older and younger people, but

again within a relatively familiar suburban context and within an established suburban area. So it is really multigenerational what we are proposing to build there at Woden east.

Finally, the LDA has identified a number of sites in Fadden and Gowrie to be released to include adaptable and accessible requirements again. I am advised those have already been sold to the market directly for that type of use. The government are very conscious of this, and I feel very strongly that our broad planning strategy around providing for a level of moderate redevelopment in targeted areas within existing suburbs, which does not compromise the low-rise, leafy nature of our suburbs, but which does provide for some change, is a very important policy response to the needs that you raise, Dr Foskey, along with the other initiatives that I mentioned.

DR FOSKEY: All that is very good, but we are still tending to build units that do not allow the mix to occur in the building. It is not just about being near shops et cetera, although that is very good. It is designing places so people can meet and mingle and not moulder away in their boxes, some to be found dead months later because there was no way anyone could know. That is a design thing.

Mr Corbell: It is a reasonable point. Design factors are important, but that is at a very micro level of management.

DR FOSKEY: There could be a stipulation for a new tender process.

Mr Corbell: Where the government is involved directly in a land development project, such as Woden east, we obviously have very significant ability to influence the sorts of outcomes we want. But where we are talking about privately leased land, which is, say, within a core area of a suburb and which is sold by a private party to another private party, there is much more of a market response at play, around what the builder feels it can get for those properties. That is not to say we do not impose standards. We do. As I said, the adaptable and accessible provisions, in particular, are important in this regard, as are a range of other measures around sustainability and good design. It is a complex interplay of forces and it is not simply a case of the government dictating this is how it will look, because that does not work.

DR FOSKEY: Social as well as environmental sustainability?

Mr Corbell: Yes.

MR SESELJA: I just want to look at some expenditure items. This is probably one that you might not be able to answer, but, just looking at advertising and marketing costs that we looked at before, what are the advertising and marketing costs of the LDA year to date? Do you have that information?

Mr Corbell: The percentage figure, Mr Seselja, is for the 2005-06 financial year. Advertising and marketing expenses are anticipated to be 2.1 per cent of sales revenue.

MR SESELJA: Which is what in dollar terms?

Mr Ryan: That is just under \$3 million.

MR SESELJA: Would you include in those advertising and marketing costs things like the Ginninderra Ridge incentive scheme, where purchasers of land got \$10,000 to spend on appliances and things? Was that part of the marketing budget or where would that item of expenditure be accounted for?

Ms Skewes: Yes, it is part of the marketing budget.

MR SESELJA: Just a couple of questions around that. We have had some approaches from individuals who used the scheme or received the \$10,000 and had some concerns. Was Valley Retravisation the sole supplier of goods to be purchased under that scheme?

Mr Ryan: Valley Retravisation was selected through a procurement process as the provider or supplier for the voucher scheme.

MR SESELJA: What was that process?

Mr Ryan: It was a procurement process, a public tender.

MR SESELJA: So an open tender?

Mr Ryan: Yes.

MR SESELJA: How many bidders did you have for that tender?

Mr Ryan: I will have to take that one on notice.

MR SESELJA: I understand there have been some problems with it. I understand—and you can correct this if I am wrong—that at least one purchaser was paid out about \$950 because they did not feel that they were getting value. Have you had any wider concerns about the administration of this scheme?

Mr Corbell: I think we will have to take that question on notice about that particular instance, Mr Seselja.

MR SESELJA: Have there been any when purchasers have come back to you and said, “We are not satisfied with this; this is not what was advertised and we are not getting what we paid for”?

Ms Skewes: There has certainly been a need to clarify with some purchasers the arrangements, and we have done that. We believe that has been done satisfactorily, but, if there is a particular instance, we are happy to take that on notice.

MR SESELJA: Have you had any concerns put to you about the prices at Valley Retravisation not being competitive with other providers?

Ms Skewes: We will have to take that on notice. We have certainly clarified through the sales process a number of matters that I understand have been done satisfactorily.

MR SESELJA: What about trade rates? Is the \$10,000 voucher given at trade prices for

the purchase of goods?

Mr Ryan: The conditions of the offer were that the voucher for \$10,000 would be for goods provided at trade prices by the selected supplier.

MR SESELJA: I understand that the voucher advertised the money as being for energy efficient appliances, but purchasers were allowed to use it for TVs but not for solar heating equipment. Is that right?

Mr Ryan: I will have to take that on notice as to what the conditions were.

MR SESELJA: That is what has been put to us by purchasers—that they were not able to buy solar heating equipment, but they were able to buy TVs.

Mr Corbell: Sorry, Mr Seselja, we just do not have that level of detail available today, but we are happy to take that question on notice.

MR SESELJA: It was in Ginninderra Ridge. Is there a reason that Valley Retravision, which is some way away from Ginninderra Ridge, was chosen?

Mr Corbell: It was a public tender process. So, any firm in the ACT could apply. Any firm could apply. It was a public tender.

MR SMYTH: How many such grants have been given out and how many have raised concerns or complaint? If you could take that on notice as well.

Short adjournment.

MR PRATT: I turn to the question of the development of a medical centre in the Lanyon precinct. You would be aware, because I have written to you on it, that quite a number of capable people in the medical business have approached the LDA about that in the last 12 to 18 months or even two years. The Tuggeranong Community Council also has raised this issue. Can you give us an idea of what might happen and what your determination and that of the LDA will be concerning the possibility of land being made available for the development of a medical centre in that precinct?

Mr Corbell: The government's position, as I think I have previously indicated, is that we intend to release a site at Lanyon for a medical centre, and that will be done through a competitive process.

MR PRATT: Do you have a time frame for that?

Mr Corbell: It will be this coming financial year.

MR PRATT: So land will be released this financial year.

Mr Corbell: This coming financial year.

DR FOSKEY: When suburbs such as Forde and the ones that were listed before in Gunghalin are released, who actually draws up the street plan and that sort of stuff? Is

that the LDA or ACTPLA?

Mr Corbell: There are two principal levels of planning that occur. The first is the concept planning stage. Perhaps I should take a step back. There are actually three levels that perhaps are relevant here. The first is the structure planning, which basically works out where the suburbs will go, where the main trunk arterial transport connections will be and so on, and that is what is reflected in the territory plan. When the Assembly, for example, agreed to the variations to the territory plan that set out the structure plan for the north Gunghalin suburbs, that was the macro level of planning about where the suburbs would physically sit on the land in question.

The next layer down is concept planning. Concept planning works out the broad principles of how the suburbs are organised; so how the open space networks connect up with the structure plan and how the key elements of the suburb are organised. That is done by the ACT Planning and Land Authority. The land is then made available for release and it is then either developed by the ACT Land Development Agency or is released to the private sector for private sector development, or for joint venture. Whoever ends up taking the land to physically develop it or sell it is responsible for the estate development plan. It is at that level that the estate development plan outlines in specific terms where the roads go, what sizes the blocks are, how they are physically configured and so on. That estate development plan needs to be consistent with the concept plan as approved by the planning authority, which itself has to be consistent with the structure plan as approved in the territory plan.

DR FOSKEY: Given that, I have been trying to have a look at the situation concerning Forde and Thorsby. I guess they are at the stage now where we have got a street design, because lots have been put up for sale; is that right?

Mr Corbell: What you are asking for is essentially the estate development plan, and in relation to Forde I am advised that the estate development plan is not yet complete; it is still in preparation. Thorsby is not scheduled for release for some time. So the physical street layout would not yet be determined. It hasn't even been given to the LDA for release yet.

DR FOSKEY: This is a good stage for me to be asking my questions, I guess. Who was responsible for the street layout and block situation at north Watson?

Mr Corbell: The private sector developer would have produced the estate development plan and that would have been approved by the ACT Planning and Land Authority.

DR FOSKEY: I haven't been fortunate enough to travel there, but I have been told that it is disappointing again that the place is set out in such a way that even if people wanted solar orientation for their place, which they would be more likely to do after the gas crisis of last week, they cannot have it. To me, that is really the guts of it and, if we are not doing that yet, when are we going to do it? We cannot insist that people do these things if we do not set it up so they can.

Mr Corbell: We do work very hard at trying to ensure that as many blocks as possible achieve good solar orientation. That is very important. But there is a range of other factors that come into play around whether or not you can achieve good solar orientation

on every single block. Designing an estate is quite a complex process and a range of factors have to be reconciled—for example, how you connect estates to arterial road networks and the consequences of that in terms of how blocks are physically configured. The need to provide protection, for example, for areas of open space also has consequences for how you can configure all blocks. So it is quite a complex process. I do not profess in any way to be an expert in it, but the objective I have, which the ACT Planning and Land Authority, on behalf of the government, has and which the LDA, on behalf of the government, has, is to achieve the best possible orientation for as many blocks as possible. I will ask Ms Skewes to talk a little more on this, because she is more at the pointy end than I am.

Ms Skewes: Certainly, there is a range of factors that influence the achievement of those outcomes, particularly the topography of the land and the features of the land that need to be retained and protected, and then the block mix and the block configuration. There is a whole array of interplay factors that do impact on the achievement of those outcomes. Part of the challenge in there for us when we acquire the land and where we are undertaking estate development plans on that land is to be able to achieve, as far as possible, the government's objectives in relation to efficiency as well as the matters we raised earlier around water sensitive urban design and water management, and then also trying to look with the objective of community identity creation, getting the community heart in place and where the key facilities will be provided. So there is a range of factors and quite a detailed process is undertaken through that estate development plan phase where we get down to that level of detail.

DR FOSKEY: Do you think you get better outcomes when LDA does the estate development or when the private venture does that and ACTPLA has the role of approving it?

Mr Corbell: Regardless of whether it is public sector land development or private sector land development, the approving authority is still the ACT Planning and Land Authority for the estate development plan and the concept plan.

DR FOSKEY: I wonder how north Watson happened, then.

Mr Corbell: North Watson was approved by the estates unit in the ACT Planning and Land Authority. Dr Foskey, it might be worth offering you a briefing on the range of factors that the planners have to try to reconcile when they are looking at approval of a plan from a developer, whether it is a public sector developer or a private sector developer. That is something which I would be quite happy to arrange. We can look at north Watson, if you like, and provide a briefing on that.

DR FOSKEY: I will take you up on that.

Mr Corbell: I have been to the north Watson estate. I haven't driven round the whole estate, but I have driven around part of it and I think that some of the elements of the estate are very positive and are achieving some really good physical amenity. Some of the dwellings that are being built there are also excellent in terms of their energy and water efficiency, but I profess I have not seen the full estate. I am very happy to arrange for a briefing for you on the north Watson estate and the issues as the planners saw them.

MRS DUNNE: I wish to follow up on that. I visited the north Watson estate and I was struck, as was Dr Foskey, by the fact that there are lots of unit developments that seem to face west, whereas if the estate had been designed differently you could have had a lot of north orientation. Even with some of the buildings in Echo Village, the orientation is less than optimal because of the layout of the suburbs. The fact that the long axis of the block faces east and west rather than north and south is something that has left me rather puzzled. I take into account all the things that Ms Skewes said about topography and so on but, from seeing it on the ground as a non-expert but someone who is interested in this, I do not see that there has been a lot of thought gone into the orientation of the blocks. I understand that there used to be—I don't know whether there still are—rules about the proportion of blocks that have to have appropriate solar orientation. I would like to see an analysis of north Watson to see how many of those do have solar orientation and whether they do meet the guidelines.

Mr Corbell: To be fair, this is more a matter for ACTPLA than the LDA because north Watson was released as an in globo sale to the private sector and was developed by a private sector developer.

MRS DUNNE: Okay, I will take it up this afternoon.

Mr Corbell: But I am very happy, Mrs Dunne and Dr Foskey, to offer you and other interested members a briefing on the estate development plan for north Watson so that you can look for yourself at the issues that were taken into account in the development of that estate.

MR GENTLEMAN: Minister, I would like to go across to staffing of the LDA. Page 12 of the statement of intent document indicates that the staff numbers for this financial year have included the assignment of LDA staff to the government's shared services initiative. Can you tell us the number of staff to be assigned to that initiative and whether it will have an effect on programs that the LDA has in progress?

Mr Corbell: At this stage, no specific number has been identified, but the government has required the LDA to pool its resources through the shared services centre in the same way as it is requiring of all other government departments and agencies. The exact numbers will be determined through the implementation process that the LDA will be involved in during coming months.

MR GENTLEMAN: Do you think that will affect any of the programs that the LDA has in progress?

Mr Corbell: The objective of shared services is not to do that. Shared services is about creating efficiencies in the delivery of services that are common to all government agencies—corporate, HR, finance and so on—and that is something which will come to realisation in the first six months of this year across the government.

MR GENTLEMAN: While we are still on staff, and you know my feeling towards employment, can you tell the committee what family-friendly provisions the LDA undertakes to assist its staff with parenting responsibilities?

Ms Skewes: The LDA has a family-friendly policy in accordance with the certified

agreement under which it operates. We seek to promote, within that policy, arrangements like flexible working hours that might be suitable for staff, part-time work, job sharing and home-based work. We have actually had, certainly, circumstances where a number of our staff have been able to pursue a number of the arrangements that we have offered, and that has been of assistance to them in managing the work-life balance and the various parental and other commitments that they have.

MR GENTLEMAN: At what percentage do you think the take-up has been?

Ms Skewes: We are a relatively small organisation. I cannot give you a percentage per se now, but we certainly have a number of instances where people's personal circumstances, for one reason or another, have suggested that they might want to take up these arrangements, either as an ongoing arrangement or because of temporary family circumstances. I am happy to take that on notice and give you some advice as to the circumstances where they have taken it up and the number of staff involved.

MR SMYTH: In that regard, most of the organisations actually do mention their staffing in budget paper 4. I notice the LDA do not. How many staff do they currently have?

Mr Corbell: It is in the statement of intent.

MR SMYTH: I know that it is in the statement of intent.

Mr Corbell: As of 30 June 2006, the estimated level of employment will be 58.9 full-time equivalents.

DR FOSKEY: It looks as though there will be fewer next year.

MR SMYTH: As to the drop from 58 to 52, is that because you expect approximately six staff to go to shared services or is that just an actual reduction in the number of staff?

Ms Skewes: The reduction that we are anticipating here will be inclusive of the shared services allocation, so within that six there will be staff going to shared services, but we are waiting for some further advice around what component would be required to go into shared services. The balance of that would then be those other reductions.

MR SMYTH: What do you expect the balance to be?

Ms Skewes: At this stage, we are in conversation with the government around the shared services initiative. We do not have a specific number. I do not have a view about that, apart from starting to identify that maybe in the finance area, the financial processing transaction-type arrangements, we would be expected to contribute some allocation of resources, but I just do not have a number on that. And possibly in the HR area, more recruitment-type activities. We do not have a large number of staff involved in those. Most of our staff are, in fact, project delivery staff. I do not have a particular number yet because the government is still defining for us what is expected to be the shared services allocation.

MR SMYTH: How many consultants work full time within the LDA?

Ms Skewes: I would have to take that one on notice.

MR SMYTH: I did a search this morning on the LDA in the government directory and there were actually 80 staff listed. How many of those are part time?

Ms Skewes: To be able to give you accurate numbers, I would need to take that on notice, but I will say that with our program our consultant resources do change from time to time as we bring new projects on. We are certainly in an environment now where we are getting further land ready for the marketplace. We have been talking this morning about the preparation of estate development plans, getting all that work, and that largely is work that we rely on specific expertise in the consultant sector to be able to help us with those plans, the engineering designs, the water sensitive urban design proposals and the like. I am happy to take that question on notice and give you an indication at a particular point in time as to what that resource allocation will be.

MR SMYTH: Sure. Following up on what Mr Gentlemen was saying, are many of the positions shared? Is there a large amount of job sharing going on within the LDA?

Ms Skewes: Within the FTE component I would suggest there is not a lot of job sharing going on.

MR SMYTH: If there will be 58.9 FTE at the end of this month and there are actually 80 people listed on the directory as of about 9.30 this morning, does that mean that there are up to 20 consultants working in the LDA?

Ms Skewes: I am not sure what directory is being cited.

MR SMYTH: The ACT government directory.

Mr Corbell: I don't know whether to rely on the phone directory as the best way of working out the staffing complement of a government agency, but the LDA is very happy, and I am very happy as the minister, to provide you with detailed numbers on the staffing complement.

MR SMYTH: All right. When you determine the consultants, can you determine what the annual cost of these consultants is to the LDA?

Mr Corbell: Consultancies are usually reported on in the annual report.

MR SMYTH: That's okay. They are also asked about in estimates.

Mr Corbell: You are welcome to ask the question and we will endeavour to answer the question.

MR SMYTH: So that has been taken on notice.

Mr Corbell: Yes.

MR SMYTH: The number of consultants and what they are costing the LDA.

Ms Skewes: At a particular point in time?

MR SMYTH: The end of the financial year is fine. How many consultants have you had this year and what have they cost?

Ms Skewes: Just a point of clarification in relation to those staff numbers: as the minister said, we have done this particular assessment of these staff numbers, so I suggest that the numbers here are possibly more accurate than the phone listings.

MR SMYTH: I can give you the names and positions and what they supposedly do. The difference between 58FTEs and a head count of 80 is fairly substantial.

Mr Corbell: I don't think a phone directory is an authoritative reference when it comes to the staffing complement of a government agency.

MR SMYTH: Are you suggesting that there could be more?

Mr Corbell: All I am saying, Mr Smyth, is that, rather than having a silly argument about the phone directory versus the LDA's figures, why not have the LDA provide you with a comprehensive list of their figures and then you can make those judgments about what is a reasonable level of staff?

DR FOSKEY: Going back to budget paper 4, page 505 mentions in the second slash point of the second dot point that the decrease of \$1.8 million in the 2006-07 budget from the 2005-06 estimated outcome reflects savings initiatives. Could you expand upon that?

Mr Ryan: Most of that reduction from the current year to the next year relates to a reduction in the marketing costs that have been allocated and estimated for 2006-07. The budget for next year includes a marketing cost allocation at 1.5 per cent of revenue and therefore there has been a reduction in the marketing costs that are assumed for next year compared to the current year.

DR FOSKEY: Could you expand a bit on the first dash point of the fourth dot point, the increase of \$5.5 million—assumingly, that was on the expense side—reflecting the impact of maintaining the operations of the Gold Creek Country Club until it was sold? Just an expansion, please.

Mr Ryan: Is the increase in "Other expenses" of \$5.5 million from the 2005-06 estimated outcome compared to the budget the one you are referring to?

DR FOSKEY: Yes.

Mr Ryan: When the budget for 2005-06 was prepared we had assumed that the sale of the Gold Creek Country Club would have been effected very early in the financial year. The sale was negotiated and the settlement date was 31 May 2006 for that sale. So, in effect, we had 11 months of trading operations for the expenses of the Gold Creek Country Club that occurred, which we hadn't budgeted for originally.

DR FOSKEY: Is that how much it costs to run that place?

Mr Ryan: It also includes the recognition of a loss on sale from the final sale of the Gold Creek Country Club against the asset values that were in the books of LDA at the time.

DR FOSKEY: What does the new owner intend to do with that site, given that it seems to run at quite a loss?

Mr Corbell: The government has sold the site on the basis that it is a going concern. We have made it explicitly clear in the sale documentation that the site is not being sold in a way where the territory will consider changing land use, say to residential, on the golf course. There is some limited ability on the site for some expansion of its recreational uses. For example, you could put in a larger building for indoor sporting activity and so on, but the government considers that to be consistent with the fact that it is a leisure centre of sorts and that sort of development could be contemplated in the future, but we have sold it, essentially, as a going concern.

DR FOSKEY: It really needs some more housing around it, doesn't it, in order to make it a more viable concern?

Mr Corbell: The new buyer will have done their own due diligence on the risks and opportunities with the purchase of the property. It has been purchased by a company which already runs indoor sporting facilities in Canberra. It has been purchased by the company that runs the new indoor Belconnen aquatic centre. So it seems fairly clear to us that they are purchasing it as a part of the suite of facilities that they own and operate.

MR SESELJA: Did it go to public tender?

Mr Corbell: Yes.

MR SESELJA: It did go to public tender. Was that completed through public tender or was that later withdrawn? Was the eventual sale as a result of public tender?

Mr Corbell: Yes, it was a result of public tender.

MR SESELJA: So that process was exhausted.

Mr Corbell: Yes.

MR SESELJA: At no stage did it change from public tender to being a select tender or some other way of selling the country club.

Mr Corbell: The buyer was identified through the public tender process.

MRS DUNNE: That is not the same thing.

MR SESELJA: So it went to public tender and that process initially did not resolve—

Mr Corbell: It was completed through a public tender process.

MR SESELJA: At no stage did that change from being a public tender process to being

something else.

Mr Corbell: It was a complex negotiation, but it was done as a public tender process. I will ask Mr Ryan to answer the question.

Mr Ryan: The site was offered under an expression of interest followed by a public tender, and the eventual purchaser was a registrant in the EOI, short-listed, and was a tenderer for the public tender process. The public tender was completed and negotiations undertaken to complete the sale.

MRS DUNNE: Mr Ryan, was there an announcement that the sale had been agreed to but the settlement date was delayed for some time?

Mr Ryan: The sale contract had a settlement date, as any sale contract of property or business would have, and that settlement date was set at 31 May 2006, and settlement occurred on that date.

MRS DUNNE: When was the contract agreed to?

Mr Ryan: Contracts were exchanged, I believe—the exact date I am not sure—around the end of October 2005.

MRS DUNNE: What was the reason for the long delay in the settlement date?

Mr Ryan: That was the negotiated arrangement between the parties. It was the preference of the purchaser and the LDA agreed to that.

MRS DUNNE: So the LDA had been running the country club up till the end of May.

Mr Ryan: The LDA was responsible for the operations of the club until settlement, yes, as a sale of business transaction.

MRS DUNNE: Has settlement actually taken place?

Mr Ryan: It has.

MRS DUNNE: Has management changed hands in the last three weeks?

Mr Ryan: Management has been handed over, yes.

MR PRATT: Minister, I refer to the *Canberra Times* report of Friday, 2 June about the Elders saga. It was reported that three marketing arms of Elders Real Estate are suing the ACT government for allegedly failing to pay commission of \$269,325 on the sale of 150 blocks of land valued at \$28.5 million at the Harrison II estate. Why is Elders having to sue you for non-payment of commission? Has the LDA been keeping up to date with its payments to its creditors?

Mr Corbell: Yes. The LDA does keep up to date with payments to its creditors.

MR PRATT: Why have Elders sued you?

Mr Corbell: Those matters are subject to legal proceedings. They were not initiated by the LDA; they were initiated by the parties you referred to. They are making certain claims. Those are claims that the LDA does not accept and they will be dealt with in court.

MR PRATT: Can you tell us what the contractual arrangements were between Elders, the three marketing companies, and the government for the sale of this land?

Mr Corbell: Not while the matters are subject to court proceedings.

MR PRATT: Can you tell us why it came to this? Can you tell us why it has got to this point where an agency is suing the government? If you can't discuss the detail of the matters before the court, can you—

Mr Corbell: I think you would have to ask them why they are suing the government.

MR PRATT: Don't you have a view?

Mr Corbell: The LDA refutes their claims and the matter is before the court, but you would have to ask them why they are suing the government or seeking to sue the government.

MR SMYTH: On page 557 of budget paper 4, I note that land development has been transferred from Treasury to the Department of Territory and Municipal Services and that land release policy has gone from ACTPLA to the Chief Minister's Department. I also note that you have announced in these papers that LDA is now a PTE. Can you explain how all the new arrangements work?

Mr Corbell: Yes, I am happy to do that. In relation to the issue of land release policy, the government has decided that a central agency needs to be primarily responsible for the preparation of land release. The reasons for this are that issues around land release are not solely related to physical land use planning, but also have consequences at an economic level and an environmental level and so on. The government has decided that the coordinating agency for managing land release policy—that is, how much land is released and essentially what the scale of land release is and the general areas of release—should be coordinated through the Chief Minister's Department so it is a whole-of-government coordination. The ACT Planning and Land Authority will continue to play a central role in informing government decision making on the physical areas of release, the physical land use constraints and, indeed, a level of economic analysis, but the transfer to CMD will allow other levels of economic analysis to be built in at the ground level to decisions about land release policy.

MR SESELJA: So essentially the Chief Minister now will have oversight of that?

Mr Corbell: The Chief Minister will be responsible for overall land release policy. That is correct. In relation to function—land development being transferred from the Department of Treasury to the Department of Territory and Municipal Services—that one really has no substantive effect, as I know it is more technical.

MR SESELJA: Is that so you can develop all the school sites that are transferred to you?

Mr Corbell: The second issue around function is land development being transferred from the Department of Treasury to the Department of Territory and Municipal Services. What that means is that ACTPLA will be responsible for the broad structure and concept planning for new suburban development. Once that physical land use planning work has been completed, responsibility for the land asset is retained at the Department of Territory and Municipal Services.

That means that territory and municipal services is the landholder, the custodian of the land, until the land is transferred to the Land Development Agency for release. So while ACTPLA are doing the planning for the land, the custodian of the land is the Department of Territory and Municipal Services. It is responsible for land management, fire management and so on. When the land is transferred to the LDA, it is transferred from the Department of Territory and Municipal Services to the LDA, and the LDA makes the payment for the land to the Department of Territory and Municipal Services.

The change in relation to public trading enterprises is outlined quite well in budget paper No 4 and also in the statement of intent, which I was just looking at earlier. Essentially, what it means is that the LDA is required to purchase the land from the territory, whereas previously it was essentially received free of charge. So they will purchase the land from the territory at market value, they will then pay income tax equivalents on their operations to the territory and a dividend based on operating profit after those income tax equivalents.

MR SMYTH: This is a simplified way of dealing with land release land planning in the ACT?

Mr Corbell: It is more transparent, in that previously there was no recognition of the value of the land in terms of its transfer from government to LDA as a government business enterprise, as it then was. Now the LDA have a complete set of accounts that demonstrate their purchase of the land and then the subsequent return on that land asset, taking into account the purchase price. Previously, when you looked at return on the land asset, the cost of purchasing the land was not transparent and clear. This is a layman's explanation, but Mr Ryan can elaborate a little on that. I might ask him to do that because he's more of an expert than I on this. That is essentially the change.

Mr Ryan: As a public trading enterprise, LDA can then report a return on its land development activities. That now includes the cost of acquiring the inventory. Previously, in order to get benchmark figures so we could compare how the returns were delivered, we had to make assumptions about the cost value of the land, and they were essentially not tested in that sense by a market value for raw land that we would acquire. We can now do that. We can acquire land, we can develop it, get a return and reflect the returns back in a dividend to the government after tax. Consequently, with the change to public trading enterprise, the LDA has also been included in the national tax equivalents regime. So, again, that is a more transparent approach to represent the LDA's business activities and the costs that they would incur.

MR SMYTH: That is to ensure that the way you behave is competitively neutral?

Mr Ryan: That is correct, yes.

MRS DUNNE: How will the land be valued?

Mr Ryan: The land will be valued at market.

MRS DUNNE: By whom?

Mr Ryan: By independent valuation. A price will then be agreed, through an independent valuation, with the central government, with the Department of Territory and Municipal Services, and LDA will purchase the land, acquire the land, when it has development approval or zoning, if you like. The LDA can then take that land as raw land, develop it and provide a return.

MR SMYTH: So you buy it at the unimproved value?

Mr Ryan: We buy it at the zoned, undeveloped value, yes.

MR SMYTH: That is different from the end product value, which is where you make your profit.

Mr Ryan: Yes, because then we apply development resources and construct development activity on the land—that is for land that we would retail—or we conduct development activity to present the land to the market in whatever form is decided for its release.

MRS DUNNE: Can I just ask for some examples, if I might, Madam Chair. Take, for example, a suburb like Bonner. At what phase of the process will the LDA, under this model, acquire the land in Bonner?

Mr Ryan: The LDA would only get land that has had development approval in the sense of a concept plan. That is the same as has always been the case. The LDA was not receiving land until it had zoning or a concept plan approval. Land is detailed for development, we would then have a valuation exercise conducted and a price would be set for the land. We would then acquire it, take it over and conduct our estate development plan activity.

MRS DUNNE: How is the system different from what you have just explained?

Mr Ryan: We are actually paying cash for the land.

MRS DUNNE: Does that mean that the LDA has a float—an appropriation from the government—to get over the fact that it has to make these initial purchases?

Mr Ryan: The LDA has cash resources that it has always been able to maintain to conduct its development activities. The initial purchase of the land this year will involve redirecting the remaining dividend component that was scheduled for payment this year. Our accounts in 2005-06 will obviously show a difference from the original budget, because we will not be paying the full dividend that was scheduled.

That remaining quarter instalment will be redirected to paying for land this year. In subsequent years we will acquire land through the LDA's own cash resources. The LDA also has a capacity, under changes in the Financial Management Act, to borrow within government using the credit facility that is available under the FMA, so the LDA board can manage its cash flow and working capital on that basis.

MRS DUNNE: Does the Treasurer still have a role under the Planning and Land Act, to take a dividend, or has the role of the Treasurer changed under the legislation?

Mr Ryan: No. There's been no legislative change for the LDA. This is an administrative change under the accounting arrangements. The Treasurer is still the owner and can direct, under the Land Planning Act 2002, a payment of dividends.

MRS DUNNE: Is it simply that the staff from Treasury are moving to TIMS?

Mr Corbell: No.

MRS DUNNE: In respect of the staff that looked after the land and divvied it out to the LDA, there were people in Treasury who did that job. Who is doing that job now?

Mr Corbell: This is a change only for accounting purposes; it has nothing to do with land management per se. Previously the physical custodianship of the land, prior to its transfer to the LDA under previous arrangements, was with ACTPLA.

MRS DUNNE: The physical custodianship?

Mr Corbell: The physical custodianship—making sure that the land was being kept in good order. This is where it gets very complicated. The land may have been subject to a rural lease, in which case the planning was being conducted whilst there was a rural lease with appropriate withdrawal clauses in place, or the land may have already been withdrawn, in which case it was—

MRS DUNNE: There was a vacant block in Fyshwick also like that.

Mr Corbell: —vacant land, and it was under the custodianship of ACTPLA until it was transferred to the LDA. Treasury at no stage has been involved in the physical custodianship of the land. It is about who, for accounting purposes, is recognised as the owner and where the payment goes.

MRS DUNNE: Why was it changed to territory and municipal services?

Mr Corbell: Because the government has decided that the physical custodian of the land and the owner of all unleased land should be a single agency. It has been determined that that is the Department of Territory and Municipal Services.

MRS DUNNE: That means that the role of ACTPLA is changed.

Mr Corbell: ACTPLA is no longer a custodian of unleased territory land.

MRS DUNNE: What about land that is subject to withdrawal clauses?

Mr Corbell: That is leased land that is held by the leaseholder.

MRS DUNNE: It is held by the leaseholder, but ACTPLA doesn't have a role in that anymore, or won't anymore?

Mr Corbell: ACTPLA has a role in the leasing issues. For example, it would be ACTPLA's job to terminate the lease or exercise the withdrawal clauses to acquire the land for the territory.

MRS DUNNE: But not in a custodial sense?

Mr Corbell: No.

MRS DUNNE: Okay.

Mr Corbell: We had, for example, the crazy situation where all of the land around the Cotter Road and Tuggeranong Parkway intersection—all that land around the on and off ramps there—was the responsibility of ACTPLA. It was unleased territory land that no-one else wanted, so it sat with the ACT Planning and Land Authority. We rationalised that and all unleased territory land is now the responsibility of the Department of Territory and Municipal Services. We have a single land manager responsible for all of that land.

MRS DUNNE: Yes. Possibly it makes sense or possibly it is a backflip. I'm not quite sure.

DR FOSKEY: You'll work that out.

Mr Corbell: That is a grudging admission, Mrs Dunne.

DR FOSKEY: Yes. I note that, in the summary of transfers, the former QEII building is to be transferred from the health department to the Land Development Authority. I wonder what this means for the fate of that building.

Mr Corbell: The building is to be demolished to make way for a commercial office development site. The land has already been transferred from ACT Health to the Land Development Agency. It is now the responsibility of the Land Development Agency. A development application has been approved for the demolition of the old buildings and the preparation of the site for its release as a commercial office development site.

DR FOSKEY: What will be demolished? Is it just QEII or are other buildings involved?

Mr Corbell: The buildings on the site.

DR FOSKEY: Just the QEII site?

Mr Corbell: Yes.

MR SMYTH: How will it be released?

Mr Corbell: The Land Development Agency is currently exploring a range of ways for the release of that land.

MR SMYTH: What does that mean? Surely the process is normally to put it out to the market commercially and call for tenders, or go to auction.

Mr Corbell: Commercial auction remains an option, but it is not the preferred option at this stage. The preferred option at this stage is a tender process for the development of a commercial office building.

MR SMYTH: Will there be any conditions put on that, if you're going to go to tender?

Mr Corbell: What do you mean by "conditions"?

MR SMYTH: Will it be for a specific purpose?

Mr Corbell: The purpose is specified in the territory plan. It is a commercial office development site.

MR SMYTH: Okay.

DR FOSKEY: Given its former status as a community facility, will there be any requirement upon the successful tenderer to provide some space for community organisations? How does this relate to the City West redevelopment?

Mr Corbell: The QEII buildings are vacant.

DR FOSKEY: I know.

Mr Corbell: They have been vacant since the relocation of the last tenant, the Junction Health Centre, to a new building.

DR FOSKEY: We've been trying to get community use again.

Mr Corbell: Replacement has already been acquired for the Junction Youth Centre. They are now accommodated in very nice, modern, new premises in the section 84 development. So the government has ensured that there has been no net decrease in the level of community facility space provided.

DR FOSKEY: Nonetheless, as this site is located very close to City West with the aim of having this vital, sort of fabulous place, I'm not sure—I see here an opportunity to contribute to that by making sure that some of the ground floor has other than office use.

Mr Corbell: The government does not see the need to make specific provision for community facility space in this new site.

DR FOSKEY: That is disappointing.

Mr Corbell: What you're arguing for is an increase in the level of community facility space. The government's position at this stage is to maintain the existing level of community space provided. That is what we've achieved through the various redevelopment activities that are happening in City West at the moment.

DR FOSKEY: You've got the problem with relocating people from the ROCKS.

Mr Corbell: You need to make the argument for an overall increase in the level of community space provided in the city.

DR FOSKEY: I'm just talking about vitality and things like that.

Mr Corbell: No, you need to make the argument.

DR FOSKEY: All right. We'll do that, as we do constantly. Canberra Cohousing has been in negotiation with the LDA for some time for a block of land at Gungahlin Town Centre. I believe that some money from ACT Housing was dependent on quite a speedy ending to those negotiations. Therefore, I would like to know how they are going.

Mr Corbell: That is a very good proposal that Canberra Cohousing have. I've met with that group.

DR FOSKEY: They've been working on it for years.

Mr Corbell: Yes, they have been working on it for years. They've got an excellent proposal. It is one that I am very supportive of because it is a model of housing that currently does not exist in the ACT. They want to apply some principles around sustainable development which I think are very much leading edge. I'm very supportive of their proposal. The direct grant process is in its final stages, with consideration by cabinet shortly on agreement to direct grant.

DR FOSKEY: Are you aware whether ACT Housing has extended the availability of that grant to cover the—

Mr Corbell: I'm not aware of what the status of the grant is with ACT Housing. I think you would need to ask ACT Housing. As far as I'm aware, the proposal is still alive. In fact, I met informally, just in bumping into them, a member of the Cohousing group the other day—less than a couple of weeks ago. They indicated to me that they're very much looking forward to the finalisation of the direct grant.

DR FOSKEY: They are.

Mr Corbell: So I think the process is still well and truly alive.

DR FOSKEY: Excellent. Finally, before I bow out, unless something else comes up, I've heard that there are some interesting proposals for the land around the Causeway—another perhaps sustainable village development of some kind. Of course there's always concern about the Causeway, which is one of our last little nests of affordable housing but obviously on very valuable land. I am just wondering what is happening there—as much as you can tell me, anyway—and how the Causeway people should be feeling at

the moment?

Mr Corbell: It is more a question for ACTPLA.

DR FOSKEY: Is it?

Mr Corbell: But I'm very happy to answer it and perhaps you'd like to follow up on it.

DR FOSKEY: Okay. So that land is not related to the LDA?

Mr Corbell: No, that land is not held by the LDA. The area surrounding the Causeway to the south-east is identified as the Eastlake area, which is identified in the Canberra spatial plan as a possible future urban development area. The ACT Planning and Land Authority is conducting a range of initial assessments on constraints and opportunities for development in that area. I think that, if you were to ask ACTPLA this afternoon, I'd have some officers here who would be able to give you some more detail on what that is looking at and how it relates to the Causeway.

DR FOSKEY: Thank you very much for your answers today.

MR SESELJA: I have a few questions around the EpiCentre site. Your officials were obviously involved in the process of selling it. I know that the DA is on the web site, or was on the web site a little while back. How would you describe that development in terms of what is in the development application? What kind of development are we talking about now?

Mr Corbell: I would describe it as whatever is in the development application. I don't have the words in front of me.

MR SESELJA: Is it a bulky goods development, or is it something else?

Mr Corbell: I don't have the words in front of me, but however it is described in the development application is what is the proposed development.

MR SESELJA: My concern is that it seems that about half the space in the development application is devoted to direct factory outlets and half, or thereabouts, is bulky goods, yet the expression of interest document in the *Canberra Times* of 21 September refers to it as a bulky goods development opportunity like no other; it says that the site will permit the display and retailing of a range of bulky goods and other home products, with a maximum gross floor area of 60,000 square metres. If we are now seeing a development application which is half direct factory outlet and half bulky goods, why was that not put in the expressions of interest documentation?

Mr Corbell: The argument that you're running is a very tired argument. It is an argument that has actually been tested in the courts already. The Capital Airport Group made the same argument you are making today.

MR SESELJA: Which is what, sorry? I don't think I've made much of an argument yet, apart from putting some questions to you, but go ahead.

Mr Corbell: They put the same proposition that you are putting today for an injunction they sought against the release of the site in the ACT Supreme Court late last year. In determining that matter, Justice Connolly determined that the LDA's advice in all the relevant sale documentation was accurate and complete. On those grounds, Justice Connolly found no reason to grant an injunction against sale of the property. It is worth reading his judgment if you haven't read it, because he said very clearly that the LDA were very clear in what the permitted uses were for that site.

He went on to say that particularly people with the experience of the Capital Airport Group, who have been developing in Canberra for many decades, would be very clear about the relationship between the territory plan and the lease documents, both of which were made available prior to the sale of the site. Based on that Supreme Court decision, I have no doubt—and the public should have no doubt—that what was provided in the sale documentation was complete and indicated what was possible in terms of use on that site.

MR SESELJA: We'll come to the territory plan in a moment. As I look at this expression of interest, it talks about bulky goods development. Is your understanding that "direct factory outlet" is the same thing as bulky goods, or is there something different in your understanding of it?

Mr Corbell: The purchaser of the site wants to run a direct factory outlet. They will need to seek the approval of the ACT Planning and Land Authority in relation to that use, and the ACT Planning and Land Authority will need to make a decision on whether or not that use is acceptable under the provisions of the territory plan.

MR SESELJA: The LDA has already approved that.

Mr Corbell: The LDA has sold the site for the uses as specified in the territory plan, the lease and development conditions.

MR SESELJA: The LDA has approved the development application, prior to it going to ACTPLA.

Mr Corbell: The LDA is not an approval agency for a development application.

MR SESELJA: But in the sale documents it says that the LDA had to approve the development application prior to it going to ACTPLA.

Mr Corbell: The LDA has a concurrence role. It has concurred that it is consistent with the conditions of sale that development applications be lodged.

MR SESELJA: Did the LDA give Austec any advice prior to the auction in relation to the suitability of the site for factory outlet retailing?

Ms Skewes: The LDA has only represented to Austec the publicly available sale documentation.

MR SESELJA: That is the only advice they've given, so the only stuff that you've given to Austec would have been given to us in this documentation.

Ms Skewes: All the information, as we do with our sale processes, is managed under particular and very appropriate probity and legal arrangements. All the parties get access to the information that Austec and all the other bidders for the site got.

MRS DUNNE: Did Austec, the DFO proponents, come to the LDA and ask for advice about suitability of the EpiCentre site for direct factory outlets?

Mr Corbell: My understanding of the LDA's processes is that, where advice is sought by one party, it is provided to all parties.

MRS DUNNE: Sorry, you still haven't answered. Did the owners of DFO come and ask you about the appropriateness of direct factory outlets on that site before the auction in December last year?

Mr Corbell: I'll ask Ms Skewes to answer in relation to that issue.

Ms Skewes: I will take that specific question on notice, but I can tell you that the LDA represented the approved lease and development conditions for that site. They are ACTPLA approved lease and development conditions. The LDA simply offers a site for sale on the basis of the approved conditions and the zoning for the site. That is the basis on which Austexx and all the other parties who are bidders for that site were dealt with.

MR SMYTH: Do the L and Ds allow for retail on that site?

Mr Corbell: Yes.

MR SMYTH: They do? In what form?

Mr Corbell: They are specifically limited. I do not have the details in front of me, but you can have a shop of a certain size. I am happy to provide the details of that, if you wish.

MR SMYTH: If you would be so kind.

MR SESELJA: In relation, then, to the territory plan aspects of this site—this is precinct B, industrial—my understanding is that, in order for the 25,000-odd square metres of direct factory outlets to be approved or to comply with the territory plan, the interpretation has to be that the only restriction on shops is that each individual sublease or each individual shop is no more than 3,000 square metres. Is that your understanding, minister, as to how the territory plan applies in precinct B?

Mr Corbell: You are asking me a very detailed question, Mr Seselja, and I think—

MR SESELJA: Well, no. It is a very simple question. There is a limit of 3,000 metres or there is not.

Mr Corbell: My understanding is that the limit on an individual shop is 3,000 square metres—

MR SESELJA: So they can be as—

Mr Corbell: but can I say that I would prefer to give you a more complete answer when I have relevant staff from the planning and land authority here this afternoon. They will be able to answer the details around the specific controls of the territory plan with greater accuracy than I can off the top of my head.

MR SESELJA: We can go into those territory plan aspects, then, in more detail with ACTPLA. Just before I move on to some other questions in relation to this, have you received any correspondence, or has the LDA received any correspondence from either the NCA or ACTPLA raising concerns about this development and how it complies with the territory plan or, obviously, the national capital plan from the NCA's point of view?

Mr Corbell: Your question is in two parts, Mr Seselja. The first is: has the LDA received any advice from the NCA or ACTPLA on consistency with the territory plan?

Ms Skewes: I am not aware that LDA has received any advice raising any concerns about consistency with the territory plan.

MR SESELJA: Any correspondence from the NCA or ACTPLA?

Ms Skewes: No.

MR SESELJA: And, minister, have you had any advice from ACTPLA in relation to the compliance with the territory plan or, indeed, from the NCA in relation to compliance with the national capital plan?

Mr Corbell: I have received no advice or correspondence from the NCA in relation to compliance with the national capital plan. I am not aware of any concerns being raised with me by ACTPLA in relation to—I am sorry. What are you asking me, exactly?

MR SESELJA: In relation to whether this proposed development complies with the territory plan.

Mr Corbell: Well, the matter of whether or not it complies with the territory plan is a matter for ACTPLA, not a matter for me as minister—

MRS DUNNE: Except if you want to call it in.

Mr Corbell: I am not proposing to call the development in.

MRS DUNNE: Ms Skewes, you said that the role of the LDA in the DA was as a commissioning—

Mr Corbell: Concurrence.

MRS DUNNE: Sorry?

Mr Corbell: Concurrence.

MRS DUNNE: Concurrence, thank you. What does that include? What does that actually mean?

Ms Skewes: The concurrence role in the LDA is not an unusual situation. For example, where we have precincts where we are trying to achieve certain development outcomes, as we do at Kingston Foreshore, prior to the lodgment of the development application we may choose to exercise a concurrence role. So it is not a planning approval, not an approving role; it is a concurrence role in respect of assessing whether the development application is consistent with the overall objectives of the precinct.

MRS DUNNE: So what are the overall objectives of the LDA in relation to that site?

Mr Corbell: The development of that site is the first stage of that estate.

MRS DUNNE: Yes, I know.

Mr Corbell: So the LDA, in giving concurrence, would be saying that what is proposed does not conflict with the overall implementation plan it has for that estate.

MRS DUNNE: Yes, minister. I can work that out. What I am asking Ms Skewes is—

Mr Corbell: Well, that is the answer to your question, Mrs Dunne.

MRS DUNNE: No. What I am asking Ms Skewes is: what are the objectives of the LDA in the development of EpiCentre; not are you satisfied that the DA meets your objectives, but what are your objectives?

Mr Corbell: The LDA does not have objectives around that particular commercial development. That is a private commercial development. The LDA has sold the land.

MRS DUNNE: No. You have objectives in relation to what you want to achieve at EpiCentre. What do you want to achieve at EpiCentre, apart from making money? Do you have planning designs? Do you have planning outcomes? Do you have design outcomes that you want to see at EpiCentre?

Ms Skewes: Our objectives are more of a general nature around the achievement of a quality commercial, industrial and retail precinct.

MRS DUNNE: So do those objectives exist in writing anywhere?

Ms Skewes: They would be described in our general approach when we take the site out to the market. We described in the EOI what we were trying to achieve with the EpiCentre estate. So our objectives are not of the detailed design level; they are more at the principles, as they are at Kingston Foreshore—the quality of what we are trying to achieve there, the environmental features. They are those sorts of things.

MRS DUNNE: So before the DA went to ACTPLA you signed it off to say that it met your objectives in relation to the centre?

Ms Skewes: It was consistent with and not in conflict with the objectives of the overall

estate.

MR SESELJA: Ms Skewes, or minister, did the expression of interest document say anything about non-bulky goods shop uses, whether they would be permitted and, if so, to what extent?

Mr Corbell: All that material is in the L and D, Mr Seselja, which were made publicly available to bidders.

MR SESELJA: Well, I am asking you now, or Ms Skewes or any other representatives of the LDA: did the expression of interest document state what the site would permit in relation to non-bulky goods? Did it go into non-bulky goods uses and did it say how much non-bulky goods would be allowed on the site?

Mr Corbell: I am not aware. I am not across that level of detail, Mr Seselja. I do not know whether—

Ms Skewes: Yes. It has been some time ago since we issued that expression of interest, but I believe that it identified a broad range of uses.

MR SESELJA: Just before the sale there was some media coverage about the fact that there was concern that it was going to be a retail centre that did not conform to the hierarchy. Some industry people were quoted in the paper, or certainly the paper ran a story. You responded, Ms Skewes, saying that this is a bulky goods development. You said:

Comparisons drawn between the scale of development with the Canberra Centre are disingenuous. It ignores the fact that bulky goods retailers, by definition, require larger floor areas to display their stock. Consequently, even a handful of bulky goods retailers will generate a development of the size envisaged. Policies and objectives of the territory plan are specific in nominating this area as a bulky goods opportunity.

Firstly, why in that defence was there no mention of direct factory outlets? Secondly, why is it disingenuous to compare 25,000 square metres of direct factory outlets with about 25,000 square metres of small specialty shops in the Canberra Centre?

Mr Corbell: The points that you make, Mr Seselja, are based on a false premise. They are based on a false premise because, as I have already said, the LDA provided to all the bidders the full range of uses that were available for the site.

MRS DUNNE: And did that include small shops and factory outlets?

Mr Corbell: The lease and development conditions were made available to bidders. They knew what they were buying and it was clear to all parties what the potential uses were for the site. The LDA sought, as a marketing approach, to emphasise the opportunities for use of the site as a bulky goods site. But, as Justice Connolly found, it was quite clear in all of the documentation provided to all the bidders what the full range of uses were for the site, including for bulky goods.

The use of the term “bulky goods” from a marketing perspective did not mean that the

LDA was in any way being misleading or hiding what was available for use on the site. As Justice Connolly found, all of the uses were clearly outlined to potential bidders well before auction—

MRS DUNNE: Does that—

Mr Corbell: If I can just answer Mr Seselja's very detailed question.

THE CHAIR: Yes. Mrs Dunne.

Mr Corbell: All of the uses were very clearly spelt out to bidders before the auction occurred. In relation to comparisons with shopping centres, in relation to direct factory outlets, direct factory outlets are not a shopping centre. For example, shopping centres, a mall or, the comparison you used yourself, Mr Seselja, Woden plaza, have very different characteristics—

MR SESELJA: The Canberra Centre.

Mr Corbell: I think in previous terms you have said it is going to be bigger than Woden plaza. A shopping centre like Woden plaza or the Canberra Centre is very different from a direct factory outlet. It is different in a number of regards.

First of all, a shopping centre has large anchor tenants that accommodate 10,000, 15,000 or 20,000 square metres of floor space, large tenants such as department stores, discount department stores and so on. These are explicitly excluded from the lease and development conditions for this site.

Secondly, shopping centres have large components of food retailing—for example, food courts and so on. These are also explicitly excluded from this site. So the comparison with a shopping centre is a false one, a misleading one. In that regard I think your argument, Mr Seselja, just does not hold water.

MR SMYTH: Just before you go on, Justice Connolly, though, did say, if you read the decision, that anything that happens on that site must be consistent with the territory plan.

Mr Corbell: Yes, he did.

MR SMYTH: The territory plan for that site rules out retailing.

Mr Corbell: The territory—

MR SMYTH: And that is the nub of what Justice Connolly said.

Mr Corbell: No. Retailing as a primary use, I think, is the issue. Again, I am happy to ask officers of the planning and land authority to answer this question in a little more detail this afternoon. But what I would say very clearly is that the use in relation to retailing is restricted in the lease and development conditions. If I recall correctly, no shop can be larger than 3,000 square metres.

MR SMYTH: But what percentage of the entire site will be allowed to be retail?

Mr Corbell: That is a matter that I cannot advise you on, but I am happy to ask officers of ACTPLA to try and give you some advice this afternoon.

MR SESELJA: Just going back to the pre sale or post sale, in the letter to the editor it was all about expressions of interest. It talks about bulky goods. When you appeared before annual reports hearings last year you said, “The EpiCentre site that you are referring to, that is, the bulky goods site, is a first for Canberra, to have large bulky goods retailing sites available for that type of activity.” Why was there before the sale no public discussion about the direct factory outlet aspect or the fact that it would be more than just bulky goods? Would that not add to the value? Would you not be looking to get the maximum amount, and why would you not talk about a significant aspect of what it now appears is to going to be a part of the EpiCentre site?

Mr Corbell: Mr Seselja, the government had no appreciation of who would be interested in bidding for the site.

MR SMYTH: Surely they did.

Mr Corbell: We released the site—

MR SMYTH: People have been coming to the government for years on that site. It is a disingenuous statement.

Mr Corbell: in response—by that I mean we did not know, and I did not know, as minister, that a company called DFO was prepared to pay a record price for the land. I did not know that. That is what I mean by that comment.

MR SMYTH: Okay. So you were aware?

Mr Corbell: The government was aware that there was a range of entities, a range of companies looking for sites with large footprints for bulky goods activities. That occurred as early as 2001. I can recall at one of my first meetings as planning minister—and I think it was a legacy left over from when Mr Smyth was minister—there were companies knocking on the door saying, “We need land for these types of uses.”

At that time the territory plan did not permit that type of use anywhere. So there was a specific amendment to the territory plan made for this site to accommodate that and other uses. That occurred. It was approved by this Assembly. The site was then given to the LDA and released for marketing by the LDA, with the full range of uses outlined to bidders. As Justice Connolly said, the LDA has been very clear on what the uses are for the site. There was no secret. There was nothing hidden about it. If you put up your hand to bid, if you registered with the LDA as an interested party, you got it all and you knew exactly what could be used.

MR SESELJA: Minister, did the LDA receive a valuation of the land at the site prior to auction and, if so, what was the valuation of that site? Also, what land use was the valuation based on? Was it based on there being a large proportion of direct factory outlets or was it based on there being primarily bulky goods?

Mr Corbell: I will ask Mr Ryan to give you some more details on that, Mr Seselja, but the valuation is based on the lease and development conditions. So the valuation is based on what is specified as possible uses in the lease. The lease and development conditions are used to determine the use and, therefore, value. Mr Ryan can give you the details of that.

Mr Ryan: As in a normal case, we engage independent valuers for sites before they assist us in setting reserve prices. The valuers were given the auction documentation and the lease and development conditions and instructed to provide a value for the highest and best use of the site—

MR SESELJA: And what was that?

Mr Ryan: based on those lease and development conditions, and the highest valuation received out of the two was \$13.5 million.

MR SESELJA: Thirteen?

Mr Ryan: \$13.5 million.

MR SESELJA: So we have gone from 13.5 to 40. Did the valuers, in their analysis, give assumptions based on those lease and development conditions? Did they say, “Well, we will just talk about the lease and development issues in the territory plan”? We are having a dispute, which we will resolve later with ACTPLA, as to what exactly the territory plan allows. They would have taken that into account. So they must have factored in what kind of shop uses and what kind of retail uses there would be. What did they find? What did they base their valuation on in relation to those kinds of shop uses?

Mr Ryan: The valuers used their industry standard valuation methodologies to provide a valuation based on the permitted uses for the site. Therefore they would have taken into account whatever their experience and their valuation methodologies told them, based on the uses that were presented, to come up with that value.

MR SESELJA: They would have used their extrapolation of the lease and development conditions to come up with what exactly would be allowed?

Mr Ryan: Yes. Valuers tend to use two methodologies to check the values that they come up with. One is usually direct comparison of the sites; the other is usually a theoretical development model. In this case, the valuers used their standards and methodologies to come up with valuations. Again, they had all the information that we had presented them and their instructions were to follow that.

Mr Corbell: I think it is worth making the point, Mr Seselja, that the auction that occurred for that site was in quite exceptional circumstances. There ended up being two parties who were prepared to pay extremely large amounts of money for that site. The two parties were clearly in direct competition with each other and were prepared to pay well above the valuation price for the site. That is not a factor that could have easily been anticipated before the auction.

MRS DUNNE: Except, of course, the first L and Ds were ambivalent.

MR SESELJA: I still have not quite got the answer—

Mr Corbell: I reject the assertion that the L and Ds were in any way ambivalent.

MRS DUNNE: I have asked the question twice already, but can someone tell me what the L and Ds say about small-scale retailing on that site?

Mr Corbell: As I have previously indicated, Mrs Dunne, and perhaps you were not listening—

MRS DUNNE: I was listening.

Mr Corbell: Well, clearly, you were not because, as I have indicated, the control of an individual shop is no more than 3,000 square metres. In relation to the overall—

MRS DUNNE: And what did it say about small retail?

MR SESELJA: You said you were not sure what that meant when we asked you before, Mr Corbell.

Mr Corbell: No. As you indicated, Mr Seselja, I said that my understanding was the control on an individual shop was 3,000 square metres. The overall number of shops is the issue that I cannot recall. As I indicated, when the planning and land authority are present with me this afternoon, you will have every opportunity to ask those questions.

MR SESELJA: I am just trying to get to the bottom of this valuation.

MRS DUNNE: I will ask the question again: what do the L and Ds say about retailing on a small scale at the EpiCentre site that was sold in December?

Mr Corbell: As I have said, the retailing provision is that a shop can be no larger than 3,000 square metres.

MRS DUNNE: What does it say about the number of shops of around 200 or 300 square metres that may be on that site?

Mr Corbell: As I have just said, Mrs Dunne, I do not have the information available, but when ACTPLA are present this afternoon, as I have just said to you less—

MRS DUNNE: Who issued the L and D? Was it ACTPLA or the LDA?

THE CHAIR: Excuse me, Mrs Dunne—

Mr Corbell: The planning and land authority issued the L and D.

THE CHAIR: Mrs Dunne. I think we—

Mr Corbell: The planning and land authority approves the L and Ds. You will have

every opportunity this afternoon to ask these questions. I just do not have that information available.

MR SMYTH: Can I just ask a supplementary of Mr Ryan?

MR SESELJA: I am still not quite finished with the evaluation question.

THE CHAIR: Yes. Mrs Dunne, if you want more clarification, your question has to be left until this afternoon. Minister, we will continue to follow this through with Mr Seselja as long as it is not cutting into the ACTPLA discussion this afternoon. We need to complete it soon, though. There may be some other people who wish to ask questions on the committee, Mr Seselja.

MR SESELJA: I understand. Mr Ryan, just in relation to the valuation, we talked about the L and Ds. We were getting there and then we moved to another issue. What did the valuers say in terms of what kind of centre you would be looking at in terms of those L and Ds? How much bulky goods and how much other retail would form part of a development under those L and Ds and under the provisions of the territory plan?

Mr Ryan: They do not say anything specifically about a specific configuration. They are given the land uses for the site. They apply their methodologies under their standards and they have come to a value for that land as a development site. As I said, the two methodologies they often use are direct comparison of sales of similar types, and then they would look at what differentiating factors might apply to coming to a comparison. They often then use a theoretical development model. So the valuation comes out, though, as a figure and the independent valuers sign off on that as their assessment of the value for that site.

MR SESELJA: So is there a theoretical model used in this case?

Mr Ryan: I would have to check the valuation certificates. We have two done, so I would have to check the specifics of those. But in the end—

MR SESELJA: \$13.5 million is the higher of the two?

Mr Ryan: \$13.5 is the higher of the two.

MR SESELJA: What was the other one?

Mr Ryan: There was less than \$2 million between the two.

MR SESELJA: Are you able to provide those valuations to the committee?

Mr Corbell: The government does not usually make valuations available as a matter of course.

MR SMYTH: That is before the event. After the event surely it cannot hurt.

Mr Ryan: They are provided to us by the valuer under their terms and conditions, which is for the use of the principal engagement only. So any provision of that information

subsequently would require their permission.

MR SESELJA: I think it is a bit different. Assembly processes are not necessarily bound by commercial conditions. What would be the reason, minister, for not giving us that valuation?

Mr Corbell: I do not see what purpose it would serve. You have asked what the valuation was and you have been advised.

MR SESELJA: But we want to see the methodology. I want to see what kind of assumptions they have made. We could not quite get an answer on what model, so if we could look at it, we would know.

Mr Corbell: The LDA engaged expert, qualified valuers to give advice on what the level of value a site is. The government and the LDA accept that advice. We are not valuers. We rely on their expertise and skills to make their judgment.

MR SESELJA: It was \$27 million out, which is why we are trying to get to the bottom of it.

Mr Corbell: It is pretty easy to get to the bottom of it. Terry Snow wanted the site and was prepared to pay a hell of a lot more money than anyone else was for the site.

MR SESELJA: Why would two developers be prepared to pay three times the market value?

Mr Corbell: Madam Chair, this is not a complex issue. This is not a complex equation despite all the mumbo jumbo Mr Seselja is trying to put around it. The fact is there was extremely heated competition between two developers for the site. They were prepared to pay well over market value because they saw, clearly, some commercial advantage in owning the site. Capital Airport Group, Mr Snow, was the bidder present, finished bidding at \$38 million, and the successful bidder, Austec, bid \$1 million more than that. Why they were prepared to pay such huge amounts of money you will have to ask them, but the government did a valuation. The valuation was done by competent and professional valuers but we took the site to auction. Why did we take the site to auction? We took it to auction because in these circumstances—commercial—generally speaking auction is the best way to achieve the best and highest price for the site. Clearly, going to auction demonstrated in this case the territory did get the best possible returns on its asset.

MR SESELJA: Are you aware of any other examples of commercial auctions where you got three times or more the pre-auction valuation?

Mr Corbell: I am certainly aware of other auctions where we have received more than the anticipated valuation. Whether it is of that magnitude I would have to look.

MR SESELJA: Are you able to provide those valuations to the committee?

Mr Corbell: No. I do not propose to provide those valuations to the committee.

MR SESELJA: Why not?

Mr Corbell: Because they are commercial information used to inform the LDA's marketing of the site and used to inform the LDA's anticipated return of land sold.

MR SESELJA: Surely that is redundant now it is sold?

Mr Corbell: I do not see any need to release the methodologies used by valuers in relation to this or any other site. I do not see what purpose it would serve.

MR PRATT: Surely this committee is confidential enough—at least in closed session, not necessarily in front of a public gallery—to receive that sort of information.

THE CHAIR: Minister, I have been advised that this committee can receive that advice in camera. That is what I have been advised.

MR PRATT: Then the committee would ask for that information to be provided.

MR SMYTH: I so move that the committee receive that advice in camera.

MR PRATT: I second that.

THE CHAIR: The committee would not be able to use that information outside of the committee context.

MR PRATT: No, and we would not want to.

THE CHAIR: We probably need to take a break to discuss this, do you think, minister?

Mr Corbell: I appreciate that that opportunity is available. I would need to take some advice from the LDA. I do not think now is the time. I would need to take some advice from the LDA on the appropriateness of providing that information. I appreciate the offer that is made to receive the evidence in camera. I do not really understand—no good reason has been given—as to why that information needs to be provided. The substantive facts have been made available—what the level of the valuation was, the basis on which the valuation was made and the mechanisms that are standard practice.

MR SMYTH: The basis has not been provided.

Mr Corbell: Those things have been made available to the committee and I fail to see why this additional information is being requested. No reason has been given for it being requested.

MR PRATT: I raise a point of order, chair. This committee is asking various ministers for a whole pile of information on all sorts of things. The committee has not been asked before to justify why it asks for information on notice, and surely this falls into the same category.

MR GENTLEMAN: On the point of order, it appears to me that the questions put by Mr Seselja have been answered very succinctly by the minister and his staff.

MR SESELJA: They might appear to be, but they have not. Why is there anything to hide? There has not been any argument as to what is so sensitive about these documents post sale. It is not like we are in the middle of an auction process. I could understand quite clearly why you would not release that kind of information before, but there seems no commercial reason now why it would not be revealed to the committee.

Mr Corbell: I think Mr Seselja is being somewhat disingenuous. We do know—and the government is aware—that a range of parties, including parties who were unsuccessful in the auction, have indicated that they will seek to oppose this development. There is a very real prospect that they will explore all of their avenues to do that. We know, for example, that the successful bidder, Austec, that runs DFO outlets around the country and who is proposing, subject to approval, to operate such a facility here, is involved in a number of very significant legal disputes with very large companies in Australia such as Westfield and others. The government is aware that there is the real potential for that legal battle to come to the ACT. If it does, it does, and it will be a matter for the courts to determine. But it is disingenuous to say that there is no prospect of further disputation in relation to this site.

MRS DUNNE: That's not what Mr Seselja said.

THE CHAIR: Excuse me, Mrs Dunne.

Mr Corbell: It is quite clear that there is a possibility that will occur, and I think that it is an issue that I as the responsible minister have to have regard to.

MR SESELJA: Chair, if I can respond to that. For a start, potential legal action is irrelevant to what happens in this committee. Secondly, if it were to come to legal action down the track, no doubt these documents would be available under discovery. All we are doing is trying to get to the bottom of government spending, as we always do. We want to see documents. The minister has made no cogent argument against it other than it might not suit his purposes.

Mr Corbell: It would be highly unusual for the government to provide the actual valuation advice. I cannot recall in all of my time in the Assembly an occasion where the actual valuation documents have been requested. Ministers and governments have to have regard to the confidential nature of the advice received by governments and their agencies when it comes to commercial transactions.

MRS DUNNE: It ceased to be confidential once the auction was held.

Mr Corbell: I have to express my reservations with the committee running an investigation parallel to what would clearly be the serious prospect of commercial disputes.

MRS DUNNE: That is taking the sub judice rule to new heights.

Mr Corbell: No, I am not arguing sub judice. I am simply saying that there is—

MR PRATT: I raise a point of order, chair.

Mr Corbell: I am simply saying that the questioning that Mr Seselja has raised this afternoon is very similar to the questioning raised by the commercial opponents of the successful bidder. In fact, many of the questions are almost exactly the same. I would be concerned if this committee were sucked into a commercial dispute between two commercial rivals over this site.

MRS DUNNE: The inquiry is about whether you have done it according to the book.

THE CHAIR: Excuse me, Mrs Dunne. Will you let the minister answer the question?

Mr Corbell: I have been very open and forthright—

MRS DUNNE: He is speaking very slowly and filling up the time.

THE CHAIR: Mrs Dunne, will you please respect the minister and give him an opportunity to answer the question and express his view?

Mr Corbell: I have been very forthright and open in the information that we have provided to the committee today. But the request in relation to the valuation documents is an extraordinary one, and on the face of it, given the context I have just outlined to the committee, I do not see the reason such an exceptional request should be agreed to.

MR PRATT: My point of order in response to the minister's position—and this is a point of principle; I do not know personally the pros and cons of this particular debate—is that on principle alone this committee is a trusted committee of this Assembly. We treat information confidentially. We can take information in camera. Therefore, the committee has the right and the responsibility to ask for information from a minister and to treat that sensitively and confidentially. We should not see that principle betrayed here because, for reasons unknown, the minister is reluctant.

Mr Corbell: Madam chair, if the committee resolved that it wished to receive that evidence in camera, I would seriously consider that request.

MR GENTLEMAN: Madam chair, I suggest that the committee meet in private and discuss this and get expert advice from the committee office.

THE CHAIR: Minister, I heard you say that you wish to seek advice as well.

Mr Corbell: Clearly, I need to get some further advice from the Land Development Agency on the appropriateness of releasing that information.

THE CHAIR: Yes, of course. So I suggest we leave this until you are able to seek some advice and I am able to seek some advice for the committee. I think you will be happy with that.

MR PRATT: Chair, surely it is not necessary to take this information in camera. Surely we are treating this information as we treat all other pieces of information we ask ministers to provide on notice. We would not need to go to that extent, surely?

THE CHAIR: Mr Pratt, I am going to seek advice on that.

MR PRATT: Okay.

MRS DUNNE: The minister has said that there has been no argument as to why this extraordinary request should be complied with. Most of his argument is that it has never been asked for before so it should not be asked for now.

MR PRATT: Yes. So what?

MRS DUNNE: So what? You are quite correct, Mr Pratt. The minister has said that because it has never been asked for before, it cannot be complied with now. This is a valuation document that ceases to have any particular value once the auction has taken place. What Mr Seselja and what the other members of the committee are asking for is an opportunity to ascertain, by reading the documentation, whether all of the matters that have subsequently come to light were before the minds of the valuers at the time. This can be dealt with sensibly. It is not for circulation in the general public. It could be provided in a way that is not for publication. But the idea that the minister would not be prepared to provide this information rather smacks of the experience that we had over the failed auction of housing stage 1, where the minister and his department were not prepared to be open about the outcome.

We have a track record of land agencies under various governments—and previous Liberal governments were no more exempt from this than the current government—making serious mistakes in tendering. They ended up in the courts, and I could rattle off a litany of those if you like. This is one possible occurrence like Harrison stage 1, Yerrabi stage 1 and a whole lot of other things that have ended up costing the territory and members of the public considerable money. A request to peruse the valuation documents that are no longer confidential because the sale has taken place has never happened before but it is in no way extraordinary just because no-one has asked for it before. These are the sorts of things that a committee inquiring into the operation of the budget of an organisation like the LDA is entitled to ask for and should ask for because it is about the scrutiny of that organisation. The fact that the minister has behaved in this way gives me, as a visitor to this committee, the view that there is something to hide.

Mr Corbell: Madam chair, can I just advise the committee of two things. First of all, on what basis do members feel that they can adequately assess the completeness or adequacy of a valuer's methodology?

MR PRATT: You have asked that question 10,000 times, though.

THE CHAIR: Excuse me, can I have a bit of quiet, please?

Mr Corbell: That is the first thing I say: on what basis do members feel that they are in a position to say, yes, this is a good valuation? The valuation figure has been provided.

MRS DUNNE: It is not about the figure. It is what they took into consideration to arrive at the figure.

THE CHAIR: Mrs Dunne!

Mr Corbell: As I say, on what basis do members profess any expertise in knowing what the appropriate methodology is for determining a valuation? The other point I would make is that in relation to the potential impact of the argument of commercial-in-confidence, there are other sites in this estate still to be released. Clearly, a factor that valuers have regard to in determining the release of a site is sales of previous sites. So the documentation, to that extent, is still relevant in relation to the release of other sites.

THE CHAIR: Minister, can I ask a question of clarification here too. What do you think this question has to do with estimates?

Mr Corbell: I have always taken the view as chair of estimates and as a member of estimates—

MR SMYTH: The minister cannot comment on what the intent of the inquiry is.

MRS DUNNE: Let us ask him for an expression of opinion which is beyond the standing orders.

Mr Corbell: I am on your side. My view is that estimates are entitled to raise a wide range of questions about any function of government activity. I do not have difficulty with that in the estimates committee. I do not have an issue with that.

THE CHAIR: I am going to adjourn the meeting now. Obviously, you are going to seek advice, and I am going to seek some advice. Then we will get back to the minister.

Meeting adjourned from 12.29 to 2.08 pm.

Appearances:

Corbell, Mr Simon, Attorney-General, Minister for Police and Emergency Services and
Minister for Planning

ACT Planning and Land Authority

Savery, Mr Neil, Chief Planning Executive

Ekelund, Ms Dorte, Deputy Chief Planning Executive

Meyer, Mr John, Director, Business and Information Services Branch

Johnston, Mr Richard, Director, Leasing and Building Services Branch

Sakkara, Mr Ian, Manager, Corporate Resources

Calnan, Mr Garrick, Policy and Legislation Branch

THE CHAIR: You should understand that these hearings, which are legal proceedings of the Legislative Assembly, are protected by parliamentary privilege. That gives you certain protections but it also places on you certain responsibilities. It means that you are protected from certain legal actions such as being sued for defamation for what you say in this public hearing. It also means that you have a responsibility to tell the committee the truth. The Assembly will treat as a serious matter the giving of false or misleading evidence. I welcome the minister and his departmental officials. Thank you for coming this afternoon. Minister, would you like to make an opening statement?

Mr Corbell: No, thank you, madam chair. I am happy to answer any questions that committee members have.

MR GENTLEMAN: Minister, you know my interest in Tuggeranong and Brindabella. I refer you to page 281 of BP4 and to the \$200,000 allocation for works in Bonython west. Would you inform the committee what works are taking place and how they will impact on the community around Tuggeranong town centre and Bonython?

Mr Corbell: Thank you, Mr Gentleman, for your question. As members would probably recall from this morning, it is proposed to release Bonython west for development this coming financial year. This funding has been made available to facilitate that land release. As a number of pieces of work are involved in this project I will ask Ms Ekelund to give you some more information.

Ms Ekelund: That work is for a feasibility design for the creation of two roundabouts and augmentation of Athllon Drive between those two roundabouts. Essentially, it will improve access for the current Bonython community into Tuggeranong town centre from the south by the creation of a roundabout. Currently there is a T intersection at that location. It will also create a second roundabout, which will allow access into the area we are calling Bonython west, the area to which the minister referred as being on the land release program in the near future—the sales program with the LDA. So this is about allowing access into that new estate and enabling land to be sold, but it will also have the added benefit of improving access for current Bonython residents.

MR GENTLEMAN: Has the feasibility study or the production of a feasibility study taken into account the fact that new government buildings will be built at the back of the town centre?

Ms Ekelund: The money that has been allocated is for the feasibility study for the new infrastructure. It is not a capital bid but it will be a capital bid in the future. The feasibility study will certainly take into account all traffic loadings on Athllon Drive. Our modelling takes into consideration the increased employment that will come from the centre link and the general expansion of Tuggeranong town centre.

MR SMYTH: I have a supplementary question. Where is the second roundabout? The first roundabout is at the intersection of Athllon Drive and which other street?

Ms Ekelund: Barr Smith Avenue.

MR SMYTH: Where is the second roundabout?

Ms Ekelund: The second one is on Athllon Drive, closer to Pine Island. It will be located at the Pine Island access point, improve and formalise access to Pine Island, as well as providing western access to the Bonython west area.

MR SMYTH: When the road and the two roundabouts are built, will there be duplication of the remaining unduplicated bits of Athllon Drive?

Ms Ekelund: This proposal for the feasibility design would include the duplication of the area between those two roundabouts, yes.

MR SESELJA: I have a supplementary question about Bonython west. This morning we asked whether Bonython west would be general residential, but what size blocks are we likely to see there?

Mr Corbell: That will be a matter for the LDA to determine through its estate development plan for Bonython west, which has not yet been undertaken.

DR FOSKEY: The first of ACTPLA's key objectives is for "long-term strategic land use, social and infrastructure planning". What was ACTPLA's involvement in the development of the *Towards 2020: renewing our schools* vision for education? It seems to me that the decision about closing schools et cetera and changing the use of others is a key business activity.

Mr Corbell: ACTPLA was not involved in the budget cabinet process concerning the schools renewal program announced by the government.

DR FOSKEY: If it was not involved is that not a bit problematic? Does the education department have expertise on strategic land use, more so than ACTPLA?

Mr Corbell: Our schools renewal program is fundamentally about renewing existing school infrastructure and rationalising the provision of public education throughout our community to better meet community needs. There are consequences from those decisions, particularly if schools are closed. It is at that point that the planning authority will become involved in doing an assessment about the most suitable use for land that was previously used by schools. But the decisions about where schools are located and the provision of educational services to meet populations in various districts is and always has been the role of the Department of Education and Training.

DR FOSKEY: Initially, the location of schools was very much part of NCDC schema.

Mr Corbell: I cannot answer for decisions taken prior to self-government, Dr Foskey. The point I am making is that the future provision of educational services is the responsibility of the Minister for Education and Training and his department.

DR FOSKEY: I thought there was some involvement from municipal services, so I thought ACTPLA quite naturally would have been involved.

Mr Corbell: It is not ACTPLA's role to advise on whether or not schools open or close.

DR FOSKEY: No, but what about planning? One would have thought the impact of those decisions would have an influence on transport.

MR PRATT: Transportation needs, yes.

DR FOSKEY: Those decisions would impact also on the planning of the shape of suburbs, shops and community centres. ACTPLA is involved in shops and community centres, which are as important in an area as a school.

Mr Corbell: ACTPLA, as a regulatory authority, is involved if shops go through redevelopment. It is involved in broader strategic exercises such as neighbourhood planning but it is not responsible for decisions about the provision of school services. It is responsible for decisions about land use but not about the provision of services. The provision of services is the responsibility of the Minister for Education and Training and the department. Essentially, the *Towards 2020: renewing our schools* document and strategy are about service provision, not about land use.

MR GENTLEMAN: Minister, while we are on page 271 of BP4, a little further down that page are the strategic and operational issues to be pursued in 2006-07. It states that ACTPLA will be "participating in the development of new body corporate legislation". Could you expand on that initiative for the committee?

Mr Corbell: Yes, thank you, Mr Gentleman. The existing body corporate legislation, or the unit titles legislation, is causing increasing concern for a range of people in our community. With the increase in the number of apartments and unit-type development occurring in our city, more and more Canberrans are choosing to live in that type of accommodation, or that type of dwelling. This brings with it new challenges around how disputes are resolved between unit holders in a unit's plan, how decisions about renewing or adding to existing units or apartment complexes should be approved, and avenues for redress if there are disputes and so on.

As planning minister—I know this applied to the Chief Minister when he was Attorney-General—I receive a constant level of inquiry and, all too often, complaints about difficulties with existing unit titles legislation being able adequately to resolve disputes, and being able adequately to manage the interests of all parties. Given the significant increase in the amount of unit-type development in the city, I agreed—when Mr Stanhope was Attorney-General he also agreed—that there needed to be a review of that legislation.

Now that I am Minister for Planning and Attorney-General, I have carriage of that work. I am pleased that the authority has found the resources to commence the review of this legislation. That will be done in conjunction with the Department of Justice and Community Safety. It will be an important opportunity to try to resolve some of the problems that exist in our unit titles legislation at the moment, in particular, when parties are deadlocked and other matters such as that are causing an increasing level of concern.

DR FOSKEY: I wish to ask some more questions about ACTPLA's key objectives. The second key business objective is "reviewing and implementing the territory plan and supporting planning instruments and guidelines". Where do mandatory sustainability benchmarks fit into that, such as BASIX, or something similar for residential, and the green star rating system for commercial buildings?

Mr Corbell: I will ask Mr Savery, chief planning executive, to answer your question.

Mr Savery: At the moment we are rationalising the location of some of those sustainability provisions within the territory plan into the appendix to the Building Act so there is a clear delineation between what is called up under the building code of Australia and what may arise through any guidelines or policy documents that the government prepares.

As I think you are all aware, the government made the decision not too long ago to defer the implementation of BASIX and, at this stage, to concentrate on the implementation of the five-star residential and commercial building components of the building code of Australia, which are to come into effect on 1 July this coming financial year. They will appear in the appendix to the building code of Australia and we will withdraw four-star energy efficiency rating out of the territory plan as a consequential change.

At the moment we are in the process of consulting on things like water sensitive urban design guidelines. If they were to be adopted by government and by the authority, they would appear in the planning scheme, or the territory plan, because that is the appropriate place for them to belong. You also mentioned green star. At this stage, the Green Building Council—which you might appreciate has proprietary rights to green star; it was its product—advised national governments that it does not support any regulation of the green star tool.

As a result of that and a range of other matters, I am currently working as the chair of the sustainability working group for the Australian Building Codes Board to coordinate a national effort to properly identify where performance measures for sustainability matters belong in building codes and planning systems across Australia and how best to regulate, if that is the right terminology, any sustainability tool, whether it is BASIX, green star, or Leadership in Energy and Environmental Design, or LEED. About 17 or so sustainability tools do different things nationally.

DR FOSKEY: I will have to read that in the transcript, Neil, but thank you for your answer. I will not ask you to repeat it. Are we sticking with objectives or are we moving on?

THE CHAIR: I have a question. On page 272 of BP4, under the heading "Strategic

Indicators” the last dot point states “complete the evaluation of the Garden City provisions”. What progress have you made with that evaluation?

Mr Corbell: I will give a broad outline and then ask Mr Savery or others to give you more detail. The background to this is that with the introduction of variation 200 to the territory plan the government made a commitment that, after two years of operation, the effectiveness of provisions would be reviewed or evaluated and any issues arising out of them. That evaluation commenced earlier this financial year. I think the authority has called for submissions.

Mr Savery: Not yet. We have not gone public yet.

Mr Corbell: Not yet. The authority will be calling for submissions on this. At the moment some in-house work is being done on the evaluations of those provisions of variation 200 to the territory plan. I will ask Mr Savery to give you some more detail.

Mr Savery: Thank you, minister. Essentially, for the last six months we have been undertaking an analysis of developments that have proceeded subsequent to the introduction of the garden city provisions to compare what has happened on the ground with what was intended by the policy. As a consequence of receiving submissions over the course of the last two years from members of the public or people who feel they have been affected by these provisions, and after monitoring decisions of the AAT, we have now compiled a list of those things we think can assist in refining the policy document.

It is not our intention to reconsider the policy; it is our intention to refine it and improve it, where possible. More recently we have been consulting with key industry groups on those issues so we can put the final package together to go out as a discussion paper for consultation within the community. When we do that we want to try to channel our effort through community councils, so we have also been speaking to the community councils. We have used the minister’s planning and development forum, which is composed of all key interest groups.

DR FOSKEY: Was.

Mr Savery: No, the planning and development forum.

Mr Corbell: It still exists.

Mr Savery: The minister’s planning and development forum still exists. That forum has industry representatives, community councils, the conservation council, the Australian Conservation Foundation et cetera. They have been progressing this with us and they have been giving us advice on how best to table this piece of work when we go out to community consultation.

Mr Corbell: I stress that the planning and development forum is a non-statutory advisory body that I established about 2½ years ago. As Mr Savery said, it contains representatives from all community councils, the conservation council, the Australian Conservation Foundation and industry and professional bodies. It serves as a point of reference for the authority and for me. It is not the planning and land council, which might be what you are confusing it with.

DR FOSKEY: Yes, I am. Can I ask a corollary to that? This has taken a fair while, has it not? The evaluation was to have been conducted two years after its introduction.

Mr Corbell: It was to have been commenced two years after its introduction, and it was.

DR FOSKEY: That was the middle of last year?

Mr Corbell: Yes.

DR FOSKEY: As part of this evaluation are you looking into the impact of the increased footprint, given that larger buildings, between 35 per cent to 50 per cent, have been allowed on the blocks, the impact of that on suburban amenities and the social impact of the new regulations?

Mr Savery: We are certainly looking at issues like plot ratios, setbacks and heights adjacent to boundaries, but that is in the context of multiple dwelling developments. I think people also understand that the current trend in single residential development is for large-scale buildings, which in some cases can mimic the scale of, say, dual occupancies on a site. Those types of developments were not the subject of the garden city provisions so they do not automatically come under this.

What I say in relation to that, however, is that, with the structure of the new territory plan as part of the planning system reform project, we are reviewing the housing code in general. We are also reviewing subdivision guidelines so we can address the single residential dwelling and the size of those dwellings on small allotments.

MR GENTLEMAN: Minister, while we are still on reforms—

THE CHAIR: Dr Foskey has one more question.

DR FOSKEY: I have questions about reform but I also have a final question about the garden city. In some suburbs the idea of poor areas being allowed to develop more intensively seems to have led to the replacement of shops and facilities with home units. I do not suppose that was the intention of the variation.

Mr Corbell: Local shopping centres are not residential land-use policy and are not affected by the provisions of variation 200. Variation 200 introduces new controls for residential land use policy. Local centres and local shops are covered by commercial land use policy. The provisions relating to commercial land use policy have not changed since well before this government came to office.

DR FOSKEY: Yet a number of shopping centres have been replaced with home units.

Mr Corbell: A number of shopping centres have seen redevelopment occur. They are under the provisions of the territory plan that were approved during the period of the former Liberal government—in the early days of the Carnell government in 1996-97. A variation to the territory plan permitted residential development in local centres as well as commercial retail uses. Those provisions said—I do not have the exact detail but essentially this is their intent—that you can include residential uses in a local centre but

you must maintain the retail uses unless you can demonstrate that the centre is no longer viable.

Associated with that, the government of the day, the Carnell government, put in place a policy that permitted 100 per cent remission of change of use charge to convert from retail to residential use. But again that was subject to the viability test. Recently I revoked that remission so the change of use charge at the standard applicable rate is now applicable to any redevelopment of a local centre. But existing provisions in the territory plan that state you can put a component of residential development in a local centre still stand.

The viability provision, which relates to the scale of redevelopment, is also still there. I think you can redevelop over 50 per cent of a centre if you can demonstrate problems with viability. Essentially, that is a summary of the existing policy. The point I want to make is that that is a different land use policy to the core areas and suburban land use policies that exist as a result of variation 200.

MR GENTLEMAN: Earlier Mr Savery touched on some of the new planning reforms. Could you expand on the impacts of those new reforms and then tell us about industry reaction to them?

Mr Corbell: Sure. The planning system reform project is now extremely well advanced. In the coming weeks I will release draft legislation for the new planning and development bill. This bill is a complete rewrite of our planning legislation and it is proposed to replace the Land (Planning and Environment) Act and the Planning and Land Act, which currently set out the governance and administrative arrangements for development assessment, the territory plan, the planning authority and all those other matters.

This is a major reform. Key elements of the reform include streamlining the development and assessment process so that proper and detailed scrutiny and investigation of complex issues are accorded to those more complex development applications but, at the same time, removing them from those more routine and standard development applications that currently are also subject to the same level of investigation and assessment.

We have a planning system in the ACT where relatively straightforward development proposals and very complex ones are treated in the same way. Essentially, with this new legislation we are saying that the complex ones will be treated with a much greater level of detail, investigation and analysis, and the more straightforward ones will not. That is consistent with the approach recommended in the national best practice system for development assessment, the development assessment forum model, or the DAF model, as it is known.

We will be the first jurisdiction in the country to introduce the complete national best practice model. That will mean, for example, that developments in standard homes in new suburban areas will no longer require development approval. We anticipate that, as a result of these reforms, approximately 1,500 development applications every year will no longer need to be lodged. That really is a major benefit in time and costs for homebuilders, new homeowners, and mums and dads doing basic work on their homes and properties.

There will also be changes to environmental impact assessments. We will have a properly gradated range of assessment, depending on the complexity of a proposal. Through this legislation we will be introducing new development assessment tracks that will specify the sorts of things that are needed in order to get approval. For example, there will be an assessment track where approval is exempt, so you do not need approval. There will be a code track, so if you build to code it will be a very straightforward process. In those circumstances, as long as you build to codes that are set out in the territory plan, there is no third party appeal or third party review of those decisions.

There will be merit assessable tracks and impact assessable tracks. Those tracks will state that a development proposal is outside the code but it still has merit. It will be subject to assessment in a slightly different way and at a slightly higher level of scrutiny. The impact assessable track will be for those developments that should be subject to the highest level of scrutiny and impact assessment. So we will have five clear development tracks. The other one that I have not mentioned is the prohibited track where development is simply not permitted.

DR FOSKEY: Is it a pretty short track?

Mr Corbell: It is a very short track. Basically it says that you cannot do it. So those are the five development tracks. On top of that there will be changes to the way in which we carry out these development and environmental impact assessments. The territory plan will be rationalised. We will be reducing the number of land use policies that currently exist. We will be doing simple things, such as changing terminology. So instead of referring to land use policy we will refer to zone, because everyone knows what that means.

That is the standard terminology that is used around the rest of the country. When we refer to land use policy everyone asks, "What is that?" We then say, "That is the zoning," and they say, "Okay, we know what that means." So we will be introducing simple things such as that and we will also be making changes to the way in which leases are administered, in particular new leases. We will be proposing to issue leases with the broadest possible range of uses rather than, as a matter of course, issuing leases with very specific uses which then have to be revisited every five to 10 years if someone wants to add another 100 square metres, put a café into a commercial building, or whatever it might be. So those sorts of reforms are also taking place.

In answer to the second part of your question, it is a big package but one that has been well received by many people who have been involved in this process. Support from industry and professional groups is strong, as is support from environmental groups for the environmental impact assessment elements of it. They welcome the much clearer language and more specific objectives of environmental impact assessment. Community and business organisations welcome the moves to provide greater clarity and certainty but still raise some concerns about the loss of third party appeal rights for certain types of development. Overall, I think everyone acknowledges that the package is a major step forward, a major reform that provides clarity and certainty for all parties.

MR GENTLEMAN: I think you touched on my next question: what effect will there be on appeals?

Mr Corbell: In relation to appeals, third party appeals will be limited to certain circumstances as they are now, but they will no longer exist for certain types of development. If, for example, you are building something that is code accessible—that is, building to quantitative measures that exist in the code for, say, a particular type of development in a residential area—that type of development will no longer be subject to third party appeal because you have built to code.

However, if you are proposing to build something that would be assessed in the merit assessment track, or the impact assessment track, virtually everything is open to third party appeal. In the merit assessment track in some circumstances cases will be open to third party appeal, but in the code assessable or exempt assessable tracks the government is proposing no third party appeal in that regard.

The reason for that is that if you are building something according to the rules that have been set out and agreed to by the Assembly in the territory plan, it should be a pretty straightforward exercise. But if you want to push the boundaries and you want to do something that is a little outside the rules—and that is the wrong way to put it—or it is not covered by quantitative measures and is more subjective in its assessment, the opportunities for third party appeals gradually increase.

DR FOSKEY: If it is all done through a code and so on—I am not sure of the mechanics of that but I assume there would still be a paper application or people would have to go through the internet—how can we be sure that people will build what was initially approved? I have been told by a number of constituents that certain things were approved but that something else was built, or there was a bit of a quibble about boundaries and stuff like that. Without the development approval process how will we ensure that we get what we approved?

Mr Corbell: In circumstances where no development approval is required a building approval is still required for the physical works to ensure it complies with the building code and so on. It will be the responsibility of building surveyors when they certify the building, as they do—

DR FOSKEY: And that is a private individual contracted by the person who is building?

Mr Corbell: Contracted by the person for whom the building is being built. In those circumstances, as is the case now, the building certifier has to certify that the building is compliant with the code. When a building certifier fails to do that—and there is an instance of that at the moment which is being pursued by the authority in Hall—both the developer and the building surveyor are liable for that. The planning authority can take disciplinary action against certifiers, and it does.

DR FOSKEY: Is there a random check to ensure that the person who is paying does not capture the certifier?

Mr Corbell: ACTPLA carries out an audit of certifiers work.

DR FOSKEY: Is it a question of “watch this space”?

Mr Corbell: It is a 20 per cent audit.

DR FOSKEY: We have not yet moved into this form of management.

Mr Savery: This type of arrangement already exists to some extent. There are already exempt developments that require only building certification. In those processes we are already involved in this sort of operation. Under the code track, as discussed by the minister, the development application still gets lodged, processed and stamped.

DR FOSKEY: Is this all electronic?

Mr Savery: I will come back to the electronic issue, if I can. The building certifier is obliged to ensure that the building approval is in accordance with the plans that were approved under the development assessment. If we do not pick it up in audit and it becomes a problem on site down the track we will take action, as the minister indicated, in relation possibly to both the builder and the building certifier to ensure compliance. I cannot guarantee that in all circumstances every building that is constructed in the ACT is identical to what was on the development approval plan. I am sure that is not the case. But that would be true also of any jurisdiction, irrespective of private certification.

On the lodgment side, I indicated to this forum in the past that we are at the forefront of electronic lodgment systems. It would be our expectation, as a result of having received funding from the commonwealth government, under its regulatory reduction incentive fund, to the tune of \$2.4 million, that we will be developing electronic lodgment systems that will enable code assessable applications and merit assessable applications to be lodged and processed electronically other than during the public notification processes, which have to be available in hard copy as well as electronic copy. Essentially, the technology is available for the planning system to receive applications, process them and approve them electronically. In fact, that is how BASIX operates. It never leaves the electronic system.

DR FOSKEY: There are issues in New South Wales concerning BASIX and how it works, but we do not have that yet so we will not discuss it. I have one other question about the \$1 million savings through planning reform. How will that be achieved?

Mr Corbell: There is a reduction in the level of development application fees collected. A whole range of development applications will no longer need development applications.

DR FOSKEY: How will that be expressed, in staff reductions?

Mr Corbell: No, it is just revenue not collected.

DR FOSKEY: So it is revenue?

Mr Corbell: It is revenue.

DR FOSKEY: It is not savings; it is actually a loss.

Mr Corbell: It is revenue not collected, which is a saving to the community. It is a level

of fees paid to the ACT Planning and Land Authority that no longer need to be paid because approval is no longer required for a certain range of development.

MR SMYTH: Minister, on page 273 of BP4 I notice that your budget for estimated outcome increases from \$47.5 million to \$60 million. At first glance that appears to be a fairly sizeable increase in funding. However, the actual budget for 2005-06 was meant to be \$58 million. How do you explain spending only 80 per cent of your budget?

Mr Corbell: I think you are reading those figures incorrectly.

MR SMYTH: Where am I incorrect?

DR FOSKEY: Would you explain it to me too?

THE CHAIR: Order! Members are not here to converse with one another; they are here to converse with the minister.

Mr Corbell: Despite his retirement, Mr Sakkara has kindly agreed to assist the authority with budget estimates this year. I thank him for it.

Mr Sakkara: As to the \$60 million and the \$47 million that you are looking at, part of that expenditure relates to the transfer of capital works to the Department of Territories and Municipal Services, so that number on its own varies significantly year on year. You will notice that the estimated outcome for 2005-06 for that transfer is \$10.6 million, which is disclosed on page 283 in the detailed operating statement, but for 2006-07 that figure increases to \$20.1 million and hence the increase in the actual expenditure line. It does not actually give the authority any greater expenditure level. It is just a book entry for the transfer of the capital works projects.

MR SMYTH: That is interesting. How do you explain, then, the second dot point on page 288, which says that the decrease of \$10.383 million in the 2005-06 estimated outcome from the original budget is due to delays in completing and transferring completed capital works?

Mr Sakkara: The original budget was in the order of—

MR SMYTH: It was \$58,033,000, as per page 208 of last year's BP4.

Mr Sakkara: Yes. The level at which the capital works were completed was \$10 million-plus less than the original budget and hence the actual expenditure for 2005-06 was reduced from \$58 million to \$47 million.

MR SMYTH: Correct.

Mr Sakkara: But those projects are now held in work in progress in our balance sheet and will be actually transferred during 2006-07 and hence the expenditure for that year is greater by the tune of that transfer than otherwise it would have been.

MR SMYTH: How come we failed to complete \$10.3 million worth of capital works and transfer them, noting the interesting language used—"the delays in completing and

transferring completed capital works"? If they have not been completed, they cannot be transferred as completed.

Mr Corbell: There are two significant elements that make up this money, I am advised. The first is the work associated with the Childers Street upgrade. The second is associated with the Cohen Street extension work to facilitate new public transport arrangements at Belconnen. Both of those projects have proved to be very complex. Childers Street in particular involved a large level of work to resolve, to the level of detail necessary, being able to let tenders, but those tenders have now been let for Childers Street. As members would be aware, Childers Street is now closed while that work is being undertaken. In relation to Cohen Street, that work is tied up with the private sector involvement in the extension of retail facilities at the Belconnen town centre and the private sector involvement in the delivery of public transport infrastructure. That funding has been retained by the authority but is on hold so that it can be delivered concurrently with the private sector work that will occur.

MR SMYTH: If we are having such difficulty in completing such a large volume of work, how will a reduction of 31 staff facilitate ACTPLA meeting its obligations?

Mr Corbell: These delays are not contingent on staff resources; there are other factors.

MR SMYTH: Of the 31 staff, how many are going to the shared services and how many are being shed?

Mr Corbell: In addition to those 31 staff, seven staff will be transferred to shared services.

MR SMYTH: So you are losing 10 per cent of the staff and then an additional seven to shared services.

Mr Corbell: That is correct.

MR SMYTH: Shouldn't the number be 291 at the end, the head count number on page 272? According to this chart, you are losing 31 staff, 329 to 298, so you are actually losing 31 staff and then a further seven staff.

Mr Sakkara: I can answer that question for the minister. The 329 staff in the estimated outcome for 2005-06 already include a significant number of vacant positions that were unfilled as at 30 June, so there has been already a saving on the 2005-06 budget.

MR SMYTH: Sorry, will be vacant this 30 June or were vacant last 30 June?

Mr Sakkara: They already are vacant now, currently, as at 30 June. In fact, that is an estimated outcome for this current year as opposed to the number that we are including in our budget for 2005-06.

MR SMYTH: How many were in the budget for 2005-06?

Mr Sakkara: There are somewhere between 10 and 15 at the moment that are vacant positions that were in the budget but are currently unfilled; so it is 339, roughly.

MR SMYTH: So that it is actually going to drop by 41 staff and then a further seven staff to the shared services.

Mr Sakkara: No, the 41 in that case includes the seven for shared services.

Mr Corbell: It includes the seven, Mr Smyth.

MR SESELJA: Where are those staff going to be shed? I know that there are concerns in industry, but it wouldn't be around planning system reform and particularly around anything that would slow down complex development applications. Are you able to give us a breakdown?

Mr Corbell: Whilst there is still some uncertainty around the final outcome, in my discussions with Mr Savery as we have worked through the implementation of this savings measure we have had very close regard to the need to ensure that key statutory functions are not affected, such as development assessment, but there is a range of other important functions that also need to be had regard to. So, in summary, the analysis at this stage would suggest that there will be 10 staff in client services, 16 staff in planning services and 11 staff in development services. In addition, there are nine staff to be transferred, seven to the shared services arrangements and two as a result of land rent responsibilities transferring to the Department of Territory and Municipal Services.

MR SMYTH: Are the 10 that are going from client services to come off the front desk? Where will they come from?

Mr Corbell: I will ask Mr Savery to answer that question.

Mr Savery: If I could just reinforce what the minister has said, that is, that we have done our utmost to try to protect our statutory areas, those things that we are legislated to do, so that we have examined things like the ACT land information centre to see if there are ways in which we can rationalise the provision of those services with fewer staff, and certainly there are some numbers coming from there. We have also looked at our customer service people. So, if you are regarding those as front line, certainly we believe that we can provide those services in a different way without a significant impact on the way in which we provide our customer services.

That enables us mainly to be able to continue with relatively little effect on leasing, compliance and statutory development assessment functions in the development services area. Obviously, with regard to the 16 staff from planning services, that will have an effect on the amount of policy work we can do at any one point in time. That is a matter that I have obviously discussed at length with the minister. It does not mean that we won't do policy, but the amount and the timeliness within which we do that will alter.

MR SMYTH: Between the customer services area and ACTLIC you are going to lose 10. How many actually work in ACTLIC at this stage and how many work in customer services?

Mr Savery: I ask Mr Meyer to respond to that.

Mr Meyer: The break-up is approximately four staff from customer services. Most of those staff are in the area of processing building application documents and so forth, much of which has been committed to electronic means, so that gives us the opportunity to streamline those services. In terms of the land information centre, the balance would be made up there, including a rationalisation of the proposal to rationalise the commissioner's role as well as a number of the GIS processing staff.

MR SMYTH: How many currently work in ACTLIC?

Mr Meyer: There are 23 staff in total in ACTLIC.

MR SMYTH: So you are going to lose about a quarter of them. How many currently work in customer services?

Mr Meyer: Thirty in total.

MR SMYTH: How many work in planning services at this stage? You are losing 16 out of planning services; 16 out of how many?

Mr Savery: There are about 60 people in planning services.

MR SMYTH: And in development services?

Mr Savery: Roughly 120.

MR SMYTH: Minister, are you happy that you will be able to meet all your outputs and your key indicators with these reductions in staff in these areas?

Mr Corbell: That is the government's expectation.

MR SMYTH: Yes, it is your expectation, but will you be able to do it?

Mr Corbell: Responsibility for meeting those outcomes rests with Mr Savery and his team. I have every confidence that they will do their utmost to do that.

MR SESELJA: We might pass the question on to Mr Savery. Are you confident you can do everything asked of you?

Mr Savery: I am confident on the basis of a range of other matters that we have incorporated into our implementation plan, which include the acquisition of some software packages that will sit on the regulatory reduction incentive fund software platform that we are developing, electronic means of lodgment, those sorts of things; a rationalisation, as I indicated, of some of the policy work that we are doing so that we obviously will have to reprioritise where that work is occurring; and we have restructured the organisation to ensure that the front-line areas are capable of meeting those requirements. We have also sought a modest reduction in output measures to reflect some of those changes.

MR SMYTH: In fact, you have downgraded them. I refer to the 2005-06 budget targets for single-dwelling applications assessed within the statutory time frame. The target for

2004-05 was 90 per cent and the outcome for 2004-05 was 90 per cent. The target for 2005-06 is 90 per cent and the estimated outcome for 2005-06 is 85 per cent. In fact, minister, you are about to provide less service to the people of Canberra and it is going to take longer to get applications through ACTPLA.

Mr Corbell: No, I don't agree with that assessment. This reflects the fact that the overwhelming majority of development applications for single dwellings are assessed within the statutory time frame but there is a range of reasons why some applications are not able to be assessed within the statutory time frame, not all of which are within the control of the Planning and Land Authority. I think the estimated outcome for 2005-06 reflects that.

MR SMYTH: Why have you dropped the target? Why isn't the target staying at 90 per cent? Why are you dropping it to 85?

Mr Savery: Our tracking of this over the last year indicates that it is a pretty tough ask to meet the 90 per cent. We have actually achieved that figure, but we haven't been able to average it. We expect that the end-of-year figure is going to be between 85 and 90 per cent.

MR SMYTH: But the reduction in staff will make it much harder to make 90 per cent, won't it?

Mr Savery: Seriously, I think we can meet the targets because there are no development assessment staff being reduced in this, there is not one less development assessment staff, there is not one less leasing person and there is not one less compliance person. There is a range of factors that have led us to seek a reduction in the output target, but I have certainly flagged to the minister—that is not necessarily for the minister to agree with—that I think there needs to be some buttressing there in case the staff reductions have some impact. That is my position to the minister.

MR SMYTH: It sounds like you are having two bob each way.

Mr Savery: I am saying that it is not based purely on those issues. We haven't been able to achieve the 90 per cent figure consistently across 12 months. I have certainly ensured through the implementation plan that we have maintained staff numbers in the same areas, but there may be other factors outside our control, such as the referral processes, which we have known for some time now impact on our ability to achieve our performance target. It might be that there will be changes that impact through the budget process on other parts of government that will affect their referral capacity. Nonetheless, I would also say that, through the planning system reform project, one of the things that the minister proposes to introduce is a statutory time frame for referral authorities to respond, but that won't be effective until the bill is passed by the Assembly.

MR SESELJA: Chair, I want to ask a couple of supplementary questions on the planning system reform project. The first one might be easily explained. I refer to page 279 of budget paper 4 in relation to planning system reform. I think \$290,000 was budgeted for and the estimated outcome was zero and then it was budgeted at \$585,000. Is there something I am missing there or was no money spent on planning system reform in this financial year?

Mr Corbell: Are you asking about why there is no figure in the previous year?

MR SESELJA: That is right.

Mr Corbell: That is a good question. I will ask Mr Sakkara.

Mr Sakkara: This table summarises changes to the 2005-06 budget and any amendments that have been made to the GPO that are funded. There was an amount of \$290,000 included in the 2005-06 budget which is incorporated in that \$33,839, so it is not specifically shown as amendment to the previous budget. It was already agreed to.

MR SESELJA: Just on that, you talked about the legislation coming in soon. I understand that initially the target was for February and I think that it was put back to March or April. What is the current target and what has been the reason for the delay in the legislation being produced?

Mr Corbell: I think I can say now very confidently that the legislation will be released before the end of July as a draft for public comment. We are proposing to conduct an eight-week public comment process.

MR SESELJA: Is that shorter than was initially envisaged?

Mr Corbell: No, it is the same period of time and it complies with the government's consultation protocols. I also envisage asking the planning and environment committee to conduct an inquiry into the legislation through a reference from the Assembly. The reasons for the delay are that this piece of legislation doesn't just deal with the functions and activities of the Planning and Land Authority. It also deals with the functions and activities of a range of other government agencies, the referral agencies. I am not blaming those agencies. I am simply saying that there is a level of consultation and negotiation that has to occur across government.

It is not just about ACTPLA working out how its systems work. It is also about ACTPLA working out how its systems work and other departments working out how their systems work—environment, heritage and territory and municipal services in particular. Those agencies have been involved in a very lengthy and detailed discussion about how the new referral regime will work, how the new territory plan will work, how codes will work and so on. We are now at a sufficient level of detail and understanding that the draft legislation, which is up to its twentieth-something draft, is at a sufficient level of detail and clarity to be released for public comment. It is not the final draft by any means, but it is at a significantly well-advanced stage for people to be very clear about what is being proposed and to put that forward.

Mr Savery also makes the point that I did establish an expert reference group to provide advice both to me and to the project team in ACTPLA on the legislation. They have met on a frequent number of occasions and they comprise representatives of industry, community organisations and professional bodies. They are there to give some input on the detail and technical aspects of the legislation. That has proven to be very helpful. Sorry, I think I said community organisation and I shouldn't have, because it is with professional and industry groups mostly.

Mr Savery: No, community groups are represented.

Mr Corbell: My apologies. Community organisations are represented. We were anticipating the release in April-May of this legislation and they said to me, “Look, we don’t think it is ready to go out. You need to take some more time with your drafting.” We did that. I think they are satisfied and I am certainly satisfied that this legislation is ready to be out there for the public to look at and make their comment on.

MR SESELJA: Will you be looking at getting it through the Assembly early next year? Would that be the indicative time frame?

Mr Corbell: Given the period of time that will have been involved in public comment on this legislation and the principles behind it—remember, this is now the third round of public comment in this process—the government’s proposal is to introduce the legislation in November and pass it the following month or debate it the following month.

DR FOSKEY: Sorry, the draft legislation will be tabled—

Mr Corbell: No, the draft legislation will be released in July. As I have just said to Mr Seselja, I propose to release the draft bill in July for an 8-week public comment period. At the same time I am going to move in the Assembly that a reference be given to the planning and environment committee.

MRS DUNNE: We can’t do that in July.

Mr Corbell: At the earliest possible opportunity, to inquire into and report on the legislation. The government wants to introduce the legislation in November and we are keen to see it debated in December.

MR PRATT: As to the 2006-07 priorities, looking at page 272, the strategic initiatives include continuing the implementation of the Canberra spatial plan, including the projects concerning the Molonglo study and the east lake area. I cannot see anywhere in there reference to the Yarralumla brickworks. Do you have a plan for that?

Mr Corbell: The Yarralumla brickworks is not a residential area, Mr Pratt.

MR PRATT: It is in a residential area or on the edge of one.

Mr Corbell: If you are suggesting that we should demolish it for residential development—

MR PRATT: No, for the record, I would not be implementing that.

Mr Corbell: I am pleased to hear that, because neither is the government. There is actually available on the authority’s web site a planning document on how the brickworks site and its surrounds should be managed and opportunities for some minor development around the margins of the brickworks site. That planning study has been publicly available since October last year, at least the last six months. That planning

study will be submitted to cabinet in the coming months for cabinet to make a decision on whether or not it endorses it and what steps flow from it. That planning study was developed in conjunction with the Yarralumla Residents Association.

MR PRATT: Okay. Last year, we had a clear falling through the cracks of management and responsibility for that site. The hazard reduction programs were neglected and vandalism of the site was ongoing. Where do we stand now? Who primarily now has site management control of the brickworks? Is there still a shared responsibility?

Mr Corbell: As far as I can recall, ACTPLA has never actually had responsibility for the management of this land. When I first became minister, as I recall, the land group had responsibility for the management of the land but, with the cessation of the land group and the creation of the Land Development Agency way back in 2002, responsibility for the brickworks was transferred to Environment ACT. I think that subsequently urban services has taken responsibility for it, but at no point has ACTPLA been responsible for the land management of that piece of land. ACTPLA has a role in determining a future use in terms of planning controls, but that does not mean that it has responsibility for land management. In fact, as Mr Savery says, for as long as he has been the chief planning executive it hasn't.

MR GENTLEMAN: My question is close to Mr Pratt's earlier mention of strategic initiatives and the Molonglo study. Mr Smyth raised strategic indicators. The Molonglo is also mentioned there. Minister, can you expand on the linking of the Molonglo Valley with the rest of Canberra statement in relation to budget funding?

Mr Corbell: Yes. There is funding in the budget for investigation of transport links between the Molonglo Valley and the rest of the city. I will ask Ms Ekelund to expand on what that work is going to entail.

Ms Ekelund: As everyone would be aware, we have been undertaking a significant amount of work in the Molonglo Valley, developing up a structure plan for the valley, and we have undertaken some preliminary work on the transport strategy. This piece of work is a more detailed piece of work on the feasibility of the access links. The current work on the structure plan indicates that the Molonglo Valley would be connected to the north, to Belconnen, through Coulter and Bindubi and, of course, onto William Hovell Drive, and that it would be linked to the south through the Cotter. Also, the current structure planning is indicating a link underneath the parkway onto Scrivener Dam so that there would be a link also into the south of Canberra in that way. So the development of Molonglo would, in fact, create a strong additional north-south link between Belconnen and Woden-Weston Creek.

MRS DUNNE: So through Dairy Farmers Hill.

Ms Ekelund: No, it would be west of Dairy Farmers Hill. Essentially, the Dairy Farmers Hill area is the eastern extremity of the study area and certainly the face of Dairy Farmers Hill eastward is earmarked for the arboretum. So essentially it would create transport links and public transport links that would have a secondary north-south link as well as the parkway and the timing of the Molonglo area is such that, with the populations gradually declining now in both Woden and Tuggeranong, the development of the Molonglo Valley would actually pick up spare capacity which is going to start

emerging in the parkway.

It is, in fact, an efficient use of that infrastructure, because both the Tuggeranong and the Woden populations are starting to decline, so it won't actually create an unacceptable burden or a need, in fact, to augment the parkway that is parallel to the Molonglo Valley. Of course, in terms of linking the Molonglo Valley to the rest of the city, the eastern portion of the Molonglo Valley is only about 7½ kilometres from Woden, Belconnen and the CBD of Canberra, so it will actually provide a very accessible location to access employment opportunities and regional social facilities, but it is also planned to have a regional centre, a fairly large group centre, and at least one sizeable local centre in the Molonglo Valley, in the eastern part.

MR GENTLEMAN: What is the time line for the development?

Ms Ekelund: The work in the budget in terms of a feasibility study will inform future capital bids and we would anticipate capital bids for not only the roads and hydraulic infrastructure to be proceeding. We believe we are in a fairly strong position to start development in the southern part of Molonglo, an area we call Weston broadacre, probably in about 2008-09, subject to proceeding with the statutory planning processes. We are currently finalising a structure plan and also a preliminary environmental assessment to support a territory plan variation and we have been given endorsement by the National Capital Authority that they are happy to proceed with an amendment to the National Capital Plan concurrently. We hope to go out with that statutory process later this calendar year, subject to the National Capital Authority also having completed their work on a draft amendment. So, with that proceeding and some capital works, particularly in terms of a water quality control pond on Weston Creek in what we are calling the Weston broadacre area, which is immediately north of Weston and Holder, we would be able to move into that area quite quickly before any significant other investment in infrastructure whilst we continued to do detailed design of the road and also other water quality control infrastructure in that area.

MR SMYTH: Coming back to the access to Woden, a road under the parkway to connect with, I take it, Lady Denman Drive.

Ms Ekelund: Scrivener.

MR SMYTH: It will connect with Scrivener Dam.

Ms Ekelund: Yes. It will be onto Lady Denman, but quite close to Scrivener Dam.

MR SESELJA: It will also link onto the parkway, I assume.

Ms Ekelund: No.

MR SMYTH: How would that affect the future expansion of the zoo? Where would the road be relative to the current zoo boundary?

Ms Ekelund: We have had preliminary conversations with the zoo about where that east-west link would be. In early conversations we had indicated that we may need to have an access across the area of proposed expansion of the zoo. Now that we have

actually undertaken more work, we don't believe that is going to be necessary and that the road would connect onto Lady Denman and the Scrivener north of the zoo site, so it wouldn't actually impact on the zoo site.

MR SMYTH: So you would come under the parkway, do a left and scoot around the edge of the zoo.

Ms Ekelund: You would go right, so it would be north of the zoo.

MRS DUNNE: Are you coming around the southern flank of Dairy Farmers Hill?

MR SMYTH: No, you will come under the parkway to get to Scrivener Dam.

MR PRATT: Heading east.

Mr Savery: Chair, I know that members might want the answer now, but there are publicly available plans that are quite well advanced—they were part of our public consultation process—that illustrate all of these connection points and that might assist you. We can forward those to you.

MR SMYTH: Yes, that would be good, thank you.

DR FOSKEY: You are probably aware, minister and Ms Ekelund, that there have been some concerns raised by environmental groups about the impact of the Molonglo development on the river. I would like you to expand on how we can maintain water quality and other aspects. Also, you would be aware that there is concern about the habitat of the raptors and that it might actually be the end of the raptors that live in that area. How are you going to approach those things, given that they are very valid community concerns?

Mr Corbell: I understand that there are those concerns amongst some people and groups. In relation to the issue of water quality, the advice I have is that water quality in that part of the Molonglo River is extremely poor. It is extremely poor because of the lack of any adequate controls on water, stormwater in particular, coming out of the established urban areas into the lower Molonglo. There is no serious water quality control in place to control water quality in that part of the Molonglo and, as a result, the quality of that part of the lower Molonglo is extremely poor. There exists with the possibility of urban development opportunities to improve the overall water quality through the placement of water quality control measures, ponds and so on, to improve water quality in the lower Molonglo. That work has been the subject of analysis to date and will be the subject of further analysis as this work progresses.

In relation to the issue of raptors, a number of studies have been undertaken, commissioned by the Planning and Land Authority, to understand any potential impact on raptor communities. As I understand it, we are talking about the impact on one or two raptor nests in that part of the river corridor of any proposal to build a pond or a small dam. The advice I have is that, first of all, the raptors involved are not part of an endangered community. Secondly, should this proposal proceed, the advice I have at this point, which is obviously subject to further assessment, is that it is unlikely to lead to the loss of those raptors from that area. The advice I have is that they will be able to relocate.

MRS DUNNE: What sorts of birds are we talking about?

Mr Corbell: We are talking about wedge-tailed eagles.

DR FOSKEY: Are we going to maintain a rabbit population?

MR PRATT: Why, to ensure that there are enough?

DR FOSKEY: It is a change of land use and, assumedly, they eat them.

Mr Corbell: The analysis has been quite comprehensive. I might ask Ms Ekelund to give you some more detail. She is more familiar with the detail than I am, but what I have told you is essentially the advice I have received to date on these issues.

Ms Ekelund: Yes, there have been a couple of studies undertaken for the authority on any endangered species, indeed any species, that may be affected by urban development in the valley. As the minister indicated on the nesting sites in the area that is proposed for urban development, there is only a couple of nesting sites and they are of raptor species that are not threatened species. The majority of raptor sites in the valley are further downstream, along the Molonglo Valley in the areas downstream of Coppins Crossing. There is a species, I think it is a little egret, which is fairly rare, but we are not proposing urban development in the locations where their nesting sites have been found. So the construction of a lake downstream of Scrivener Dam would actually impact on an area which is highly degraded both in water quality terms and the whole riparian corridor. In fact, we have had water ecologists advise that providing a water body in that area would provide opportunities for the stocking of native fish and actually providing an improved aquatic environment for species than currently exists at the moment.

Mr Corbell: Not just in the proposed water body itself, but in the actual watercourse and the riparian zone in terms of improving water quality in that part of the Molonglo River, which is extremely degraded at the moment. We are not talking about, by any means, a pristine riparian environment. We are talking about a very degraded environment.

Meeting adjourned from 3.29 to 3.54 pm.

THE CHAIR: The committee will resume. We're back to your question, Mrs Dunne, about the Molonglo Valley, I believe.

MRS DUNNE: I was wondering if someone could give me an update on where we are in negotiations with the now expired lessees in the Molonglo Valley.

Mr Corbell: I'll ask Mr Savery.

Mr Savery: As you've indicated, the leases expired at the end of December in 2005. Are we talking about the three rural lessees that I think are the main interest—the Coonans, the Tulleys and the Tanners?

MRS DUNNE: Yes; the ones who had their lease terms reduced to 20 years.

Mr Savery: At the same time as their leases expired, and prior to the leases expiring, they sought new leases. They're currently being processed by the authority. We are obviously taking into account in processing those applications the likely timing of the Molonglo development to determine what would be an appropriate lease term. It really is contingent upon the prospect for development occurring—the time frame for development occurring—within those rural lease areas.

MRS DUNNE: I understand that the three lessees in question have made requests under the Freedom of Information Act for access to documents.

Mr Savery: They have.

MRS DUNNE: Could you tell me about that?

Mr Savery: Yes, they have applied for information. There is some information that we haven't provided to them in relation to what we regard as commercial-in-confidence, which is associated with our relationship with the Australian Valuation Office. That matter is currently before the AAT and we are defending our position in relation to that.

MRS DUNNE: Is my informant, which is not one of the lessees, correct in saying that you have engaged counsel outside the government service for that matter?

Mr Savery: No. I think what might need to be clarified is that we are joined in this matter with the commonwealth, and therefore the commonwealth solicitor is also involved in this matter. They may be referring to that.

MRS DUNNE: How is the commonwealth involved in this?

Mr Savery: I might have to take the question on notice. I'm not au fait with the particular reasons, but there is a relationship between ourselves, the commonwealth, valuation and the rural leases—the nature of the rural leases. If I could take that on notice, I could advise you.

MRS DUNNE: Perhaps you could take it on notice and come back to us with an explanation of where we are in the AAT, who the parties are and why those parties are there.

Mr Savery: Yes. I can answer part of your question.

MRS DUNNE: I know that you're there, but why is the commonwealth one of the parties?

Mr Savery: That part I would need to take on notice and come back to you.

MRS DUNNE: Yes, that's fine. Also, if you're going to take it on notice: perhaps just an indication, within the bounds of what's possible, of what sort of documents are in contention and if we've got counsel on this matter.

Mr Savery: Again I will take it on notice, but my understanding is that the documents in question relate to the valuations and the methodology of valuations undertaken by the

ACT government and by the planning authority—it is a matter that the commonwealth is also joined in. I don't believe there is additional counsel engaged; it is the commonwealth solicitor-general, but I will confirm it.

MRS DUNNE: Thank you, Mr Savery.

DR FOSKEY: Moving on from Molonglo, I'm still back on objectives here. One of your key business activities also includes, firstly, administering the leasehold system and, secondly, seeking to achieve consistent regulatory practice across Australia and internationally. Are these sometimes in contradiction? For instance, administering the leasehold system might be inconsistent with regulatory practice across Australia.

Mr Corbell: No, I don't believe so. The ACT's land tenure system is pretty much unique in Australia, but leasehold itself is not a unique concept to the ACT. There are many examples internationally of leasehold systems working as effectively as ours in providing certainty for investors and appropriately managing land use.

The second dot point you refer to about representing the territory and bodies that seek to achieve consistent regulatory practice across Australia and internationally would refer to the range of regulatory functions the ACT Planning and Land Authority undertakes. The most obvious of those is the role of the Australian Building Codes Board, in providing for consistent regulation of building practice. Mr Savery represents the ACT as a member of that board.

We also have a range of ACTPLA officers representing the ACT in other regulatory forums—forums as diverse as electrical safety, gas safety, land information processes and a range of other regulatory issues which are all about ensuring that, wherever possible, there is a nationally consistent approach on those types of technical and other issues. I will ask Mr Savery to elaborate on that.

Mr Savery: I just think there is a useful way to illustrate the point the minister is making here, that these two things aren't in conflict. With the new planning system legislation and the reform project, with the leading practice model you could form the view that it is going to be very difficult to actually apply that model in a leasehold system. But, in fact, what we've been able to do is precisely the opposite. We have developed a new piece of legislation and retrofitted our leasehold system into the leading practice model. We've been able to administer the leasehold system and still maintain national consistency in our regulatory environment through that process.

DR FOSKEY: If it saves the leasehold system, that's good. My next question relates to business and corporate strategies. You'd be well aware that there was a lot of concern when in the Woden town centre there were quite a few trees removed that it had been ruled by the AAT should remain. I believe you did that by processing a variation to the development application and you advised the Woden Community Council, who had taken the action against the developer in the AAT, that this was a minor variation. That has the effect of giving people the idea that your principal interest is being aligned with developers, in this case against the community interest. I'm just concerned that, if AAT rulings are ignored as a matter of practice, there are going to be increased court costs and damages payments as people—

Mr Savery: I am familiar with that particular matter, although I couldn't speak about the detail that the members conveyed. I don't know if there is a particular matter or component of the way in which we've handled that that you would like me to respond to, but I would have to take it on notice.

DR FOSKEY: The fact is that people go to the AAT in good faith, a ruling is made and then it is expected that that will be abided by by all parties. In this case I'm sure that what was done was legal, but it wasn't in the spirit of the decision by the AAT.

Just in relation to the AAT, I notice on page 277 that ACTPLA is lowering the target for the number of ACTPLA decisions that are upheld by the AAT. We're talking about from 100 per cent to 85 per cent. This is even lower than the estimated outcome for 2005-06. The public here would assume that what you're saying is that ACTPLA knows best and that AAT is going to get it wrong 15 per cent of the time. Perhaps you're anticipating a decision of the AAT that—

Mr Corbell: Dr Foskey, some of your assertions are quite unreasonable.

DR FOSKEY: I'm asking for your comment on these, minister.

Mr Corbell: To suggest that a government agency deliberately ignores decisions of Administrative Appeal Tribunal rulings and aligns itself with developers is quite a—

DR FOSKEY: They are questions.

Mr Corbell: They are assertions framed as questions, and they are quite unreasonable. I think they impugn the integrity of officers of ACTPLA. ACTPLA is an independent statutory organisation. Its development assessment responsibilities are its alone. It is not an arm of the executive in terms of exercising delegated power when it comes to development assessment. It has statutory independence for a reason—so that it can assess developments to determine whether or not they accord with the policy framework set out by not just the government but the Assembly and the community, through the territory plan and the controls under the territory plan. There will always be occasions when one party or another claims that ACTPLA acts in the interests of the other party. Dr Foskey, you say that ACTPLA is seen to align itself with development interests.

DR FOSKEY: In that case.

Mr Corbell: Equally, I am sure there will be many developers in town who would say ACTPLA is too beholden to community and resident organisations. It is the role of a planning authority to reconcile and to assess, in often what is an extremely subjective environment, the best possible outcome, consistent with the planning law. That is what our planners, I know, do overwhelmingly and do, I believe, overwhelmingly very well.

On the issue of the percentage of AAT decisions that support the authority's position, and the target of 100 per cent, I think that to assume and actually set a target that every time a matter goes to the AAT your decision will be upheld is a somewhat unrealistic target.

This is a subjective business that development assessment officers are involved in. Often

it involves a subjective judgment as to what is reasonable and consistent with our planning controls. And sometimes the AAT, when it is asked to review a decision, takes a different view. They are entitled to do that; that is their role. So to have a target of 85 or 90 per cent instead of 100 per cent is, I think, an unreasonable criticism.

DR FOSKEY: I'm asking you why the target had been lowered.

Mr Corbell: As I've just explained to you, the reason the target has been lowered is that it is unrealistic to expect that ACTPLA will get it right 100 per cent of the time.

DR FOSKEY: Just as a question on notice—

Mr Corbell: I don't think any of us get it right 100 per cent of the time.

DR FOSKEY: Speak for yourself.

Mr Corbell: I'm happy for you to assert that you get it right 100 per cent of the time.

DR FOSKEY: Well, you see, there you go. Mr Savery said that he would get back to me about the removal of trees, the AAT decision et cetera.

Mr Savery: The circumstances behind that.

MR SMYTH: Minister, when does the land management function get transferred out of ACTPLA and into the new urban services and chief minister's department?

Mr Corbell: I'm advised that that actually occurred last year in relation to ACTPLA's responsibilities.

MR SMYTH: That's what it says on page 279 of budget paper No 4. You've actually saved \$326,000 this year. In the coming year, 2006-07, you intend to save—sorry, you transfer out; it is not a saving.

Mr Corbell: Sorry, which page are you referring to?

MR SMYTH: Page 279 of budget paper No 4. This year you've had to transfer \$326,000 to the two other areas and the coming year, 2006-07, it is \$330,000. It then remarkably drops to \$170,000 and that stays consistent for 2007-08, 2008-09 and 2009-10. How can a saving reduce in that way? If you look at the rest of the chart, the savings are either consistent or they go up. This seems to be quite a remarkable saving, in that it bottoms out at \$170,000 and stops.

Mr Corbell: I'll ask Mr Sakkara to answer that question.

Mr Sakkara: In the budget immediately after the bushfires there was an amount of \$150,000 of funding provided for the period up to 2006-07 specifically for works associated with recovery from the bushfire, which ceased in that year.

MR SMYTH: If you go to page 283 of BP4, the 2005-06 budget was \$58 million in total ordinary expenses and the outcome was \$47 million as reported in this year's budget.

The 2006-07 budget is \$60 million, as evidenced in the output class, but I note that in 2007-08, 2008-09 and 2009-10 you drop from \$60 million to \$35 million in the three outyears. Is there an explanation for that?

Mr Sakkara: Yes. If you look at that line called “other expenses”, again it is that capital works transfer item that is included in the figures as an expense item. Because there is no capital works program currently approved for 2007-08 and outyears, there are no transfer figures included in those years at this stage.

MR SMYTH: So as the capital works budget is approved in each of the coming budgets, that figure will come back up to somewhere close.

Mr Savery: Perhaps I can clarify that. That may not be the case because, under the changes decided on by the government, ACTPLA won't be running capital works projects in the future. I can't tell you precisely how these matters might be accounted for in the outyears, but it may well be the case that, instead of them appearing in our budget to be transferred to the new Department of Territory and Municipal Services, they might actually go straight into their numbers.

MR SMYTH: So we'll see an accompanying rise somewhere else?

Mr Savery: You will, yes, but it may not be directly associated with us. We will still bid for projects. If those projects are successful, our expectation is that the budget numbers will immediately appear in the territory and municipal services budget, not ours.

MR SMYTH: Three or four lines above that, in the employee expenses, it goes down five per cent this year from \$19.5 million to \$18.5 million. In 2007-08 you expect it to drop—it looks like another \$1.1 million. Is there a reason for that?

Mr Savery: That's because—and Ian will correct me if I'm wrong—we have a particular savings target to meet in year 1, and then that goes up in the second and subsequent years. There's a recognition, through the decisions of the government in relation to the functional review, that agencies can't meet the full budget statements target in year 1 because there is a process that has to be gone through. But in year 2, certainly in our case—I don't think it is the case for all agencies—we should be able to meet the recurrent expected figure.

MR SMYTH: So you'll shed those staff that we discussed earlier over two years?

Mr Savery: Going back to one of your earlier questions, in terms of our numbers, our desire is still to achieve the numbers in this coming financial year, because not to achieve them will impact on our ability to meet the outyear figures.

MR SMYTH: If—and correct me—the employee expenses are going down \$1 million and you're losing approximately 40 staff, if my maths are right, we're paying them about \$25,000 each.

Mr Savery: Yes. The total budget savings target is higher than just the staff salaries. There are other things that translate into budget saving figures—things like accommodation.

MR SMYTH: Thirty-nine or 40 jobs are going. There are 10 you haven't filled and there are another 29 to go. Your employee expenses are dropping from \$19.576 million to \$18.528 million.

Mr Savery: I'll get Ian to fill in the detail.

Mr Sakkara: Also built into the figures is a CPI increase, or an EBA increase, of about four per cent on the current year's figures. That would add about \$780,000 to the salary bill before you have the reductions in staffing.

MR SMYTH: That would bring it back up. Going back to page 279, to set up the shared services there are a whole lot of reductions that are reflected in transfers. If you go to page 103 in budget paper No 3, under "reducing motor vehicle expenses by agency" you're going to lose \$35,000, \$48,000, \$54,000 and \$55,000. That is reflected in that chart, so that's fine. It is the same with rationalising boards. The numbers from this chart correspond to the chart on page 102.

Under "procurement consolidation" and "general procurement" consolidation, the numbers on page 279 correspond to the numbers on page 101. The IT consolidations on page 279 correspond directly to the chart on page 100. But when you get to "human resources and finance functions consolidation"—and I'm just using the same terminology in this case—you actually have a saving of \$1,062,000, yet only the \$62,000 appears in the chart on page 99. Where do the million bucks go? Is that the saving in staff?

Mr Sakkara: No, the other million dollars is disclosed on page 26 in budget paper No 3, the summary of savings and revenue measures, which also discloses the additional savings the authority has to achieve through an item called "rationalisation of land developments".

MR SMYTH: Why is it described as "consolidating human resources"? Why is it split?

Mr Sakkara: I can't explain that. That was a Treasury table that was inserted into the budget papers.

MR SMYTH: So those figures would be the sum of the other two.

Mr Sakkara: Yes. That's the sum of that table plus the shared services activity.

THE CHAIR: On page 272, under "business and corporate strategies" it talks about the business risk profile being reviewed to ensure that appropriate mitigation strategies are being applied. Would you like to fill us in a little bit more about that.

Mr Corbell: I'll ask Mr Meyer to answer that.

Mr Meyer: Part of the government's framework of the authority was to set up a range of reporting mechanisms and business continuity plans, risk management plans and business corporate plans. What we're doing is readjusting all those plans to take account of budget savings targets, as well as various structural changes that we'll introduce into

the authority to manage our business. Really, what we're doing there is making sure that all of those are aligned and that we're effectively managing and reporting on those risks. We use the audit committee to do those checks and balances for us.

THE CHAIR: It is like adjustments, really, in some ways. Is that what you're saying?

Mr Meyer: It is. It is really about making sure that, in the various plans that we've got, we're taking proper account of issues in terms of service delivery, in terms of performance targets and in terms of the way in which we deliver our operations and our accounting processes, to make sure that we've covered all those risks properly and that we're managing them effectively.

MR SESELJA: Minister, this morning when we were talking about some other issues around the EpiCentre we said that we would return to that with ACTPLA officers. Firstly, we might want to just clarify. In one of your statements you said that one of the two key differences between a shopping centre and the kind of development at EpiCentre was a food court and one was a major anchor tenant. Could I table the development application to the EpiCentre? It does have a food court. I do not know whether you want to correct that, but my recollection of what you said was that it did not have a food court, and that was one of the differences. Clearly the map shows that it does.

Mr Corbell: It does not have a food court of the scale proposed in a shopping centre.

MR SESELJA: It does have food. I table that.

Mr Corbell: My understanding is that the lease has provisions that contain the level of food retailing that is permitted but I might ask Mr Savery to comment.

Mr Savery: Sorry, I was not privy to what was discussed this morning.

Mr Corbell: The question that was asked was in relation to the difference between what is proposed by Austexx and the shopping centre. I made the point that large anchor tenants, food retailing and so on, were some of the differences.

Mr Savery: Yes. Both the lease and the territory plan expressly prohibit discount department stores or equivalent types of facilities, as well as limit the amount of food retailing that is permitted on the site. So the development application, as it is currently submitted, and of course is the subject of assessment at the moment, reflects those constraints.

MR SESELJA: I move to the territory plan aspects that we said we would come back to. Mr Savery, for your information, the question that I was putting to the minister, or that we were discussing, was the interpretation of shop and shop use in precinct B, and whether or not the 3,000 square metres applied per sublease or per lease. Are you able to take us through what ACTPLA's interpretation of that provision of the territory plan is?

Mr Savery: This is something that I would want treated in confidence because we, as the statutory planning authority, are currently engaged in a range of legal matters over these questions. I would have some concern about what we interpret versus what someone else's interpretation is.

THE CHAIR: We need to either stop the Hansard or have it in camera, then.

Mr Savery: I am just saying I would feel very constrained in what I can say about these sorts of matters, given, as a statutory planning authority, this goes right to the heart of how we may examine this application. That application should not be prejudiced by anything I might say.

MR SESELJA: But there would be a general policy as to how you interpret the territory plan. I assume you would have an interpretation.

Mr Corbell: You are asking for interpretation of a specific lease.

MR SESELJA: No, of precinct B, that part of the territory plan.

Mr Corbell: The shop provision is in the lease and development conditions.

Mr Savery: These are matters of legal question that have been put to us by other parties, parties who are opposing this development. They are matters that we have and continue to get legal advice from the Government Solicitor on. I would be very concerned that any public statement I make here might prejudice the way in which we process the application or the way in which it is potentially contested at some future point.

THE CHAIR: So, Mr Savery, are you claiming public interest immunity on this particular matter?

Mr Savery: Yes.

MR SESELJA: Sorry, what is the public interest immunity? Could you take us through that, chair?

THE CHAIR: Yes. That means that it is not in the public interest to put that on the record.

MR SESELJA: But how does public interest immunity exactly work, chair?

Mr Corbell: The ACT government's guidelines for officials giving evidence to Assembly committees has regard to the fact that officials can decline to provide information on public interest grounds, essentially.

MR SESELJA: What are those public interest grounds?

Mr Corbell: I think the issue that Mr Savery rightly draws the committee's attention to is that the questions Mr Seselja was asking relate directly to the consideration of the development application which is currently before the authority. Mr Savery is the authority, and the decisions that are made by officers of the authority are done under delegation from him. This is a difficult matter for Mr Savery to answer because he, as the authority, has before him an application for this particular site. He does not want to prejudice or pre-empt a decision that he or his delegated officers take in relation to this development application.

Mr Savery: Could I just add to that also that the matters that are being raised and where they may also lead are the subject of freedom of information requests that we have declined, because they relate to information that we are relying upon from the Government Solicitor's office.

MRS DUNNE: What does the territory plan mean in this case? What are you asking, Mr Seselja?

Mr Corbell: It might be worth clarifying exactly what it is Mr Seselja is asking.

MR SESELJA: What I am looking for is the authority's interpretation in relation to precinct B in Fyshwick—

MR SMYTH: No, limit it to industrial land use.

MR SESELJA: Sorry, industrial land use. What is the limit in shops? Whether that 3,000 square metres per lease is the limit or is it 3,000 per sublease?

Mr Savery: Again, being careful about prejudicing our position in assessing the application, I will answer that in two ways, which may not satisfy you. One is that our interpretation is still subject to examination as part of our consideration of this particular application. However, we have in writing previously conveyed to parties interested in potentially developing on this site that you can have multiples of shops. You can have multiples of 3,000 square metres of shops.

MR SESELJA: So, under that interpretation, the limits are just for each individual shop—3,000 and no more than—and the total floor space would not be limited by those provisions?

Mr Savery: Subject to what else might be in the lease.

MR SESELJA: Yes, but under your interpretation of the territory plan there would not be a limit on shops in that circumstance?

MR PRATT: You mean numbers of shops?

MR SESELJA: Numbers of shops and total floor space of shops.

Mr Savery: That is right.

MR SESELJA: I am just seeing where that interpretation takes us, as a general interpretation. Does that mean that in industrial areas in Fyshwick we are essentially looking at large amounts of retail now being allowed to be developed under that interpretation?

Mr Savery: Not necessarily. There are constraints on the type of retail. There are constraints through leases and there is already a component of retail that exists in Fyshwick. Fyshwick is not strictly a typical industrial area by any means. Twenty-five to 30 per cent of retail floor space exists in Fyshwick.

MR SESELJA: How small is that retail?

Mr Savery: It varies in size.

MR SESELJA: Individual shops could be as small as 50 square metres or whatever?

Mr Savery: They could be. I do not know precisely what the configuration of that 25 per cent to 30 per cent is. Obviously a large portion of it is taken up by large warehouse-type facilities.

MR SESELJA: I understand that prior to the auction of the EpiCentre site you had correspondence with Austexx in relation to this matter. Was that correspondence also had with all of the other bidders, or was that only with particular bidders who had asked for specific clarification?

Mr Savery: Only two bidders sought meetings with us to gain an understanding from us as to what might or might not be possible on the site. Austexx, which was the party ultimately successful in winning the bid, specifically wrote to us and asked for information. It was not for us to convey that information to anyone else.

MR SESELJA: So that would be the ordinary practice in an auction process like that?

Mr Savery: We are not the auctioneer. We are not the land developer. So if a party comes to us and asks us for an opinion we give them an opinion, or in some cases we do not offer an opinion. It is not for us to try to second-guess who all of the other bidders are and provide them with that same information. It was available to anyone to come and ask the authority.

MR SESELJA: Just a couple more questions in relation to the two different aspects here. I want to pursue the territory plan aspects in a moment, but has the NCA expressed any concerns about retail hierarchy issues or national capital plan issues in relation to the EpiCentre site?

Mr Savery: We requested the advice of the National Capital Authority in relation to any matters that it might have on that site for its potential use. We have a letter back from it that tells us that we should examine closely the issues around retail hierarchy, but it does not say much more than that. It also conveys to us that it does not have concerns in relation to the impact of the development on the controls contained in the development control plan, which relates to a 200-metre setback off Canberra Avenue.

MR SESELJA: I am going back to the territory plan issues and trying to get a handle on it because it was before my time. As I understand it, variation 175 was specifically brought in to allow bulky goods development in Fyshwick. Prior to that I think there was a 3,000 square metre limit on everything, and you could not have a bulky goods site. Was that also designed to liberalise the arrangements for other smaller shops and other types of retail?

Mr Savery: I might ask Mr Garrick Calnan to comment, but before he does I am very conscious and cautious of the fact that this line of questioning may be attempting to

confine the way in which we assess the application. I do not want anything we do here to prejudice the way this authority considers this development application and I think questions are being asked here that are potentially going to be turned around at some point, depending on how we assess that application, to accuse us of something improper. I cannot precisely express my concern, but I am concerned. But we will try to answer that question.

MR SESELJA: Thank you.

Mr Calnan: Sorry, you will have to ask the question again.

MR SESELJA: It was in relation to variation 175. My understanding of that is that it was primarily to allow bulky goods retailing in industrial areas. My question was whether it was also designed to liberalise arrangements of other retail uses in industrial areas.

Mr Calnan: Variation 175 to the territory plan was a general review of the land use policy applying to industrial areas. It resulted from a number of studies that had been undertaken about our industrial areas and how they had evolved over time, and some of the issues that they were facing. The issue of bulky goods retailing was clearly on the agenda at the time, and the previous restrictions that were in the territory plan prior to variation 175 were quite limiting. They had been the subject of a lot of concern by people about the way they were restricting opportunities in Fyshwick. As a result of the review the previous limitations on bulky goods retailing applying to the precinct B area were removed. There were some other modifications to the restrictions relating to shops that applied as well. That variation went through a fairly fulsome public consultation process. It was also the subject of review by the planning and environment committee of the previous Assembly, and ultimately took effect as part of the territory plan in 2003.

MR SESELJA: The explanatory statement to DV175 says that it is proposed to remove the existing 3,000 square metres on bulky goods retailing in Fyshwick. It noted that the existing 3,000 square metres limit explicitly applies per crown lease. I do not think a similar statement was made with respect to removing or changing any restriction on the land use.

MR GENTLEMAN: On a point of order: I am struggling to find the relevance of this line of questioning to our committee's terms of reference.

MR SESELJA: Mr Gentleman, if I need to spell it out, we have a \$40 million sale of a site. We have the ACT Planning and Land Authority and the Land Development Agency—which we questioned about before—who are funded from the public purse, and we are trying to get to the bottom of whether or not this process was a good one.

MR GENTLEMAN: So you are now asking a question about a draft variation that occurred in the past Assembly?

MR SESELJA: No. It goes to the interpretation. It goes to this issue. I don't know if you've been following the proceedings today.

Mr Corbell: I have to join in expressing the concern that Mr Savery has expressed that

this line of questioning has a very serious potential to prejudice the outcomes of the ACT Planning and Land Authority's consideration of an active development application. The questions Mr Seselja is asking relate directly to matters that the ACT Planning and Land Authority currently have under active consideration in relation to a development application for this site at Fyshwick.

MR SESELJA: This is on the public record.

Mr Corbell: The questions that Mr Seselja is asking and the answers that have been forthrightly given by officers of the authority are now on the public record. They could be used to prejudice the deliberations of the ACT Planning and Land Authority. If the committee believes this evidence is relevant to its consideration of the budget bills, I would prefer that it took this evidence in camera. Otherwise I feel that I do not have any choice but to ask my officers not to answer these questions.

MR SESELJA: The question I was just asking related to an explanatory statement for a draft variation. That is hardly secret stuff. It is hardly stuff that it is not in the public domain.

Mr Corbell: But the issue is that it goes to the interpretation of the territory plan as it relates to a development application currently before the authority. Let us remember that this is a site-specific variation that had the effect of dealing with this particular parcel of land, as well as controls in other parts of Fyshwick. It has specific relevance to this site and to this application. Mr Seselja is asking the authority to pre-empt its decision and outline for all the world to see its consideration of a matter it is yet to make a decision on. No members here should be under any illusion: we know that there are people who have indicated to the government, as I am sure they have indicated to members of this committee, their intention to seek legal redress if this application is approved. So we are operating in a very heated environment, and a very hot commercial environment, and for that reason I do not want to see the deliberations of the authority compromised. I am happy for these questions to be asked in closed session so that members can get an appreciation of the issues, but I am deeply uncomfortable with the evidence being on the public record because of the issues that I have just outlined to you.

THE CHAIR: I would like to stop this line of questioning now, and move on to the next.

MR SESELJA: Can I speak to the point of order? Surely ACTPLA has an interpretation, as a result of draft variation 175 of the territory plan. I do not understand how a committee of the Assembly cannot ask the planning authority what its interpretation is of its planning documents.

Mr Savery: If I could perhaps try to answer that and pick up on what the minister is saying. It is not that the members of the Assembly should not be familiarised with our interpretation. It is the fact that it is going on the public record when the same questions are being asked of us by commercial competitors on a daily basis and the Government Solicitor's office is advising us not to respond with our public interpretation because it may prejudice our position.

MR SESELJA: Surely you have an interpretation.

THE CHAIR: So we need to stop now.

Mr Savery: This is a backdoor method, potentially, of that same information being revealed.

THE CHAIR: It is my ruling that we stop this line of questioning now and move on.

MR SMYTH: Can we have an explanation of that ruling, please?

THE CHAIR: No. I do not need to give an explanation, Mr Smyth.

MR SMYTH: The committee members can move a disallowance.

THE CHAIR: On the basis of relevance, with regard to Mr Gentleman's point of order, I rule that we move on to the next line of questioning.

MR SMYTH: I would like an explanation of that, if I may, chair.

THE CHAIR: We are moving on.

MR SESELJA: Then I move dissent from your ruling.

MR PRATT: I second that motion.

THE CHAIR: Only members of the committee may be in this room. Mrs Dunne and Mr Seselja will have to leave.

MR SESELJA: What about the minister and the officials?

THE CHAIR: They will have to leave as well.

Meeting adjourned from 4.39 to 4.51 pm.

THE CHAIR: We are finished with that line of questioning and we are now going on to other areas.

MR SESELJA: Sorry, what was the ruling, chair?

THE CHAIR: My ruling was upheld.

MS MacDONALD: Chair, you should actually say that we are back on and then say that we are moving on.

THE CHAIR: We are now moving on to other lines of questioning. We are not going back to that line of questioning.

MR SESELJA: I will just put it on the record that that is a disgraceful decision and you are shutting down legitimate scrutiny.

MS MacDONALD: Blah, blah, blah!

MR SESELJA: Karin, could you be quiet for a moment? I would just like to put it on the record that I think that that is a disgraceful decision. You are looking to shut it down unreasonably. I just think that that is very disappointing.

DR FOSKEY: I am sure that there are some other way of pursuing it, Mr Seselja.

MR PRATT: That is what the inquiry is for.

DR FOSKEY: My first question is a very pleasant one. Has there been any progress on interdepartmental cooperation with regard to ACTMAPi, your new online GIS mapping system? There was talk about getting Environment ACT to contribute vegetation-type overlays and we were looking forward to that. It is a useful tool. We were very pleased to get a briefing from your officer. I imagine that that would assist planning in areas like the Molonglo Valley.

Mr Meyer: ACTMAPi, as it is called, was demonstrated to a group of cross-government officials as recently as yesterday. We have an ACT land information group of which Environment ACT is a member. The version of ACTMAPi that was displayed yesterday will, in fact, be available for public release in the next two months. What we also have in mind for the system is gradually increasing the number of layers of information. We have requested each of the agencies to provide us with, at this stage, a wish list of the different layers that they require so that progressively we can start to build up that information. It also provides security access to that mapping product so that only certain agencies can access the data if it is of a confidential nature. For example, emergency services and security planning are taking great interest in using ACTMAPi as a tool for their planning purposes as well. The latest version of this software is very promising and certainly we will be building on it over the next 12 months.

DR FOSKEY: Mr Savery, you said previously that the federal government gave \$2.4 million.

Mr Savery: That is correct.

DR FOSKEY: The budget refers to about \$1.2 million. Is it \$1.2 million over two years? What is the explanation for the difference?

Mr Sakkara: Yes, the funding is being provided over two years at about \$1.2 million each year.

DR FOSKEY: Last year and this year or this year and next year?

Mr Sakkara: It will be 2005-06 and 2006-07.

DR FOSKEY: I just wanted to clarify that.

MRS DUNNE: I want to go back to something that was touched on by Dr Foskey and the minister some time ago in reference to the development that is halted and unoccupied in Hall and the issues relating to not building according to the plan. Could somebody please tell me what is the state of play with the failed Hall development—completed,

unapproved or whatever—and what is the way forward to address the issues as it is a bit of a scar on the face of Hall?

Mr Savery: I don't know if Mr Richard Johnston will want to add to what I've got to say. We are currently at the Administrative Appeals Tribunal in relation to orders issued. In fact, there was a development application applied for by the developer of that site which the authority refused. That development application was to seek retrospective approval for what had been built, which we contend is inconsistent with the original development application. So, having refused it, that was appealed against. My understanding is that in the last two weeks there was a directions hearing and there was a mediation meeting, two separate meetings. That might have been only as recently as Friday, so I am not quite sure of what the outcomes of the mediation meeting have been.

On the basis that they are not successful—I understand that the Hall Residents Association is also party to that hearing and is opposed to the application being approved by the tribunal; in other words, they support the position of the authority—that matter obviously will be heard by the AAT. If the AAT were to support the authority's position and the approval was not granted, then there would be matters of outstanding compliance because the development would not comply with the approval.

MRS DUNNE: Have there been orders issued in relation to the development?

Mr Savery: Again, can I take that on notice? My recollection is that an order was issued originally and that caused the second development application to be lodged to seek retrospective approval. So we have to go through that step of the appeal against our refusal before we can go back to the issue of the order.

Mrs DUNNE: Were they orders issued by the authority or by the minister?

Mr Savery: They were orders issued by the authority.

MRS DUNNE: Minister, do you currently have powers to issue orders? You used to, but I don't know whether you still do.

Mr Corbell: I don't think I do. I think the authority can or a party can, but I don't think I as minister have those powers. I will take that on notice, but I don't think I do.

Mr Savery: Again, there might be another aspect to that question which we will follow up on. I understand that the registrar of construction occupations, which is a statutory position within the authority, may also have issued an order under the construction occupation legislation in relation to the building surveyor, as opposed to the development.

MRS DUNNE: If you could get back to the committee on those things because my constituents are pretty twitchy about all this business.

DR FOSKEY: I wish to ask a question about another project that ACTPLA has responsibility for. I refer to the rollout of the 3G network across Canberra. I am aware that you have quite a few questions before you from us. I hope that you are aware of those.

Mr Corbell: Questions on notice, yes.

DR FOSKEY: Yes. Minister, are you aware of other proposals, because there are more networks than Telstra, for 3G phone networks, perhaps from Optus, Vodafone or someone we haven't thought of yet? I believe 3G is relatively primitive technology and there could be 4G and 5G, probably up to 6G. Are there other proposals? Obviously, I have a question that follows your answer.

Mr Corbell: I am not aware of other applications under the network plan, but Mr Savery may be, so I will defer to him.

Mr Savery: The member is correct in saying that a number of these questions are on notice at the moment and I would be surprised if they were not in the minister's office now for response. I can recall in relation to that particular question that the answer, subject to the minister's agreement, is that Vodafone or Optus, I am not sure which, are progressing their own versions of 3G technology, but they are all within the commonwealth's low-impact practice guideline, which means they are not the subject of a development application, they don't actually require approval, so theirs is a much smaller scale 3G network.

You are correct also in what you said about this technology. I won't call it obsolete, because it is not, but I heard on the radio the other day that they have got the next two versions of what happens after DVD ready, but they want you to go out and purchase the DVD player so that it is redundant in two years and then they can sell you another piece of technology. I am not saying it is equivalent to that. The technologists know what the next generation of technology is, but we have to deal with the one that is presented to us.

DR FOSKEY: I believe that some other countries are a couple of steps ahead. That is why you have the Greens, I think, so you are not constantly throwing things away.

Mr Corbell: Don't you use a mobile phone, Dr Foskey?

DR FOSKEY: I use the one I am issued by the Assembly and I believe that it is about 2G. It could even be 1G.

Mr Corbell: You still need mobile phone towers. They don't work without mobile phone towers.

DR FOSKEY: My next question follows the first one. ACTPLA would be well aware of the community concern about electromagnetic radiation. I do not believe that that will be dispelled until scientific evidence is in that it is not harmful. I just want to know whether ACTPLA is committed to regular monitoring of those emissions or has appointed somebody else to do that.

Mr Corbell: It is not ACTPLA's role to undertake scientific analysis of emissions from mobile phone towers. There are national and international standards which all Australian telecommunication authorities use, and ACTPLA's job is to regulate use within those provisions. If you are asking ACTPLA to go out and monitor electromagnetic radiation from mobile phone towers, I do not think you are going to get a positive answer to that.

DR FOSKEY: There is some responsibility there, I would say. It does not mean they have to do it, but to ensure there is some because there is community disquiet.

Mr Corbell: There are other authorities that are responsible for assessing the safety of these types of installations and there are national standards that apply in relation to these installations.

Mr Savery: I was going to say the same thing, but also add to that that our role at the time of assessing the application is to appraise ourselves of what scientific information might be available so that we can be satisfied that in approving an application, or if the case in point was to refuse it, we have done it on the best scientific evidence available. To that end, the network plan was accompanied by a preliminary assessment which had input from ACT Health. We also engaged our own telecommunications expert, an independent expert, to give us advice on issues of electromagnetic radiation and the 3GIS consortium that lodged the application also provided us with a range of technical information in relation to electromagnetic radiation, to the point that we were satisfied that this technology actually emits less electromagnetic radiation than existing forms of technology. Given that this will, hopefully, replace many of those or make those redundant, this is therefore a safer technology to be using, to the point where—I can't say this with a high degree of confidence—I am informed that an electric radio next to your bed emits more electromagnetic radiation than one of these towers.

DR FOSKEY: I am not too keen on using a mobile phone at all, to be quite frank, because I think the evidence is still out on it. I would choose, I might say, to use my mobile phone and to have a radio beside my bed, if I did, but I don't choose to have a 3G tower near my place, so that does put it on a slightly different scale.

Mr Savery: It does, but that is why our guidelines and commonwealth guidelines require these facilities to be set back from within a certain distance. The older form of technology, the ones that we are most used to, had to be set back further than the current form because there is a reduced electromagnetic radiation field.

DR FOSKEY: I guess the jury is still out on that one. I do have some more questions, but I will wait for permission from the chair.

THE CHAIR: Mr Pratt, do you have any questions?

MR PRATT: No.

DR FOSKEY: Okay, let's get a little bit more upbeat. I have some questions about solar orientation. I did ask some questions this morning and the minister suggested that I bring them here this afternoon.

Mr Corbell: I am just bringing Mr Savery up to speed on what you asked this morning.

DR FOSKEY: Mr Savery, we were talking about solar orientation in the design stage. I will let Mr Corbell tell you.

Mr Corbell: I have just advised Mr Savery that you and Mrs Dunne raised concerns

about how effectively we are achieving good solar orientation in subdivision layouts and that the particular example of north Watson was raised.

DR FOSKEY: Yes, that's right, the example of north Watson was raised and Mrs Dunne and I have been invited to a party there.

Mr Corbell: I did not say that we would go out there, but we can definitely give you a briefing on the subdivision and so on.

DR FOSKEY: Right. I am interested in that because I have had some concerns expressed to me about the fact that the design of north Watson was such that it was quite difficult for most of the buildings to be placed in ideal solar orientation. Consequently, I am interested in your take on that.

Mr Savery: Whilst I can't speak specifically in relation to north Watson, and I don't know if Ms Ekelund or Mr Johnston can, I would say that we share some of your concerns in respect of some of our analysis and auditing of some of the estates that have been developed in recent times, particularly prior to the establishment of the LDA and the ACT Planning and Land Authority. That audit material, which I think I may have made reference to at last year's estimates, has led us to revise or revisit some of our standards and policies in relation to the orientation of building envelopes within subdivision design as well as the general layout of those designs.

We have indicated to the minister that we are being much more rigorous in the way in which we apply those, particularly to ensure that what will become the mandatory requirement for five-star residential buildings can be achieved as a result of the subdivision design. There is relatively little point to specifying or regulating for five-star residential standards if the subdivisions actually reduce or impair your ability to get the right orientation for a building design or design constrains the neighbour's property from being able to do likewise. So we are very cognisant of that point.

I would also go back to the comment that I made earlier about my role with the building codes board, where I am at the moment engaged in what I hope will be a national exercise, possibly engaging with the CSIRO and the AGO, the Australian Greenhouse Office, to assist national planning jurisdictions in coming up with some consistent performance measures for subdivision design so that that would assist the subsequent step of the building design being able to achieve better solar orientation. Also, as part of the territory plan restructure exercise, we are currently preparing the draft codes for subdivision and housing that again will place greater emphasis on getting the right solar orientation and getting the subdivision right to be able to achieve it. So I think yours is an extremely important point and one we are taking very seriously.

DR FOSKEY: I am pleased to hear that and I can see that you are quite excited by your new role in this national body. I asked this morning whether you feel you do get better outcomes on this matter when ACTPLA does the design phase or when it is done holus-bolus through a developer and he, she or they do the street layout et cetera.

Mr Savery: My response to that would be that it has got to be a joint approach. I certainly advocate the fact that the planning authority should do the broad structure planning and concept planning for the design of new suburbs so that we can ensure not

only that the optimal solar orientation can be achieved through the way in which we do the strategic planning, but also the relationship to the street network, the open space network, and where the schools and shops are going to be located, which comes back to part of your earlier question, so that, for instance, we can minimise the extent of trips that have to be taken by people in their cars, that there is more opportunity to walk. So it is an holistic approach to the way in which we design a suburb to achieve better sustainability practices, but in doing so working with industry groups, the people who ultimately are going to develop these areas and the Land Development Agency, because they will ultimately be responsible for the more detailed design of those suburbs, as they try to take their product to the market.

What we have to be able to do is to provide them, if you like, with the canvas that directs or guides the more detailed design, but understand that when it comes to developing the detail they best know the market. But we have to be able to ensure that when we insist on particular sustainability outcomes we are involved in that process, and that they are capable of delivering on them. I don't think we have necessarily quite got the balance right at the moment. I know that the minister is very keen to ensure that we put a lot more effort into being able to achieve that.

DR FOSKEY: The choice of the developer would be key to that, would it not, because there are developers who have worked under those sorts of guidelines very successfully and produced showcase homes?

Mr Corbell: There is no doubt there are some development companies, both public and private, that have a very strong ethos of delivering high-quality estates in that regard, but it is not exclusively a case of public good and private bad.

DR FOSKEY: No, of course not.

Mr Corbell: It is much more complex than that, I think, as you rightly acknowledge. It is about generating and building a culture that these are fundamental principles that need to be adhered to. The regulatory agencies can do a lot but they can't do it all. If at the end of the day you have a developer that is not very interested in it, you can have all the prescriptive measures you like but they are not going to deliver the same sort of outcome as someone who is embracing what it is about and trying to achieve a really positive outcome. I have stressed to both the Land Development Agency and ACTPLA only in the past month or so that the expectation is still there and must be delivered that we have to raise the standard of residential subdivision, not just in terms of solar orientation but in terms of other issues as well, private open space, setbacks and so on. These issues have to be properly addressed. ACTPLA need to be firm in the messages they give to development proponents and our public sector developer has to be strong in saying that this is an outcome it is dedicated to achieving. That is something that I have stressed to both of them.

DR FOSKEY: Did you say that I should bring the East Lake development into this?

Mr Corbell: Yes.

DR FOSKEY: Okay, I bring in the East Lake development. I have been in conversation with some people who say that there is some exciting stuff going on in relation to the

East Lake development. I don't know if that is public yet. Can you expand on that?

Mr Savery: Certainly in relation to East Lake there are some matters that we will be bringing to the government in the near future which we would hope would then be made public very soon after. But there is no secret about the fact that, as part of the implementation of the Canberra spatial plan, East Lake is being investigated almost with the same level of rigour as Molonglo is. Where on the one hand Molonglo is potentially a demonstration of better practice of sustainable design and development in what would be regarded as a greenfield development, East Lake is equivalent but in more of a brown-field situation, as far as it goes, for Canberra.

There has been a public announcement in the past about using one-planet living principles to guide us in our design for the East Lake project. It does not mean you necessarily have to have it announced as a one-planet living project, but that the principles, of which there are 10, which seek to reduce the impact of human development on the natural environment as well as build more sustainable communities, would be enshrined within that concept. One of the advantages of that project is not only its proximity to Canberra but also its proximity to, for instance, the Fyshwick markets. So you have all the potential local produce available. It is interfaced with the local environmental system for wetlands and how you can design sensitively associated with that. It is interfaced with the public housing sector there.

DR FOSKEY: The future of causeways was one of the issues.

Mr Savery: Yes, absolutely. Housing ACT is part of that process. So in many respects this is almost an incubator project that can demonstrate how we achieve multiple objectives—affordable housing, public housing, protection of the environment, use of local educational facilities in CIT, the Fyshwick markets and better use of the public transport network, right in the heart of Canberra—as potentially a demonstration project to the nation.

DR FOSKEY: Is there a way ordinary people can get involved in that?

Mr Savery: They have been. Already there have been consultation sessions with the community. I attended some of those at the CIT campus at Fyshwick where we invited all the local residents, as well as people further afield within south Canberra, to come along and they were quite well attended. That was at a very preliminary stage.

DR FOSKEY: When was that—about?

Mr Savery: Last year.

DR FOSKEY: Are they on the public record in any way?

Mr Savery: Yes, we would have them recorded.

DR FOSKEY: I am interested in following this one in detail if at all possible. I just have one more very specific question.

Mr Corbell: Perhaps we can talk to you about it when we talk to you about north

Watson.

DR FOSKEY: Yes, that would be good. We will go to East Lake.

Mr Corbell: Around the world for sixpence.

DR FOSKEY: Good wetlands, I believe, lots of birds?

Mr Corbell: Yes.

DR FOSKEY: A specific question regarding Lyons petrol station: there is concern there that a DA was approved some time ago, and people were expecting that that site would be redeveloped some time last year or even earlier. Then there is the case of the Aerial Taxis rank, which is behind it. Can you let me know if anything is going to happen and respond to my concern and the residents' concern at the length of time that is being taken to develop this rather key site in our inner city?

Mr Corbell: Dr Foskey, I am afraid Mr Savery advises me that we do not have that level of detail with us today, but we are happy to take your question on notice.

MR PRATT: I have a few questions on the Belconnen to Civic busway project. Budget paper No 4 at page 278 says that preliminary planning is still to be completed. How far are you through the preliminary assessment? How much is to go? Is that footnote right—you are going to finish this off by June?

Mr Savery: June 2007?

MR PRATT: June 2006?

Mr Savery: 2007.

MR PRATT: No, June 2006. It states, "Preliminary Assessment for the Belconnen ... is now scheduled for completion at the end of June 2006, due to extended public consultation." Are you on target with that?

Ms Ekelund: The work of the consultants on the PA preparing the preliminary assessment has largely been complete. We have been undertaking internal agency consultation on the PA at this point in time, which closes on Friday for the internal agency comments. That is sort of an internal quality assurance process to make sure that the consultants have addressed all relevant issues that agencies have identified. Following those inputs from agencies we will feed comments back to the consultants to finalise the PA. So we will be in a position to go out for public consultation on that PA within the next couple of months. The PA will address the two routes that the minister announced earlier would be considered, so we will look forward to public comments on the findings of the PA before it is evaluated later this year.

MR PRATT: Has any economic analysis been undertaken at this time?

Ms Ekelund: There has been preliminary analysis associated with the route options prepared. As you will recall, we have been going through a process with the consultants

of evaluating and reducing the number of options. There certainly has been preliminary economic analysis of how much the cost of construction of the various routes would be. There has not at this stage been a full-blown cost-benefit analysis of proceeding with the project. Such a detailed cost-benefit analysis would, however, accompany any proposal to seek capital to construct the project. So the economic analysis has been sufficient to understand the relative costs of the routes, and some advice also about matters like the relative benefits of the various routes, on the impact on the environment, impact on travel times, opportunities for park and ride.

MR PRATT: Traffic flow analysis, impacts on the city, traffic flows?

Ms Ekelund: Yes, that is right, and opportunities for increased patronage et cetera.

MR PRATT: When will the preliminary economic assessments be completed and when will they be available for scrutiny?

Ms Ekelund: At this stage the process we are proceeding with is really the planning phase. It is completing the statutory processes associated with the preliminary assessment. Having then identified a preferred route, which will go to government for a decision, we would then proceed with the rest of the statutory process to set the route. That would involve both a change to the territory plan, an amendment to the territory plan, to fix what that route would be, as well as some minor adjustments to the national capital plan, we expect, as well. It would need to go through another budget bid process at this stage to do the very detailed cost-benefit analysis that would accompany a business case. Essentially, we need a much more detailed design of the route and cost-benefit analysis to argue a case for construction. It would be up to the government to determine when that would happen.

MR PRATT: That is the forward design, is it? Is that what they call the forward design?

Ms Ekelund: Yes, the detailed design.

MR PRATT: I presume the cost-benefit analysis does not commence until cabinet makes a particular decision to proceed with another phase of this project. Is that correct?

Mr Corbell: Yes. Cabinet would have to agree to forward design cost-benefit analysis.

MR PRATT: Your comrade Mr Hargreaves has said that this project will not be conducted in his lifetime. Does that mean you intend to poison him or is he telling the truth?

Mr Corbell: I think the Chief Minister is clearly on the record as saying that Mr Hargreaves' comments do not reflect government policy.

MR SMYTH: So when will it go ahead then?

Mr Corbell: When cabinet decides that it should go ahead.

MR SMYTH: And the likely time for that?

Mr Corbell: It is not funded in the upcoming financial year. So it will be a matter for future budgets.

MR PRATT: Can you give a percentage chance on this project proceeding, therefore? Perhaps that is speculation.

Mr Corbell: That is speculating.

MR PRATT: I withdraw that.

THE CHAIR: Thank you.

MR SMYTH: I have some more questions if other members do not. Is the planning for the Majura Parkway with ACTPLA or is that with territory and municipal services?

Mr Savery: It is currently with the Department of Territory and Municipal Services. However, we are planning a fairly active role in the planning of that piece of infrastructure.

MR SMYTH: What role do you have? Where is the planning at on the Majura Road?

Mr Savery: I think it would be preferable to have transport and municipal services say where it is at because we are one component of it, so they may have a very different view. Our planning contribution is essentially to work with them on possible route alignment, particularly in relation to the intersection with Parkes Way and Pialligo Avenue, and all the issues around the airport. You may be aware that Minister Hargreaves released something to the press saying he was organising a task force to look at those issues of transport around the airport. So that is linked into it.

MR SMYTH: You are on that task force?

Mr Savery: The minister has been invited onto that task force and has asked us to be represented on the task force. Then, just more broadly, there is the relationship of land use planning along that corridor, if it were to be duplicated in terms of issues of rural leasing, and what have you.

MR SMYTH: I will take it up with TAMS, but is there a time frame on it? Are you aware of a time frame for it going ahead?

Mr Savery: No, I am not—not a precise time frame. Obviously it has got to be in the context of budget bids et cetera. One thing that I would say that is relevant to the time frame is that Majura Parkway is also quite critical to some of the transport issues within Civic. So certainly the planning we are doing in Civic is taking account of that potential corridor.

MR SMYTH: So are you assuming a due date or a possible date for its construction?

Mr Savery: No. We are not, because we are not project managing that exercise.

MR SMYTH: The existing Majura Road, I understand, has gone from something like

9,000 movements a day to 18,000 movements a day over the past couple of years—do not quote me on the numbers exactly but it is in that sort of area. As for the duplication of Horse Park Drive to facilitate the growth of the suburbs that you are about to bring on line, how important is it and when will it occur?

Mr Corbell: That is a matter for the Department of Territory and Municipal Services to determine. It is responsible.

MR SMYTH: But does the planning not—

Mr Corbell: I do not want to plan across their areas of responsibility.

MR SMYTH: Surely you should plan suburbs in outer Gungahlin. This is a very important road. Indeed, the connection of Horse Park Drive through to the Barton Highway, is that not an important road in your construction of new suburbs? If it is not I would be stunned. How important is it in your provision of infrastructure at large in Gungahlin?

Ms Ekelund: If I can just make a comment on the Majura corridor. We in the planning authority have identified fencing work on the Majura corridor in a similar way that we have started in the Symonston and Jerrabomberra Valley area, as a project flowing out of the spatial plan implementation, just as we have been working on Molonglo and on East Lake. So we are continuing to look at the interrelationships between land use and transport activities along there and the activities of the airport. As you will recall, the spatial plan identifies that as an employment corridor. So we will start work on that in the coming financial year as part of our spatial plan implementation project. As part of that we have been analysing transport movements and, as the chief planning executive indicated, we will be participating in Mr Hargreaves' task force.

So, we have been looking at that whole interrelationship between transport movements and the amount of transport movement along the corridor that has been generated by the connection into the top of Gungahlin as opposed to the proportion of traffic that is coming from the Federal Highway and New South Wales traffic coming along that corridor and the break-up of passenger traffic compared to freight movement and how the intersections in that whole road respond to freight, as opposed to cars et cetera. So we are undertaking an analysis and working closely with urban services, as they currently are, on how the interrelationships will work, and we will again be working closely with them and with our transport planners to look at when additional road infrastructure is required in Gungahlin for the build-up of development in that area. Obviously the Gungahlin Drive extension is an important piece of infrastructure in that whole scheme of things too.

The development sequence for Gungahlin at the moment has continued development proposed in Harrison, Franklin, Forde, Bonner and Casey, so we will have to look carefully about when Clarrie Hermes Drive to the west is opened up, as opposed to the benefits of augmenting other infrastructure. So I cannot give you a definitive answer, but we are looking closely at all those interrelationships and we will be working with other members of government agencies to make sure augmentation of infrastructure is associated with build-up of development.

MR SMYTH: Is augmentation of infrastructure being seen as an alternative to Clarrie Hermes Drive, or will Clarrie Hermes Drive be built?

Ms Ekelund: We expect that Clarrie Hermes Drive will be built one day. I am not quite sure exactly when. We will be working together with the LDA as well to establish what parts of the market we should be catering for. Indeed, that also depends on how quickly we can get development happening in the Molonglo Valley as well. We see that there will be some slowing down of development in Gungahlin once Molonglo comes on stream. We expect that development market in Molonglo to come from both the north and the south sides.

MR SMYTH: The Chief Minister's Department, I understand, is running the National Convention Centre upgrade project. You are not looking after any future development of a national convention centre. Is that being done by tourism or is that being done by the Chief Minister?

Mr Corbell: The whole government approach on consideration of options for a new convention centre is led by the Chief Minister's Department, but the ACT Planning and Land Authority has played an important role in informing that advice to government.

MR SMYTH: Can Mr Savery elaborate on the advice that has been given to government?

Mr Corbell: I think that those issues are cabinet in confidence and are the subject of material that has been presented to cabinet and has not yet been made public.

MR SMYTH: Somebody in this government has to accept the mantle that Ted Quinlan used to have for using the word "soon". Are we likely to have a decision on a new convention centre soon? If you are willing to accept that mantle, what is your definition of "soon"?

MR PRATT: Go on, be brave, minister. Pick that mantle up.

Mr Corbell: I always found that using "soon" has been a very effective strategy. "Soon" can mean as soon as I walk out of this estimates committee.

MR SMYTH: That is true, and it has been done. You have used that strategy yourself.

Mr Corbell: Indeed, I have done that myself. But I am not in a position to comment on that. The portfolio minister is the Chief Minister. You need to ask him that.

MR SMYTH: Just one last question on major policy areas: we were in discussion with the New South Wales government about future development on the Sydney to Canberra corridor. Where is that and where is it going to in the near future?

Mr Corbell: The government is very interested in seeing the outcome of the work undertaken by the relevant planning authorities in New South Wales, the Department of Planning, this week. The government remains very interested to see the outcome of that work. We do know what the principles are for settlement in the region, and principles of settlement in the region have been agreed between the ACT and New South Wales

governments through the various agreements that have been entered into between the Chief Minister and the Premier of New South Wales. I am happy to stand corrected, but my understanding is that the Sydney to Canberra corridor work is not yet completed by the New South Wales authorities.

Mr Savery: If I could just expand on that quickly, the regional management framework within which the MOU for cross-border settlement is called up and has been found, as the minister indicates, requires the ACT planning authority, in conjunction with the New South Wales planning authority, to complete the cross-border settlement strategy, which will comprise input from the Canberra spatial plan and the yet-to-be-seen Sydney to Canberra corridor strategy, within 12 months.

MR SMYTH: Are you aware of a time frame for a report from the review?

Mr Savery: No, I am not, but the reason I just threw in the “within 12 months” at the end is that we will not be able to do it if we do not see that very soon.

MR SMYTH: Are we actively pursuing New South Wales?

Mr Savery: We are. And, as Ms Ekelund pointed out, and I am sure you are aware, we are in the midst of an inquiry in New South Wales as to what position it is going to take on cross-border settlement and it may well be waiting for the outcomes of that inquiry before it finalises its strategy.

Mr Corbell: That inquiry only deals with settlement, as I understand it, in the Queanbeyan local government area.

MR SMYTH: Is that the reference from Minister Sartor to the group of three eminent gentlemen?

Mr Corbell: Yes.

MR SMYTH: Has the ACT government made a submission to that inquiry?

Mr Corbell: The government has recently agreed to a submission and I think that submission will shortly be made. It has gone.

MR SMYTH: Will it be made public?

Mr Corbell: I am not sure what the status is.

Mr Savery: My understanding is that all submissions will be made public by the inquiry.

MR SMYTH: Is the committee allowed to have an advance copy of the submission?

Mr Corbell: You would need to ask the Chief Minister that. He is the responsible minister.

MR PRATT: Supplementary to that last suite of questions, Tharwa Drive, Pialligo and a number of others which have been put on the back burner clearly are DTMS—that is

what it is now called, is it not, DTMS projects?

MR SMYTH: I was going to call it TAMS, territory and municipal services.

MR PRATT: DTAMS.

MR SMYTH: Just TAMS.

Mr Corbell: TAMS is the emerging acronym.

MR SMYTH: Yes, TAMS.

MR PRATT: Do you still have any planning responsibilities for those projects or have all your planning responsibilities been completed? They are in the mill?

Mr Corbell: As Mr Savery just said, Mr Pratt, primary responsibility for the upgrade of existing roads is with Minister Hargreaves and his department, but planning continues to have a role to play in advice and our own analysis of needs and demands, and that is a role that ACTPLA is playing.

MR PRATT: You do not know whether you have actually completed all the project planning for those projects?

Mr Corbell: Again, the responsibility for those projects rests with Minister Hargreaves. You would need to ask him.

MR PRATT: So you provide technical support in the planning process only?

Mr Corbell: We provide technical advice and planning advice.

MR PRATT: So you do not need to have a significant budget for those sorts of things?

Mr Corbell: No.

MR PRATT: I will go back to the brickworks. To your knowledge, has that project been transferred from heritage, out of Chief Minister's to DTAMS? Is that where it is now entirely?

Mr Corbell: I would assume that is the case, Mr Pratt, but I think you would have to ask Minister Hargreaves that. My assumption is that, because all environment functions and heritage functions have been incorporated in the Department of Territory and Municipal Services, he will have responsibility for that asset.

MR PRATT: Therefore, you will no longer have any responsibility for the ongoing project at all?

Mr Corbell: As I indicated this morning or earlier this afternoon, ACTPLA have never had land management or asset custodianship of the brickworks site.

MR PRATT: Or project responsibility?

Mr Corbell: Perhaps I will give it some context. Perhaps this will help. The government undertook its neighbourhood planning exercises about two years ago. When we came to the neighbourhood planning exercise at Yarralumla, one of the key issues that were raised by residents was: what is going to happen at the brickworks? That was a fair enough question.

The decision was taken that the neighbourhood plan itself would not deal with the brickworks site, but a separate exercise would be commenced in consultation with the residents association and interested members of the community on what was the most appropriate development planning framework for the brickworks and environs. That work has been completed. That work is publicly available and has been available on ACTPLA's web site for about six months.

MR PRATT: On the web site, yes.

Mr Corbell: That is consistent with one of the recommendations of the consultants that undertook the work, to make it available. So we have done that. ACTPLA is now preparing a submission for me to present to cabinet on what the government's response should be to that piece of planning work. That is just around current and potential future land use. Day-to-day asset management, fire fuel management, building management and so on are not the responsibility of ACTPLA.

MR PRATT: Yes. I only sought clarification because I am pretty sure that Minister Hargreaves some months ago might have thought that you still have on-site management for the—

Mr Corbell: Possibly.

MR PRATT: That has been clarified now. I presume you cannot give any form of deadline on when that project may indeed start. I notice the web site does not talk in terms of deadlines or program timing.

Mr Corbell: Well, the government is going to consider the report, the planning study, and once that planning study has been considered and the government has reached a view on what the next step should be, I would imagine that the government, and probably me as the responsible minister, will make an announcement about what the next steps are.

MR PRATT: May I go back to the Belconnen to Civic busway? I notice that note 6 on page 278 states that the project will be rescope'd once that preliminary assessment we were discussing earlier has been completed.

Mr Corbell: Yes.

MR PRATT: What does that mean?

Mr Corbell: What that means, Mr Pratt, is that the scope of the project has been reduced. The government has reduced the level of funding to \$2.15 million from the original \$3 million originally allocated. Essentially, what that means is that the

government has decided not to fund in the coming financial year the detailed forward design work for the project. The project, as it is currently funded, will compete with the completion of the planning work, the preliminary assessment and variations to the territory plan, if necessary.

MR PRATT: Thank you.

MR SMYTH: On the City Hill, Constitution and Edinburgh Avenues and Lake Burley Griffin connections, what is the scope of the feasibility study?

Mr Corbell: Which page are you on?

MR SMYTH: It is page 277. It is one of the planning and strategic deliverables.

Mr Savery: Through the Canberra central program, which the government is funding as a major initiative, this project seeks to quantify what the cost would be in extending the Constitution Avenue and Edinburgh Avenue road alignments up to Vernon Circle; the possible realignment or regrading of London Circuit up to Commonwealth Avenue; the removal of the clover leaves; and exploration what other options might be available so that we have got a thorough understanding of not only of timing but also the feasibility, the do-ability of it, the constructability of it, the traffic management implications of doing it and the likely timing of doing it.

That work is in the order of \$500,000 or thereabouts. We are in the process of completing that work before the end of this financial year with a view to taking it to government to get some feedback. We are also doing it very closely with the National Capital Authority not only because of their statutory interest but also because they are a key member of the Canberra central task force and they have a very keen interest in the way in which this ultimately influences or impacts on the implementation of the Griffin legacy project.

MR SMYTH: A number of options have been discussed about the connections to the lake. Can you elaborate on where the thinking is on that at this stage?

Mr Savery: Certainly this piece of work is not exploring the feasibility of the land bridges on either side. The west and the east are not part of this. This is very much confined to the road network immediately around and within London Circuit.

DR FOSKEY: I have a supplementary question. How does the recently publicised plan of a walking bridge from the museum—

Mr Savery: From Acton Peninsular to Lennox Gardens.

DR FOSKEY: Yes. Does it go with your work on city central et cetera?

Mr Corbell: From our perspective it is a project the government is keen to support.

DR FOSKEY: It will support?

Mr Corbell: Yes.

DR FOSKEY: So it is a real proposal, not just a pipedream?

MR SMYTH: Yes. There is a web site.

DR FOSKEY: If there is a web site, it must be real.

Mr Corbell: It is a very live proposal. It is certainly consistent with the work the National Capital Authority did in the Griffin legacy. In the Griffin legacy, if you look at that document, you will see they proposed some form of a connection, a pedestrian connection between that at Lennox Gardens and the National Museum of Australia. This is a not-for-profit, I guess, response to that, and the ACT government, as the Chief Minister has already indicated, is quite supportive of the concept.

If it improves walkability in the parliamentary triangle and makes it easier for people to walk around our national institutions or cycle around them, we think it is a great idea. Obviously, there has to be some consideration given to lake users. I am interested in how they are going to overcome the issue of the very drastic south-westerly in winter. Maybe it is like the bridge climbing experience, I do not know. I am sure these issues will be considered, but on the face of it I think it is a very positive—

DR FOSKEY: Maybe they could close it on high wind days.

Mr Corbell: proposal and one that the government is keen to support.

MR SMYTH: Just continuing on that line of thought, page 277 of budget paper No 4 talks about the City Hill, Constitution and Edinburgh avenues and Lake Burley Griffin connections. What are the connections you are looking at there for the feasibility study, if you are not looking at the land bridges?

Mr Savery: Because of the various projects that are programmed as part of Canberra central, we are mainly looking at the pedestrian connections. What I wanted to do was qualify that the particular piece of work that we are doing on the engineering feasibility is largely confined to the road network. We are also undertaking an additional piece of work, which is known as a movement study, which is being undertaken for us by a company called Intelligent Space.

The initial work has been completed. What that will enable us to do is reinforce where the key pedestrian connection points are down to Lake Burley Griffin and within the city centre itself and where we would orientate or co-locate buildings and their frontages and the active spaces to further reinforce those pedestrian connectivity points. We have kind of broken that piece of work down into two, the pedestrian analysis as well as the road engineering feasibility analysis, but we have not included the land bridges in that component of work.

MR SMYTH: Does this have an effect on—I forget the name—the Efkarpidis development on—

Mr Savery: Acton House. It is on the Acton House site.

MR SMYTH: Yes. Does this work have an effect on that?

Mr Savery: It demonstrates where to create the right connection points with that particular project. I am not sure how familiar members are, but the Efkarpidis group—I think they are called the Molonglo Group—have applied through the LDA for a direct grant of land from the government to the west of their current site. This was actually based on a recommendation from the National Capital Authority, which we support, which would enable them to put in a second road access. It does create another development site, which is good, but it creates an additional road access which, as part of this, will improve the connectivity down at—is this a dorothy dix question?

MR SMYTH: No. I am just interested.

MR PRATT: We leave that to that side over there.

MR SMYTH: What is the nature of the application? I am aware that they are after an additional block of land.

Mr Savery: You seem to be very knowledgeable about what I am saying.

MR SMYTH: I have big ears and listen and talk widely.

Mr Savery: That is very much to pick up and reinforce that connectivity.

MR SMYTH: And the status of the application for the direct grant?

Mr Corbell: It is still with the Land Development Agency and, in accordance with the government's policy, at some point, once the Land Development Agency's processes are complete, I will submit it to cabinet for cabinet's consideration. It is a relatively small contiguous parcel of land. I do not foresee any major issues with it, but we will wait and see.

MR SMYTH: The proposed closures of schools may liberate some land for the government, or at least some empty community facilities. Will they go to ACTPLA? Will they go to TAMS? What is the government's policy on the use of empty school blocks?

Mr Corbell: Surplus assets, regardless of whether they are schools or others, in the first instance are—they are not surplus. When an agency no longer requires a government building, whether it is an educational building or anything else, the government's policy is that that asset is transferred to Property ACT in the Department of Territory and Municipal Services as the government's property owner and manager.

Property ACT will then do an assessment as to whether or not they have a need for that building: is another government agency seeking use of that type of facility; can this facility meet its need? If that is the case, then it would be tenanted by Property ACT. If it were deemed to be surplus to Property ACT's requirements, the government's approach in relation to school sites, moving to the specifics of your question, would be to undertake planning studies for each of those sites, involving obviously a good level of public consultation to determine the most appropriate land use for the site.

MR SMYTH: And who would conduct those planning studies?

Mr Corbell: It would be ACTPLA's responsibility to coordinate those planning studies.

MR SMYTH: Is there any money in this year's budget for planning studies on excess school sites?

Mr Corbell: No. On the issue of surplus school sites, just to make it very clear, just as there is no money in the budget for planning studies, there is no money in the budget for realisation of those sites either; that is, for sale. There is not a single cent in the budget for any sale of those sites.

MR SMYTH: So are you ruling out the sale of any of these sites?

Mr Corbell: No, I am not. I am just saying that it is not factored into the budget.

MR SMYTH: On page 279, the third last line, what is the city heart levy—associated expenditure?

Mr Savery: That is an item that is essentially in and out for government. If the levy is not raised, there is no cost to government because we will not be expending money on any of the initiatives that might come under that program. But the associated expenditure is to indicate that if the revenue is raised there will be an expense against that item. The mechanism for doing that and the whole arrangement is yet to be presented to the minister and government for a decision. As to the \$600,000, as opposed to the \$1.2 million, the intention is that this would commence on 1 January, so it would be a half-year item in 2006-07.

MR SMYTH: How much are we expecting to raise from the city heart levy?

Mr Savery: An identical amount.

MR SMYTH: An identical amount?

Mr Savery: That is what I mean by cost neutral.

MR SMYTH: Yes. So if they raise a dollar, you guys will put in a dollar?

Mr Savery: No. Every dollar we raise gets expensed. If we raise \$1.2, we spend \$1.2.

MR SMYTH: How will it be spent if it is raised?

Mr Savery: This is part of the mechanism that we are currently putting to the government. We have been in consultation, particularly with the Property Council of Australia, whose members are primarily the ones likely to be paying the special levy, if we can call it that. We have, however, spoken with a number of other organisations whose members would no doubt have an interest.

As a result of that we now have a package that we are putting to the minister and the

government to get their direction in terms of the composition of any body that sits over the top of this; what can or should the money be spent on; what exactly is the levy; what is the amount; what is the rate per dollar; what is the extent; who is encompassed by the levy, the geographic area? All of those are matters that are going to government now.

MR SMYTH: So none of that detail can be made available now?

Mr Corbell: Not at this time. The government has not made a decision on the details of the government's arrangements or the area of benefit; that is, the area that would be levied and the properties within that area, the rate of levy across different slices of business or property owner and so on. Those are things that are yet to come to me. I know that a significant body of work is well under way in ACTPLA, but the final proposal has yet to be presented to me and I will need to present it to cabinet.

MR SMYTH: Why was this work not done before it was presented in this current year's budget? Why has it taken so long to work up such a proposal?

Mr Corbell: These levies historically in other jurisdictions require a very high level of sign-on by the private sector and a very high level of confidence and trust and negotiation between government and the private sector. Otherwise, quite rightly, the private sector says, "It's just another tax. Why are you taxing us again?"

MR SMYTH: That may well be a question. Is it another tax, which of course would be illegal?

Mr Corbell: Tax in the broad term, Mr Smyth, not the specific legal term. That is the answer to your question. It has involved a very lengthy period of negotiation, discussion and confidence building to get to this point.

MR SMYTH: And if the private sector does not sign on?

Mr Corbell: If there is widespread opposition, there is not much point in doing it. I do not expect unanimous agreement from property owners, but, if there is widespread universal rejection, then obviously there is no point in proceeding.

THE CHAIR: Mr Pratt, you have one minute for the question and the answer.

MR PRATT: It will be pretty fast. Going back to my previous question on roads, forward thinking you are, but clearly you still have the technical knowledge of DTAMS for their ongoing projects. Do you also have a review role of how roads are performing in the design and safety sense?

Mr Corbell: Design and safety issues are a matter for territory and municipal services.

MR PRATT: Entirely? So you would not go back and revisit works that have been done to see whether—

Mr Corbell: Issues of road safety and road engineering lie with transport and municipal services. ACTPLA is interested in the broader effectiveness of the road network in meeting transport demand and the implications that has for future decisions about urban

growth, development and so on. But if you are talking about the design of a road, whether or not it is safe, those sorts of issues, those are matters for territory and municipal services.

MR PRATT: Fine. Therefore, would ACTPLA have made a comment about the changes to Northbourne Avenue as a consequence of cycle lanes being put thereupon in terms of the traffic through? That is a traffic planning issue, is it not?

Mr Corbell: ACTPLA—

MR PRATT: Have you actually made a comment about the changes to Northbourne Avenue as a consequence of the cycle lanes project?

Mr Corbell: ACTPLA implements the government's policy, and the government's policy, through the sustainable transport plan, is to encourage both on-road and off-road cycling and to encourage a shift in transport loads.

MR PRATT: But two years down the track, now that you have seen it working, have you—

Mr Savery: A good way to illustrate perhaps what you are trying to attain is that the government's policy is that we want bike lanes on main roads, particularly where they can create connections as part of the network of the bicycle master plan. Northbourne Avenue did not offer a lot of options so, in consultation with us, TAMS, as they will be known, I suppose, did the design—

MR SMYTH: It is official now.

MR PRATT: We have made it official here today.

Mr Savery: undertook the design and accommodated it in the configuration that we have got. Separately, the planning authority, as part of its strategic transport planning role and in implementing the sustainable transport plan, is looking at the corridor from Gungahlin into the city, which includes Flemington Road and Northbourne Avenue. As you know, we have already done Flemington Road. We did not do the project; we did the planning.

MR PRATT: The planning, yes.

Mr Savery: We are now doing the planning for what is known as stage 2, which is essentially the length of Northbourne Avenue, which will take into account the link into Flemington Road and the links into how the transport network is going to operate within Civic as part of the Canberra central project. We run the transport model, which is called the ME2. The ME2 is the software package. We do all the transport modelling. We are consulting with TAMS as part of that process and putting recommendations and options to the minister. Once we have completed that and once the government, through the minister, have determined the option they want, got a budget together and got the budget bids, we are out of it.

THE CHAIR: Thank you, minister. Thank you, officials.

The committee adjourned at 6.02 pm.