



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

MONDAY, 26 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).

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The committee met at 9.33 am.

Appearances:

Hargreaves, Mr John, Minister for the Territory and Municipal Services, Minister for Housing and Minister for Multicultural Affairs

Department of Disability, Housing and Community Services

Lambert, Ms Sandra, Chief Executive

Hubbard, Mr Ian, Director, Finance and Budget

Overton-Clarke, Ms Bronwen, Executive Director, Policy and Organisational Services

Sheehan, Ms Maureen, A/g Executive Director, Housing and Community Services

Collett, Mr David, Director, Strategic Asset Management

Manikis, Mr Nic, Director, Multicultural Affairs and Community Development 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 action such as being sued for defamation for what you say at this public hearing. It also means that you have a responsibility to tell the committee the truth. The Assembly will treat as a serious matter the giving of false or misleading evidence. Minister, would you like to make an opening statement?

Mr Hargreaves: Yes, I would, thank you, madam chair. I welcome the opportunity to present the portfolio areas of those parts of the Department of Disability, Housing and Community Services for which I am responsible—housing and multicultural affairs. Housing ACT has driven significant organisational change over the last three years and it has become more effective in a number of areas, including improved asset management of public housing stock, client service visits to every public housing tenant each year, increased targeting of housing to those applicants most in need, support for families to maintain their tenancies when faced with complex needs and personal crisis, improved provision of the most affordable housing in the ACT, and a closer working relationship with tenants.

Housing ACT provides over 11,000 dwellings for members of our community in need of assistance. The community will be aware that this budget provides \$30 million over the next three years to expand the ACT's public housing stock. For the benefit of ACTCOSS, that is bricks and mortar. Capital funding of \$4 million and \$6 million from operations will allow an expansion of approximately 90 properties. This builds on the capital funding of some \$50 million allocated over the last four years and provides an additional 140 properties, some of which are still being completed. While we are expanding our housing stock this budget also ensures that we will be able to continue to provide and maintain public housing in the ACT by increasing the efficiency of our service delivery. In 2004-05 the cost of a public housing dwelling in the ACT was 70 per cent above the national average.

This budget will bring the ACT closer to the national benchmark identified in the

Productivity Commission's report on government services. The longer term benefit of improving the efficiency and operating position of Housing ACT is the release of ongoing funds that can be used to address priorities in social housing on a long-term basis. As minister, that is something I am proud to have overseen. Changes to the public rental housing assistance program will be made to ensure that members of the community who need it the most are being housed in the shortest possible time. The priority allocation system will be reformed to focus on the most needy.

People to be included in this category will be those facing complex needs, including individuals and families facing primary homelessness; those in homelessness services; Aborigines and Torres Strait Islanders with complex needs; women and children fleeing domestic violence; the frail aged; and people with a disability when support mechanisms are in danger of failing. It is hoped that those in the top category will be housed within three months. There will also be priority transfers to enable tenants to downsize or move to areas of lesser demand, which will facilitate the better utilisation of housing stock and enable more effective matching of the needs of tenants with housing stock.

While homelessness services are the primary response to crisis, the ACT government is focusing on assisting people to move out of homelessness services once their crisis has been addressed and helping them to rebuild their lives. The transitional housing program will utilise temporary, vacant or hard-to-let public housing stock to provide a homelike environment on an interim basis while people await their final public housing allocation.

Many of my colleagues would be aware that I take a particular interest in the portfolio of Multicultural Affairs. This government recognises that many multicultural groups rely heavily on government funding to facilitate their activities.

A priority of this budget is a streamlining of the grants process. This will make it easier for groups to find information and access moneys, thus allowing for their continued operation.

I welcome the committee's examination of this department and I am happy to answer any questions you may have. I take this opportunity to advise the committee that today I am accompanied by Ms Sandra Lambert, Chief Executive of the Department of Disability, Housing and Community Services; and Mr Ian Hubbard, Director of Finance and Budget for the Department of Disability, Housing and Community Services. Thank you, madam chair.

THE CHAIR: Thank you, minister. In your opening remarks you referred to a \$30 million commitment. Could give us more detail on that?

Mr Hargreaves: Yes, sure. I am pleased to say that this government has fulfilled its election promise of \$30 million over the period of three years. Over the past 12 months there has been some angst that that promise might not be forthcoming. I am pleased to inform the committee that the government is directing \$30 million towards expanding public housing stock over the next three years. There has been some discussion in the media that cuts across the government sector in general would find their way into housing. I assure the committee that this \$30 million is for bricks and mortar. It will be for housing stock and it will be funded.

Additional public housing properties will be acquired to expand public housing as a result. As I said earlier, there is an additional injection of \$4 million per annum over the next three years. That is \$4 million worth of capital injection and a reduction in expenditure each year, providing for the reinvestment of a net \$6 million per annum in housing improvements over the next three years. This information is to be found on pages 70 and 97 of BP3 for 2006-07.

The expenditure of \$30 million over the next three years should provide an additional 90 properties or so, depending on the type of property, the number of bedrooms and the location, et cetera. One of the things we have noticed over the last couple of years—in fact, it came out at the housing summit and at the many forums I have been privileged to hold where I talked with members of the housing community—is the mismatch between people's needs and the properties that they were offered, or in which they found themselves.

Many people on the housing list were seeking accommodation to suit their needs at a particular time in their lives. A number of them wanted two-bedroom apartment-style housing to start with because those were the needs they had identified. However, our surplus housing stock did not include that type of accommodation at all. Housing ACT justifies the way in which it conducts its business because, in a sense, it has an opportunity to trade in real estate. When we sell a three-bedroom place on a quarter acre block in the suburbs the amount we get back for it is sometimes 1½ times the amount we get for a two-bedroom apartment. That occurs in the normal course of events.

With this \$30 million we propose to increase the number of dwellings at our disposal. We will apply the same criteria that we applied before: we will provide accommodation to those most in need and find holistic solutions to their problems. People rarely become homeless because it is a good idea, or because they like the fresh air; they become homeless because their lives are in crisis. Our approach is to tackle that crisis in a holistic way. One of the significant planks in achieving those solutions is the provision of appropriate accommodation. There is a danger that people can be slid into any type of accommodation. That can be as counterproductive as the wrong sort of therapy. I hope I have provided you with some further information, madam chair.

THE CHAIR: Minister, are you saying that the bottom line is that there will be an increase in housing stock?

Mr Hargreaves: There will be an increase of about 90 or so rental properties. At this stage of the game we have to match our acquisition of dwellings with the need that is presented. For example, if a woman and child are fleeing domestic violence, a two-bedroom apartment might be appropriate for them. It is inappropriate to put a single person, or even a family with a member with complex needs, out in the suburbs where support services just are not available. That family needs something closer to town where support services are available. So the price of the property that person was allocated would be significantly higher than the price of a property for somebody out in the suburbs. I said that the government would be increasing rental properties by about 90 or so dwellings. It is trying to match acquisition with need. But this is about bricks and mortar.

DR FOSKEY: I have a supplementary question.

THE CHAIR: Dr Foskey, as your voice is soft I ask you to speak into the microphone. Hansard staff are having difficulty recording the proceedings.

DR FOSKEY: I hope you do not get off too lightly, Mr Hargreaves.

Mr Hargreaves: Have you been supporting Collingwood as I have, Dr Foskey? That is how I lost my voice.

DR FOSKEY: No. I think it is all those meetings in draughty school auditoriums. In the 2004-05 budget Bill Woods committed an annual capital injection of \$5 million a year for four years for the supply of social housing. If this promise has been kept, the ACT community is meant to have \$5 million in 2006-07 and \$5 million 2007-08—separate, I believe, from any new commitments you have made. Am I right in thinking that this funding is separate from the new \$30 million in funding on which you just expanded? If I am right, for what is the remaining \$10 million from Bill Wood's commitment being used over the next two years?

Mr Hargreaves: Dr Foskey, you are right. It is in the base and it is being used in exactly the same way as it has been used in the past.

DR FOSKEY: Which is?

Mr Hargreaves: To provide social housing.

DR FOSKEY: And is that separate from the \$30 million?

Mr Hargreaves: It is in the base. You might remember that the last time we met we talked about an incremental budget versus a zero base. The \$5 million is in the base. This budget is an incremental based budget, so the \$30 million is an incremental increase.

MR SMYTH: Minister, where is the money coming from? Is it new money, or is it money that will be achieved only through savings inside Housing ACT?

Mr Hargreaves: As I explained, that amount of \$4 million will come from a new capital injection. The \$6 million will come from administrative back-end savings within the department. In bringing the costs of housing down closer to the national average of 70 per cent, we have been allowed to retain savings and apply them directly to the acquisition of stock. Of course, a lot of this was predicated on the removal of the tax equivalent payment, which was a payment to us.

MR SMYTH: How would you achieve \$6 million of savings inside the department?

Mr Hargreaves: As we have explained in the past—I suspect the explanation will be the same for every department—the way in which we do business has to be restructured, and it will be restructured. We have a combination of positions that will not be required. We will reduce systems costs and other overhead costs. The combination of those represents at least \$6 million.

MR SMYTH: Page 19 of the budget speech states that there will be a loss of 300 to 500

properties, which will be sold. You just said that this money will be spent on bricks and mortar and that there will be 90 new properties. Is it 90 new net properties, or is it 90 properties after you sell the 300 to 500, resulting in a loss of either 210 or 410, depending on how you look at it?

Mr Hargreaves: Did you say that that statement was on page 19 of the budget speech?

MR SMYTH: Yes.

Mr Hargreaves: I have page 19 of the budget speech in front of me. Can you tell me where it states that the government is going to get rid of 300 to 500 houses? I do not read the budget speech in that way. I will quote the words in the budget speech, which states:

As a matter of some priority, the Government will also actively explore the option of selling 500 public housing dwellings—

and this is the important bit—

with the proceeds to be reinvested in stock that better matches demand and need.

The imagery Mr Smyth is portraying is that we are going to chop 500 dwellings out of the system, which is clearly incorrect.

MR SMYTH: No, I asked whether there would be a net loss or a net gain.

Mr Hargreaves: No, Mr Smyth.

MRS BURKE: You are or you are not.

Mr Hargreaves: Mr Smyth should at least give me credit. I quoted exactly what was in the speech and he misquoted what was in the speech.

MR SMYTH: No, I asked whether there would be a net gain of 90 homes.

MRS BURKE: It is a fair question.

Mr Hargreaves: Madam chair, over the term of this budget year there will be an investigation of the change in the nature of stock. We are talking about an investigation. Let us say, for example, that we were to sell 500 dwellings to the tenants that were in them. The Chief Minister and Treasurer is asking us to investigate how we can reinvest that money into public housing stock. That tells me that this government is saying—and this is what I said earlier—the housing stock we have might be surplus to need, can be sold to the people who live there and the money can be redirected more appropriately to people in need.

As I said earlier, there is no point in having a three-bedroom home available for sale when a person on the list with complex needs requires a two-bedroom apartment in the middle of Civic. That is what this is all about. The imagery Mr Smyth portrayed of the government cutting 500 dwellings out of the system, walking away and putting the money into consolidated revenue, is mischievous at worst and misleading at best.

MR SMYTH: What you are doing is ignoring the question. The question was: will there be a net gain of 90 homes?

Mr Hargreaves: I do not know the real estate market so well. It might well be that there is a net gain of 90 homes, as Mr Smyth said.

MR SMYTH: You said 90; I am quoting your number.

Mr Hargreaves: No, I did not.

MR SMYTH: You said that the \$30 million would be used to buy 90 homes.

Mr Hargreaves: I said that the \$30 million would get us 90 homes.

MRS BURKE: Yes.

MR SMYTH: I am asking whether there will be a net gain of 90 homes on the number of houses you now have.

Mr Hargreaves: It has to be this year, madam chair. The budget speech states that this matter will be investigated; it does not say we are going to do that. We are being asked to have a look at it.

MRS BURKE: You are having a bob each way.

THE CHAIR: Mrs Burke, do you have a supplementary question?

MRS BURKE: Yes, madam chair, I do.

Mr Hargreaves: We are going to have a look at this. It is highly doubtful that we would sell one of the 500 dwellings in the suburbs and not replace it with one or possibly more than that.

THE CHAIR: Mrs Burke has a supplementary question.

MRS BURKE: Minister, my colleagues and I are aghast that you are trying to weave your way through this. You cannot have it both ways. You are saying, and you said in your opening remarks, that you are looking for appropriate accommodation. As you said, the budget speech states:

... the Government will also actively explore the option of selling 500 public housing dwellings, with the proceeds to be reinvested in stock that better matches demand and need.

Mr Hargreaves: Yes.

MRS BURKE: Are you ruling it in or are you ruling it out? Will we have a net gain? What is the figure? It seems very rubbery. Could you give us a clear direction on what stock we can expect in the housing portfolio?

Mr Hargreaves: I should have brought down some butcher's paper and crayons.

MRS BURKE: No; we just need a straight answer.

Mr Hargreaves: This is going to be a long morning. I state again that the \$30 million will provide 90 or so dwellings, so we will have an additional 90 dwellings. There is no smokescreen here, Mr Pratt, unless you have taken up smoking, which would not surprise me. An investigation will be conducted into the sale of up to 500 homes to address the more appropriate allocation of dwellings to meet people's needs. This year, there will be a guarantee of 90 or so homes above the housing stock that we have left.

MR SMYTH: So this year we will have 90 above?

Mr Hargreaves: Over three years.

MR SMYTH: So this year over three years?

Mr Hargreaves: Mr Smyth, if you want to play smart-arse swordsmanship you can do it by yourself.

MR SMYTH: Those are your words, Minister. You said, "This year over three years."

Mr Hargreaves: I am not in the mood to play silly buggers with you this morning. You can play silly buggers by yourself.

MRS BURKE: Be clear with this committee.

Mr Hargreaves: I am trying to explain this issue for the benefit of Mrs Burke, who said, "You cannot have it both ways, Minister. Will you rule it in or will you rule it out?"

MRS BURKE: That is a fair question.

Mr Hargreaves: Madam chair, the queen of cliches over there might like to explain what increased stock both ways means. I do not understand it.

MRS BURKE: Are you increasing stock or are you selling it off? What are you doing? Are you doing both? You have not made it clear. These figures are all very rubbery.

Mr Hargreaves: I will make it clear: we are doing both.

MR GENTLEMAN: Minister, you mentioned earlier in answer to Mr Smyth's question that some tenants were taking up the offer to purchase their government homes. We hope to see that number increase. What are the prices of those homes compared to the price of private homes in these areas? Would you give me the percentage rate?

Mr Hargreaves: Yes, Mr Gentleman. As you would appreciate, it depends on where they are. When we sell homes to current tenants we start off with a valuation price and we then discount it if they have made a certain number of improvements. Let me give you an example. A couple of months ago I was talking to a tenant in one part of Kambah.

When the valuation came in it was about \$310,000, but after we took into account the improvements the family had made over the years, the sale value of the house was \$250,000. Of course, it depends on where the property is located. Current real estate value in the marketplace is not necessarily the amount that people would have to pay to pick up such a property.

As a result of the incredible amount of work Housing ACT did prior to the summit, and because of some of the things that were picked up in the summit, we are hoping to implement a scheme to assist people to purchase their homes. Believe it or not, a lot of government housing tenants are still in their very first homes so, in effect, they are first home buyers. We also want to do more work on shared equity schemes so that people can buy 60 to 70 per cent of the home and their mortgage payments would probably be less than they are paying in rent. Some banks have expressed an interest in that option, which we are exploring but, as you know, the banks move slowly. It is a positive step but there is still a lot of work to be done.

MR GENTLEMAN: Would the improvements you were talking about be outside the work the government does on repairs and maintenance of public houses?

Mr Hargreaves: Yes, Mr Gentleman. An example would be putting in a garage. A tenant might put in a garage and pay for it and that can be discounted.

MR GENTLEMAN: How much money does the department spend on repairs and maintenance of government houses?

Mr Hargreaves: I will ask Ian Hubbard to give you that figure. He is a financial guru and the best financial manager in the whole of the ACT public service.

Mr Hubbard: You would probably appreciate that we have a total facilities management agreement that covers the maintenance of our 11,500 properties. We pay about \$30 million a year for a whole range of maintenance, whether it be longer-term or shorter-term emergency maintenance. That is the budget for the TFM each year.

MR GENTLEMAN: I guess you will keep up that standard of maintenance and repairs over this next budget period?

Mr Hargreaves: Yes, Mr Gentleman. The short answer is that we will. We had a couple of total facilities management contracts but we consolidated them into one. That means there is a better relationship between the department and the provision of maintenance services. We have been able to reduce the amount we will have to pay by about \$4 million. The contractor, who has a significant contract, is keen on providing high-quality work. The contractor will ensure that a higher proportion of maintenance expenditure is spent against planned works, rather than adding on higher cost-responsive repairs.

About 15 years ago Housing ACT spent an equivalent amount on its maintenance budget, as did education, by October that year because it had a significant backlog of urgent and responsive stuff. We now have planned maintenance involved in that. All those advances and the good work housing has done over the years is now bearing fruit. We are now able to provide a better proportion, although I cannot quantify it for you, of

maintenance costs on planned works rather than on responsive stuff. That does not mean that the responsive stuff does not get done because it does; it just means we have a greater accent on planned maintenance costs and it is considerably cheaper. So we have been able to effect efficiencies in that way.

MR GENTLEMAN: So you will keep that contractor on with the expansion of the new dwellings?

Mr Collett: The contract that the minister referred to is just coming up to the first year of a three, plus two, plus two-year contract, so there are significant incentives in the contract for the performance KPIs to be met and exceeded. There is the opportunity to extend the contract solely at the department's discretion.

There are also a number of bonuses built into the contract for meeting the performance indicators that the minister referred to. For instance, the figures are only for this financial year, but last year the responsive maintenance that the minister referred to was close to 60 per cent, well over half of our total maintenance budget. Our concern is that sending a plumber out to fix a single leaking tap or to correct a single power point is not the most efficient way of spending our maintenance dollar, so the contract allows for some bonuses. The target figure is to reduce that responsive maintenance to 40 per cent so that we get much better spending.

Other areas in which there are incentives that lead to both bonuses and the extension of the contract are turnaround times, the performance of the call centre and, most particularly, tenant satisfaction levels. The recently completed housing forums and the housing summit, the regional meetings all showed that that work was starting now to bear some fruit. Ms Lambert made the comment that it was interesting to hear, for the first time, a preponderance of our tenants appreciating the maintenance services, making positive comments about the maintenance services, rather than finding criticisms.

DR FOSKEY: Page 362 of budget paper 4 says that at the end of 2005-06 there was \$47.372 million in assets held for sale. I am interested in knowing what those assets are and whether they include the 500 properties that the ACT government may or may not sell.

Mr Hubbard: As you can see, there has been a significant lift from the 2006 budget, from zero to \$47,372,000. That change is really a requirement under the new international accounting standards and the harmonisation whereby, if you do have an asset for sale, and I think the intention is that it therefore isn't earning any revenue, you basically have to shift it out. You are on page 362. If you look down to the non-current assets you will see in the third line there a classification for property, plant and equipment. That is normally where all the property and the buildings sit. As you can see from the 2006 budget year, you've got \$3,120,882 and that goes down in the estimated outcome to \$3,072,316.

What we have done there is we have basically shifted that asset out of non-current assets into current assets, we have basically shifted it up a category. We are not saying that it is a non-current asset sitting in our portfolio earning revenue, as in rent. What we are saying is that we have shifted it up into what is more reasonably aligned with international standards to say that we have got \$47 million worth of assets currently for sale. Some of

those might still be earning revenue, but what we have done in our forward asset management planning is to say, realising the changes that have occurred internationally in representing assets on your balance sheet, that we are going to shift those out of non-current assets into current assets.

Mr Hargreaves: So you add the two numbers, Dr Foskey, and compare it.

DR FOSKEY: Are these properties currently empty or are they sitting with people who know that they are not going to be there for very long?

Mr Collett: No, these properties are primarily the joint venture properties. We have some vacant land, we have some units that are occupied that we are looking at selling and we have some units that are vacant. So it is a range of those.

Mr Hubbard: It is basically the multiunit properties that we have each year and you will see in that number we currently have Currong Apartments. We have also got the property in Lyons, Burnie Court. We have also got Fraser Court currently in there. As you can see there in the outyears, if you have a look at the assets for sale, we turn over about \$7 million or \$8 million each year in housing and the difference between the \$7 million or \$8 million and the \$47 million is basically the multiunit properties that we are considering seeing if we can engage in public-private partnerships on, joint ventures.

MR SMYTH: Is it possible to get a reconciliation of that in the three categories and the locations?

Mr Hargreaves: Of what?

MR SMYTH: Mr Collett said that it falls into three different categories. Could we have a breakdown of the \$47 million into the three different categories and what properties fall within that?

Mr Hargreaves: This is an estimated outcome at 30 June this year.

MR SMYTH: Give us an estimate of this, then.

Mr Hargreaves: We will give you an estimated breakdown of that.

MRS BURKE: I have a supplementary question. Mr Collett, you mentioned some other units that you are selling. Are you earmarking others around the city to come up for sale? Is Kanangra Court at Reid on your hit list?

Mr Hargreaves: Mrs Burke, if you want to ask questions of the officers, feel free to do so, but if you are going to use words like “hit list”, address those comments and questions to me, please.

MRS BURKE: To you then, minister.

Mr Hargreaves: There is no such thing as a hit list, Mrs Burke.

MRS BURKE: You haven't got an asset management strategy that you are currently

working on.

Mr Hargreaves: I repeat, madam chair, that there is no hit list.

MRS BURKE: So you haven't got a strategy as to what is going to go in the near future.

Mr Hargreaves: For the third and last time, there is no hit list.

MR SMYTH: She hasn't asked you two other times. You are feeling particularly guilty this morning.

MRS BURKE: I asked about your asset management strategy.

Mr Hargreaves: You used the words "hit list" and I have just told you right now and I will tell you for the fourth and final time—sold to the top bidder!—there is no hit list.

MR PRATT: Could you answer the follow-up question, then?

MRS BURKE: Yes, what other units or complexes are earmarked for sale? Surely you know that at this point.

MR PRATT: Did you have prunes for breakfast this morning, minister? Good God, we are off to a bad start again.

Mr Hargreaves: Mr Pratt gets the "dickhead comment of the week" award.

MRS BURKE: Let the minister answer the question. Are there any more units earmarked in the asset management strategy that we need to know about now?

Mr Hargreaves: There is nothing you need to know about right now, Mrs Burke. As far as the committee is concerned, we have a look at all of the properties upon vacancy and see whether we should be investing in them in terms of refurbishing them for allocation or hold them over for sale.

THE CHAIR: Minister, the operating statement on page 365 of budget paper 4 states that there is going to be a \$9 million decrease due, in part, to the removal of ACT government funding in excess of matching requirements under the commonwealth-state housing agreement. Could you explain to the committee how this will affect housing's current operations?

DR FOSKEY: Are you talking about the SAAP funding?

MRS BURKE: Yes, that is what this is.

Mr Hargreaves: No, we are not, madam chair. No. Housing ACT, one; scaremongering, nil. No effect on SAAP funding at all.

DR FOSKEY: Sorry, I am just trying to find out what she is asking about.

THE CHAIR: Page 365. I am talking about the matching requirements under the

commonwealth-state housing agreement.

Mr Hargreaves: I will ask Mr Hubbard to give you some detail on that.

Mr Hubbard: That is basically a note to the operating statement. You can see that that, essentially, describes the major movement that has happened in the accounts this year. Therefore, I think that that is why it is a very important one. It captures most of the changes on the recurrent side, as opposed to the capital. When you see the combination of the \$6 million in recurrent and the \$4 million in capital to make up the commitment each year for the \$30 million, this is partly where it comes in.

You can see on page 365 that there has been removal by the ACT government of funds above the matching requirement under the CSHA and also one-off funding for community grants, which is essentially some capital funding that went out to community groups. Those projects have been delivered, so that the funding has been expended in that sense. Also, a water and energy initiative came up the previous year. So that is the combination of the bringing down of revenue to enable the ACT government to match exactly the commonwealth contribution.

If you look at the accounts, it shows up under the revenue side on page 361. You will see the drop there from \$32 million to \$22 million under 2006-07. The interesting thing about those things is that what we have done, really, is we have changed the way that the funds are coming into Housing ACT and, rather than going into expenses, you will see there that the actual GPO available for the expense side or the payment of operations has been reduced by that amount and there is a consequent increase in funding going directly into capital.

MRS BURKE: I have a supplementary question. Why the removal of the government funding and access to matching requirements?

Mr Hargreaves: That is a policy question. I will take that question. There are a number of reasons why that is to be removed, one of which is the fact that we are currently 70 per cent across the whole board above the national average and that is not sustainable. Secondly, we need to have administrative savings ourselves and so that will be applied to the people who work in partnership with the government as well.

The other thing we need to understand is that we need to be absolutely sure that the money we have is going to people in need, not necessarily on paying the salaries of people to tell us about that. We know already who are in need. So there are certain amounts of money that we are paying out over and above that which are required to match the CSHA which, in a sense, we would be paying in times of plenty, and we don't have times of plenty. So we need to be saying to everybody connected with the housing thing, and I said this in the summit and I have said this in the forums, that we need to be responsive directly to people. We don't need to have an overabundance of support services. We don't need to have a whole stack of public funds going into peak bodies necessarily telling the government about X, Y and Z. We need to have money targeting those people in need.

When we looked at the changes, and I am sure we will discuss this a little later, about eligibility criteria, the whole reason behind that is that people who were paying

70 per cent of their household income for their accommodation have a greater need, in a sense, than people who are paying 14 per cent of their net, and we are still making them wait 12 months. We don't need to do that if we can do things smarter than that. So we have taken the decision that we will not continue the level of overmatching of the commonwealth-state housing agreement that we have done in the past, but we will be doing things considerably better along the way. I have to say that the conversations that Housing ACT have with the providers and with the one or two peak bodies that we have around the place have identified the need loud and clear for us.

MRS BURKE: So the removal of the funding is not going to impact finally on the delivery of services to those most in need.

Mr Hargreaves: I will ask the CEO, Ms Lambert, to respond to that question.

Ms Lambert: No, there won't be an impact on service delivery. We have worked very hard over the last few years within the construct of Housing ACT, which, as you would know, is a public trading enterprise and therefore, like all jurisdictions, we are required to operate in a business-like manner. We have to be effective and efficient in our operations. Over the last three years we have been working towards more efficiency, particularly in our dollars. We have been aware of the issue of benchmarks over a period of time and we have been working on them.

Indeed, as you will recall, the recent Auditor-General's report commented that housing operated in a generally sound management framework, but we certainly needed to have a look at our operating costs. So what we will be doing is looking at all areas of expenditure, but we will also be endeavouring, as much as possible, to quarantine service delivery and to make sure that the services are there directly for the people who need them. So when we are dealing with our overmatching dollars we will be looking at all areas of expenditure, but we will certainly be making sure that service delivery directly to clients is the priority as we move forward.

DR FOSKEY: Minister, you said on Thursday, as reported in Friday's *Canberra Times*, and you have just said again that you believe that money would be better spent on housing those in difficulty rather than those who told you about the problems.

Mr Hargreaves: Yes.

DR FOSKEY: Is it then the ACT government's position that people facing housing stress or homelessness always have the capacity to make the ACT government aware of their circumstances and negotiate outcomes?

Mr Hargreaves: This is the three-card trick I was dreading and I have been dreading for about a month or so. Madam chair, we have relationships with so many different groups about housing stress in this town, from church groups to peak bodies, to ACTCOSS, to Shelter, to the operators of community housing, to people themselves, and we have our own lists and our own surveys. So the answer to Dr Foskey's question is that certainly they are, but they are not the only people who advise us. I have to tell you I sometimes think that we spend a lot more money than we need on getting groups to tell us things that we already know.

DR FOSKEY: Sorry, I don't think we have finished there. I am just wondering about the summit in terms of your saying that you don't need Shelter; nonetheless, you have funded Shelter, which was set up by ACTCOSS itself years ago.

Mr Hargreaves: With a lot of help from Ms Tucker.

DR FOSKEY: You funded it to the level of \$60,000, so clearly you value its advice to some extent. I am just wondering whether you have read any of the reports that Shelter and ACTCOSS together produce, such as *The wealth of home*, which is free and expert policy advice. I just wondered what you think about the quality of that research.

Mr Hargreaves: I think that the involvement of ACTCOSS in Shelter's report was a most welcome one. I think that ACTCOSS is a rather good and diligent advocate for people in need. I think that one of the documents that I did read that came out of that was a reasonably good expose of the Greens' policy on mandatory percentages of affordable housing in the territory and that bit I found to be reasonably—

DR FOSKEY: That came out of the affordable housing task force report of a long time ago.

Mr Hargreaves: Did I interrupt you, Dr Foskey?

DR FOSKEY: I am just correcting you, Mr Hargreaves.

Mr Hargreaves: I thought that it was a great expose of that particular Greens' policy. I thought that was attributable to some former members here and I said so publicly. I said so publicly at the time and I don't resile from that. I am really pleased to see you bounce to the defence of Shelter, interestingly. You didn't mention people like ACTCOSS in your defence. You didn't mention people like TAS Housing, SOUL, Poachling, Billabong or anyone like that. It is interesting that you would jump instantly to the defence of Shelter. All of those people contribute positively to the dialogue. Whether we need their particular services to the extent to which they have been provided in the past is a decision for government. Ms Lambert would like to add a little bit to that.

Ms Lambert: I just want to talk about the part of the question which asked about how we interact with people who are in need. We have spent a lot of time recently looking at our waiting list and analysing our waiting list to determine the characteristics of people, and that is a key factor for us in deciding how we need to manage our operations. Secondly, we stay in very close contact with the sector. For instance, there are a number of programs funded, particularly for homeless people, which enable us to make contact with them. One such place would be the group actually funded by the community inclusion board that operates out of premises in the centre of the city and we are able to stay in touch with those people to learn about characteristics.

We have SAAP forums. SAAP, of course, is not the responsibility of this minister, but in relation to this question we do have regular SAAP forums in which the service providers themselves talk to us directly about the needs of the people they are dealing with. So we do have a range of mechanisms to stay in touch with people who are in need and we use all those mechanisms as much as we can.

MS MacDONALD: Minister, I was a bit surprised to hear the other day that ACTCOSS is funded to provide housing services. Is that correct?

Mr Hargreaves: We fund ACTCOSS to provide for us a range of services, a range of advice to government. One of the things that I cannot quite wrap my mind around—it is a personal challenge and I accept that—is that when we deal with peak bodies we try to deal with people who have a number of organisations from which information can flow and there, in a consolidated form, the message can be given to government. I just wonder how many peak bodies we have to deal with. It looks a bit like a mountain range from time to time and perhaps we can narrow that down a bit. We will fund people like ACTCOSS on a project basis from time to time anyway. So the answer to your question about whether we fund for housing information is yes.

MS MacDONALD: But do they also provide housing services?

Mr Hargreaves: No, just policy advice.

Ms Sheehan: In addition to ACTCOSS' role as a peak, they are funded by our department to provide training to the sector, which is completely consistent with their role as a peak, of course, which is to provide development for the sector, and they receive an amount of funding across different types of service provision as well to do that sector development role. That is not a representational role, but it is a sector development role.

Mr Hargreaves: But they don't provide housing services, no.

MS MacDONALD: But they are providing some sort of service provision which is not related to their role of being a peak body and giving advice; that is my question.

Mr Hargreaves: They actually have two roles in this sense. One is as a peak representative body to governments on behalf of the range of members that they have. They also do undertake various pieces of research and consolidate that with information from their own members, interstate or international research, put it together and provide us with the benefit of that advice just in their role as the peak council on social services. But, as Ms Sheehan has said, occasionally they will also provide other services. For example, if you wanted to do client relationship training and you had a very small provider who couldn't access that normally, ACTCOSS will actually provide that sort of stuff to you.

MS MacDONALD: I wanted to follow up on this point, because I am trying to establish whether ACTCOSS ends up working in competition with other service organisations. Does that not then place it in conflict, if it is doing that, with organisations that are part of its peak body?

Mr Hargreaves: I do not know whether we are in a position to answer that. I do not think I am in a position to answer that.

MS MacDONALD: I appreciate that. It is up to those organisations to determine themselves and it is not the role for government. I do not want to make a statement but I was curious to know whether or not that was the case.

Ms Lambert: Across the organisation we provide approximately \$1.5 million to the funding of peaks. When we are looking at all of our expenditure we need to make sure that we provide the best services to the people who need it. Of course, in the case of this agency that is people who are vulnerable and people who are often at a crisis point in their lives. We provide universal services too, but that is a significant amount of money.

MRS BURKE: Minister, Ms Sheehan has just alluded to the fact that ACTCOSS, as the peak body, is there to look after the training needs of the sector and does a great job in doing so. It is disappointing, though, to note the indigenous project officers training. Who is going to pick this up? What is going to happen there?

Mr Hargreaves: I note Mrs Burke's disappointment and suggest that she refer her question to Minister Gallagher.

MR SMYTH: Minister, page 354 of budget paper 4 says the staffing is going from 210 to 200. Where do you expect the 10 reductions to come from?

Mr Hargreaves: I think we had this conversation last week, did we not?

MR SMYTH: Maybe we will have it next week too.

Mr Hargreaves: I will give you the same answer again: when we have decided where they are going to come from. This is an FTE estimate, and as we develop the exact processes, we will be able to determine the exact positions. You said 353, Mr Smyth?

MR SMYTH: Page 354.

Mr Hargreaves: Okay, I am with you, yes.

MR SMYTH: Are any ACT housing shopfronts closing?

Mr Hargreaves: The direct services that we provide to people in the ACT will continue to be provided in a better way than they are at the moment.

MR SMYTH: Are any ACT housing shopfronts closing, minister?

Mr Hargreaves: I have answered the question, madam chair.

MR SMYTH: No, you have not.

MR PRATT: No, you have not answered the question.

MR SMYTH: I do not think he has.

Mr Hargreaves: I have not answered it to your satisfaction, but I have answered the question.

MR SMYTH: Minister, there is currently an ACT housing shopfront at Belconnen. Will it close as a result of this budget?

Mr Hargreaves: I have answered the question.

MR SMYTH: No, you have not.

MR PRATT: No, you have not.

MRS BURKE: No, you have not.

MR SMYTH: There is an ACT housing shopfront at Tuggeranong, minister. As a result of this budget will it close?

Mr Hargreaves: I have answered the question, madam chair.

MR SMYTH: There is an ACT housing shopfront in Civic, Minister. As a result of this budget will it close?

Mr Hargreaves: Is this a speech?

MR SMYTH: No, it is a question.

THE CHAIR: They are questions, minister. They are questions.

MR SMYTH: Minister, there is an ACT housing shopfront at Woden. As a result of this budget will it close?

Mr Hargreaves: As I have said, and I will say it again, direct services to people for housing issues, housing questions, housing support will be provided in a better way than they are at the moment.

MR SMYTH: Will they be provided in their existing premises?

Mr Hargreaves: They will not be provided in their existing form, madam chair.

MR SMYTH: No, premises?

Mr Hargreaves: I have answered the question.

MR SMYTH: Will they be provided in their existing premises or will three of the four ACT housing shopfronts close?

Mr Hargreaves: I have answered the question, madam chair. I am not going down this silly track.

THE CHAIR: The minister has clearly said they will not be provided in the existing form.

MR SMYTH: Why do you not ask him to answer the question? Will the premises in Tuggeranong, Woden and Civic survive this budget?

THE CHAIR: I have asked him and he has answered.

Mr Hargreaves: I have answered your question.

MR SMYTH: No, you have not. Why are you being so evasive? Why do you not tell the truth and say yes, three out of the four ACT housing shopfronts are going to close? Have the courage of your budget.

Mr Hargreaves: I have answered it. I have answered your question.

MR SMYTH: You lack the courage to tell people the truth. You have not answered the question. You have avoided it, you have obfuscated. Why do not you answer it? Will the people of Tuggeranong be able to go to a shopfront?

Mr Hargreaves: I could not do a better job filibustering, madam chair. I have answered your question, Mr Smyth.

MR SMYTH: No, you have not.

MRS BURKE: I have a supplementary to that, madam chair. Minister, you have not answered the question. You are obfuscating clearly because you are hiding something or you cannot tell us what is going to happen. Can you tell us when you are proposing to close the shopfronts? Who is going to do the work of fronting ACT public housing tenants, for example, with multiple and complex needs? Who is going to do the training of those staff?

Mr Hargreaves: Madam chair, that was a beautifully reconstructed question the answer to which I have already provided.

MRS BURKE: You cannot give it then? You have no idea what you are doing?

MR PRATT: So, minister, what is your outline concept for how you will put those services out? What is your vision? How are you intending to change the existing means of delivering service, or do you not have a vision?

Mr Hargreaves: I have already answered the question. I was almost going to help you out then, but I am not going to now.

MRS BURKE: That is childish. People deserve an answer, minister.

Mr Hargreaves: I have answered the question, madam chair.

MR PRATT: Do you have any idea, minister, how you will pursue this particular program?

MRS BURKE: Perhaps your department officials might have this?

Mr Hargreaves: Another part of the “hear no evil, see no evil” has had a go—your turn.

MR SMYTH: Will you be privatising any of the services?

Mr Hargreaves: No.

MR SMYTH: Will they, when you finish your reform, not be delivered by ACT housing shopfronts, but be delivered in the Canberra Connect shopfronts?

Mr Hargreaves: I have answered that question already.

MRS BURKE: Will you privatise the service?

MR SMYTH: Will Canberra Connect deliver any ACT housing services in its shopfronts?

Mr Hargreaves: You should have asked that question of the Minister for Territory and Municipal Services last week.

The committee adjourned from 10.31 to 10.49 am.

THE CHAIR: Minister?

Mr Hargreaves: Thank you very much, madam chair; we are back in order. Can I just, for the attention of my department liaison officer upstairs, indicate that we are in a position to answer the question on notice right now, rather than have it delayed a couple of days. Mr Hubbard will give you the information right now.

Mr Hubbard: This is the reconciliation of the \$47 million of properties held for sale that were, as I said, lifted up out of the non-current area into the current area of the balance sheet. As for the numbers that make up the \$47 million—and we predict these are 18 months out, of course, which adds a bit of difficulty to what we have included—properties for auction, we believe we are going to have approximately \$6.9 million worth. As for tenant purchases, we expect to have about half a million dollars worth, which gives you \$7.4 million, approximately. That is about the normal level we have of properties brought on for sale. As I said earlier, the other ingredients in that \$47 million are approximately \$15.5 million for Currong, approximately \$14.7 million for Lyons and approximately \$9.6 million for Fraser. So they are the three multiunit properties that we are looking to commence joint ventures on.

MRS BURKE: Sorry, what was Currong again?

Mr Hubbard: These are book valuations, so what we put in for Currong is \$15.5 million. That adds up to a total of \$47.372 million.

Ms Lambert: I was a bit remiss earlier. I should have put on the record Martin Hehir's apologies for not being here. He is travelling. When we got the first estimates timetable we worked out his travel arrangements and when he could appear in estimates, but then the timetable changed and at that point he could not change his airfares. So, he just wanted to have on the record his apologies for not being here, but it was absolutely unavoidable.

THE CHAIR: Minister, I would like to go back to the questions that you were being

asked before morning tea. Somebody asked a question and you mentioned the Department of Territory and Municipal Services, TAMS. Are conversations therefore taking place between housing and TAMS with regard to the delivery of information services and customer services?

Mr Hargreaves: Yes, there are, madam chair. There are conversations between territory and municipal services at a range of levels—whether they be property group, Canberra Connect or shopfront activities—in the whole of the services the TAMS group provides to the people of the ACT, and with Housing ACT on the best way we can deliver services directly to our client base and to ensure that we do not have too much duplication out there. We have one-stop shop stuff so we can enhance services.

MRS BURKE: Just to get around to the staffing aspect of it, is the section that deals with housing shopfronts—

Mr Hargreaves: Sorry, Mrs Burke, which page?

MRS BURKE: Yes, same question, page 354. We are still on the business and corporate strategy staffing.

Mr Hargreaves: Okay, yes.

MRS BURKE: Has the section that deals with housing vacancies in relation to the gateway services section in Housing ACT been shut down, absorbed into another area or are staff being redeployed or retrained?

Mr Hargreaves: No decisions have been made in regard to specific positions at this point, madam chair.

MR SMYTH: Minister, as the Minister for Housing will you be transferring to the minister for TAMS? Will your left hand now give something to your right hand in regard to the provision of housing services in shopfronts? Will the services for shopfronts continue to be delivered in the four existing ACT housing shopfronts, or will they be delivered in the Canberra Connect shopfronts?

Mr Hargreaves: At the conclusion of discussions between Housing ACT—and other agencies that operate shopfront services as well—and territory and municipal services, no doubt there will be a recommendation on how we can enhance those services. I undertake to this committee as Minister for Housing to have a very serious discussion with the Minister for the Territory and Municipal Services over that.

MR SMYTH: Given the complex and timely discussions that often go on in the current ACT housing shopfronts, how will you guarantee the privacy of ACT housing tenants and greater efficiency in the Canberra Connect shopfronts when you transfer these services over?

Mr Hargreaves: It is one of those sorts of issues which is the subject of those conversations, madam chair, that I said are not concluded.

MRS BURKE: How long are you looking for this to take, minister, the changeover and

the discussions? What period of time are we talking about?

Mr Hargreaves: I am conscious, madam chair, that we do not want any disruption or any undue delay. However, I have supreme confidence in the officers holding these discussions that they are absolutely aware of this issue.

MRS BURKE: What is the time frame, minister?

Mr Hargreaves: I have put no time frame on this, madam chair, but, contrary to what I am hearing insinuated, I express my confidence in the officers, who know that any undue delay is unacceptable.

MR SMYTH: Have the savings from the closing of the three shopfronts been factored into the \$6million as that component that is required to make up the \$10 million of your election process?

Mr Hargreaves: Mr Smyth suggests that the three shopfronts will close. Madam chair, I have already answered that question.

MR SMYTH: No, you have not.

THE CHAIR: Mr Smyth, we are going on to output class 1.

MR PRATT: This is output class 1, on page 355. I am looking at the statement “Provision and management of public housing tenancies and properties, and provision of support and resources to community housing providers”. One of your primary objectives, minister, is to provide people in housing stress and social and financial disadvantage with safe, affordable and appropriate housing. How do you reconcile that objective and the service that you are required to provide with the continuing and extremely difficult situation that exists at Red Hill public housing?

Mr Hargreaves: What a strange question. I reconcile it, madam chair, because we look at it as a global issue. We look at housing stress no matter where it is. I am sorry, I do not quite understand the direction of the question. I seriously do not understand—and not for the first time in my career—what on earth Mr Pratt is talking about.

MR PRATT: According to many tenants there—and police also back this up—a lot of tenants have complained about intimidation for three or more years. Why has the government not moved in three years to finally resolve the situation that exists at Red Hill public housing?

Mr Hargreaves: Madam chair, the Red Hill complex, as with all of our multiunit complexes—in particular the Gowrie Court and Stuart flats, Northbourne flats, Bega and Allawah—the tenancies there are provided by Housing ACT as part of the public housing. They are uniquely in receipt of support services that other parts of multiunit complexes in this town are not. The private ones are not. It is only because people with the heightened amounts of hysteria that Mr Pratt brings to the issue that these things are brought into the public arena, thereby exacerbating other people’s fears. We have a very good relationship with the police, we have MOUs with mental health and we have crisis intervention services the like of which the private sector will run away from. All of those

are brought to bear, particularly in places where those sensitivities are made known to us. Of course, Red Hill is merely one of them. I reject the assertion from Mr Pratt that we leave them on their own to do their own thing.

Ms Lambert: Can I just add generally about the complexes that we have been working very hard on security in all our complexes, and Mr Collett can talk specifically about Red Hill. Among the things we have done is work very closely with the police, as the minister has said, and we have randomised our security patrols so that there is capacity for people not to expect them to be there at a particular time. We have had public meetings with those security firms, and also with police and tenants. As part of the joint champions group, which is a group of tenants that work with us on tenant participation, we have had specific discussions about ways we can do things better. So we have had quite a strong focus, in the past two years in particular, on those security complexes and ways to change things.

MR PRATT: Minister, are you saying that the dozens and dozens of tenants who have complained about things not changing in three years are liars?

Mr Hargreaves: I am just trying to think of a polite way of answering that question, madam chair. I am sorry, I cannot think of one.

MR SMYTH: Yes or no will do.

MR PRATT: In view of your previous statement, are you saying that those tenants are not telling the truth?

Mr Hargreaves: Okay, we will play. Madam chair, we take the real and/or perceived difficulties of all of our tenants particularly seriously. If we did not, we would not bring all of these support services that Ms Lambert has just articulated into play. If Mr Pratt has a problem with community safety there, he can take it up with the minister for police, if he likes. We have a longstanding arrangement with these people, the police. We listen to and respond to tenants' concerns. From where I am sitting, madam chair, Housing ACT does an exemplary and exceptional job for its tenants, the like of which is not provided by the private sector.

MR PRATT: Minister, the police have spent a lot of time there, so this is not a police issue. Ms Lambert, can you tell us, over the past two or three years, how many delinquent tenants have been evicted or warned of eviction in that Red Hill complex?

Mr Hargreaves: Before Ms Lambert answers your question, Mr Pratt, you need to understand, madam chair, that Housing ACT does not warn people that they will be evicted. It does not evict people. It is done through the independent Residential Tenancies Tribunal, and there are strict criteria to be applied and to be satisfied. We do not evict people as a matter of problem solving, as a matter of first resort. It is a matter of last resort and we bring into play all manner of other interventions, whether it be crisis management, anger management, debt management and relationships.

We have contracts with people like Relationships Australia where we can bring into a case mediation and a whole range of things. The measure of last resort is that we will evict somebody. Understand, though, that a person evicted from one premises may very

well turn up on our list to be housed somewhere else, so it is not in anybody's interest just to toss people onto the street. It is in everybody's interest to try to resolve the matter, and that is what we do. I reject the insinuation from Mr Pratt that we do not.

MR PRATT: Can Ms Lambert answer that question that I asked about the numbers?

THE CHAIR: If you are quiet for a couple of minutes, Ms Lambert will answer the question.

MR PRATT: I was not sure, chair. That is why I was asking. I know she wants to, but I was not sure whether the minister was going to allow her. That is why I asked the question.

Ms Lambert: The first thing I would like to say is that I regard all the tenants that are part of my responsibility as people who have quite significant needs and who often need to be worked with quite closely to sustain their tenancies. I am not aware of any direct evictions from the Red Hill flats. We have worked very hard in the past few years to sustain tenancies at the same time, as I said earlier, as increasing the security. Mr Collett will talk specifically about what we have done at Red Hill.

MR PRATT: Could you perhaps take on notice the total number of any evictions or any other issues that may have caused you to consider evictions over the past three years of people involved in the Red Hill public housing complex?

Mr Hargreaves: We will take on notice the number of times that the Residential Tenancies Tribunal has decided to allow the eviction of a tenant. That is what we will do. Would you like also to let us know, through madam chair, the names and/or addresses of those tenants in the Red Hill complex that you would like to have evicted, Mr Pratt?

MR PRATT: No.

MRS BURKE: You already know that, minister. Current tenants have made that quite clear to you.

Mr Hargreaves: In other words, madam chair, I understand that neither Mrs Burke nor Mr Pratt has the intestinal fortitude to name people in this forum.

MR SMYTH: And you are the person who does not have the intestinal fortitude to say that you are going to shut three shopfronts. It is the pot calling the kettle black, Mr Hargreaves.

MR PRATT: Chair, I can give the minister an indication of the people who have come forward with complaints. That is the most important thing.

Mr Hargreaves: Madam chair, we have received those complaints and we have acted on them. We continue to act on those complaints. But these people here will not have the courage of their convictions to name those people they want thrown out of their homes and not to be in receipt of the support services that we give them.

Ms Lambert: I do feel uncomfortable, I have to say, about the way in which public

housing tenants are often referred to. As Commissioner for Housing I feel very strongly about the need for me to say that a range of our tenants have quite complex problems. They have significant illnesses and we need to help support them to get assistance. So I feel quite strongly that it is important to acknowledge that we often work with very vulnerable people in housing—people who are at crisis point, and people who are having significant difficulties in adjusting to a range of circumstances in their lives. So, in relation to evictions we take the approach that we should be working hard to sustain tenancies and to sustain people in their living arrangements. That is why we have worked very closely with Red Hill flats, particularly with that complex—and Mr Collett can tell you more if you would like—in increasing the security and the safety for people there. I really wanted to put that on record.

MR PRATT: I fully appreciate that that is what you do, but I presume too you are very concerned about the great majority of tenants who want to be able to rebuild their lives in peace and safety.

Ms Lambert: Yes.

MR PRATT: Could you also please tell us what is your plan now? What do you intend to do about the rebuilding or the refurbishing of the Red Hill complex?

Ms Lambert: Mr Collett can answer that question.

Mr Collett: There was discussion before about the public housing asset management strategy. It is within that context that we are looking at the Red Hill flats. They constitute one of the large groups of multiunit properties and they constitute a mixture of apartment styles, townhouses, freestanding units and duplexes over a significant area.

Like a number of our multiunit properties, we have a small percentage of tenants who remain a challenge for us in terms of some of their behaviours. We have been meeting with the tenants at Red Hill and we have worked with them to identify the priority works. Some works were completed in this year and the asset management firm, Spotless, will be starting external painting as soon as the weather warms up.

The range of works that we have carried out on site have been improvements to the landscape, both in order to improve the presentation of the flat complexes, to open up lines of sight, to increase and improve lighting and to secure some of the open spaces which were being used for informal car parking and access.

That constitutes a problem as far as children's play is concerned and also results in degradation of the landscaping. That work remains a challenge for us, so we will continue to work with the tenants and our TFM providers in order to work through a priority list of things that need to be improved.

MR PRATT: Are you able to table the asset management strategy?

Ms Lambert: It is a public document. It was tabled in the Assembly.

MR PRATT: Is there anything else you can table in terms of your longer term objectives with that entire complex?

Mr Hargreaves: The asset management strategy was tabled in the Assembly. I am not going to table a whole range of documents by the wheel barrowful to satisfy a fishing trip. Go and look at the website. Do your own work. I am not going to do your work for you, you lazy man.

DR FOSKEY: With the increased targeting of housing allocations, it is fairly clear that a higher percentage of people housed will be people with complex needs. How can we avoid this situation occurring, especially given that it is something the Liberal Party itself endorses?

Mr Hargreaves: I don't know about Liberal Party policy; that is for them to talk about. But I can say this to you: you are absolutely correct when you say that the people in housing stress—homelessness or imminent homelessness—are people who have a dysfunction of some type, whether it be a clinical dysfunction, a social dysfunction or whatever. They are in dire need. The difference between ourselves and the private sector, as I am sure you would acknowledge, is that we look at it holistically for the particular individual. This is why we want to do a couple of things.

Firstly, we want to target more the type of accommodation for these people. That is where we had this bunfight earlier on about the 500 homes, what we are going to do about the money we get for those and what sorts of properties we will buy for the \$30 million.

MRS BURKE: That is if you are selling them.

Mr Hargreaves: Heavens above! You test me. As Ms Lambert has indicated to you, we also bring to bear an enormous number of support mechanisms, as I am sure you are aware. I have listed them here this morning. It is not an exhaustive list at all. We need to understand that many people on our housing list are actually housed already. They are in difficulty in the sense that they are paying out an unreasonable percentage of their household income in getting into these homes but, really and truly, the fact is that they are housed.

As a community we need to make sure that people who are in imminent danger of homelessness, or actually homeless, and have all of these complex needs, are looked after. That is why we have targeted the figure; that is why we have changed the eligibility to bring it down—so that, instead of having these people living out in the community with their complex needs and their lives in crisis, we can actually change that to three months.

MR GENTLEMAN: Minister, you raised earlier on, in answer to Mr Pratt's question, the tenancy tribunal. Are tenants able to use that tribunal on behalf of themselves? If there is a situation at Red Hill, for example, can they initiate an action there?

Mr Hargreaves: Yes, they can. I could not tell you how many have been entered into.

MR GENTLEMAN: That was my next question.

Mr Hargreaves: The reason why I cannot do that is that, when you put something to the

RTT, it does not necessarily mean it will go right though. I suppose we can dig back and find out those things where we have actually been party to a hearing, but that would not give you the whole story. The whole story is how many times people have decided to use it. We have a series of appeal mechanisms within the department where people can activate that.

You need to understand, of course, that we don't have very many appearances before the RTT. The Residential Tenancies Tribunal is an independent quasi-judicial body. It is not part of Housing ACT. I have no relationship with it in terms of my ministerial responsibilities. It is a bit like asking, "How many times have you been taken to court?" I don't know the answer to that, because I don't know how many times the RTT has said, "This is something we ought to hear."

MR GENTLEMAN: It gives them an opportunity.

Mr Hargreaves: Yes. It is the same as any other sort of thing. It is like the AAT; it is a two-way process.

Ms Sheehan: If tenants raise with us the problem that they are not able to have quiet enjoyment of their property because of disruptive behaviours, we often go to the tribunal initially, not to seek an eviction but to get orders in place to help control the disruptive behaviours.

In that instance, as you would understand, we work very closely with our tenants and we would use statements from our tenants. They would be witnesses on our behalf in the Residential Tenancies Tribunal. That is a very active way in which we support our tenants to work with us so that they can achieve quiet enjoyment of their properties.

MRS BURKE: I have a supplementary to that, still on output class page 357. In relation to all of this and the management of tenants, why are annual client service visits dropping by 550 in 2006-07? Is it related to the reduction in staffing numbers that in turn impacts on service delivery?

Ms Lambert: No. We have actually, I think, overachieved on our visits this year in terms of annual visits. Ms Sheehan will correct me if I am wrong. That is essentially what we do within the year. We are also combining another total into that. We have worked very hard to have annual visits and there will certainly be no reduction in that part of our service. Ms Sheehan, you might like to add something to that too.

MRS BURKE: Just before Ms Sheehan does, the estimated outcome was 11,000 and it is dropping to 10,450. How can you say—

Ms Lambert: The estimated outcome is what we will achieve this year.

MRS BURKE: Your target is 10,450, though, from 11,000.

Ms Lambert: That's right.

Mr Hargreaves: Madam chair, can I just ask you to bring Mrs Burke into line and ask her to ask the question and, if she hasn't got it worked out in her mind, to go outside,

work it out, come back in, ask the question and we will answer it. It is very difficult for the officers to keep stuttering and starting on it.

MRS BURKE: Let me get on with it, then.

MR SMYTH: The officers are doing very well. It is you that is stuttering and starting.

Mr Hargreaves: No, they were not, Mr Smyth. Wake up to yourself.

MRS BURKE: Thank you, Ms Lambert.

Ms Lambert: The 11,000 represents an overachievement this financial year. I will ask Ms Sheehan to explain the difference for next year's target.

Ms Sheehan: As you will see from the target, we have a percentage of properties to be visited, and it is very close to 100 per cent. Because of the reduction in tenancies that will be achieved at Currong and Fraser Court, the target drops for that reason. It is not that we have planned to visit fewer of our tenants, it is just a reflection of the properties that will be undermanaged within the period.

MRS BURKE: With respect, that has been happening there for the last couple of years. You have not had the same full capacity and the need for visitation. I am just concerned that it is related to the reduction of staffing numbers and, in turn, impacting on service delivery.

Mr Hargreaves: I refer the committee to page 357, the accountability indicators. Ms Sheehan said, "It goes according to the peaks and flows of the number of properties that we manage." If you are going to make any conclusions as a committee, could I ask that you look at taking into account paragraph b with paragraph d, and you will see exactly the same pattern. That should be the end of the matter.

THE CHAIR: Mrs Burke, I don't think you were here before, when I read out something for Hansard. That was to say: please do not talk over people when they are answering questions, because Hansard is having difficulty hearing the various interactions in the room. When someone is answering a question, we need to just wait until they have finished answering the question, because Hansard are having difficulty.

MRS BURKE: I have read that, madam chair. It is just very rude that the minister will not answer questions put to him.

THE CHAIR: I am talking about with regard to your questions too.

MR GENTLEMAN: Will the government continue to fund the tenant participation program in this budget?

Mr Hargreaves: Absolutely. In fact, one of the big things that came out of the many discussions and forums in the summit was the way in which tenants need to participate in the management not only of their properties but also of the services brought to bear for them. The joint champions group, for example, is one such group that Ms Lambert has kicked off, and it is working particularly well. There is another group.

Ms Lambert: There is the regional tenancies forum, which was an outcome of the summit. If you recall, we met with tenants the day before. It is a continuation of that.

Mr Hargreaves: Indeed. That is one of the major reasons why, in the context of the summit, we had a day specifically for those people. We believe in providing the service to these people in partnership. It is a “we” thing, not an “us and them” thing.

The same thing applies in multicultural affairs, and we will get to that a little later on. We have so many ways in which we can talk to our tenants that one wonders about the need for external advice on it. One wonders and speculates on it. But Ms Lambert would like to be a bit more expansive, and so she should be.

Ms Lambert: The joint champions forum is a group that also gives us advice on how we might interact better with tenants. That is a really important group for us. It is a group that was formally established, I think, towards the end of last year. Once we had the forum with tenants the day before the summit, as the minister has said, that was such an important experience for us in terms of interacting directly with tenants in a broader sense that we decided to replicate it with a series of regional forums. We have just had the first four of those, a couple of weeks ago, where again we were interacting with tenants and hearing their views.

We of course deal with the general issues. They feed into our policy and the way we do our policy and our practice as a result of that. When specific issues are raised with us—I don’t want to call them micro issues, because that is belittling them a bit—we are endeavouring to make sure we have a feedback process to tenants to show that what they raise with us is indeed taken into account and dealt with. That is a very important part of our business. It is something that took a while to get going and it certainly is not without issues at times, but we will persist with ensuring that tenants continue to have as effective a voice as possible in our work.

MR GENTLEMAN: Would there be outcomes, through that process, where these participants have been able to say, “Look, I brought this up in forum No A and I have now seen it come through the process”?

Ms Lambert: I certainly hope that would be the case. That is certainly what I have asked for with the people who attend those. I have been to one of the joint champions meetings myself and was very interested in the sorts of issues that were raised. Essentially at that forum they talked a lot about maintenance, and I understand there has been follow-up on that. That is the intention. Of course no system is foolproof, but because I go to some of them it gives people the opportunity to raise things directly with me as commissioner if they wish to as well. That is, I think, probably the first time that has happened for some time.

MR SMYTH: On page 358 in this output class, I notice that, under “percentage of routine vacant properties re-let within 28 days”, you are hoping to achieve a target of 85 per cent in 2006-07. What does it currently stand at, for this financial year?

Ms Lambert: I am not entirely sure, I would have to say, but I am sure Mr Collett will have the exact number.

Mr Collett: The figures are subject to reports run by HomeNet. We are waiting till the end of the financial year to run the reports for this financial year. I don't have figures for the previous year. Between 1 July and 20 June 2006 there were 995 properties that had been processed as routine vacancies. The output class that you referred to is an output for the next financial year. It represents a change to the way in which we calculated the figures.

MR SMYTH: But you must have an idea of what the routine vacancy is—how long it takes to relet a property.

Mr Hargreaves: When the audit report came down into the administration of Housing ACT, or public housing if you want, it said, in fact, that the processes we were undergoing were quite reasonable. The average we had been working towards was something like 29 days, but it was up to 59 days, or something like that, in the audit report. You may remember me saying publicly that I was not happy with that.

One of the reasons I was not happy about that was that I don't think we were reporting properly what the different types were. For example, some of the properties, when they become available, can be turned over within two weeks because they have been kept in very good condition—and bang, away you go.

It will sometimes take a certain amount of time to engineer who is going to sell a house that is for sale for us and how we are going to do it—whether we are going to do it at auction or whether we are going to sell it. If it is a sale to a tenant, there is a certain number of days, 20-something days—when they can think about it and all that sort of stuff, so we would actually worry about when the start thing was.

What we said was, “Instead of saying on an average that it is this, when there are so many wide vagaries that apply to this, the best thing we can do now is split it, so that we can actually tell you.” I regret not being able to give you accurate information at this point. The only thing I can assure the committee is that that is why you see these three here, and we should take them in their individual bits.

We don't have the split down for the 2004-05 year. We don't have the split down for the 2005-06 year because we have not hit 30 June yet. But we will have the measures in the annual reports coming up—in the budget documents for the next year. We will now split these things down so we can actually see, in a parliamentary sense, exactly what is going on. But we cannot do it at the moment. We would love to be able to do it at the moment, but we cannot.

MR SMYTH: It is interesting that the report on government services 2006 says that it takes 50 days to turn around properties.

Mr Hargreaves: Yes.

MR SMYTH: That is information you would have provided to the Productivity Commission.

Mr Hargreaves: No, it is an average. That is what that problem is. That is the very

problem. When I am trying to justify in the public arena or in the parliamentary arena what it is, I am talking about a bowl of fruit. What we have decided to do is to divide up that bowl of fruit so that we can analyse it a lot better for you. At the moment we have not completed that. These are the ways in which we are going to do that. This is why I reject the accusation from ROGS that it was 50 days, which is the 59 I was referring to, because we cannot compare all of them together. It is unreasonable to do that.

Furthermore, the ways in which the states actually determine their criteria of what those days are are totally different anyway. So we are not comparing like with like in that sense either with ROGS—and I reject them a bit. But I take the point from the audit report and ROGS that the waiting times are either too long completely for their category or nobody really knows. Right now, nobody really knows. We will really know come 30 June and we will be able to put these figures in for you. All I am saying to you at the moment is that I am not in a position at this point. These are new measures. I would ask the committee to consider that. For the next estimates committee hearing we will be giving you that information—and indeed in the annual report. So just hold your horses until then.

MR SMYTH: If you will know by 30 June, can you take it on notice for when you run the end of year program?

Mr Hargreaves: No, I will not take it on notice—not this one. I will not.

MR SMYTH: Why not? That is ridiculous. You said you are going to do it at 30 June. Why won't you take it on notice?

Mr Hargreaves: I have told the committee we don't have the information, and I am not going to do this. The department has enough to do without Mr Smyth going on a fishing trip. That is the measure.

MR SMYTH: It is not a fishing trip at all; it is a reasonable request.

Mr Hargreaves: We have the targets here. This is an estimate—future—not a thing going back. We have nothing to go back to. You have been told. How many times do you have to be told in one day?

MR SMYTH: What is wrong in the 50 days that is reported in the report on government services?

Mr Hargreaves: Because when the conclusion of 30 June comes around, it is not a figure that is available at 8.30 on 1 July. It takes a certain amount of time to get that information together.

DR FOSKEY: I am hoping there is a typo on page 358 in output 1.1, indicator k. I am sure you don't want 90 per cent of tenants to be in arrears of repayment agreements.

Mr Hargreaves: No. You are correct. What we are talking about in that measure, in k, is that people who have less than or equal to \$500—greater than, I am sorry—in arrears will be on repayment agreements. The measure says that 90 per cent of those people who owe us money will be on repayment agreements.

DR FOSKEY: Less than, rather than greater than. I understand that.

Mr Hargreaves: It is not a typo, no.

DR FOSKEY: It is not a typo?

Mr Hargreaves: It is greater than \$500. It is not a typo, no. I will go through it yet again. The figure relates to people who owe us more than \$500. Go back to the actual wording following k—percentage of tenant accounts greater than or equal to \$500 in arrears.

DR FOSKEY: Yes. Is that right?

Mr Hargreaves: Yes, that is right. You need not nod around the room.

DR FOSKEY: Sorry.

Mr Hargreaves: I am the minister; I am nodding at you. These are people on agreements.

DR FOSKEY: Thank you very much for that clarification. I refer to page 361 of budget paper No 4. I am seeking clarification about the second item under “revenue user charges”. I would like to know what constitutes that, where that money goes.

Mr Hargreaves: The \$61 million or the \$104 million?

DR FOSKEY: It is \$63 million for 2005-06, increasing to \$67 million in 2009-10. I just wonder who makes these up.

Mr Hargreaves: What it is. Mr Hubbard will answer that question for you.

Mr Hubbard: As you can see, that is the revenue side of the profit and loss statement and you can see that the GPO just above that is basically made up of payments from the commonwealth and the territory coming in as revenue for ACT Housing purposes.

The line “user charges—non-ACT government” is essentially tenants’ rent. The vast bulk of that is tenants’ rent. As you can see, it is slightly indexed over the eight years. The interesting thing about that column is that, if you go to the bottom of it, total revenue is around \$100 million. You could do a pretty quick calculation as to what percentage and what proportion of revenue to Housing ACT is provided from where. There you can see that approximately 63 per cent of total revenue coming into housing is from rent.

DR FOSKEY: How much of that would be market rent—from market renters?

Mr Hubbard: That is a totally different question, of course.

Ms Lambert: You might have to take that on notice.

Mr Hubbard: No. It changes a bit. We will have that number.

Ms Lambert: We might be able to get it by the end of the morning.

Mr Hubbard: It is approximately 15 per cent at the moment.

Ms Lambert: We will take that on notice.

Mr Hubbard: We will take that one and give you the exact number.

DR FOSKEY: Yes.

Mr Hargreaves: You must remember also, in considering the answer to the question, that we get roughly 15 per cent of it. We will get that number for you exactly. Let us suggest that 15 per cent of \$65 million or \$67 million is about \$20 million, or something of that order. If those market renters disappear, so does the \$20 million.

DR FOSKEY: I was just wondering what is going to happen if that happens.

Mr Hargreaves: I would like to know if the committee, in its consideration, would like to suggest to the Assembly where we find that \$20 million.

DR FOSKEY: I was just going to ask you that.

Mr Hargreaves: We cannot find it.

Mr Hubbard: The amount of market rent revenue coming in now of that \$65 million is \$18 million. As the minister is saying, they punch way above their weight as far as the revenue coming in goes, obviously, compared with a rebated tenant.

DR FOSKEY: But it is a fall in percentage, I take it, from looking at things for the last couple of years.

Mr Hargreaves: Yes, it is.

Mr Hubbard: That is a very sage question actually, because one of the big issues that comes in when you are trying to manage the business that is Housing ACT is that, as you target clients with greatest need, one of the conflicts that does come up with that sort of policy approach is that you reduce the overall revenue.

DR FOSKEY: My question—

Mr Hargreaves: I have to make the point, Dr Foskey, as strongly as I possibly can that this is a recurrent revenue stream of about \$18 million. It contributes to the whole of the trading enterprise in two ways: first, it contributes money in there so that we can keep a standard of premises at an appropriate level for the people that are living in them; and, second, it contributes to the rebates that other people have. If every market renting person who leaves this system is replaced by someone on a rebate, not only do we lose a certain amount of their money towards maintenance in a recurrency; we actually have to pay it out. Remember that we are dealing with people when they first come into the system at a time of their greatest crisis and that we are also talking about putting them

into the system at the time of their greatest rebate.

Even if we are successful in helping people to rebuild their lives, predominantly they remain on some sort of rebate—it might be 20 per cent. But you can bet that, when we take people with a social or clinical dysfunction out of an imminent homeless situation and put them into public housing, they are not going to be on a 20 per cent rebate; they are going to be on a heck of a lot more than that. Some of them are on as low as \$20 a week. And that is the problem for us. Our policy is not to boot market renters out of the system. If the committee wants to come back to the Assembly and tell us how we can achieve that and address that social need at the same time, I would be delighted to hear about it.

DR FOSKEY: Have you given any thought to welfare to work issues, which will possibly affect a number of people who are currently fully rebated?

Mr Hargreaves: Yes, I have. We have not got a number, but we—

DR FOSKEY: Do you suspect that there will be an effect?

Mr Hargreaves: We suspect that there will be an implication for us. We are not going to speculate or try to predict it at this point. We can only just sit back and hope like heck it does not manifest itself too seriously. There has been some work done on it. We can share that with the committee. But remember that it cannot be definitive until the thing actually bites.

DR FOSKEY: On 1 July?

Mr Hargreaves: I am talking about in the family itself. I am not talking about when it starts but when it bites. I have a feeling that the work that we are doing is a bit on the conservative side, so I reckon it is going to be worse than the work we have done. What we do not see coming from the federal government though, Dr Foskey, in a policy sense—and I am not saying yes or no about work policy; I am not talking about that; I am just talking about housing—is whether it has any intention of supplementing the CSHA to compensate for this. I am sure WorkChoices has an Australia wide implication as to where people actually go. Ms Sheehan will share with you some of the work that we have been doing.

Ms Sheehan: Thank you, minister. Under the Welfare to Work arrangements, if a public housing tenant or any tenant is breached so that they do not receive an income at all, there is a capacity for a payment, which will be known as a case management payment, to be made to support that person for payments that they absolutely need to survive—payments for food and rent. The preparatory work that we have done is to put in place arrangements where, if we are contacted by the non-government agency responsible for assessing whether a case management payment will be made to someone who is breached, we can provide information quickly on rental obligations, so that case management payments can be assessed and hopefully something put in place quickly to help our tenants. That is the work that we have done to date.

MR PRATT: Madam chair—

DR FOSKEY: Mrs Burke has a supplementary question and then you can ask questions.

MRS BURKE: I have a supplementary to Dr Foskey's question in relation to output class 1 k on page 358. Minister, notwithstanding the fact that the ambitious target of tenants whose arrears exceed \$500 go on a payment plan—and that is great—I did ask you a question on notice 1136 a little while ago about HomeNet. Up to this point there has been no established link between debt tracking and the HomeNet system. Why was it so complex to create a link—

Mr Hargreaves: Is that the context—

MRS BURKE: Can I just finish the question?

Mr Hargreaves: I am sorry, I just need to know whether that was the context of the 1136 question?

MRS BURKE: Yes—on HomeNet. I recall that it was the HomeNet system I asked you about. I think you advised me that there was no established link on the debt tracking system. Why was it so complex to create such a link? Has this just highlighted the need to link management of debt and accrual of debt, which now stands at \$1 million, which is a very serious issue? When will the link be established for Debt Tracker and a replacement system for HomeNet be installed, allowing staff the opportunity to effectively collect data on housing tenancies—in other words, keep the debt down? You have got the plan, but what system are you going to use and how are we going to improve on our systems?

Mr Hargreaves: Madam chair, I am not at liberty to answer questions that have been put to me on notice. If I have answered your question or if you are still waiting for the answer I cannot answer it here.

MRS BURKE: No, minister, it is further to the question.

Mr Hargreaves: I do not know what the question was—sorry.

MRS BURKE: I have just asked you about the tracking system—

Mr Hargreaves: I do not know what the first question was.

MRS BURKE: It was about debt management and about the HomeNet system used. It was complicated to create a link between that and debt management. Maybe your department can help you here. It seems that there has been a distinct need to link management of debt and accrual of debt.

Mr Hargreaves: Madam chair, I understand what Mrs Burke is saying, but I do not know whether or not she is asking me to answer the question in this forum, the detail of which is contained in question 1136.

MRS BURKE: No, I am not. I was using that as background, which I explained.

Mr Hargreaves: I still have not got a clue what you are talking about?

MRS BURKE: I want to know how you are going to control debt management; it is quite easy.

Mr Hargreaves: Firstly, let me say that we are reviewing HomeNet. You talk about the ways in which we want to cap people with greater debt than 500 bucks, the 90 per cent, that is a new one; it is an acute thing. I will get Ms Sheehan to respond and give a little bit of detail.

MRS BURKE: Thank you.

Mr Hargreaves: You are very confusing; I am sorry.

Ms Sheehan: With respect to HomeNet, as the minister said we have reviewed HomeNet and we are getting ready to go to tender for a replacement service. With respect to debt management, without the benefit of the question and the answer I am unable to give you additional information, but we will certainly provide you with additional information. With respect to debt management, we do have a funding agreement with CARE. CARE will be not only providing training to our housing managers on how to better manage debt but working with us specifically so that we are able to achieve those targets and have people on repayment schedules—and that is very important for us. It is something that is raised with us not just by CARE but also by other community support agencies who do not want us to go soft on debt because it gets people's lives into an unmanageable situation. So it is very important for us in supporting our tenants to make sure that we do get on top of debt.

MRS BURKE: Just to reiterate and confirm for the minister's benefit too, will the review create the link? We need a link, which has not been present up to this point, to manage debt and accrual of debt. It is debt management.

Mr Hargreaves: A link between where and where?

MRS BURKE: At that point there had been no established link. I asked you some time ago about debt tracking and the HomeNet system. What was the system being used for? Why is debt spiralling out of control? Your department seems to know what I am talking about.

Mr Hargreaves: Madam chair, again the emotive language comes into it—"debt is spiralling out of control". There are no parachutes attached to this, but at the end of the day and at the end of the road maybe these sorts of things will happen in the fullness of time. We can do some cliché hunting, if you like.

MR PRATT: Yes, but could you also answer the question.

Mr Hargreaves: I have been handed a copy of question on notice 1136 that Mrs Burke was talking about. Her question was "Is there any established link between the information recorded in relation to debt management and Debt Tracker on HomeNet; if not, why not?" Mrs Burke, the question you just asked me is almost word for word with question 1136. I will read out the answer—

MRS BURKE: Did you answer it?

Mr Hargreaves: I will answer this one now because, clearly, you have not even read the answer yet.

MRS BURKE: I have, but I do not think you have answered my question.

Mr Hargreaves: I will do it for you now. The answer to that question is that there is no established link between Debt Tracker and HomeNet because it is technically very—

MRS BURKE: That is what I just said to you. When will there be a link?

MR SMYTH: Yes, so the question now is—

Mr Hargreaves: Madam chair—

MR PRATT: That is the question she asked, John.

THE CHAIR: Mrs Burke, while the minister is trying to answer the question, can you be quiet.

MRS BURKE: Okay.

Mr Hargreaves: She serves; I volley—that's the go.

MR PRATT: But she is clarifying the question, chair.

Mr Hargreaves: I volley back—here we go. I said that it is technically very complex to provide such a thing. She then goes on to say, “Ask me this, ask me that—go for it, go for it!”

MRS BURKE: No, just answer the question.

MR PRATT: When you have finished gibbering, minister, she might like to ask that question again.

THE CHAIR: Minister!

Mr Hargreaves: I am trying to answer the question and this gibberish in the background is making it really difficult.

THE CHAIR: Minister, Mr Pratt and Mrs Burke!

MRS BURKE: You can't answer it. Thank you, chair.

Mr Hargreaves: And she then goes on to say in question on notice 1136—

MRS BURKE: If the minister answers the question, chair, we would be fine.

THE CHAIR: Yes, let him answer it.

Mr Hargreaves: “If Housing ACT is to adopt a new database to replace HomeNet how will data on debt be integrated with the broader tenancy management?’ That is another direct question; exactly the same. She obviously had not read the answer. The answer is “In replacing HomeNet, Housing ACT will be seeking a system that provides comprehensive and integrated support for debt and tenancy management”. The question has been answered—twice.

MRS BURKE: Why was it so complex, minister?

MR GENTLEMAN: Minister, I refer you to page 357 “Priority Allocations”. It talks about people in application categories and category X. On page 358 it is stated:

Category X – is assigned to applicants in special housing need arising directly from a state of emergency declared by the Chief Minister, such as occurred at the time of the January 2003 bushfire.

Can you tell us how many tenants are left on the priority waiting list from category X? Will they go straight into forestry settlements on completion?

Mr Hargreaves: Thank you very much, Mr Gentleman, for the question. Madam chair, there are no longer people on the list in Category X. They have all been housed. They have got the scrub over here. Do you want to have a go? I am waiting for your question.

MR SMYTH: How old is Home link?

Mr Hargreaves: What?

MR SMYTH: How old is the program Home link?

MRS BURKE: HomeNet.

MR SMYTH: HomeNet, I am sorry.

Mr Hargreaves: HomeNet is not very old at all, Mr Smyth.

THE CHAIR: Mr Pratt?

MR PRATT: There may be an answer coming.

MRS BURKE: Seven years, I think.

MR PRATT: There might be an answer coming, chair.

Ms Sheehan: Seven years.

MR SMYTH: How much will you spend to replace it?

Ms Sheehan: That will depend on the tender process.

MR SMYTH: When will the tender be started and completed?

Ms Sheehan: The contract will go out for tender in the near future.

MR SMYTH: What allocation have you made in the budget for a replacement program?

Mr Hargreaves: They are within existing resources.

MR SMYTH: So it is part of the money that you are saving?

Mr Hargreaves: Subject to tender, we are looking at around the \$2 million mark—competitive prices.

MR PRATT: The outlay of funding for—

Mr Hargreaves: What page are you on Mr Pratt, please?

MR PRATT: Page 355, output class 1—the budget. Minister, what is your break-up, in general terms—perhaps you can take it on notice—of the funding for refurbishment and maintenance, as well as new stock?

Mr Hargreaves: I will take it on notice. The figures are available, Mr Pratt. It is probably easier for us just to get the guys to search. If we run out of time we will provide it in the normal sense.

MR PRATT: Thank you.

DR FOSKEY: Are we planning to move on to multicultural affairs this morning?

THE CHAIR: Yes, we are.

DR FOSKEY: Can I just have some clarification? Does that still include community engagements?

Mr Hargreaves: No.

DR FOSKEY: Okay. Where do we direct questions—

Mr Hargreaves: That is Ms Gallagher's portfolio, in the community services part of it.

MS MACDONALD: It will be this Thursday.

MRS BURKE: This Thursday.

DR FOSKEY: Thank you.

THE CHAIR: If there are no more questions on this output area, we will go on to multicultural affairs on page 190.

Mr Hargreaves: Okay. We will kick it off. We are fine.

THE CHAIR: Just a general question in this area, minister: I am aware that there now appear to be two multicultural peak organisations in the ACT.

Mr Hargreaves: Yes.

THE CHAIR: Can you explain to the committee how the government is responding to this and what steps the government are taking to ensure that government moneys are being appropriately expended and accounted for?

Mr Hargreaves: Absolutely. Thank you very much for the question, madam chair. Firstly, until recently this is the only area of activity around the community where there was only one peak body. The rest of them look like mountain ranges. This is something that the sector itself, a dynamic sector, drove. We have two peak groups. The ACT Multicultural Council Inc. and the Canberra Multicultural Community Forum Inc., and also several multicultural service delivery organisations such as Companion House, the Migrant Resource Centre, the Schools Association—a whole range of them, as you well know. They are almost like sub-peak groups or special interest groups.

In view of this, the government will provide all of these organisations with the opportunity to compete with funds in future to assist the ACT government to deliver programs and services to the multicultural sector. I will be resuming the program of ministerial consultative forums with members of the multicultural groups in the new financial year. Of course, this follows the successful forums that I had in 2005 and the multicultural summit, which was an absolute hoot. That summit was hailed nationally, as indeed was the Theo Notaras Multicultural Centre. The communities also out there indicated several areas that require attention and these will be considered as initiatives to be funded and delivered.

The history of the way in which we supported the peak group in the past was that, because there was only one peak group, we could go to single select tender, if you like, and just pick someone—there was only one—and hand over about \$67,000 in support. The emergence of a second one would mean that if we were to take the approach of funding a peak body to represent all of the organisations out there—and there are over 50,000—we would have to go to public tender. However, I have not been happy with the representation that has been purported to be delivered. The auditor was quite satisfied with the department's processes but was critical that the management of our connection with the multicultural community was a bit iffy.

The government had a long running history with the Multicultural Council over the services it was supposed to have delivered for the money it got paid. We had the figures and the reports analysed by audit. I can advise the committee now that the ACT Multicultural Council is in technical satisfaction of those requirements after some pushing and shoving for about nine months. However, the quality of the satisfaction of those criteria leaves an enormous amount to be desired. I am quite confident, madam chair, that in the year of 2005 my own personal and the department's connection with the multicultural groups were significant on such a range of fronts as to render the ACT Multicultural Council's contribution to government by way of reports and activities as insignificant and minuscule in the extreme.

Such was my disappointment at the lack of advocacy from that particular group that I have decided as minister to cease funding peak groups, either the ACT Multicultural Council or the Canberra Multicultural Community Forum Inc. I am not going to fund one over the other. I have told the Multicultural Council and the Assembly in answers to questions and in statements that we will go through project funding. I will be making a statement to this effect in more detail in the Assembly in the not too distant future, indicating to the Assembly the direction of the activities we intend to fund. If my memory serves me, there are about seven of them. I do not have the list here. Does anyone have the list here? If not, we will wait till I make the statement in the house.

This is about making connections with the various communities and making sure that the smaller and emerging communities have their voice heard—in terms of advice to the government on their needs and advice to the community at large on attitudinal cultural change. That is why I have decided that I am not going to put the link to government in the hands of just one organisation. Let us suggest, for example, hypothetically, that I wanted to do something specifically about something to do with languages. I do not see for the life of me why the Ethnic Schools Association could not compete for funding to conduct a project or why I should hand the money over to one of the other peak bodies so that they can do exactly the same thing. I do not see that making a lot of sense. What we intend to do is to make sure that the application of government funds is far more transparent than it has been, because it has been decidedly non-transparent.

I give money to the ACT Multicultural Council and it disappears into a black hole and nobody knows where it has gone. After 12 months of badgering them, we eventually find out. We will do this in the public arena. We will put things in the newspaper, asking for people to pick up this particular project, run with it and then have a result come out of that. Of course, that will be able to be scrutinised by the Assembly if it so chooses.

THE CHAIR: I have a supplementary question that relates to something you just said about project funding. I am aware that the government made an announcement in this budget—in fact, it is referred to on page 185 of BP4—about streamlining grant processes. As the multicultural community relies heavily on these grant processes how will this streamlining affect the ACT multicultural community in particular?

Mr Hargreaves: The government announced the establishment of an ACT grant link portal and a whole-of-government register of grants within the Department of Housing and Community Services. The multicultural grants will become part of the health and community wellbeing grants program, one of the two main grant programs across the ACT government. The streamlining of the grants process will include pooling of funds with the portal providing the community with comprehensive information about grants programs available from across the government.

The grants portal will clearly assist multicultural groups to obtain easier access to updated information and a wider range of grants information. As a result of the implementation of this grants portal multicultural community groups will have access to a wider range of potential funding programs for various aspects of their projects. I have a note that states, “Think about putting this in earlier.” I have thought about doing that. When some people put in things earlier, such as a grant application, and they got a knock-back, we would photograph half of it and put it in again later. After they received that we would photograph it again and put it in later.

Multicultural groups can now put in an application once and it goes right across the stream. As a consequence of pooling grants funds multicultural groups now have access to a much wider pool, which gives them a wider funding source. I established, after speaking recently to multicultural groups, in particular Islamic groups, that they want access to a whole range of things but they do not know where to go. When they go to the office of multicultural affairs they are told this, that or the other, but even they are not totally aware of what access they have to grants across the whole of government. So the portal will assist in that process.

THE CHAIR: Thank you.

DR FOSKEY: What will happen with accommodation in the Theo Notaras Multicultural Centre?

Mr Hargreaves: For whom? Most of the tenants think it is wonderful.

DR FOSKEY: I am referring in particular to the Multicultural Council, which I believe has offices there.

Mr Hargreaves: Dr Foskey, if people pay their rents that is the end of the story.

DR FOSKEY: Did the new forum put in an application for grant funding?

Mr Hargreaves: You would need to ask the forum that question, Dr Foskey. I do not intend to answer that question on its behalf.

MR GENTLEMAN: Minister, just a moment ago you referred to the new grants process.

Mr Hargreaves: Yes.

MR GENTLEMAN: Separate to that, is the government looking at providing in-kind support to multicultural community groups such as it did with the land for the mosque?

Mr Hargreaves: Mr Gentleman, you need to talk to the Minister for Planning about land. We no longer provide land at concessional prices. Groups have access to a direct grant of land. That is done by the Land Development Agency; it is not even the minister's prerogative. The LDA decides whether or not a particular group can have the land. It has to pay the value price and that is the end of it. As an example, the Lao community wanted a piece of a block of land in the Brindabella electorate for a meditation walk.

I spoke to LDA and to the minister, the Lao community put in its application, it was considered on its merits and the community was awarded that block of land at a cost of about \$35,000. The community still has to come up with the money but it has been spared the agony of an auction. That is the reason the office of multicultural affairs exists. Entrepreneurs within the OMA walk and breathe with members of our community and tell them how to make use of our facilities. For example, if anyone wants to find out how to get funding they are advised to go and ask the Scout Association.

A small and emerging group wanting a grant of only \$5,000 can talk to the OMA, which will advise it about a number of ways to achieve that. So there is a real partnership between the community and the government through the OMA. There are a number of ways in which we reach out to these communities. For example, we have a weekly or monthly internet-based newsletter that people use to feed information to the OMA. That gives these communities an opportunity to tell everyone about their little part of the world in Canberra.

Ms Lambert: One of the advantages of the office of multicultural affairs being part of the broader human services department is that we are able to look at integrating services across the department, particularly for people with multicultural backgrounds. Recently I met with the Refugee Association, which was having issues with a particular client. He happened to be in one of the services that we funded and we were able to use the resources of the rest of the agency to support that gentleman and his living arrangements. One of the advantages of having multicultural affairs as part of the broader agency is that it has enabled a broadening out, if you like, of support and access for people.

MR PRATT: Minister, you said in your opening speech that you would not be funding any peak bodies. Given that you disbanded the Ministerial Advisory Council on Multicultural Affairs and you will not be—

Mr Hargreaves: That is a question for the Chief Minister, Mr Pratt.

MR PRATT: Given that you have not carried across the function performed by MACMA—you no longer have that agency—and given that you will not be funding any peak body, who will provide you with the community strategic advice you used to get from the ACT Multicultural Council and MACMA?

Mr Hargreaves: This was the Chief Minister's advisory council on multicultural affairs.

MR PRATT: Yes, when he was minister responsible.

Mr Hargreaves: In the last six months of its life it gave the Chief Minister no advice other than information about the Queensberry rules of engagement. I did not need that kind of angst, as opposition members oblige me with it any time I need it. I did not need that sort of high-level advice on verbal fisticuffs so I decided to discontinue the arrangement. That is what we did. It should be remembered that my lack of confidence in the output of the ACT Multicultural Council occurred four or five months ago, or maybe a bit longer.

I was minister for almost 12 months and I did not receive one piece of paper, one piece of advice, or one request from the ACT Multicultural Council for a meeting to talk about emerging problems, problems on the horizon, or things that were happening in the community.

MR SMYTH: Did you ring it?

Mr Hargreaves: I can hear Mr Pratt excitedly asking, "What was happening along the way?"

MR PRATT: I did not even move my lips.

Mr Hargreaves: We organised a series of forums. People from 40 or 50 different organisations came into rooms in the Assembly, and they told me what was going on. Believe it or not, on top of that we held a multicultural summit at which we got an enormous amount of input as to where we should be headed. At that time small and emerging communities were particularly grateful that they finally had a voice. As a result of that summit we revealed everything to the community, warts and all. There was no sanitising of results or anything like that. On 10 December 2005 we published a document entitled *The Way Forward*—a summary of the multicultural summit.

Ms Lambert: It was later than that.

Mr Hargreaves: It was published later than that; that is when the summit was held. I told people that this document was available as I thought the shadow minister for multicultural affairs might apprise himself of it, but he did not. When you have policy advice coming from a particular peak body you have to ask yourself whether you really need it if your conversations in the community are valid ones. Over the past 12 months I did not need the Multicultural Council to tell me anything, which was fortunate because it told me nothing.

More importantly, as a result of the government's relationship with these communities, through the OMA and through personal connections, we have well-defined policy directions and we can now proceed to the next level, to project funding. We can dig down to the next level and engage with communities or whoever wants to achieve success.

MR PRATT: Minister, for the record, I have seen that handbook.

Mr Hargreaves: Have you read it?

MR PRATT: I fully appreciate the grief Mr Manikis has had with MACMA, in its previous functional role, and with other peak bodies but is it not true that most other jurisdictions close to the minister have a peak representative group to vet applications that are coming in and provide advice. Why did you throw the baby out with the bathwater? Why did you not recruit a new group?

Mr Hargreaves: There are a number of things you need to know. Firstly, I have my new group, which is particularly important in this day and age. This body advises me on Muslim affairs in this town. When I need advice we create a forum to receive such advice. Mr Pratt needs to understand that it is laughable to suggest we should be doing the things that other states are doing as they are doing such wonderful things. That is so far off the track it is laughable. All other jurisdictions do not hold a candle to the success the ACT has achieved in the area of multicultural affairs. We do not have racial disruption, racial vilification and the racial discrimination that you have in other states. We do not have the Cronulla riots because we have a properly integrated community.

There is no way in the world that I would pick up the advice the New South Wales government is receiving on multicultural affairs. On the other hand, I am quite happy to

offer to show that government how to do it. There are two ways in which to connect with the multicultural community. The first is to walk with them, talk to them and bring them into the Assembly to talk to me. The second is that I have the best office of multicultural affairs in the country, so I do not need to duplicate it. There was no baby in the bathwater, Mr Pratt. MACMA gave me nothing. When I pulled out the plug and had a look at the water going down the drain there were no eyes in the water looking up at me; there were only soapsuds.

MR PRATT: How did disbanding MACMA or the replacement group that might have transferred across to your department enable you not to incur the adverse conditions that you described have been incurred in other jurisdictions? Where is the logic in that?

Mr Hargreaves: There was never going to be another MACMA. When I decided not to pick it up—it should be remembered that I did not discontinue that body; it was going to die as an entity on 1 July in any event—I chose not to continue down that track. It did not affect me, or the way in which we connect with multicultural communities. However, the forums affected our relationship with multicultural communities. People came into the reception room, sat around in a circle and had a cup of tea with us. That is when we started getting feedback to the effect that it was brilliant. People said, “We have never had an opportunity to see or speak to anyone in this position before.” If that process is discontinued it will be sad.

I specifically warn successive ministers for multicultural affairs that if they desist from doing this and they decide to set up a little group that will advise them globally on multicultural affairs they will let down their communities. I will not do that, Mr Pratt. If we had something as significant as attacks on and vilification of people like the Muslims in this town or anywhere else, I would not put up with that. I would take advice from those who are most affected, Mr Pratt. An advisory committee advises me on the integration of Islamic people. I am confident that that is the way to go. However, we would not need such a body if we did not have racial vilification of Islamic people, or anyone else in our multicultural society.

MR PRATT: So it is reactive, is it? When you have a problem you create a group?

Mr Hargreaves: No, it is responsive.

MR PRATT: You said that you have an advisory group to advise you on Islamic matters, which I think is fine.

Mr Hargreaves: Yes.

MR PRATT: How many other advisory groups do you have to cover the entire spectrum, the multicultural community in the ACT?

Mr Hargreaves: I have none. I do not need any more.

MR SMYTH: Mr Manikis, I refer to output 3.2, disability, housing and community services. On page 190 of BP4 under “Output Description” that covers:

Provision of support and policy development activities including multicultural

affairs, ageing, status of women and Aboriginal and Torres Strait Islander affairs.

How much of that \$5,080,000 is dedicated to multicultural affairs?

Mr Hargreaves: We do not split that, Mr Smyth. When I was the minister responsible for those activities I was impressed by the synergies that existed between community engagement and multicultural affairs. Sometimes, for good reason, we might like to split that, but we do not need to. Community engagement involves interacting with people. The OMA specifically engages with multicultural communities. To do anything else would merely tend to accentuate and enhance such separation. I would not be interested in doing that. I am happy that Ms Lambert and Mr Manikis administer the services of multicultural affairs in the way that I want them to be administered—in the context of total value.

MR SMYTH: How does Mr Manikis know how much he can spend on multicultural affairs if you do not split it?

Mr Hargreaves: He spends money in engaging with the community in multicultural affairs.

MR SMYTH: How much is he authorised to spend in engaging the community in multicultural affairs?

Mr Hargreaves: The total amount of that budget, if Ms Lambert thinks it is appropriate.

MR SMYTH: That is a bit hit-and-miss, is it not?

Mr Hargreaves: No, it is not hit-and-miss at all, Mr Smyth. We have a responsive OMA that talks to the community at large.

MR SMYTH: So it is responsive rather than proactive?

Mr Hargreaves: The multicultural community is composed of people of many colours. You want to discriminate against the multicultural community and have groups separated by colour in this budget.

MRS BURKE: Why do you not have bodies other than the Muslim one? Have other bodies.

Mr Hargreaves: We do not need to disseminate at that level.

MRS BURKE: That is discriminatory.

Mr Hargreaves: It would be daft to do that. That is the sort of thing I would expect of you lot.

DR FOSKEY: I have a supplementary question.

THE CHAIR: Dr Foskey, is this a new subject area or do you wish to ask a supplementary question?

DR FOSKEY: It is related to grants and who gets funding.

MR PRATT: I have a question that follows Mr Smyth's earlier question. Given that you are reacting—

Mr Hargreaves: No, I did not say that. You did not hear me. I said "responding". You said "reacting"; I said "responding".

MR PRATT: Your answer indicates—

MR SMYTH: You said "proactive".

MR PRATT: Minister, if you are not giving Mr Manikis a bag of gold to manage, how do you advise the multicultural community more broadly what funds are available for what programs in the year?

Mr Hargreaves: The funds come out of the grants process that I took an inordinately long time to explain to you a moment ago. I suggest you read the *Hansard* to establish what was said.

MR PRATT: I am not talking about grants.

Mr Hargreaves: If you did that you would save everybody a lot of time and no-one would know you are deaf and a dill.

MR PRATT: I am not talking about grants.

Mr Hargreaves: Mr Manikis talks to people about the grants portal.

MR PRATT: I am not talking about the grants program; I am talking about the broader allocation of funding. How does the multicultural community know broadly what its programs will be?

Mr Hargreaves: I wish I had a wall to bang my head into. The communities decide on an initiative and they work out how much money they have. For example, people in the Hellenic club do not have a problem. When they want a poker machine, there it is. The Somalis, who have no poker machine say, "How much do we have?" They turn out their pockets, find \$9, realise that they need at least \$5,000 and wonder where they are going to get it. They ring Nick Manikis and the guys from OMA say, "That is a really good idea. We can get access to it through the grants portal." That is the way it is worked out.

MR SMYTH: So if there is only a grants portal to which these community groups can go, what does Mr Manikis do? Does he run any programs, or does the department run any initiatives? Does the department undertake any activity in multicultural affairs?

Mr Hargreaves: Yes. It is determined in the context of the community services we provide, and we provide a number of them.

MR PRATT: That is the question I was asking.

Mr Hargreaves: As it is a community engagement service those elements are in there. Some of them have multicultural aspects, some do not and some of them have a bit of both. I will ask Mr Manikis to describe one of the things he does—for example, the west program.

MR PRATT: That is the question I asked before.

Mr Manikis: We have budgeted for a range of services. The business unit is the Office of Multicultural Affairs and Community Development, so that is where the funds are held globally. But we have a range of programs that include the work experience support program for migrants that are long-term unemployed and that have not had a chance of even getting to the interview stage. We provide a couple of programs throughout the year, between 20 and 30 people for each program, and they are highly successful. It has been going for quite some years now and it is being emulated by other jurisdictions. It is one program that we are very proud of and we lead the place now.

MR SMYTH: Do you run that program?

Mr Manikis: Yes, we do.

MR SMYTH: You do not tender it out?

Mr Manikis: No, we run that program in-house. We administer it in-house but a part of it is tendered out.

MR SMYTH: How many staff manage that program and how much money do they expend on the program?

Mr Manikis: The way we run the Office of Multicultural Affairs is that everybody virtually does everything we do. So a proportion of staff, I would say 0.5 of an ASO6 would—

MR SMYTH: How many staff are in the OMA?

Mr Manikis: At this time—do you want a headcount?

MR SMYTH: A headcount and FTE, if you have them.

Mr Manikis: The business unit has 21.5 FTE.

MR SMYTH: You said “at this time”. How many will it have in the future?

Mr Hargreaves: Mr Manikis is being asked to respond to a policy question. Mr Smyth, you can address that question to me.

MR SMYTH: No. I am asking him to respond to a staffing question.

Mr Hargreaves: No, you are not. It is a policy question.

MR SMYTH: Well, I will make it clear then, minister. Mr Manikis, at the end of the financial year how many staff will you have?

Mr Hargreaves: How many heads are you going to cut off next week?

MR SMYTH: Mr Hargreaves, you always talk about courtesy. Why do you not be quiet for a minute?

Mr Hargreaves: No, you direct the question to me.

MR SMYTH: Mr Manikis, how many staff will you have at the end of the 2006-07 year?

Mr Manikis: 21.5.

MR SMYTH: So no cuts. Okay, good.

Mr Manikis: That includes community development as well at this point in time.

Ms Lambert: Which year did you say, Mr Smyth?

MR SMYTH: 2006-07, the coming year.

Ms Lambert: There will be a change to the arrangements within the agency. We will be looking at doing some restructuring, given the new areas that we have picked up. So there will be a change in Mr Manikis' responsibilities for the next financial year. Those numbers that he gave you also include the community services program, which will move in the agency to another place. We are looking at restructuring at the moment and working with staff on that. But I do not anticipate at this stage that there will be a change to the staff who are part of direct multicultural services.

MR SMYTH: At this stage?

Ms Lambert: Yes.

Mr Hargreaves: I can see the press release being issued right now.

MR SMYTH: Mr Hargreaves, grow up.

Mr Hargreaves: "The department does not rule out guillotine coming down—nooses."

MR SMYTH: What other programs do you run, Mr Manikis?

MR PRATT: Do not be so anxious, Minister.

Mr Hargreaves: No, you are like that. Here we go.

MR PRATT: Do not be so anxious.

DR FOSKEY: Could I move along to multicultural—

MR SMYTH: No, I would like to know what programs he runs. He is just running through the list of them. Can you provide a list of the programs that you run in-house, with what FTE is allocated to each of those programs and the cost? Is that taken on notice?

Mr Hargreaves: Yes.

THE CHAIR: That is taken on notice. Dr Foskey?

DR FOSKEY: I am interested in the multicultural radio grants program, which was announced in 2003 as a three-year project. The grants are usually due in May but as yet they have not been announced. Two multicultural community radio stations and 40 individual ethnic community program groups are wondering what is happening. Does the government intend to support those community groups and the radio station in the future?

Mr Hargreaves: They have been out. They have been done. They were announced.

Mr Manikis: They were done late last year, as I understand. The radio program?

Mr Hargreaves: The radio grants program?

DR FOSKEY: Late last year? Apparently they are usually due in May.

Mr Hargreaves: Yes. CMS, 2XX, all that stuff, yes. Been there, done that. Finished. We might have to come back to that specifically, Dr Foskey, outside this process.

DR FOSKEY: I just have one more question while I am at it. The only strategic indicator relating to multiculturalism in the ACT is strategic indicator 6 on page 193 of budget paper 4. It is about participation in the annual national multicultural festival. Given that that only occurs for about a week a year, does the department use some other subsidiary indicators in its own evaluation of its programs?

Mr Manikis: For many community groups participating in the national multicultural festival it is more than just a one-week affair. A lot of those community groups put a lot of effort in, voluntarily in most cases, leading up to the festival for periods of up to six months beforehand, from what I can gather. So, for those community groups, it is a very important area of their activities. In relation to all our other programs, yes we do evaluate the success in-house as we go from year to year. We take the festival as a whole, as an indicator, for example. Last year we did an evaluation. We had the University of Canberra tourism research centre put out a report, and the festival is one of our programs. Again we evaluate the work experience program to see whether the participants find full-time work or part-time work as a result of going through that program. We are around the 70 per cent mark of participants getting work as a result of going through. We evaluate our other programs and services as we go, but they are informal rather than formal evaluations.

Mr Hargreaves: But, Dr Foskey, also on page 199 we talk about the WES program. That is included in there.

DR FOSKEY: Yes, that is an accountability indicator.

Mr Hargreaves: It is an indicator, therefore it is a quality indicator. A lot of the work the OMA does is just working with people, not necessarily with a target in mind. In the past we have funded the ACT Multicultural Council and then worked alongside that supposed arrangement, so there has not been much to report on. If I put out, let us say, seven different initiatives in the next 12 months, when I come back to this place again next year you can ask me about the success or otherwise of those seven initiatives. We are going down that track. I can encourage you if you feel so inclined, in the context of the committee's report to the Assembly, to give an indication of what sorts of indicators you would like to see in further estimates documents. Then we will be happy to consider them to see whether or not it is possible to comply with that—happy to do that.

DR FOSKEY: You have been making some assertions, minister, that we have the most integrated multicultural community in Australia.

Mr Hargreaves: Indeed.

DR FOSKEY: What indicators were you using to come to that conclusion?

Mr Hargreaves: Essentially from my own perspective when I make these assertions. A bit of it is anecdotal, I suppose, but you can also say the census statistics also work for me. It rammed home to me on a visit to New York, Boston and Washington when I was there recently on my own time. Almost everywhere I have been, whether it be London or Paris, or whether it be Sydney, Melbourne, Adelaide, Brisbane, Perth, et cetera, when people come in as migrants they tend to collect in their own lot, in their own particular part of the world. San Francisco is a fine example—Little Italy, Little Japan, and those sorts of approaches. We know that Cabramatta has a distinct flavour to it. We know that Sydney Road going into Melbourne can be divided into two—the Greeks and the Turks—and we know exactly where it is. We know exactly where most of the Italians and the Vietnamese live in Melbourne.

In the ACT we do not. We do not have a specific part of town. We know that some of our smaller communities have most of their people living in either Belconnen or Tuggeranong—some of them in the northern parts of Canberra—but we do not have a suburb predominantly a certain flavour. That is because in almost every street in Canberra you have four or five different nationalities living together. In the schools they are all going together, and in that sense I believe that we are most successfully integrated.

When I have made those assertions in multicultural or ethnic celebrations and, indeed, in conversations with embassies, I have had my view confirmed by those people who live it and walk it. That is the basis of my assertion, and I have to tell you I know I am right and I will continue to propound that assertion worldwide.

MR PRATT: Will there be a reduction in funding for the multicultural festival in 2006-07?

Mr Hargreaves: No. Thank you very much for that question. When I say there will not

be a reduction in funding, the government's contribution to that festival will not reduce. I cannot guarantee the private people's contribution and neither should I. I take the opportunity at the moment to express my appreciation to the Tradies group because without their significant contribution last year the festival would have been nowhere near as successful as it was. They led from the front. I also acknowledge the contribution of the Hellenic club because it has been very forthcoming and supportive over the years.

MR PRATT: On budget paper 4, page 203, there is an estimated saving of \$103,000 in 2005-06 from the multicultural centre. How were these savings achieved?

Mr Hargreaves: The centre was built on time and under budget.

Ms Lambert: And according to plan.

Mr Hargreaves: And according to plan. Thank you very much, Ms Lambert.

MR PRATT: So all the requirements were met?

Mr Hargreaves: Yes.

Ms Lambert: Yes.

Mr Hargreaves: More so than in most cases.

MR GENTLEMAN: Minister, over the weekend I had an opportunity to talk to quite a few different multicultural organisations—the East Timorese on Friday night and the Muslim groups on Saturday at the open day at the mosque. These groups want to know from you, minister, whether at 1 am tomorrow, as multicultural minister, will you be supporting Australia or Italy.

Mr Hargreaves: There are two things you need to know, Mr Gentleman. The first one is that at 1 o'clock tomorrow morning I will be sound asleep. Secondly, in my sleep I will be supporting Australia.

MR PRATT: What ongoing funding will you be providing for the running of the multicultural centre in the out years? I do not think I can see it defined there.

Mr Hargreaves: The running costs for the centre are built into the base budget, Mr Pratt. It is as much money as it takes to run the centre, remembering that it has revenue coming in from rents which, as you would know, are not absolutely to the letter market rent. Most of the people in there are paying the proper rent that they could be expected. We are more interested in supporting the groups there that are not.

Mr Hubbard: I have an answer to Mr Pratt's question. It was in relation to housing on page 355 of budget paper 4. You were asking what was the break-up on the repairs. We basically split it into three areas. The amount is approximately \$35 million per year. Of that we spend approximately \$10 million on repairs, \$16 million on maintenance and \$9 million on upgrades. Upgrades are significant works to a particular residence. We are trying to shift in a percentage sense from the responsive repairs into the more planned maintenance. So we are trying to get better bang for our buck by shifting that percentage

more into the planned maintenance side of things.

MR PRATT: Okay, thank you. I appreciate that.

THE CHAIR: Thank you very much, minister and officials. We will be reconvening at 2 o'clock for community groups.

Mr Hargreaves: Thank you, madam chair. Can I record my appreciation to the Department of Territory and Municipal Services officers and to the officers of the Department of Disability, Housing and Community Services, who were here earlier, for their excellent work in supporting me and this committee in this process.

Meeting adjourned from 12.30 to 2.02 pm.

CADMAN, DR HILARY, President, Melba High Parents and Citizen's Association
BROWNE, MS TANIA, Member, Melba High Parents and Citizen's Association

THE CHAIR: Good afternoon, everybody. When you come to the table, introduce yourself before you make your statement and say where you are from. I am going to read this card once for everyone in the room now and then I will read it again as new people come in, but I will not keep repeating it, otherwise it will take up too much of the time allotted for you to speak to us.

You should understand that these hearings are legal proceedings of the Legislative Assembly, protected by parliamentary privilege. That gives you certain protections but also certain responsibilities. It means that you are protected from certain legal action, such as being sued for defamation, for what you say at this public hearing. It also means that you have a responsibility to tell the committee the truth. Giving false or misleading evidence will be treated by the Assembly as a serious matter. Do you understand that?

Dr Cadman: Yes.

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

Dr Cadman: Yes. The government has raised two major issues with Melba high: that the school is currently underenrolled and has falling enrolments and that it needs refurbishment. We strongly disagree with the government's figures on enrolments. They have a figure of 75 per cent, based on a capacity of 779 students. This was the capacity of Melba when it opened in the 1970s when open plan was in vogue. Since then the school has been modified.

These modifications have reduced the school's capacity but they have improved the quality of education. For example, we now have a music room, a learning assistance centre, and five computer rooms. We have one of the highest computer-student ratios in the ACT. Also, nowhere else in the area offers the kind of program we offer for learning assistance. The specialist classrooms allow us to offer a very high quality of education to our students. We calculate that Melba could take at most about 600 students. So, with the 586 that we currently have, we calculate that we are actually at more than 95 per cent capacity. So we think we are nearly full.

In terms of falling enrolments, the government's latest figures project that we will have 360 students in 2010, but even the government web site has a note that our enrolments are currently above projections. Our enrolments have been steadily increasing over the last few years, even before the closure of Ginninderra high. This year our intake was 180 students, so we are well above the projections.

The government has proposed two options. Option one is a Melba collegiate which would amalgamate Charnwood primary as P to 4, Melba high as 5 to 8 and Copland college as 9 to 12. We have problems with that option. It would have three campuses spread over more than five kilometres, so that students moving from one campus to the next would feel as though they were moving school.

We can't see quite where the intake will come from. The only likely intake for the 5 to

8 school would be from Charnwood, which would be a P to 4. Our six main feeder primaries would remain P to 6, so that children from those schools would be unlikely to come to a 5 to 8 school in year 7 because they would have to change again after two years.

A student who wants a choice of college would, effectively, do years 7 and 8 at Melba, 9 and 10 at Copland, and 11 and 12 at the college of their choice, so they would be going through three schools in six years. The collegiate option relies on Copland being 9 to 12. Currently, it is too small to accommodate the numbers that we think would be there for 9 to 12. It can only accommodate those students if it reduces specialist teaching facilities, which would affect the quality of the education. The government has said the school needs refurbishing. If it were to be reopened as a 5 to 8 it would still need refurbishment, so nothing is gained by making the change.

The second option is a Melba secondary school from 7 to 12 on the Copland college site which would amalgamate Melba high and Copland college. Our problems with that option are that the combined student population is more than 1,000 and the government's figures, which are subject to the same kind of argument as for Melba, put the capacity at 879. So the figures clearly do not add up.

Neither site, Copland or Melba, is large enough for a 7 to 12 school. Even if we stripped out every specialist teaching, neither site could take more than 1,000 students. Like other parents in the ACT, the college system is one we value and strongly support and we can see no evidence that parents do not like this system.

Overall with the two options another problem is that we have children at Melba who have already had to move from Ginninderra high school. Those children need stability, not more change. And then there are the general problems of closing the schools, like loss of connectiveness with community, more children having to catch buses or be driven to school and so on.

Our question would be: why change something that is so successful? Our enrolments are increasing because the school is becoming well known in the community for its achievements. Melba has received numerous grants and awards in recent years. Our students participate and do well in a wide variety of competitions and programs in arts, sciences and social aspects. We were one of only 17 demonstration schools in Australia for the mind matters plus scheme. We have been involved in the discovering democracy program, maths enrichment, debating, among many others, and we regularly win awards and do very well in these programs.

Another issue is that our school has just received a bond of almost \$150,000 for refurbishment from the capital infrastructure program and we wonder what would happen to that money if the school changes. The only reason we can see for changing something that is working so well is the superschool to be built at Holt. We think that the government is suggesting two unworkable and undesirable options to create insecurity so that our enrolments will fall and then the government will have grounds for closing Melba when the superschool comes on line in 2009.

Just to give you my personal view, my daughter is in year 8. I had initially planned to send her to either Burgmann or Merici and I chose Melba only because I went along to

the open night and read copies of the school newsletter and I was so impressed that I did not think I could do better elsewhere. After 18 months at the school, I am sure I made the right decision for my child. The school has met and exceeded my expectations. Also, I would like to mention that I moved here from the UK seven years ago and I think the education system in the ACT is streets ahead of the government school system in the UK and personally can see no merit in either of the proposed changes.

Lastly, we would be happy to work with the government to reassess the school's capacity and to consider any options that do not involve reducing the quality of our children's education. Rather than changing something that is working so well, we think Melba should be promoted by the government as a model of how successful a relatively small school can be.

We think the current situation does not constitute consultation. The government has said it will listen to reasoned argument, but it has not had the decency to provide us with any coherent argument for the proposed changes or any evidence that they will improve educational outcomes for our children. We would like the government to withdraw its flawed document and consult properly with the community before making decisions that will affect our children's education.

THE CHAIR: Thank you, Dr Cadman. Do you wish to add anything, Ms Browne?

Ms Browne: What I can add to what Hilary has already said is that, just from a personal perspective, I have now got my third child going through Melba high. I have been a parent of the school since 2000. Two children have already gone through Melba high and my last child is there. I think from a community perspective it is going to be very disruptive to the whole Melba school community and the options here are just not workable in linking us to the rest of the wider school community.

MR PRATT: Dr Cadman, you spoke of the involvement by your school in national science projects, being a school which was invited to be involved. Could you tell us a little bit more about the expertise that your school has developed?

Dr Cadman: I think Ms Browne is better placed to answer that.

Ms Browne: In the science projects or the grants re science and education?

MR PRATT: In the science projects.

Ms Browne: Our principal, Helen Halling, would be best placed to answer that, but I could certainly come back with information.

MR PRATT: Do you have a rough idea of the number of students that benefit from that?

Ms Browne: I think it goes through the whole student population. It is usually the older years, around years 9 and 10, that get to participate in that particular project, but their growth and their knowledge have come through the formative years, years 7 and 8, so where they get to in years 9 and 10 to be able to participate in that sort of thing comes through that broader learning from years 7 and 8 as well. But I could not really give you an indication at this point of what numbers are involved.

MR PRATT: That is probably enough. Basically, you are saying that the majority of the kids in years 9 and 10 benefit from that involvement.

Ms Browne: Absolutely, yes.

MR PRATT: And demonstrate skills that seem to be competitive.

Ms Browne: It flows on to the whole school community. It might be just a cohort of students participating in that but it flows on to the rest of the community with the benefits and the wider recognition that that brings to the school.

Dr Cadman: A group of our students has just been invited to Newcastle to participate in the finals of the science competition.

MR SMYTH: How many empty classrooms are there in Melba high school?

Dr Cadman: It depends on what you mean by empty. There are no actually empty classrooms. There are computer rooms, there are drama rooms and we have just created a Japanese room from an area that had some space, but we don't have anything that is unused.

Ms Browne: There is also a youth space which came about from the government introducing youth workers into the school system. We do have a youth worker at Melba high. We were one of the pilot schools to trial that and we have a room that is essentially a classroom that is used as a youth drop-in space.

MR SMYTH: If we took the government's capacity of 779 and we had to cram in the extra 193 students that apparently you can hold, where would you put them?

Dr Cadman: We would have to strip out those specialist classrooms. We would have to get rid of the youth space, where we also run the breakfast club for disadvantaged students. We have all sorts of programs going on that would struggle if we had to make that.

MR SMYTH: Those programs would therefore have to go because you wouldn't have the facilities to run them.

Dr Cadman: It would certainly be difficult to run them at the same level as now. We have a very broad range of electives. We run eight different electives in year 7. We have woodworking areas, metalworking, arts, pottery.

Ms Browne: The home economics facility recently got upgraded as well, as did the canteen, so those facilities are really top class at the moment.

MR SMYTH: How much did that cost?

Ms Browne: I would have to come back to you on that.

DR FOSKEY: Could I ask a quick question? I think it only needs a one word answer, as

we are running out of time. When there was all the discussion last year about Ginninderra closing and the new superschool was being proposed, was Melba high told that this proposal might be put up? Was Melba high told last year that a proposal like this would be put up so soon after that?

Dr Cadman: No. We were given an assurance that we would not close and we feel that probably we have been given these bizarre options as an alternative to closing us when they had said we would not be closing.

MR PRATT: Who gave you that assurance?

Ms Browne: A letter went out to the school community from the then minister for education, Katy Gallagher.

MR SMYTH: Could we have a copy of that letter?

Ms Browne: Certainly.

THE CHAIR: Thank you very much, Dr Cadman and Ms Browne. We will send you a copy of the transcript and you will be able to make corrections, if necessary.

BEARDSLEY, MS LIZ, Board Chair, Giralang Primary School
PATTERSON, MS TONI, President, Giralang Primary School P&C

THE CHAIR: Were both of you here when I read the card?

Ms Beardsley: Yes, we were.

THE CHAIR: Would one of you like to make an opening statement?

Ms Beardsley: Thank you for this opportunity to address committee members on the proposed school closure at Giralang. This is not a submission that seeks to provide a budgetary answer to the 2020 proposal, as there has been inadequate time for us to address this issue. It is a submission that seeks to raise awareness as to the inequitable treatment felt by the Giralang community.

The strain that has been placed on all our parents and teachers is enormous. Our school community is comprised of dedicated volunteers, including people like ourselves who joined the P&C and the board to contribute to the schooling experience of our children. We already contribute much of our spare time to our school and we are now spending up to two hours per day on addressing the proposed closure. This decision is putting unnecessary stress on everyone, yourselves included.

Using the government's own figures, why is it that some school communities, such as Giralang, are having to spend extraordinary amounts of time on a submission when schools that are in similar circumstances to ours are not being asked to justify their case for remaining open? The announcement of the school closures within a budget context is a strategy designed to create discord. The policy statement *Towards 2020: renewing our schools* is very short on educational outcomes to be achieved by these closures.

As consultation with the community must take place after the critical closure decisions have been made public, the integrity of any consultation process must be questioned. Not only is there a lack of public information on how the closure decisions were made, but also it appears that little thought, if any, has been given to the necessary transition arrangements which, for schools like Giralang that may close at the end of this year and those schools which will pick up the excess, must be organised in the very near future.

Within the 2020 information itself we feel that Giralang has been deliberately undervalued in its profile. Other schools have many benefits stated, such as strong community focus, being on popular bus routes and expected increased enrolments from expansion of neighbouring suburbs. These statements, as well as others, are true for Giralang also but have not been included in our profile.

According to the 2020 figures, Giralang has a capacity of 425. We believe that this is an unrealistic figure and is based on outdated principles. The research provided on the 2020 web site supports 300 to 400 as the optimal capacity for primary education. The enrolment of Giralang primary is recorded as 155 students in February 2006 and operating at 36 per cent of capacity.

It is worth highlighting that 70 per cent of our enrolments are from within the priority

enrolment area. This is a suburb that supports its local schools. Based on current teaching practices, educational policy on class numbers, OH&S considerations and the space taken up by information technology equipment, we believe that a more realistic capacity figure for Giralang is approximately 350 without any refurbishment.

The 2020 policy is advertised by three key words: choice, diversity and opportunity. In the case of Giralang parents, from the end of this year there will be no choice and no opportunity to send their children to their local community school. Not only does this decision affect families of Giralang students, but also it degrades and devalues the land and assets of the whole Giralang community. This is occurring due to the demise of the local shopping centre and now the proposed closure of the school.

In addition, our local doctor's surgery, which is currently located within education buildings, may be next. We have been informed by Dr Wareham that her lease will not be renewed by the department of education. If the government allows this to happen, Giralang will become a suburb without any level of critical, social or economic infrastructure. This is not consistent with the territory plan or the Canberra plan and is especially unfair as surrounding suburbs have the luxury of more than one shopping centre and several public schools to choose from.

We are entitled to services and amenities at a standard no less than other suburbs. This is even more critical for Giralang, given its lower socioeconomic profile compared with neighbouring suburbs. Why should our students, 70 per cent of whom currently walk or ride to school, be deprived of an opportunity to get safely to and from school, not to mention the physical and health benefits that are well-documented in current research in fighting childhood obesity? Why should our parents also bear the brunt of additional personal and monetary costs in terms of travel time and fuel?

We are bewildered at this decision to close Giralang and even more so by the release last week of figures that show that Giralang's costs per student and enrolment numbers are, respectively, less than or equal to schools which will be unaffected. We held a public meeting on 13 June, attended by over 200 people from our school and wider community. The underlying message was that people wanted choice in public schooling options and that there is a place in our school system for smaller, community-focused schools.

Giralang has a unique fully integrated program for children with special needs and is one of the few schools in the ACT that offer such an inclusive program. Research has shown that children with special needs in integrated schools do better academically and socially than those students in non-inclusive settings.

The motto of Giralang primary school is "adventure in learning, caring and achieving". The school has been described by parents of the school as the best-kept secret in Belconnen. Giralang has won two awards from the Royal Australian Institute of Architects, most recently in 2001. The RAIANominated the school for heritage listing and have included the buildings on the register of significant 20th century architecture. The buildings have architectural and educational significance, and to lose Giralang as a public school would destroy a successful educational method which employs building, teaching style and structure which cannot be replicated by just any building. To ignore the social and educational significance of this rarity in public education would be

irresponsible.

There has also been significant investment in Giralang primary school over the last year by both the ACT and federal governments. The \$150,000 investing in our schools grant has been used for a total upgrade in information technology, including six interactive whiteboards and 71 PCs. The school has always been in the forefront of ICT changes and continues to do so. The school itself has had roof repairs, new airconditioning, carpeting, a boiler and lighting, meaning that there would be no requirement for major maintenance over the coming years. It is in very good condition for its age and is well placed to absorb the preschool into the main building. If this occurred, the preschool building could easily be converted into a childcare centre and Giralang could offer parents options for their children aged 0 to 12.

Students in Giralang are offered choice, diversity and opportunity with a range of programs including an extension class, an ACT instrumental band, a breakfast club run by our local church group, gymnastics, Rostrum, Asian studies and a walking school bus that operates five days a week. We are easily located within safe and easy walking distance of the Giralang natural wetlands, which provides the opportunity for our students to study the ecosystem in its natural environment. The school is used five nights a week for activities such as callisthenics and karate as well as church services on the weekend, not to mention the surrounding playing fields that are home to the Belnorth soccer club.

Finally, to close Giralang school would be an act of educational and social vandalism and the Giralang community will contest this decision to the best of our capacity. Thank you.

THE CHAIR: Thank you very much. Just one question, because we need to move on to the next school, please.

DR FOSKEY: I was at a meeting the other night at Giralang where it became obvious that lots of people have moved to the suburb simply because of the walking accessibility of the school. What do you think will happen to the demographics of Giralang if the school closes?

Ms Beardsley: The demographics would probably change. The main theme that came out of that meeting was that people had moved there. Some haven't got children presently, some were planning to have children in the future and one of their main criteria was that they could safely access a school like ours and the actual opportunities that our school provided for them educationally, socially and from a pastoral care perspective as well.

THE CHAIR: Thank you very much. You will get a copy of the transcript later.

HARKNESS, MRS CAROLYN, President, Canberra Preschool Society Inc.
THORNTON, MS DIANNE, Coordinator, Canberra Preschool Society Inc.

THE CHAIR: You were both here before when I read the card, were you not?

Mrs Harkness: Yes.

Ms Thornton: Yes.

THE CHAIR: Would you like to make some opening remarks, or make a statement?

Mrs Harkness: I would like to thank you for the opportunity. We will be speaking from a wider basis than just one preschool because of the very nature of our organisation. We are the umbrella organisation of all 80-odd parent associations, so I speak from a larger framework.

THE CHAIR: We have allotted you a slightly longer time to allow you to do that.

Mrs Harkness: We appreciate that. I have very short notes. Thank you very much. I will speak to my points and try and give you time to ask questions. As you have allocated extra time, you might have extra questions you would like to ask.

The Canberra Preschool Society has been in Canberra and operating under various guises, but within the same thrust of the organisation, for over 60 years, indicated, obviously, by Reid's own 60th anniversary last year, which was a wonderful celebration of the partnership between parents, the government and the department of education in the provision of education for preschool children across Canberra.

The CPS believe we build community. We believe we do the things that are being asked by the government in strengthening and building our community through allowing access for parents and their children at all age ranges to be involved at the very grassroots level of the provision of education.

The Canberra Preschool Society represents over 80 parent associations. Each one of those is an individual incorporated body, each one of them has its own constitution, and each one of them has its own decision-making processes and involves a lot of different things. As you can imagine, the scale of change the proposal that is before us and the community has a huge impact on the way we run.

The Canberra Preschool Society runs on an annual basis. We have an almost complete, 100 per cent, change every year. We are volunteered predominantly by volunteers. We do all of the work that we do, in providing over \$1 million worth of resources—from toilet paper through to paint and paper, chairs and tables and basic infrastructure in each of the preschool rooms—cheerfully. We do that with commitment and passion.

The point about what we do is that we build our partnerships through collaboration, through access and through offering opportunities for young children—not just four and five-year-olds, but all the way through from zero. We have, in the 14 preschools slated for closure this year, 14 playgroups running. We have seven playschools running. There are individual learning units which cater for autism and for social needs.

There is an opportunity for parents with their own issues to have face-to-face contact with professionals from a range of community services. We seem to be like the shopfront for the education department into each of the communities they represent, in each of those suburbs that are obviously requiring more immediate access.

We find that that partnership is built through integrity and purpose. The purpose is that co-provision—our role in co-providing education. The department of education has not deemed it a compulsory level of education and is only just now bringing it in under the banner of the department in terms of its curriculum renewal process. Still they trip up and call themselves K to 10 and then they will change and say P.

It is new thinking, but the parents of Canberra have been thinking it for 60 years—for a long time. Over the last 60 years they have built up over \$6 million worth of assets. There are \$1 million worth of assets that will need to be removed from the 14 preschools. We have our incorporated bodies which we will tie up at the end of the preschool term, which is about 20 December.

If a decision is made after 6 December, it leaves us two weeks maximum to run all of those changes. They need to wind up the incorporated bodies and find places to put the things that they have. That includes all the paper, chairs, tables, computers, printers, photocopiers, books, puzzles, games and resources that have taken 60 years to build in some cases, and only a few years shorter than that for others.

We feel that the change is necessary. As an organisation we are finding it harder and harder, with the pressures of family life, to find the people who have the commitment and the time that matches their commitment to meet the needs of the co-provision partnership that we have. We are finding it hard. It is difficult when a preschool is unviable in terms of only a few enrolments. But the decision, we believe, needs to be faced on a one-by-one basis, not a wholesale change that requires such an impact across such a broad range of our community.

From our perspective, we are not politicians, nor are we bureaucrats. The fact that I have handwritten, scribbled notes is telling you that I am only just squeezing it in, between getting my children back to school and sorting out childcare. I have to say to you that we believe in the partnership that we have now. We know that some aspects of it need to change. We, as an organisation, find it difficult sometimes to find enough people to do the things we need to do to co-provide for the education of preschool children. As a consequence, we acknowledge that there is a need for change.

We acknowledge that there will be some closures. We don't know how those changes are to be made or when those closures are to be instigated or implemented, but we know that the time frame from 6 December is too short.

We cannot bring parents who are busy bringing up children up to speed with the knowledge that you are going to take away one's piece of stable education and replace it with something that does not seem to be well thought out. There is no provision, we believe, in the proposal to effect adequate education of the public in order to negotiate or to rationally put forward an argument that is sensible. We feel we just need more time.

We understand that there is a need for change. We understand that that change is not going to be an easy one. It is a difficult thing, but the very nature of our organisation, with an annual changeover, makes that change, in the time frame that is being allocated by this proposal and the budget that it is supported by, untenable, unreachable and unrealistic. We will have 14 preschools to wind up within two weeks, in an unknown nature of where they are going to go and how they are going to fit in.

To be honest with you, we believe the big picture of early childhood schools is innovative and we believe that preschool has been spearheading that for years. I believe it is a wonderful change, but it needs more time. It needs more time to bring up the education of the public. They need to be involved in the way that we have been doing for 60 years—a collaborative partnership where you can learn and share together in a way that provides stability for the people they are working with.

The last point I need to make primarily is that we have asked for information. We have asked it of the department. I have put forward feedback on the web site asking for at least a copy of the presentations presented by the minister in each of the regions, because they provide statistical information that is just not clearly available to the public. That would help us in gaining a better understanding of what the proposal is heading towards, which we believe will equip us to assist in making a better decision for a future for our children.

Ms Thornton: I would just like to add to the time frame issue we have here that Carolyn has already mentioned. Parents, as you know, register the year prior to preschool. Parents registered some of them on 1 January 2006, entitling them to an enrolment in 2007.

Those parents sometimes make choices as to where they are going to work and what days they are going to work, now that we have sessional preschool—either two longer days or three shorter days. They are now going to be up in the air. With the time frame, how can a parent change a childcare situation within the short time frame of the end of December to the beginning of a new school year, let alone know where their child is going to be attending preschool and how and whether or not they can get childcare arrangements, because the days may be different. That is of great concern.

The other issue with any of the possible closures is access for preschoolers. I know we have touched on it with the primary schools, but for preschoolers in particular there is a greater need. Many parents choose to stay at home the year their child is at preschool and wish to perhaps walk their preschool child and siblings to the preschool. In some cases it is going to be too difficult. They cannot put a preschooler on a bus to go to preschool; nor would you expect them to.

THE CHAIR: Thank you.

MS MacDONALD: I know that the enrolments for Chifley preschool, which is one of the preschools suggested for closure this year, this year are 19 out of a maximum of 22 places. They clearly have a viable status. I am curious to know, though, what the average maximum size of a preschool is. I was having a conversation the other day with my husband, and I was not sure.

Mrs Harkness: No, it varies, depending on the building itself. Some buildings are double units, which means they would be able to have two classes running, and others

are single units. Some, like Reid, have only got a small building in a single unit, which limits it to 20. Then you have Hall preschool, for instance. That is a small building too and it has a limit on how many children can be present in that session. It is a bit hard to explain.

Ms Thornton: Maximum class numbers are 25. That is the maximum you can have in any one class. The viability under the current criteria is 17, to be a viable figure. But then there are other issues that come into play. It is not just a numbers game. There are socioeconomic reasons and a range of other criteria for that figure.

MS MacDONALD: That is certainly useful, knowing that the maximum number for a class is 25.

Ms Thornton: In the majority—Chifley, as you say. But, being a smaller preschool, Reid has a maximum of only 20.

Mrs Harkness: It is capacity. Capacity across the preschool is very different in each suburb. It depends on when they were built. I know that Flynn is a double unit and it can have a lot more than 50 children. But then over the road, in Melba, it is a single unit.

It is really dependent on when the preschool was designed, built and brought online. It is very different. It is not like a primary school, where you have certain criteria for sizes of rooms. The other side of it is that it is brought in line with the department of community services and the room allocated per child is different. There are a number of different aspects involved.

MRS DUNNE: In your presentation, Mrs Harkness, you touched on the fact that you are not afraid of change. You said that the change is perhaps desirable. Could you talk about that in the context of the current push for a model which is P to whatever, rather than what used to be K to 2, 3, 10 or 12? That seems to be not particularly thought out. You may have a better idea of where you think the government might be going with incorporating the preschool model.

Mrs Harkness: The incorporation of the preschool model, I think, has been driven—and this is purely from looking at what is available on the web from the department—from a curriculum basis and also from the fact that there are changes being driven from a federal level that I can perceive to include preschool and to change the ages when children commence school. But from a parent's point of view, which is my predominant experience, it is very difficult to quantify.

You find that the proposal puts forward early childhood schools which go from P to 3 or P to 4 and then you have ones that go from P to 5 or 6 and then ones that go from P to 10. We have been assured from the department that it is purely, at this point of time, an administrative level—that they are changing where preschool is administered from, in terms that it is being brought under the primary school banner and not on its own independent basis.

That puts our place in question. We are a Canberra preschool society and we have jurisdiction only under preschool. I know that the Education Act limits us to that point and limits the P&C council to K. It puts a lot of our future in question. Where it leads us

in the future I don't know.

MRS DUNNE: In the places where the P to whatever model is working—the one that comes to mind at the moment is Flynn—do you have any experience of how that is working?

Mrs Harkness: I have experience of how that is working. I know that, in the Flynn model, the teacher works really hard with the primary school. I am actually just graduating, or about to graduate, from early childhood education. I have done one of my placements at Flynn and one of my placements, or my internship, at Amaroo.

The two different primary schools and the preschool being brought into that have had two totally different experiences—one where the preschool teacher and the principal worked really well together and have worked very hard to build that relationship over a period of time. That was at Flynn. I have seen in Amaroo that the teachers have an enormous amount of capacity to influence how the thinking is done at that school, but it is very difficult in order to manage that flow of information up into the primary school sector. There is no information.

As an internee teacher, I found that I had no information given to me about the preschool sector at any of the staff meetings. It is a very difficult thing. I have seen that it can work if you are both wanting to work at it, and I have seen that it can be very difficult to work if the flow of information is interrupted.

THE CHAIR: Thank you very much. You will get a copy of the transcript.

BARRIE, MR JUSTIN, Treasurer, North Ainslie Primary School P&C Association Inc.

THE CHAIR: Mr Barrie, were you in the room when I read this?

Mr Barrie: Yes.

THE CHAIR: Would you like to make your statement.

Mr Barrie: Our school is not on the current list of school closures, but as a P&C we felt it important that the estimates committee hear from schools that were due for closure and those that are not, because all are involved in this process. To save time for those schools that actually want to represent directly, I will just pick out a couple of the key points from our written submission, which I emailed previously to members. Hopefully, if I take less time, there will be more time for schools that have something more directly to say to you. We have a number of points of feedback. The first point is about parents being partners. I will read this:

Our first point of feedback is around the context the Department, Minister and Chief Minister have already attempted to construct in the public debate on this subject. We find the immediate reference to parents in the Chief Minister's budget speech as 'fiercely protective of the system and nostalgically attached to the neighbourhood school concept' as a cynical attempt to differentiate between the Government and Department as logical policy makers and parents as emotional users of the system.

If we were to outline a genuine approach to changing a system like the education system, we would suggest that the philosophy behind the change be articulated and then the criteria for how schools might meet that philosophy be articulated. Then there would be a period of what we would call co-design—not consultation—with interested parties and then a list of who meets or does not meet those criteria published in the general community.

Naming schools before any consultation period has taken place post budget announcements is not a true consultation process but an attempt to pit school against school so that they barter against each other. We think the Chief Minister's budget speech highlighted that right up front.

Our second point of feedback is about the impact on families, and that is the hidden cost of school closures. There seems to be a lack of economic and social analysis in the paperwork we have seen about the flow-on of consolidating campuses for families and the environment. Our view is that there is a significant benefit to physical proximity of schools, including preschools. Consolidation of campuses seems destined to lead to an increased use of cars and increased transport time. We think this requires further investigation and a whole-of-government response to the unintended consequences of the increased burden on families that this recommendation imposes.

As well as increased traffic, use of personal cars, increased pollution and reduced physical activity of key demographics of children, we also believe that consolidation of campuses could lead to the disenfranchising of families from lower socioeconomic backgrounds, as they are unable to become a physical part of the school community. At present, people of all backgrounds and means have immediate access to school grounds and activities, due to their physical proximity. This could be reduced in the proposals

outlined. We think it is fairly possible to see not only a department of education proposal on these recommendations but also department of health and Department of Urban Services responses to the impact of these recommendations at a whole-of-government level.

Our third point of feedback is around specifically the recommendation on the closure of Dickson college. The department's own recent research has highlighted the success of the dedicated college environment, and we can only assume that this recommendation is completely economically driven. Clearly one campus—and that is the movement of year 11 and 12 to Campbell high—would be cheaper to run than two, but we see no evidence in the budget papers and the *Towards 2020* to support this, or educational reasons for this idea.

The only context provided by the department is the statement that this would provide an alternative form of education. We believe that insinuating that this change would increase choice is mischievous at best and potentially misleading. That is, for this development to truly become an alternative, there are clearly only two options.

The first is that the department will announce that priority enrolment rules will cease immediately—then it would become a choice because students would be free to move between enrolment areas—or the department is going to announce that they plan to open a seven to 12 and a dedicated college in every region. That is choice. We await the further announcement to clarify this situation.

We have some further points there about the department's own figures showing that there would be an oversupply of students to the Campbell campus if those two campuses are consolidated, and that the only announcement we have seen is on an extended car park at the Campbell campus, not increased infrastructure to deal with those additional students.

The fourth and related topic is departmental data and projections. There are two points here. First, we are extremely concerned that the data being used by the department for its policy recommendations seems flawed, or at least inaccurate. I will quickly go to some examples. Hackett preschool is listed as having 16 enrolments, which is below the viability number. There are actually 24 to 26 children attending that school right now.

Just as an example, cooperative school figures in the table in the document suggest that 100 per cent of children living in O'Connor attend that school. Either the table is wrong or it is inaccurate for a reason. I cannot give you a page number. There are no page numbers on the departmental document in its electronic form.

We also wonder what social data has been used other than forward enrolment projections. There is a clear increase in the number of young families in the inner north, as stated by the department itself in the introduction to that section, but no link between this and the assumptions on enrolment. We would like to see modelling that shows where those young families are moving to in terms of suburbs.

We also wonder if the department is using socioeconomic modelling rather than pure data. For example, what is the relevant impact of the closure of a preschool such as Reid, with its high percentage of government flats, in comparison with Hackett? There may be

no differential, but we expect to see that explored by a department interested in its partners and the children, rather than just campus or infrastructure management.

Our final point was highlighted by the preschool society in the previous presentation. That is around resource reallocation and the ownership of infrastructure. We would like it noted that this is an emerging issue. We have no doubt that, if incorporated associations and other parent and carer groups throughout the ACT immediately withdrew all of the assets they currently own or have funded, the school system would cease to work, particularly in the preschool sector. You cannot run without toilet paper, for a start.

For years, parent groups have subsidised government funding across a range of areas including IT infrastructure, sporting goods, teaching aids and, in more recent times, insurance. As partners in the school community, parents have worked hard to bridge the gap between government funding and the real cost of schools. In the preschool sector this is particularly relevant.

We raise this because we expect to see a government legal position on the ownership of parent-owned assets and their transferral between campuses. We have no doubt that parent groups will, for the good of their children, transfer assets from one school to another, but the department should be prepared for the prospect of increased questioning of where those assets will be used, and whether correctly minuted decisions exist for the transferral of parent-owned assets in previous closures. As a final note, we would reiterate the NAPS P&C concern over the short time frame offered for feedback and consultation for this budget announcement.

We hope the views expressed here raise enough doubt about the ill-conceived departmental approach to policy-making to ensure further and detailed examination of data, modelling and the unintended consequences for the people of north Canberra and Canberra as a whole.

THE CHAIR: Thank you, Mr Barrie. You will get a copy of the transcript.

LANE, DR GREGORY, Treasurer, Cook Primary School P&C Association
MORLING, MR BRENDAN, Secretary, Cook Primary School P&C Association
BIDDISCOMBE, MRS LISA, President, Cook Preschool P&C Association

THE CHAIR: Were you in the room when I read the card?

Dr Lane: Yes.

THE CHAIR: Would you like to make a statement, Dr Lane?

Dr Lane: Yes. First, I would like to express total agreement with many of the things that the other people have already said, particularly some of the statements of the North Ainslie primary school P&C treasurer. One of the things I have wondered is whether we should just sell all our P&C-owned equipment and give the money to the parents, because we own it and there is a real issue as to where this stuff is going to go.

There have been many persuasive arguments of a general nature. I am going to try to concentrate today on Cook to a fair degree. Ten minutes is insufficient to fully canvass all the issues. We prepared a short statement, which I would like to circulate, if that is possible. Are we allowed to table that? There should be a copy there for everybody. I am just going to speak to these points to a fair degree. I might say some other things along the way.

I would like to point out some of the inaccuracies in the 2020 document and in the school fact sheets, I would like to talk about some of the achievements of Cook primary school, I would like to address some issues on the government's rationale and I would like to make a brief closing statement.

Some of the inaccuracies are fairly blatant. In the *Towards 2020* document there is the statement that enrolments in schools such as Giralang, Cook and Southern Cross have declined over recent years, with only 40 per cent of school capacity being utilised, and this is simply untrue. In the table directly below where this statement is made, you can see that Cook is actually operating near capacity. In fact, it is one of the minority of schools in the ACT which is operating near capacity, at 91 per cent.

Furthermore, from the 2001 census to the 2006 census, Cook primary school enrolments have been stable and certainly have not declined. The document on the Department of Education and Training web site of projected enrolments for 2006 to 2010 forecasts stable enrolments for Cook primary school through to 2010.

There has been mention at some of the public meetings of the impact that development of the Molonglo Valley is going to have on enrolments in the ACT. There are going to be people who will be going from their homes in the Molonglo Valley to their place of work in Belconnen who will be wanting to use the primary schools and the schools that are in the south-east of Belconnen. Of all the primary schools proposed for closure, Cook has the most stable enrolment and the highest capacity utilisation ratio. With respect to these benchmarks, it is actually in the upper 25 per cent of all primary schools across the ACT.

In the *Towards 2020* document there is a statement that families are looking for options when considering what they want and need for their children's schooling. The fact of the

matter is that the projected school structure for south-east Belconnen removes the opportunity for children to attend small primary schools. Many children function better in a small primary school—children with special needs, who need to know everyone in their local environment, who want to be in a single classroom-type environment. That will not be available.

With respect to the individual school fact sheets on the Department of Education and Training web site, I wish to comment on a couple of statements on the Cook primary school fact sheet. One says that opportunities for increased enrolment are limited, as a significant part of the school has been handed back to the Department of Urban Services. In fact, this has been an issue for a number of years and plans have already been made at the school board level and discussed at the P&C level as to what we would do were numbers to increase. There are already plans for the use of existing space for extra classroom areas.

People have been talking about problems with the capacity figures. We do not have a problem with our capacity figure. Our capacity figure of 150 is accurate. You seem to be telling us that it cannot go up. We have the opposite problem to many other schools. We are telling you it could go up. We are not trying to argue that it should be smaller. In particular, there is no need to resume occupation of the west wing that is currently leased to community organisations.

There is also the statement that appeared on the Department of Education and Training web site and was very quickly removed that, based on 2005 ACTAP results, Cook primary school adds strong value to student learning outcomes. It is strange that that positive statement was removed. There is also the statement that priority enrolment areas will be redefined to ensure your child has right of enrolment at nearby schools. There are nearby schools that are at capacity and if some people from Cook would like their children to go to their nearest school—for example, Aranda—how are they going to get there? What is going to happen to the children at Aranda? Are they going to be moved on? That is a problem.

There are also various statements—this has been touched on by other people—regarding parental and community support. Giralang had a comment on this. Why did some schools have statements made about their strong support when some schools did not? How have these things been quantified? They are completely subjective statements. I am going to give you some subjective statements of our own. As a fact, Cook parents help with a broad range of school programs on a regular basis. There is strong community involvement.

Over 50 parents attended our last P&C meeting and nearly 200 turned up to support the Cook schools of the community meeting, which was only advertised for less than a week. Because I presented some information at that meeting a number of people came up to speak to me afterwards. It is clear that a very significant fraction of the people at the meeting were not parents of children at the school. Furthermore, many of them were parents of young children who had moved to Cook specifically so that they could send their children to the Cook local school.

Among the achievements of Cook primary school are excellent educational outcomes; strong ACTAP results, conveniently removed from the Department of Education and

Training web site; in 2004, winner of an ACT national literacy week achievement award for evidence of consistent improvement in reading and writing skills across a three-year period; and a very highly regarded ESL in-class program. This program was used as a best in class example and the teachers who were presenting it were actually used to present professional development training to teachers across the entire ACT in early 2006. In fact, nearly 25 per cent of students in Cook are ESL students. There is actually considerable anecdotal evidence that parents bring their children to Cook for the ESL program. We will attempt to survey that and provide some hard numbers in the near future.

A creative writing program that was developed in Cook in 2003 is now used across all the ACT. We were one of only three pilot schools selected in the ACT for the Governor-General's schools volunteer program. In an era when outside school hours care programs are being reduced, we host successful before school, after school and vacation care programs. The vacation care program, in particular, is used by many students outside the Cook area.

Moving on to the government's rationale for closing schools, the figure quoted everywhere is that it costs up to \$10,000 a year more to educate a child in a small government school than it does to educate a child in a school operating to capacity. I would argue that this is simply scaremongering. I've got a few statements in here. At the community consultation meetings the yearly cost per student is being quoted, on average, as \$9,570 per year. By the department's own figures, no primary schools at all exceed a cost of \$19,570 per student, which would be \$10,000 more. The cheapest primary school in Canberra is \$6,857 per student and only three of the 69 primary schools exceed \$10,000 per year more than that. I would just argue that that \$10,000 figure is just ridiculous. It should not be repeated in public again. It should almost be taken back.

Education department figures indicate that students of Cook primary school cost \$10,732 per year. We would argue that this figure is overinflated because it does not take various things into account. It does not take into account the rent received from our tenants in the west wing. A substantial fraction of the building is commercially rented to the Canberra youth ballet scheme and has been for the last 14 years. It does not take into account all of the heating and cooling costs for the leased west wing. These actually appear as expenses on the primary school budget. The considerable additional costs of special needs students, many of whom prefer to be at a small school like Cook, are also not included. We estimate that that contributes about \$600 per year. The fact of the matter is that the cost per student at Cook primary school is competitive with other primary schools across the ACT. It is not expensive.

In terms of infrastructure and costs to refurbish schools and everything else, we would argue that Cook is in no need of significant expense in that area. The building is in excellent repair, the carpets have been recently replaced. A complete classroom refurbishment will be fully funded by a \$90,000 grant from the investing in our schools program, federal money. The IT infrastructure is currently best practice. We were one of the first schools in Canberra to have SMART boards in every room. Those were partially funded by community donations. The computer network was completely upgraded through a \$50,000 grant under the investing in our schools program. Up-to-date computer technology is available in every classroom. Many of these computers were obtained through the shop for your schools competition held at Westfield Belconnen.

Cook is a perennial placegetter, due to the strong community support that we receive. We actually decided not to go in it this year. We decided we would give some other schools a chance. This was a suggestion that was made by the principal and supported by the P&C.

The shadecloth covering the playground area was funded as a joint project between the school and the P&C and \$10,000 was invested by the community in a shadecloth that cannot be moved. You are going to get an awful lot of people offside when you have that sort of money being invested in a local school and then it is being just wasted. I would argue as a fact that Cook primary school provides a cost-effective model for facilities and educational infrastructure that other primary schools should aspire to attain.

The other key issue that we found in the 2020 proposal is this idea of the preferred P to 6 model. We would argue that Cook is already a de facto P to 6 school and is in fact a good model of how a P to 6 school would function. I would like to pass over to Lisa to tell you a little bit about the preschool.

Mrs Biddiscombe: As is listed here, we feel that we already have the preschool to year 6 model that the government is now proposing. We co-locate on the same grounds, we have the one drop-off point for both schools, sharing a car park. Siblings at the preschool and primary school can see each other playing at lunchtime and, by virtue of being located on the same grounds, the preschoolers have a sense of their future and belonging to the larger school community.

We have a very successful pre to primary transition program, which has been operating for some years now, where the preschoolers are introduced to the primary school over a period of six to eight weeks. A joint community already exists. The respective parent associations operate a joint fete and participate in joint community events. Interaction is year round and resources are shared. For example, this year the preschoolers have already gone up to the school and watched the hatching of chickens, and they have also joined in with a dance program.

My second point would be the future of Cook primary and preschool. The future enrolments are strong. The preschool building already hosts two playgroups which are full to capacity, with 20 children in each group, and we have a waiting list. These are seen as feeders to our primary school and our preschool.

Dr Lane: I would just like to finish with our closing statement. Cook primary and preschool are the heart of a thriving local community that includes students and their families, other local residents, community organisations, churches and a busy local shopping centre with a variety of businesses, and these are all being put at risk with the proposed school closures. The schools are cost efficient and exhibit all the aspects of the vision for the future as expressed in the *Towards 2020* document, including best of breed educational infrastructure and its highly integrated P to 6 curriculum.

They provide a supportive and caring learning environment for students from diverse backgrounds with a range of educational needs, especially ESL students and children with learning difficulties. The educational outcomes are excellent, as noted on the department of education's own web site. Cook primary school and preschool provide an educational and community model that should be emulated, not shut down. Thank you

very much.

THE CHAIR: Thank you very much to all of you. You will get a copy of the transcript, which you will be able to correct if there are any errors.

BARAC, MS JOSIE, Secretary, Flynn Preschool Parents Association

THE CHAIR: Josie, were you in the room when I read the card?

Ms Barac: Yes, I was.

THE CHAIR: Good. You can go straight into your statement.

Ms Barac: I grew up in west Belconnen and went to Higgins primary and Ginninderra high school, so the school closures are quite dear to my heart, as with everybody in this room. It is an emotional issue, but I feel that the consultation at the moment is genuine, so I am here to bombard you now with many reasons why not to close our school.

Firstly, our preschool is not run down; it is in excellent condition. A couple of years ago the building itself was upgraded, it was painted and carpets were replaced. Parents actually built the retaining walls around the sandpit and grassed area and a number of other upgrades were made. So it is certainly not a building in decline. The teaching itself in the preschool is just fantastic. It is setting the children up for a lifelong love of learning and this is a really important point when we look at changing the preschool situation at the moment. We need to make sure that this lifetime love of learning continues. I know from parents that also send their children to private childcare-type preschools that the quality of preschooling in Flynn, and I assume in other preschools in Canberra, is way ahead.

The building itself also caters for family day-care carers who look after children during the day. Up to 25 to 30 carers utilise that room over the course of a term and up to 100 children utilise that room over a term. They actually pay rent at the going rate. So it is a money earner for the preschool. It also caters for a playgroup with 14 children in it at the moment, and they are actually feeding into the preschool. I know a number of parents that go to that playgroup who will be sending their children to the preschool next year, because it is not going to close.

The schools are very important to the community in Flynn. It is the only community facility we have in Flynn. There are no scout halls and there are no shops and a really strong community has been built up around those schools. Flynn itself has been designed around raising young children. You can walk through beautiful parklands that are nowhere near roads. You can let your children run free and not worry that they are going to get hit by a car. I and many parents who grew up in this area have returned to raise our families because it is a great place to raise a family. To me, it makes no sense to close schools in a suburb that was designed around children.

That brings me to my final point. I do have some statistics with me that maybe I could distribute. The north-west Belconnen area is not in decline. From 2000 to 2004 the number of births in the area rose by 17 per cent, which was on a par with the rise in births in Gungahlin, which was 22 per cent, so it is not dissimilar, and there are actually about 200 more children a year born in north-west Belconnen compared to Gungahlin. So it is by no means a declining area. In addition, there is the development of Dunlop, which is still going ahead. There is also the development in Macgregor which has been planned for the near future; I think 1,000 houses are to be built there. So it does not make sense to close so many schools in an area that is growing.

In 2004, as you can see from the table in front of you, 705 babies were born in north-west Belconnen. When they are old enough to go to preschool, if all the preschools close that are said to be going to close in this area, and this is also including the new school, capacity levels at preschool will be running, at best, at almost 90 per cent. This is just using birth stats. It is not using modelling and it is not happening in 10 or 20 years; it is happening in less than three years. There will be a 90 per cent capacity level for preschools in this area.

What is this going to mean for our area? Basically, it is going to mean no choice for parents. They will be forced to send their child to their home area or miss out on a preschool place altogether. Community groups that utilise the preschools at the moment will be displaced and will find it very difficult to find alternative accommodation. Further down the track as this baby boom keeps going—we don't know how long this birth rate will keep going; it has only just started to go up now—it will mean that the primary schools will start filling up as well and it is going to cause ongoing overcrowding problems, such as the bullying, the safety issues and the kids that will fall through the cracks.

How do I know this? I know this because I was a child that went to a school that was at capacity and it was either you were bullied or you were a bully yourself. You were a bully or you were bullied. In the high schools, younger kids were trampled on a regular basis because of the rush of kids going out the door to get to lunch. It wasn't a one-off thing; it happened on a regular basis. I don't want this for our children and I don't think anyone wants this for our children. So what I am asking is for not so many schools to be closed, particularly Flynn, of course, because I am going there. There is no need to close so many. I think this is a problem we really have to look into. What is it going to look like in 10 or 20 years? We don't know. I think that, as an offer of goodwill, we should change this in the budget before it is voted on in August, because that is the only way we can guarantee that these problems aren't going to keep going.

At the very least—I think this has been reiterated by many people here today—give us more time. It is not enough time. Our school is set to close at the end of this year. I want to be able to tell my little boy which school he is going to next year and I can't do that now. I need to be able to show him what is going to be his school and hype him up about it and get him excited, but I can't do that. I just think closing schools at the end of this year is way too soon. That's it for my statement. If there is time for questions, I would be happy to answer them.

THE CHAIR: I want to ask you one question, Ms Barac. You mentioned going to a large school as a child. Were you going to high school? I wasn't quite sure.

Ms Barac: Higgins primary was full at the time, I believe. I am not quite sure of the figures, but I went through in the 1970s and 1980s at a time when schools were full and there were demountables and that kind of thing that were full.

THE CHAIR: At Higgins primary school.

Ms Barac: Yes, primary school and high school.

THE CHAIR: And then you went on to a high school. Which high school was that?

Ms Barac: I went to Ginninderra high and it was at capacity at that time, which I believe was way overcrowded.

THE CHAIR: We can check the figures and find out for ourselves.

Ms Barac: From what I remember, our year had 300 children alone, and I think that around 1,000 children were going to the school at the time.

THE CHAIR: Thank you very much for that. We will move on to the next school, as there is limited time. You will get a copy of the transcript.

JOHNSON, MS DIANE, Member, Campbell High School P&C Association
BAKER, MS LIESE, Member, Campbell High School P&C Association
SMYTHE, MS MARGARET, Treasurer, Campbell High School P&C Association
KEMMIS, MR PETER FREDERICK, Secretary, ACT Council of P&C Associations

THE CHAIR: I do not think you were in the room when I read the card.

Ms Johnson: No, we weren't.

THE CHAIR: You should understand that these hearings are legal proceeding of the Legislative Assembly, protected by parliamentary privilege. That gives you certain protections but also certain responsibilities. It means that you are protected from certain legal action, such as being sued for defamation, for what you say at this public hearing. It also means that you have a responsibility to tell the committee the truth. Giving false or misleading evidence will be treated by the Assembly as a serious matter. Do you all understand that?

Ms Johnson: Yes.

THE CHAIR: Would you like to make an opening statement?

Ms Johnson: Yes. I will address my concerns to three main areas: firstly, the implications for Campbell high; secondly, the reduction of choices in north Canberra with the proposed closure of Dickson college; and, thirdly, the implications for students, especially those in year 9, caught in this transition.

As to the implications for Campbell high, we are concerned about the inaccurate and out-of-date information on which the government proposals, as outlined in the *Towards 2020* document, are based. The claimed Campbell high capacity of 836 students is apparently based on an audit of 1995. Since then three classrooms have been dedicated as IT labs and two others dedicated as a drama theatre.

There are also inaccuracies in other schools' figures, as some people have mentioned. Data available from the Dickson college board shows that the current capacity is 800 to 850 students. The government claims the capacity is 1,045. This figure appears to ignore the allocation of several former classrooms to dedicated IT labs. The claimed current enrolment of 582 is actually 634. So Dickson is operating more at a 75 per cent capacity rather than 56.

An independent audit would be required to properly assess school capacities. Also, the space at Campbell high is not sufficient to take the current numbers from Dickson. If Campbell high were to expand, it would become a building site, being disruptive to all the current students, and could the extra buildings required be completed by 2009? The government promises \$90 million for these changes but, with possibly 100 schools affected by the changes, it would mean less than maybe \$1 million per school. This would not be sufficient for the increased number of classrooms that Campbell high would require. Dickson's library resources would not fit into Campbell high's present library. The building would need expanding.

The government proposes links between Campbell high and the CIT, especially with

regard to IT and business studies. Campbell high school students would have to be travelling not only to Reid but also to Bruce and Fyshwick campuses. There would be difficulty enmeshing the curriculum and timetabling between Campbell high and the CIT. There is also the budget cut of \$6 million for the CIT, as well as job cuts to curriculum support.

I turn to point two, the reduction of choices in north Canberra with the proposed closure of Dickson. This will mean no choice of college for students in north Canberra without increased travelling and attendant costs to out-of-area colleges which are themselves currently difficult to get to. Canberra north is growing in population, as everyone has said, and Gungahlin is growing too.

Students I have contact with want a college education. Where is the study that suggests they want a year 7 to 12 school? The standalone college system with its innovative curriculum has delivered the highest retention rate in the country. The government's review of secondary colleges of 2005 found the secondary colleges should be maintained. There is no reason to get rid of Dickson college.

There are implications for students, especially those in current year 9 in transition. Whilst the government has given assurances that the current year 10 students will be assured of their years 11 and 12 at Dickson college, this is not so for current year 9 students. They may go to Dickson for year 11, but then where for their extremely important year 12? Back to Campbell, where they do not want to go, or will another pressured college be able to take them in?

In conclusion, I just wish to reiterate that the changes to Campbell high and the proposed closure of Dickson college will be a retrograde step in a currently prized and admired ACT education system. There is no rationale for reverting to a proposed year 7 to 12 model and no evidence that the people in north Canberra want one. The government appears to be providing inaccurate and out-of-date information, on which the entire proposal is based. Space is limited for Campbell high school to expand and links between Campbell high school and the CIT would involve complex practicalities. The proposed closure of Dickson would mean no college choice for north Canberra students in an area where the population is growing and current year 9 students will be extremely disrupted in their years 11 and 12 studies. Thank you.

THE CHAIR: Thank you very much. Do any of the other witnesses want to make a statement or some comments?

Mr Kemmis: I am a member of the Board of Senior Secondary Studies as well as secretary of the Campbell high P&C. I also sat on the reference group on the college review, a reference group that the government established. That reference group agreed very firmly with the conclusion of that college review that we did have quite a sound college system. The college review was concerned with the transition between years 10 and 11, but that report did not advocate that we should revert to years 7 to 12.

I am concerned that I do not understand why there should be this particular push. I see no educational justification for it. I have had three older children go through the college system and that was really for them very successful and they speak very strongly of it. I have had the same kind of comment from many graduates of our college system. I have a

son in year 11 who is likewise thoroughly enjoying it. That is purely anecdotal, but my first career actually was as a schoolteacher, so I've got some feel for what education is about. I have six children and a few grandchildren, so I've got a fair idea of what it is about, and I do not see any justification for that particular change.

As for the rest, I can only support a number of those statements made. I am just appalled at the inaccuracy of the data. You have not heard perhaps about Village Creek and Kambah high, but one of the members of the ACT P&C council has raised serious questions about those figures as well, and this is what I keep hearing. I think this is extremely unsound and I am appalled that we should have a proposal such as *Towards 2020* put forward on what appears to be very unsound information. I agree very much with the speaker from Cook primary about those invidious cost comparisons. I see no justification for those at all, and I guess that there are many people, as would I, who would wish to see the basis for those figures.

Finally, I think that the process of consultation has been quite disastrous. If you want to kill something off, give it a kiss of death and say, "We propose to close you down." That is not consultation. The community is really quite outraged and I think it is inadequate for anybody to turn around and say, "It's just because they are feeling pain." No, they are angry and they are emotional about it, but they are not fools and they do want to understand what the facts are and hear the arguments. It isn't just simply resistance to change. Thank you very much.

THE CHAIR: Thank you, Mr Kemmis, and thank you very much to all of you. We will send you a copy of the transcript and you will be able to make corrections if you need to. Thanks for coming this afternoon.

GORRIE, MS JANE, President, ACT Council of Parents and Citizens Associations
KEMMIS, MR PETER FREDERICK, Secretary and delegate, ACT Council of Parents and Citizens Associations

THE CHAIR: You weren't in the room before, were you, when I read out the opening statement?

Ms Gorrie: No, I was there when you when you read it out for the witnesses from Dickson College.

THE CHAIR: You were? Good.

Ms Gorrie: Yes.

THE CHAIR: So would you like to make your statement to introduce yourself first.

Ms Gorrie: Yes, thank you. My name is Jane Gorrie. I'm the current President of the ACT Council of Parents and Citizens Associations. We thank you for the opportunity to make this submission and thank you for the opportunity for all community organisations to make submissions to the estimates. Today we are going to do a verbal briefing and we will give you a written submission further on, once we have had more time to consult with our members and to collect all the information that members are raising.

Today we just want to touch briefly on the four issues around the budget, the *Towards 2020* proposal, the loss of teacher positions in schools, the curriculum renewal and the impact on the Department of Education and Training itself.

I deal first with the *Towards 2020* proposal. P&C council has publicly rejected the *Towards 2020* proposal and we have also rejected the time frame and the processes the government has put in place to consult with the community. As a result of that, we have also called on the government to extend the consultation time out to the end of March 2007, and asking for the retention of the present configuration of schools to be maintained until December 2007.

The existing time frame does not allow for adequate consultation at all by all the communities involved in these proposals. The six-month period was put up as a minimum period for consultation and I am sure that when the members debated that it was never seen to be that we would have a bulk closure proposal on the table. We strongly recommend that the consultation period should be extended out.

As you have heard today and from other submissions, the proposals are causing a huge amount of community stress and uncertainty. People are having to think about fighting against the closure of their school and also having to think ahead to the future of their own children. Parents have to make childcare arrangements often and, as a lot of us would be aware, childcare is not easy to obtain. So when you are only getting a final decision around 6 December and then you have to organise your childcare arrangements to start early February, the childcare places are not there. The waiting lists are much too long for that. On the logistics of that, we think there is plenty of argument for extending the consultation period.

There is a whole lot of uncertainty about the processes for relocating the students and the staff and the programs. For all this to happen the department has to be working now on implementing all those proposals to ensure that any of that stuff can happen. So we know that the department is actually now, even though no final decision will be made until 6 December, putting in place procedures to cater for that, which means they are already taking away resources from delivering educational services to our children now.

A lot of questions have come. One of the biggest things is: are these really proposals? They look very much like decisions. They are in the budget, the ACT budget is reliant on the savings that are put up as part of the proposals. So it hardly looks like a genuine opportunity for people to look at the proposals and to provide input and to consult, and then for a final decision to be made.

Apparently, we are going to be allowed to put in submissions around alternatives, but we have concerns around the capacity for any of those alternatives to be assessed and validated. Proposals have to be in by 3 November and a decision announced 6 December. Where is the capacity that has been put aside and budgeted for for the analysis of those options and for the development of any of the options?

P&C council feels that it is really the government's role to justify all the closures, to provide all the information for the communities. The communities are now themselves, as we have seen today just in the few submissions that you have seen, looking for and getting out the data to show back to the government. That is not our role. The role of the government and the department is to provide all the information in support of the proposal.

On 4 May, Minister Barr made an undertaking that he would provide all the data behind all the proposals. He said he would be happy to do that, and he wanted it to be a very public process. Under the amendments to the Education Act that the government have now put in place there is also a commitment there that the minister has to follow. He now not only has to have regard to the educational, financial and social impact on the students at the school, students' families and the general school community and ensure they have all been consulted for at least six months.

He now also has to ensure, amongst other things, that the consultation should be open and transparent, that the consultation should lead to sustainable decisions by involving effective community engagement, that all the consultation should ensure that relevant information is provided in a timely and accessible way to enable maximum community participation in debate about the proposal, and that opportunities are provided for feedback about the proposal, especially from families and other people with significant interest in the proposal.

We are now at 26 June and the consultation period started on 6 June. I think there has been enough time for all the evidence, all the data, that should be there in support of the proposal to have been tabled and to be available for the communities to access. So we have grave concerns about the lack of data that is actually available.

We would just also like to query something else, following on from that. In terms of putting up this proposal one would assume that the government have already made some initial assessments of the educational, social and financial impacts of the proposal, but

we haven't seen that information provided yet. One would imagine that the process should go that the department would table those initial impacts that they have and provide them to the communities that are being considered for closure or amalgamation. It would then instigate a consultation process that elicits information specifically, but not just limited to that, around what the community sees as the educational impact, the financial impact and the social impact of the closure or amalgamation of the school.

To date, all we have had is a number of consultation meetings where all that has happened so far is there's been some information provided. But the information provided to my understanding—and certainly what I saw at Dickson college the other night—was just a rehash of what is already in the document. The document itself is very scarce on any of the information that the community needs to be able to fully assess these proposals.

There are real concerns on the ground now that parents are feeling. It is coming up in schools about what are the arrangements in place for where the children are to go. There is so much uncertainty and distress already. I already had someone say to me that a parent is already enrolling their child in the local private school, rather than going to the local public school because the stories are that there is no room in the local public schools. Rather than addressing the drift away from the public sector to the private sector, this proposal seems to be encouraging the drift from the public sector to the private sector, and any government should hang their head to have that happening.

There is certainly a question still about the physical infrastructure and the resources that are in the schools. Just in the area of students with special needs, in the 18 schools, excluding the preschools, that are targeted for closure, there are five special learning units, three specifically for children with autism. There is 1 1/4 learning support centres, there is one early intervention unit for three-year-olds, there is a secondary introductory English centre and the Southside introductory English centre, and one support class for students with language communication disorders.

All those units and centres will now be disrupted. All the care for the children in those centres has been disrupted. They are sitting now with uncertainty about where they can go to, and we have also got major uncertainty about where those centres and units would actually be relocated to, where the staff will be relocated to, whether they will even end up with the same staff.

Council and parent communities need the detailed data and models that the proposal was based on. When we talk about the detailed costings, we want costs for salary for teachers and other staff, we want costs for the utilities, the grounds and maintenance, for the consumables, for the cleaning, and all the other costs. We need the figures on the expected savings for each of these areas. We need information on the cost and savings from having other tenants or other users in the schools effected. We understand there is DET staff, there is other ACT government departments' staff, and there are community organisations housed in the affected schools.

We also need the detailed costs for the refurbishment of the schools that children are going to. At one school I am associated with, it's looking like we may have to put windows and skylights in the audiovisual room to cater for the possible increased number of children. Will the \$90 million just be spent on building the extra space for

these children, and not actually go into any significant refurbishment of the remaining schools?

We also need the costs and savings that this proposal will cause for other departments. You are looking for costs across the whole-of-government budget and a concern for council is that the costs that you will save in education will possibly just be transferred across into another department and won't necessarily get picked up. Also, the obvious other issue is what is going to happen to the schools that are closed, and how much of the costing is reliant on either the sale of that land or what is the other use that that land is going to be used for?

I will just move on to talk about some of the other points. I have got more points on the proposal but I think the main thing relates to the data that a lot of the communities are shown. There is a real concern around the quality of the data that is being tabled, anyway, as part of the 2020 proposal. With the concern around the quality of the data, then obviously everyone in the community feels totally concerned about the whole proposal and the validity of the proposal, and whether it is actually going to deliver any of the things that it promises to deliver.

With regard to several other items in the budget—for example, the loss of teacher positions—council is absolutely opposed to any cuts to teaching staff in schools. We understand that the budget includes a loss of about 160 teacher positions in schools, equating to 145 full-time equivalent staff. We understand the breakdown would be approximately 45 to 50 teachers in our colleges, 70 in our high schools and 15 in primary schools, with another, I think, about 10 in itinerant teaching positions, which are the teaching positions that are used to support staff across the whole sector.

Council feels that one of the most important things in providing education to our students is to ensure there are adequate teachers available. When you are proposing a cut of 145 full-time equivalents, that is a huge cut to the teaching services available for our children. Those cuts on the ground for teachers in our schools are in addition then to the department of education cuts, which I will address briefly in a moment.

With regard to the teaching positions, council would ask that an assessment be made of the difficulty in recruiting and retaining high quality teaching staff under any of the offers made currently under the EBA. As the Live in Canberra campaign acknowledges, the ACT has a very low level of unemployment; so there are many competitors for people with tertiary qualifications such as our teachers.

When evaluating any of the costs to the department for salary, et cetera, we would recommend the department also include the cost of the turnover of staff and the educational impact on our children where there are difficulties with staffing. Prior to the previous EBA council had numerous delegates reporting concerns around the use of casual teachers in schools, and the impact that was having in terms of maintenance and continuity of our delivery of education to our children.

With regard to curriculum renewal, the government has stated that it's committed to implementing a program of curriculum renewal. We have the curriculum renewal task force and we have the new curriculum frameworks that were to have been released, or I think are in the process of being released. The curriculum frameworks are to be trialled,

my understanding is, from the start of term 3. Yet the budget has brought in savings of \$900,000 in 2006-07, rising to \$1 million in 2007-08 and \$1.1 million in 2009-10.

So council has major concerns that while the framework may be delivered, there will be no follow-up capacity there for the department to provide the curriculum materials that will be needed to support teachers in delivering the new framework. We understand the department is looking at buying in curriculum materials under licence but we are very concerned that we will end up with materials that don't fit the framework or that teachers will end up doing unpaid and unrecognised curriculum development work because they will want to make the system work.

I would like to move on to the point regarding restructuring the Department of Education and Training. DET is to be restructured to achieve efficiencies and we understand that 125 staff will be moved into the Shared Services Centre. The department will also have to lose 85 staff to achieve the shared savings goals of \$2.2 million in this financial year and \$6.4 million in the following financial year. This will leave the department of education with only 41 per cent of their current staffing body. They also lost 37 staffing positions in the last financial year.

With this restructuring and loss of staff, council is concerned that the department will not have the capacity to undertake the major work that is required in relation to the *Towards 2020* proposals, which include the provision of information to the school communities, the analysis of any of the submissions and the alternative proposals, and also the managing of the transitions when changes are to take place.

THE CHAIR: I need to let you know that you have gone over time.

Ms Gorrie: All right, thank you. I'm just about to finish.

THE CHAIR: Have you got much more to say?

Ms Gorrie: No.

THE CHAIR: Sorry about that.

Ms Gorrie: Just a last point: we are also concerned at the personal cost that this is putting on all the staff. The government is an employer who is responsible for the health and safety of their employees. I know that a lot of the DET staff are working incredible hours to bring about the consultation and a lot of proposals. I think this will have a major impact on the health of these workers and on the morale of staff. I would like to thank you for giving us the opportunity to make our submission.

MRS DUNNE: Madam chair, I know that we are over time, but there is one question that I would like to ask.

THE CHAIR: And Dr Foskey has a question as well. So I think you all need to take into account that we are already running 15 minutes late.

MRS DUNNE: Yes, thank you; it's a brief question.

THE CHAIR: Yes. If you're quite happy to go on beyond 6 o'clock tonight. Are you all happy with that?

MR SMYTH: Absolutely.

THE CHAIR: Okay, so please be very quick.

MRS DUNNE: Very briefly, Ms Gorrie, you have spoken at length about what you see is lacking, in terms of data, from the consultation documentation. What steps have you taken as an organisation to obtain that data?

Ms Gorrie: Currently we have written to the minister asking for that detailed information to be made available. We think that is important during this consultation period, and we have had no response to date.

MRS DUNNE: Thank you.

MR PRATT: When did you write?

THE CHAIR: Dr Foskey has a question. Just a minute, Mr Pratt.

DR FOSKEY: As a sort of peak body for parents and citizens associations, I'm assuming that you were consulted by the department or by the minister at some stage as these plans were being framed.

Ms Gorrie: No. Thank you for giving us the chance to state that we have never been consulted at all on any of these proposals. We had no knowledge of these proposals beyond the fact that at a meeting with the minister I think several weeks before the budget we were told there would be proposals—there would be a major proposal that would include school closures—but that there would be some alternatives. But we were not given any other information apart from that. We were not asked to provide advice at all in any way or any proposal that would be developed.

THE CHAIR: Thank you very much, and as I said before you will get a copy of the transcript.

Ms Gorrie: Thanks for that.

Short adjournment.

COSTMEYER, MR ROBBIE, Chief Executive Officer, Multiple Sclerosis Society of the ACT

DONALDSON, MRS SUE, Senior Outreach Worker, Multiple Sclerosis Society of the ACT

EACOTT, MS SHARON, Client and MS Advocate, Multiple Sclerosis Society of the ACT

THE CHAIR: You should understand these hearings are legal proceedings of the Legislative Assembly protected by parliamentary privilege. That gives you certain protections, but also certain responsibilities. It means that you are protected from certain legal action, such as being sued for defamation for what you say at this public hearing. It also means that you have the responsibility to tell the committee the truth. Giving false or misleading evidence will be treated by the Assembly as a serious matter. Do you all understand that? Thank you very much. Would you like to make some opening remarks, Mr Costmeyer?

Mr Costmeyer: Okay. I am Robbie Costmeyer, the Chief Executive Officer of the MS Society in the ACT. I have with me Sharon Eacott, one of our MS advocates—she has MS—and our Senior Outreach Worker, Sue Donaldson. They are going to answer the questions that I cannot answer. That is why they are here; to keep me honest. Thank you for having us. We have had great difficulty over the past few years getting funding from the ACT government, in the sense that we got some funding out of Disability ACT for which we are grateful. We have asked on a number of occasions that it increase that because of the services it is funding. We provide many more times the value of the service that it is funding. It is saying that is as far as it can go and it has been saying for about three or four years that we should get funding from ACT Health.

We have tried to get funding from ACT Health on a number of occasions and each time we have got zero. To make it worse, when that happened the first time I tried to find someone in ACT Health to talk to about this issue. Because we had no funding no-one was allocated to be the liaison person with our organisation. So it was a catch-22; we got nowhere fast. So, this year, in the past 12 months, I have been very active talking to the minister, the minister's staff and the department to try to get ourselves a foot in the door, at least, and again put the submission in. Once again we have been told that there is no funding indicated at this stage in the ACT Health budget for MS society. Hence my coming here, to try to rectify some of that.

As I have mentioned in my submission to the committee, we have been established for a long time, since 1977, and have currently about 440 clients with MS. It is an auto-immune disease and, like many other auto-immune diseases, it is growing rapidly. It is on an exponential path upwards. In our own case it is growing by about seven per cent per year. The Access Economics study issued in November 2005 estimates from 2010 it will be increasing at 10 per cent per year, so it is an accelerating increase. We have very few staff. In our outreach staff, we have 3.2 equivalent right now. We have enough workload to justify many more numbers but we cannot afford to fund them. So we are really up against it.

We are in a very competitive fundraising market. Our fundraising comprises in the order of 93 per cent of our income. That includes sponsorships. Of course, we are up against a lot of other charities doing the same thing we are. So I am looking for some assistance

here from the ACT government. When I compare it to other MS societies around Australia we are certainly by far the very much lowest-funded MS society in Australia. The Adelaide society gets \$160,000-odd; in Hobart it is more like \$500,000 and the others go up in the millions. So our funding, at \$62,000, is fairly small.

The prevalence of the disease in the ACT: in case you are not aware, as you travel south in Australia the prevalence of MS increases with the degree of coldness. The highest prevalence is in Tasmania, which is 135 per 100,000. In the ACT, even though we are landlocked with New South Wales, we are around about 97 per 100,000, which is equivalent to Victoria, even though it is further south than us, because we are higher and have a colder climate. So we have similar sorts of problems that Victoria has, but we get much, much smaller funding than Victoria.

MS has a number of issues, including a number of health issues. We try to maintain people in employment. Sharon made the point before we came in here that a high percentage of people in the ACT with MS are highly educated, many with degrees. Keeping them in employment is very necessary for their own wellbeing and their financial wellbeing, as well as for the economy of the ACT. So, with our counselling, our therapy support, our lectures on fatigue management and that sort of thing, we keep them in the work force much longer. This disease, unlike motor neurone disease, is with them for 20 to 40 or 50 years. During that lifetime they go through many stages of disability and many stages of their life, like childbirth and ageing, et cetera, and we have to cope with all of those different changes. So we cannot just treat them once and that is it. They come back to us time and again. It is an ongoing process.

We also try to maximise their social interaction with other organisations and with the community itself. We teach them skills to be more self-confident, what have you. Once a year we have a major MS symposium which was held a few weeks ago at the Hellenic Club. We attracted many people who do not have MS but who live with people with MS or have friends with MS, and we teach them about what it is to live with people with MS. It is a very complicated disease, as Sue and Sharon will tell you.

Unless someone would like to add to that, that is our submission. As I say, our problem can be solved fairly simply by a simple \$150,000 injection in this financial year. In the scheme of things, after you have heard from the P&Cs for the past few hours, it is a minor drop in the bucket in that sense. But as I say, from zero funding from the health section we would like to get up to \$150,000, which is a true indication, we believe, of the service we provide from a health portfolio point of view.

THE CHAIR: Do either of you want to make any further statement?

Ms Eacott: I would like to say a few words, if I may. I am one of the advocates for the ACT region. Our Multiple Sclerosis Society that these two wonderful people help run has the reputation of being the best MS Society in Australia. It is always there for you if you need any help with anything at all. I can honestly say that I would not still be here if it were not for the MS Society. The services it provides are top notch. If it cannot help us it will find someone who can, and this is not something that is easily done in the larger metropolitan areas. It is very hard for the Sydney MS society to know everyone in Sydney with MS. But the amount of things that our MS society has taken on board and has tried to put in place is unparalleled.

Yes, you have a lot of people in the ACT who have come from far away. You have people who have come up as graduates and have no family or friends here to support them once a diagnosis is made. This is where the MS society comes in as well. It can help provide some method of stability for you whilst you get yourself sorted out. Anything that we can do, or anything that you can do, to help keep this organisation running and providing that level of service will be gratefully appreciated by everyone who has anything to do with this condition. Keep in mind that it is a condition with a very large footprint. It is not just the person who has it who has to deal with multiple sclerosis; it is the people they work with, the people they live with and the people they run into as they are losing their balance on the footpath. It is a very large imprint on day-to-day life in the ACT.

THE CHAIR: I just want to ask a couple of questions of clarification. You mentioned the continual up or down spiral of diagnosis. Is that anything to do with the ageing, the longer we live?

Mr Costmeyer: You are talking about newly diagnosed, and they are diagnosed between 20 and 40 normally.

THE CHAIR: You also mentioned the amount of money that this organisation gets in comparison to other states. Is that per capita or is that just on the—

Mr Costmeyer: In both measures. On a per capita basis we are very much lower, and on an actual basis we are very much lower as well.

THE CHAIR: The other thing to let you know is—and I am sure the secretary let you know—we do not make decisions about funding here.

Mr Costmeyer: Understood.

THE CHAIR: You do know about the grants board or the new arrangements about the grants?

Mr Costmeyer: Yes, thank you.

THE CHAIR: Good. I just wanted to make sure you did. We have a couple of questions here. Mr Smyth?

MR SMYTH: Early intervention and \$160,000—what will it save the system in the long term?

Mr Costmeyer: In the sense that we are providing those services now, we are keeping people in employment for at least 15 years longer. The Access Economics report will tell you—I cannot quote it verbatim, but certainly I can leave a copy for you—we are saving hundreds of thousands of dollars to the ACT economy every year; hundreds of thousands of dollars.

MR SMYTH: And if you do that more effectively the potential is there to save more?

Mr Costmeyer: Absolutely.

MRS BURKE: I was just going to say why you? That is the question the government is going to ask. Why you? Why should the government look to giving you more funding? I think Mr Smyth just asked part of that, but can you answer that? How are you justifying what you are asking for?

Mr Costmeyer: If I may on three areas. One is that funding from ACT Health at this stage is zero. So giving us more money is a bit of a moot question. We get no funding at the moment from ACT Health. Just now we talked about the things that we do from a health point of view to keep people in employment, which is one of the policies of the ACT government, keep people in employment as long as possible and keep people engaged in the community as long as possible. So everything we do follows ACT government policies, except we do not get recognised for it in any way in the funding process.

THE CHAIR: Thank you very much. Did you want to add something else?

Ms Eacott: With the auto-immune therapies that are now available the sooner you begin treatment the longer your expected working life should be. But the MS society provides immunotherapy nurses and specialists to help people get used to the idea of sticking a sharp object into themselves maybe once a day and not feeling terribly good afterwards. Most of the immune therapies, the interferons, come from flu cells, so you end up feeling that you have the flu for about 24 hours afterwards. You need support, you are not going to have these needles at all, but the MS society helps people get through that. So getting on the treatment extends your working life and having the support to get through the diagnosis in that first 18 months of living with the condition is also helped by the MS society.

THE CHAIR: Thank you very much to all of you.

Mr Costmeyer: The next stage is? Is there a next stage?

THE CHAIR: The committee produces a report at the end of the hearings and we make various recommendations in that report. That is the end result of the estimates hearings. That is presented to the Assembly.

FLINT, MR PAUL, Executive Director, Council on the Ageing (ACT)

PARKER, MR MALCOLM, Housing Options Adviser, Council on the Ageing (ACT)

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 also certain responsibilities. It means that you are protected from certain legal action, such as being sued for defamation for what you say at this public hearing. It also means that you have the responsibility to tell the committee the truth. Giving false or misleading evidence will be treated by the Assembly as a serious matter. Do you understand that?

Mr Flint: Yes.

THE CHAIR: Thank you. Would you like to make an opening statement, Mr Flint?

Mr Flint: Thank you for the opportunity to come and give COTA's views here. I suppose we did not have any great area of disagreement overall with the ACT document for the future economic and financial outlook. The budget, in broad terms, as we see it, is a \$150 million turnaround—half of that on the revenue side and half on the expenditure side. There are some things that we see as being relatively positive. If you have to have that much more revenue or that better financial position, we are not saying whether the \$150 million is the right level or whether it should be a bit higher or a bit lower, or whatever. But, on the revenue side, the fact that broad-based taxes have been used we see as quite positive, because COTA has been arguing for quite a while against a number of very narrow-based taxes. Of course, the one that has been most topical recently is the parking fee at Canberra Hospital and the other hospitals. We see these very narrow-based taxes as being totally inappropriate, and we are supportive of broader taxes where they are borne by the community. We know that other groups, particularly those in the housing area, do not see this as favourably as we would.

On the revenue side, the thrust of the proposals is really directed at increased efficiencies. We think that in some ways is consistent with one thing that we have been saying for quite a while. That is that we have not wanted reductions in services delivered. Our concerns really go to two areas. One is that those efficiency gains are realised, and that service delivery is not decreased. We see that as quite a critical issue in the whole process. We are very concerned, of course, if only a proportion of the efficiency gains are made and there will be reduced services across the board, whether it is in acute care, community care, transport or housing. In all those areas the same fundamental principle applies. We really do need to maintain those levels of services to older people in the ACT as a critical issue.

In the housing area, we are quite concerned about the gains being made by tightening the criteria. We feel that that may be appropriate for younger people. However, for older people, where all they have is their life savings, the amounts are modest and the criterion that you have to be a resident in the ACT is also a little bit counterproductive for older people with small sums of money who often go over to Queanbeyan for cheaper accommodation to make that small sum go further in their retirement. So we see the criteria that have been tightened up in the housing area as exacerbating the problem we have with the hardest group of older people to find accommodation for—that is, the group that are just above the housing criteria now, but nowhere near having enough

resources either to purchase a property of their own or to sustain them in the private rental market. So we see that as a particularly susceptible area that is not being helped.

The other area of concern goes back to the basic concept of maintaining efficiency. If maintaining efficiency reduces the providers of services that are less efficient, that may not be satisfactory unless those service providers are substituted by more efficient providers of the services. Again, that is across the whole area. We are concerned if there are accommodation and community care services that are deemed to be less efficient, and so chopped out, that we have to then ensure that the transfer of a significant proportion of the funds is allowed to more efficient services to maintain the level of services. So they are the sorts of broad concerns that we have, and I suppose the things that we see as positives within the budget framework. Thanks.

THE CHAIR: Mr Parker, did you want to add anything?

Mr Parker: I am on the more practical side. I am the housing options adviser. I get involved more in the face-to-face problems. As Paul mentioned, the \$40,000 asset limit is appropriate for a younger age group, but it is the last nest egg for many 65-year-olds. So, if they have \$60,000 now with compulsory super, some of them are retiring. A woman may have had super for only eight or nine years and she retires with that nest egg. She has been renting privately which is affordable whilst she is working, but when she stops work it is not affordable on the age pension. So she has to eat into her nest egg and basically waste that money until she qualifies. There should be a different asset limit for over 65s. The government should give some leeway in that direction.

The same almost applies when one looks at the new gross weekly income figures. A couple who have some superannuation and retire on \$650 a week do not qualify, but they could easily be paying \$300 a week rent. Again they will eat into their assets until they do qualify at some stage in the future. They will become virtually homeless. I do not know whether this is the right occasion, but government should be looking at perhaps encouraging providers of age care accommodation to build a variety of houses. We have new developments in retirement villages at Calvary and Illawarra and retirement trusts in Belconnen. The prices start at \$450,000. We need some lower-end accommodation. Southern Cross Care's new places at Garran are \$450,000 but in New South Wales they provide accommodation from the \$150,000 mark. So, they could fill the gap for people who cannot afford to buy their own home. Perhaps that is another area to look at.

Another concern is homelessness services, particularly for men. In this town at the moment there are three workers funded by the Commonwealth called ACHA workers—aged care housing assistance workers. They are at Woden Community Service, Southside Community Service and Northside Community Service. I believe they are still getting the same funding from the Commonwealth that they got in 1997, so the services that started as five days a week are down to two days a week. The particular people that are vulnerable are the homeless, particularly homeless men, but homeless people altogether. Nobody is bridging that gap and perhaps the ACT government needs to look at supported accommodation for older men, particularly. Those three points that I have made lately are a worry to us. Thank you.

THE CHAIR: Thank you, Mr Parker. Do members have questions?

MR SMYTH: Yes. On the hospital parking, do you have a solution?

Mr Flint: I suppose that really comes back to that issue of broader based taxes. We would see that there are other possible solutions. I do not know all the details but I have never seen any evidence that the people from Woden are using the hospital car park.

MR SMYTH: Neither have we.

Mr Flint: But if that is the case maybe you put four-hour limits on it and you have a time limit. Maybe you have staff vouchers for car parks where you need eight hours. There are creative ways to get round it. If we need to build a multistorey car park, maybe the community needs to build it. The feedback that we get from it is that the people already supporting people in hospital are the ones that are asked to pay again. So we would therefore favour the approach of a broad-based tax, such as your rates, if you are going to have to pay for those services.

MR SMYTH: And if they have to put the tax on a time-based system, where you pay as you leave, rather than a voucher system when it is very hard to estimate how long you are going to be there?

Mr Flint: I think that is a level of detail. I would not like to get into that really. The principle is that we need to support the people in need within the community, and that is what we would try to do if we were in your collective seats.

MRS BURKE: The accommodation for men situation, does it affect over 65s or just on 65-year-olds? What is the cohort?

Mr Parker: Well, over 60 to 65. Over 60 seems to be the group that has problems and housing does not generally assist them as easily. Men at 60 years of age fall into the general category for ACT Housing; they are not an older person's unit.

MRS BURKE: Do you have any statistics on why they're falling—

Mr Parker: Well, only that they do not have workers. I have noticed that the men's service, the ACHA services that supported homeless people, the criteria were that ACHA money was for people that were homeless or at risk of homelessness. Because those workers are now averaging two days a week and not five, there are people who do not have anyone supporting them.

MRS BURKE: So it is referring to the men themselves, why they fell into—

Mr Parker: They would go out and even find them. They were proactive.

MRS BURKE: No, what is the reason they became homeless?

Mr Parker: Sorry. There are a multitude of reasons—mental health, alcoholism, loss of work, breakdown of relationships. All the normal stuff, I suppose.

MR SMYTH: What was the name of the group?

Mr Parker: Aged care housing assistance. It is a federally funded project.

DR FOSKEY: Malcolm, why do you particularly mention men there? Is it your belief that women are less likely to be homeless or they are better served by services?

Mr Parker: No. There seem to be more services available. This was brought to my attention by Gerald Franks, who runs one of the men's support groups or men's services. As he said, there seems to be a lack of support out there. Whether men do not seek out help, whereas women seem to be more able to work it out for themselves, but he said he was a bit concerned. I would say I am just as concerned for both, personally. We were sitting at a meeting discussing things. Gerald and I both started out as ACHA workers back in 1996. That is how we got into aged care initially. He said, "You know, the jobs we used to do are only there for a couple of hours a week now." It is interesting that it has gradually been withdrawn and HACC—home and community care services—does not necessarily cover that. Some SAAP services do. Samaritan House at Hackett would be probably the obvious one that does a really good job, but there are not a lot of those services.

MRS BURKE: It is not suffering cuts in the recent round?

Mr Parker: It does not appear to be, no.

THE CHAIR: Thank you very much.

MITCHELL, Dr JESSIE, Policy Research Officer, ACT Shelter

THE CHAIR: I need to read you the card first. You were not here when I read that before, were you?

Dr Mitchell: No, I was not.

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 also 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. Giving false or misleading evidence will be treated by the Assembly as a serious matter. Did you understand that?

Dr Mitchell: Yes.

THE CHAIR: Thank you very much.

Dr Mitchell: Shelter is an independent peak community organisation. We are funded by the ACT government to consult, represent and advocate on housing issues on behalf of low to moderate income people in the ACT and to report those views back to government. To this end, I would like to start by making some fairly brief responses concerning the impact of the budget on housing. To some extent I do this in consultation with my colleague in the Tenants Union who I think will be giving a slightly more lengthy response, because I would also like to devote part of this time to talking about the specific impact of the budget on Shelter, as our funding is being cut to a level which will make it very difficult for us to operate.

I will begin with housing. Shelter welcome the cessation of charging land tax equivalents to Housing ACT. We also welcome the promised expansion of public housing stock by \$10 million per year for the next three years. We do note, however, that only \$4 million per year is to be delivered in new funding, with the other \$6 million promised via departmental efficiencies. As yet we are awaiting more information about how this will be achieved.

Shelter would also express some concern as to how an expanded public housing stock, tightly targeted to those in most urgent need, can still be appropriately managed with this significantly tightened resourcing. We would also express disquiet about the government's decision to reduce by almost \$7.5 million their overmatching expenditure associated with the commonwealth-state housing agreement and we are wondering how such reductions will be achieved without reducing services to tenants and people who are homeless.

We also note the government's plans to reduce funds to SAAP homelessness services by \$1 million per year for the next four years. We welcome the government's commitment that the number of beds will not be reduced, but we do wonder how these efficiencies will be achieved, particularly given the high rate of turnaways and staff burnout that are already reported by services. We also note that the budget contains brief references to reconsidering the policy of security of tenure for public housing market renters and

considering the sale of 500 public housing properties. We await much more information about this; it was only very briefly alluded to. In particular, with the proposal to sell 500 properties, we are waiting to hear which properties, where, when, how they will be sold—

MRS BURKE: Aren't we all.

Dr Mitchell: Yes—how tenants will be housed and how the properties will be replaced. Shelter would also comment on the tightening of eligibility criteria for applicants to Housing ACT, which is now limited to people residing in the ACT and earning, I think, \$490 gross per week for singles or \$613 per week for couples. We are awaiting more information about what initiatives the government proposes for assisting people in housing stress or struggling in the private market who will now no longer be eligible. We are also interested to know what mechanisms might be adopted for measuring housing stress amongst people who will now no longer be visible on the waiting list. In terms of residential requirements, Shelter would express concern that, excluding people who may still study or work in Canberra but who live in, say, Queanbeyan, might function to ignore the fact that Canberra's high private rents anecdotally push people out. We await more information about how the government will analyse and measure the potential impact of this policy. That is a very brief overview of housing.

I would now like to speak quickly about ACT Shelter, which has had its annual funding cut to \$65,000, a reduction of approximately half. I will just give some background. Shelter has been funded since 1996. Other states and the Northern Territory fund similar shelters and in most states shelters have actually had their funding increased in this year's budgets. Over the past decade ACT Shelter has played an important role in initiating and facilitating discussion on housing issues. Our role has been to give an informed voice on housing policy issues, based on research and consultation with consumers and community organisations, as well as Housing ACT of course.

To this end we hold monthly forums for everyone interested in housing and disseminate information through our membership network, newsletters, web site, research papers and projects. We also represent our members' concerns and priorities through, I hope, our very detailed budget submissions and our participation in a range of consultative mechanisms with government. As we maintain that housing is fundamental to the realisation of a number of other human rights, we also participate in committees and forums consulting in areas as varied as tenancy, the children's plan, refugee settlement and the Human Rights Act.

Shelter has about 130 members. Many of these are organisations delivering a range of services relating to housing. An evaluation we conducted earlier this year found that most members considered Shelter very valuable and found particularly useful both our research projects and our use of communication networks. Of particular importance to members are the Shelter forums, which are identified as an effective way of networking and information sharing and a good introduction to the sector for new members and new workers. It is worth noting that Housing ACT staff also take the opportunity to attend Shelter events and forums and to use them to communicate their policies and practices and to hear what is happening on the ground.

I note that our members have responded very positively to some particular projects we

have been involved in. These have included the raising our voice project to empower public housing tenants; the “Wealth of Home” policy document with ACTCOSS, which looked at a number of alternative affordable housing models; and the housing is a human right project, which took the form of both a public education campaign and more formal involvement in considering the future of the Human Rights Act. I note that this project, in particular, received tremendous response from a range of services for people in poverty or homelessness and found that it was very helpful for encouraging a debate about homelessness that was respectful and focused on rights.

Just quickly, the initial modelling we have done since our new funding was announced indicates that on the \$65,000 offered to us we may not be able to operate on a practical level. Almost all of the funding would go to employing one staff member and some administrative support, which leaves us short of about \$20,000 to operate an office space. We are told that the cuts are necessary in terms of the need to supply more housing. We point out that the annual costs saved by cutting Shelter’s funds—about \$65,000—would not seem to be a very significant contribution towards increasing housing stock, but they do make it impossible for us to continue to operate in the way that we have in the past.

In closing, I would state that with the very significant efficiencies required of both Housing ACT and homelessness providers, communication and debate within this sector are more likely to become difficult and fragmented as everyone’s time becomes more precious. I think in such an environment the effective loss of a peak advocacy body might be more strongly felt than it might otherwise be.

THE CHAIR: I just have one quick question before I hand over to other members. You mentioned that other shelters were funded in other places, obviously in other states and territories—say in Sydney, Adelaide or other places. Are you aware whether they are funded per capita? This is a fairly small area, as you know.

Dr Mitchell: Off the top of my head I do not. I note that I think Shelter New South Wales had been complaining that they had wanted, I think, an additional \$30,000 and only got half, or something similar. We were a little surprised that this was something to complain about.

MR SMYTH: Could you find out through your network how much the others are supplied and get us that information?

Dr Mitchell: Yes.

DR FOSKEY: Shelter was set up by ACTCOSS back in the mid-90s; the work is being done by a specialist organisation. Do you think—I believe this was implied by the minister this morning—that ACTCOSS would be in a position to take on the work of Shelter and somehow reintegrate you or something?

Dr Mitchell: I will be a little careful with what I have to say because the future in terms of those suggestions is still before our executive committee and has not been formally put to our members.

DR FOSKEY: Just theoretically.

Dr Mitchell: Theoretically speaking, I did not get a strong impression that ACTCOSS felt they were in a position to do that. That would be partly a question for them as well. My understanding is that the suggestion had been made at other times in the past and been rejected, but I do not have a lot that is certain to say about that at this stage.

MRS BURKE: Thank you, Jessie, for your overview. Just quickly, the minister said this morning that he was not interested in funding people who wanted to give them advice but more to fund the people in need of the support. I am concerned that we will lose a strong advocacy group. What are your thoughts on that?

Dr Mitchell: I would say partly that it is difficult to provide the adequate support if no-one is advising you on the best ways in which to do it. I am not suggesting that Shelter is the only group that does that, but we are one important group. The other statement I made, as I said before, is that the funding that is cut to us I would say is relatively insignificant in terms of the amount of money that is needed for stock, if that is what he is referring to. It is significant from our point of view because it stops us from operating effectively.

THE CHAIR: Thank you very much. You will get a copy of the transcript and be able to get back to us with corrections.

Dr Mitchell: Thank you.

PIPPEN, Ms DEBORAH, Executive Officer, Tenants Union ACT

THE CHAIR: You were here when I read the card, weren't you?

Ms Phippen: Yes.

THE CHAIR: Would you like to give us your opening comments.

Ms Phippen: Yes. I will give a brief introduction of the Tenants Union and who we are. I will then give some brief points. The Tenants Union membership consists of private, public and community housing tenants, occupants of other forms of housing and accommodation in the ACT, as well as individuals interested in tenancy issues. We have real estate agents, property owners and landlords as members of the Tenants Union.

The TU is a community legal centre providing tenancy advice, information and referrals through our Paralegal Tenants Advice Service. Case work is referred to the Welfare Rights and Legal Centre. We provide information, advice and referral through advice workers and also undertake community legal education producing information, conducting workshops and presentations and promoting tenancy participation. We are funded through the Department of Justice and Community Safety by a proportion of the interest earned from bonds lodged with the Office of Rental Bonds.

Last year our service reported 4,052 phone contacts with ACT tenants on a range of housing and tenancy issues. In addition, we had direct contact with people renting through a variety of other forums, including the presentations and workshops that we participate in, information stalls and community meetings. Furthermore, we participate in a range of networks and forums with community service providers who also have direct contact with people who are renting. As a consequence of this range of services and close links with related organisations, we have extensive knowledge of tenancy and housing issues in the ACT.

In relation to budget announcements, I will, first of all, talk about private tenants and the impact that we have seen so far with private tenants and what we are anticipating. I guess it is no surprise that it is generally expected that property owners will pass on any increases arising from having their properties to tenants in the form of rent increases. In relation to this budget, what we have seen that will affect, and we are expecting it to affect, rents are general rate increases. From budget figures, they were saying an average increase of about \$96 per year. The fire and emergency levy is also passed on to property owners. That levy, of \$84 a year, will be expected to come out of rents.

On average, we are looking at an increase in landlords' costs of about \$200 per year. This would translate to a rent increase of \$3.85 a week on average. It is really important for us to emphasise—and this is something that we have to try and do as much as possible when anything like this happens—that any increases have to occur within the rules of the legislation that operate. They have to be justifiable and reflect real increase in landlords' costs. This puts an extra amount of pressure not only on our service but also on tenants out there not knowing what is happening.

Another fee that has been talked about is the water fee—the water abstraction charge is going to increase. We have already heard a real estate agent quoted in the *Canberra*

Times saying that that will be a reason for an increase in rents, when that is actually a separate charge that is charged directly to tenants as a consumption fee. A particular issue that we see is unscrupulous landlords and agents seeing these announcements as opportunities to increase rents by unrealistic amounts. We have already had one call within about two days of the budget—we had a real estate agent issuing a \$40 a week increase. That translates to \$2,080 increase over the year. The agent said, “It’s Stanhope’s fault.” Our concern is that, if it is an agent, it is not just one tenant; it is possibly all the tenants who are getting these sorts of increases. A lot of them do not know that they can query these increases, so they will be paying them. In a market which is already tight, where they are not able to afford the rent, they are having problems as it is.

In relation to public housing, what we are seeing is essentially it talking about doing more or less. There are lots of figures about \$4 million being put in extra and about \$7 million being taken out. What we would really like to see is some clarity about exactly what is being taken out and what is being put back in, and where the \$10 million is coming from or not coming from. If there are going to be additional properties that is a really good thing, but I think being clear about where it is coming from is really important.

One of the things announced in the budget and not shown as monetary savings were changes to the public rental housing assistance program. No detail was provided about any of the policy changes out of this. Nobody was actually told in any of the services that provide information, assistance or advice in relation to this about the fact that the program was going to change. We have since been told by the department that it was our job to find out if the legislation changed and to get the information out to services.

I think you have probably heard a bit about the changes to eligibility, residency and allocations. But one of the things that we are concerned about is how they are going to be implemented, whether they are retrospective and whether they are affecting tenants—we know that Housing is saying that they are affecting tenants—already on the waiting list, how this is going to be done, how tenants are going to be told and what sort of mechanisms are in place for people to be able to appeal if they believe that the decision has been incorrect. We have been unable to get any information from the department about any of the policy changes to these program changes that happened on 7 June.

Another anticipated increase in revenue is recovering water consumption costs for tenants. While this is a positive thing in light of people assuming costs and being aware of what they are using when they are using water, it is a common source of dispute between private tenants and landlords in relation to expectations about how properties are going to be maintained and a person’s ability to pay for it. Another big problem—and I think this is going to be an issue for Housing ACT—is when there are problems with plumbing and the tenants actually end up bearing the cost for poorly maintained premises.

As a final service, the cuts to SAAPs are going to affect people quite dramatically. We have seen no real statement about addressing affordability problems in the ACT. The talk about assisting people in most need is something that needs to be recognised, but what we are concerned about is the people who are in need, not in most need, and the people who are finding it hard, who are struggling in the private rental market as it is.

As a final statement, as a member organisation of ACT Shelter, I would like to say that members do find Shelter incredibly important in getting information about changes. The department sometimes does not provide information and share information as it should—whether it is because of resources or whatever the problem is. Through Shelter we are able to get information out and to feed information back. This cut to Shelter is a cut that is going to be really severely felt by the rest of the community.

MR PRATT: Ms Pippen, I will just pick one particular example: the Red Hill public housing complex. Do you have any information at all on what is being done in the medium and long term with new stock or the refurbishment of that area?

Ms Pippen: No information at all.

MR PRATT: What is the feedback you are getting from tenants there about how things are going?

Ms Pippen: People do not know. People are unsure of what is happening; there is no information there.

MRS BURKE: It has been like that for a long time, hasn't it?

DR FOSKEY: Thanks. In that short presentation I learned a great deal more than I did in two hours this morning. It just reminds me how important it is to have the organisations probing the budget and knowing what to look for. I was just going to ask you if your own funding was assured?

Ms Pippen: I believe so. We are funded because rental bonds money is in a statutory account. It is off budget. I believe our services—

DR FOSKEY: What if there is increased work due to budget changes?

Ms Pippen: We do not get any increases for that. Although I have to say that with the Residential Tenancies Act changes, which were the occupancy changes, we identified to the department that we would anticipate a greater workload. We were given one-off project money and have been asked to monitor the impact on the service.

MR SMYTH: Were you consulted by the government before they put the budget together?

Ms Pippen: No.

MR SMYTH: Did you make a submission to the budget?

Ms Pippen: We do not. As a Tenants Union we do not, no. We do not have the resources to do that.

THE CHAIR: Thank you very much, Ms Pippen.

Ms Pippen: Thank you.

MRS BURKE: I have another question. I will be ever so quick. I just have to ask for clarification on SAAP. The government say that it is not going to affect programs; you say that it will affect people.

Ms Phippen: It depends on how it is affecting the services. We look at the people and the services themselves and how they are operating—whether they can continue to operate. If there are efficiencies, that is a good thing. How it is all going to come together is—

MRS BURKE: But you have a concern about that.

Ms Phippen: About the people and how they are able to serve them, yes.

THE CHAIR: Thank you. You will get a copy of the transcript. You will be able to make corrections as necessary.

TIERNEY, MISS AINE, Chair, ACT Transcultural Mental Health Network
WYLDE-BROWNE, MS MARGY, Member, ACT Transcultural Mental Health Network
WONG, MS CHIN KUI-FOON, President, ACT Chinese Australian Association

THE CHAIR: I need to read the card. You should understand that these hearings are legal proceedings of the Legislative Assembly, protected by parliamentary privilege. That gives you certain protections but also certain responsibilities. It means that you are protected from certain legal action, such as being sued for defamation, for what you say at this public hearing. It also means that you have a responsibility to tell the committee the truth. Giving false or misleading evidence will be treated by the Assembly as a serious matter. Do you all understand that?

Ms Wong: Yes.

THE CHAIR: Would you like to make some opening remarks?

Ms Wong: I will speak on behalf of my members. I want to thank you for allowing us to speak to the select committee. Our purpose in coming here is to allow the committee to understand that, with the Transcultural Mental Health Network, we really would like to identify and properly address the current mental health support services that are affecting the Canberra community, especially in relation to the cultural and linguistically diverse communities as a whole.

We also hope that we have opportunities to allow the government to consider funding for us to establish a link with other transcultural mental health centres in Australia, especially related to New South Wales and Victoria. I will just give you a brief overview history of the ACT Transcultural Mental Health Network, which has been established since 1998, after much research and funding from different projects.

I would like to let you know that there was a NEIS assessment of the mental health needs especially related to the cultural communities in 1998. That was funded and conducted by the Australian Transcultural Mental Health Network. In 2000-01 there was an ACT transcultural mental health project conducted by ACT Health to establish a working relationship with three CALD communities to assess the mental health needs specifically related to the communities, families and carers.

In 2002-03, 2003-04 and 2004-05, based on the assessment and based on the recommendations, the transcultural mental health network worked very hard to put bids in, but has been unsuccessful, to establish a transcultural mental health liaison officer to especially provide education for the mental health clinicians, to allow them to understand the cultural needs and also to link with other ACT government departments, more or less to also develop policy and protocols.

We also looked at the framework for a multicultural ACT recommendation that was put up by the ACT government. In the recommendations for 2001 to 2005 there is a recommendation to formulate linkages between relevant government services and the CALD communities. We are working very hard. Hopefully the action will commence, but we have not really established any sort of evidence to allow that to happen.

We also looked at the ACT mental health strategy and action plan 2003 to 2008. We agree that there has been limited work done on the strategies, and no funding has been assigned specifically for these projects, especially in relation to addressing transcultural mental health issues.

As a whole, we also looked at the Senate Select Committee on Mental Health in April 2006, with recommendations specifically related to the CALD communities, recognising the specific needs of the community—that they are different needs and that we need to pay attention. As a whole, when we look at the ACT population and from the census, 45 per cent of the ACT population consists of over 200 different cultures.

May we put forward to the committee some of the highlights specifically related to the CALD communities in relation to our mental health issues. There is delay in seeking help and there is an inaccurate detection and diagnosis of mental health symptoms. Many consumers from the CALD communities background do not receive intervention until their condition has deteriorated to a point where involuntary care is required. We have recent experience from different communities that that has been the case.

Pathways to care are different—we all know that—especially the role of the GP and the family. There are language barriers to accessing proper support services. At the moment, we agree that there is very little support, in terms of the interpreter services that are appropriate, to address the needs of the mental health patients or clients.

There is a lack of cultural awareness and sensitivity by the service providers and the clinicians, and especially there is a lack of education. We are from the CALD communities, and we have experienced a lack of education and a lack of understanding by the clinicians to address the community's needs, especially in the area of support for the role of the GP.

There is a need to provide resources to increase the skills of the GP in providing mental health care, and to provide timely referral to appropriate mental health services. There is a lack of information about mental health issues and available help in mental health services because of that lack of sensitivity towards the needs of the CALD communities.

We need education on the stigma and shame associated with mental health problems experienced by the CALD communities, especially in the areas of mental illness. I come from the Chinese community. We have experienced a lack of support from the clinicians and a lack of understanding of the culture, leading to a lack of appropriate care and a lack of using interpreter services to ensure that the carers and families are not having to be directly involved with the interpretation of the services that are being given.

What do we feel is missing in the ACT, and what do we want—apart from giving us plenty of money? We are here to push that, of course, but we just want the committee to understand that there have to be properly funded transcultural mental health services and position, and there is a need to work with Mental Health ACT and the community to develop models to address the local need, based upon the epidemiology, the research, the funding and the recommendations that have been put forward since 2000.

THE CHAIR: Thank you very much, Ms Wong. Do either of you want to make a statement?

Miss Tierney: We missed a point on the lack of trust towards service providers from people from different cultural communities.

MR SMYTH: Is this leading to poor outcomes for people from a non-English speaking background? Is that at a cost to them and at a cost to the system?

Miss Tierney: As far as we know, but the evidence is mainly anecdotal, apart from the reports that we have talked about. To give you solid evidence on that we actually need to have a scoping done in the ACT, but certainly the anecdotal evidence is that people are having not good outcomes personally, and people are being misdiagnosed because of language barriers. Perhaps they are not seeking help early enough. There is a lot of pressure on families to support members in the home. They don't want to go and seek help because of their issues around mental illness.

Ms Wylde-Browne: There is also a lot of stigma in CALD communities about mental health issues, and really there is not a lot of understanding of where people can get help. When you are from a different cultural background it is quite difficult to access services. Often you end up going to hospital at the last moment and end up with involuntary admission.

THE CHAIR: For the *Hansard*, you are probably better to spell out what CALD is because it has been mentioned throughout.

Ms Wylde-Browne: CALD stands for culturally and linguistically diverse communities.

Ms Tierney: It is different from NESB, which is non-English speaking backgrounds. The transcultural mental health network is across cultures. That includes children who are living in a family with people who were born overseas. Maybe they speak two different languages and they are dealing with intergenerational issues as well as the sort of cultural background. They are here in Australia, but they are also dealing with the cultural issues of the family.

Ms Wylde-Browne: It is a huge issue. Since 1998 it has been identified as a need and we haven't got any money here on the ground in the ACT. It has come up in previous budgets; it did not come up in this budget, but we feel that it is still there, and the evidence shows it.

THE CHAIR: Thank you very much for appearing before us this afternoon. You will be given a copy of the transcript and you will be able to correct that if there are any errors.

PETROVSKI, MR BARRY, Executive Officer, Mental Health Community Coalition
ACT

CRAZE, DR LEANNE, Facilitator, Consumer and Carer Caucus

THE CHAIR: You were not in the room when I read the card before, so I need to read it again. You should understand that these hearings are legal proceedings of the Legislative Assembly, protected by parliamentary privilege. That gives you certain protections but also certain responsibilities. It means that you are protected from certain legal action, such as being sued for defamation, for what you say at this public hearing. It also means that you have a responsibility to tell the committee the truth. Giving false or misleading evidence will be treated by the Assembly as a serious matter. Do you understand that?

Dr Craze: Yes.

Mr Petrovski: Yes.

THE CHAIR: Thank you very much for coming this afternoon. Would you like to make some opening remarks?

Mr Petrovski: Thank you very much for having us. I will start off and provide you with a bit of background about the coalition and what we are actually funded to do. The coalition is the peak body of mental health consumer and carer groups and the not-for-profit community sector in the ACT. Our organisation serves to enhance the support options for people living with a mental illness in our community and promotes the advancement of a recovery focused, not-for-profit community mental health sector, with strong consumer and carer participation.

Community mental health services offer a critical piece of service infrastructure. These services provide valuable supports to people recovering from a mental illness by offering psychosocial rehabilitation, employment and education support, housing, respite and non-hospital based support options.

Essentially, these services assist people to recover in the community and offer opportunities for people to move forward and live independently. These services also support people when they have no other supports in place, and they aim to prevent social exclusion.

In relation to the ACT 2006-07 budget, we were quite disappointed. An increase of \$8 million over three years will not go very far in addressing the lack of community-based service options in the ACT. In comparison to recent funding initiatives interstate, the ACT budget reveals no real investment in adult community-based mental health services, which are desperately needed and underfunded.

Some of our member agencies have waiting lists of up to six or 12 months. That is for basic outreach support services. Similarly, the *Not for service* report developed by the Mental Health Council of Australia in 2005 reported significant barriers in accessing basic mental health services in the ACT. Unfortunately, the funding offered by Mental Health ACT and the corresponding service outcomes it reports don't really correspond on the ground.

While we welcome the new investment into developing a youth mental health service and support for the broad objectives of consumer and carer participation and early intervention prevention strategies, we are concerned that, without adequate service options in the community or on the ground, at the coalface, we are simply setting a system up that fails people.

It appears the majority of the \$8 million will be allocated towards clinical mental health services to build clinical capacity. Although these services are needed, they do not address the demand for sustainable community-based service options to assist people to overcome social exclusion, unemployment and poor housing and actually expand their recovery options, which in turn reduces hospital admissions and the reliance on clinical services.

The recent Senate select committee findings and *Time for service* report launched by the Mental Health Council of Australia clearly confirms underinvestment in our community mental health sector. Unfortunately, since deinstitutionalisation, the community not-for-profit sector was never systematically funded or coordinated in a whole-of-Australia context. It was very ad hoc. This has resulted in a mental health system that has a disproportionate emphasis on clinically based service models and large funding allocations towards hospital-based services.

The ACT has the potential to be a leader in mental health; however, this budget does not demonstrate a commitment to real reform, as suggested in the recommendations by the Senate select committee or the February 2006 COAG pledges.

While other states such as New South Wales are attempting to remedy the lack of community service since deinstitutionalisation and are investing in new and innovative service options, it appears the ACT has kind of sidestepped the whole COAG process and the national agenda and simply chosen reform areas in which it does not have to part with any real dollars. We feel this is a missed opportunity, and it will not reverse the current service gaps.

While the ACT government has increased funding to mental health over recent years and has openly acknowledged service limitations, there needs to be greater investment in getting the service mix right between clinical, acute and community-based services. The continuity of care issues will only improve when better linkages are formed and funding bodies make a real commitment to community-based recovery services and not simply hospital-based clinical models.

Another issue of concern is the reduced funding for the supported accommodation and assistance program, SAAP. This will have a significant effect on mental health providers and consumers and carers alike. The high incidence of mental illness in homeless groups actually warrants additional funding, not service provision cuts.

The *Time for service* document recently launched by the Mental Health Council of Australia and the Senate select committee reports clearly show there is massive underinvestment in mental health services across the country. While mental health is responsible for 13 per cent of the burden of disease, it only receives seven per cent of the total health budget. This includes the record \$750 million announced by the health minister recently.

Mental health experts state that it is a critical time for mental health in Australia and, similarly, COAG has outlined the need to make all federal, state and territory governments more accountable for mental health and overcome the crisis that is clearly evident in our system. Improvements will not be evident in mental health service provision if piecemeal investments, poor accountabilities and bureaucratic complacency are our accepted benchmarks.

There is a way forward to solving the mental health crisis, but all states and territories need to rethink the way mental health is funded and delivered in the community. Even though in recent years the ACT has made some positive mental health investments and acknowledges it is the system's shortcomings, this does not preclude our future responsibility.

THE CHAIR: Dr Craze, did you wish to add anything?

Dr Craze: I am the facilitator of the Consumer and Carer Caucus, which reports to the Mental Health Community Coalition. Its role is to keep the coalition grounded in the views of the consumers and carers. I facilitate their meetings and deliberations. I think it is both an exciting and nervous time in mental health service development in Australia. I myself see it as a very important time.

I have been working in mental health for about 22 or 23 years. I am seeing positive signs that I have never seen before. I think there is a broad governmental will to address problems experienced by people with mental illness and their families that there has never been before.

I think there are some solutions that we can look to here in the ACT particularly, without glossing over some of the economic difficulties and also the demand for services across the board that are seeing pressures placed on the ACT budget. I don't think as a territory we utilise the Commonwealth-State Disability Agreement well enough to get commonwealth moneys to assist people with mental illness, particularly in rehabilitation and recovery and return to the work force.

That disability agreement is currently being reviewed—there is now a Senate inquiry into that. I think that we, as a territory, need to look at just what we might present to the commonwealth in terms of being able to get more out of it for people with mental illness and their families.

In 1987, which seems an eternity ago—and I will not bore you with a whole long story—I was the researcher in Victoria who did the mapping exercise of the non-government sector. It was an exciting period. The Victorian government had introduced peak bodies right across the board in all the sectors and I was doing the work with VICSERV, the equivalent of the Mental Health Community Coalition. I was asked to map what service existed in the community-based sector, what demand for service there was, what unmet service there was, and just how the non-government sector was operating.

What that showed was a huge lack of parity between government and non-government services, with government services being better funded, staff paid better rewards—better salaries—and the non-government sector having difficulty in attracting and maintaining

sufficiently experienced staff. That also affected the chances of successfully and effectively providing service deliveries, and also just hitting the nail on the head in terms of their service delivery.

Out of that and other work, a huge investment was made by the Victorian government in the non-government sector. It could see that there was a key partnership there, because the non-government agencies can be so close to their communities and they are able to pick up on the identified need and perhaps respond more flexibly than our government services are. Also, in all fairness, there is a limit to the roles of government-based mental health services, and that must always be acknowledged. I sort of see that we are back there. We are back in the late 1980s. I don't mean that offensively, but I am just stating it as a fact.

I think one of the things we need to do is get some pretty clear facts and figures about who is doing what: who are government mental health services seeing, who are the non-government services seeing, what services are they providing, what is the unmet need and what is the unmet demand for service? We are not in a position as the peak to be able to tell you that. We simply don't have that information. But I think that, if we had that data, we would be in a better position to say, "Service development is needed here, service development is needed there." We have a lot of anecdotal evidence, but I think that if a mapping exercise or a research exercise of that nature could be undertaken it would assist.

THE CHAIR: I have a quick question for clarification. You mentioned before an amount of seven per cent of the total health budget, as opposed to what you believed it should have been, which was 13 per cent of the total health budget. I was wondering if you were talking about the national health budget or the ACT health budget.

Mr Petrovski: Those figures are derived from current projections by the Mental Health Council of Australia.

THE CHAIR: They would be national ones.

Mr Petrovski: National ones; that is correct.

Dr Craze: We also sat down over a couple of days and tried to work out the territory equivalent. We kept coming up with around 7.4 or 7.5, but we would not be confident that we have done the maths. As to what information we could obtain, that is the figure we keep coming up with.

MR SMYTH: How could we use the commonwealth disability agreement better?

Mr Petrovski: At present, most of the non-government mental health services are funded by territory recurrent health dollars. A small proportion of that, possibly just under \$1 million, is commonwealth health dollars. Our organisation is actually funded through commonwealth dollars.

Considering that the mental health population spans a very diverse group of people with very complex and changing needs, we also have a proportion of that community that have longer or more chronic conditions, where a mental illness may actually develop into

a psychiatric disability.

We also need to be looking at providing adequate support to that population who possibly were a part of the older institutionalisation system. I think it is really imperative that while at present we are emphasising early intervention and prevention and wanting to work with younger client groups, which is also important, we need to also provide adequate services to that older client group.

Dr Craze: It is also a younger group where there has been an early onset of psychosis, for example, and then recurring frequent episodes where there will be a level of disability. The Commonwealth-State Disability Agreement enables services to be provided that range from psychosocial rehabilitation to employment and education support programs. Currently there are not many people with psychiatric disability, as we understand it, who have gained the territory disability moneys.

THE CHAIR: Thank you very much for appearing before us this afternoon. We will get the transcript back to you. You will be able to correct it if there is anything that has not been correctly interpreted by Hansard.

CHEATHAM, MS KYM, Executive Director, Tourism Industry Council (ACT and Region)

THE CHAIR: You should understand that these hearings, which are legal proceeding of the Legislative Assembly, are protected by parliamentary privilege. That gives you certain protections but it also places on you certain responsibilities. It means you are protected from certain legal actions such as being sued for defamation for what you say in this public hearing. It also means 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. Do you understand that?

Ms Cheatham: Yes, I do. Madam chair, members of the estimates committee, thank you for the opportunity to appear here today and to present to you. I understand I have 15 minutes, so I plan to speak for about 10 minutes and I am then prepared to take questions for the remaining time. The Tourism Industry Council is the peak body representing the interests of the tourism industry to government in the ACT and region. Through our membership and affiliated sectorial members we represent more than 300 businesses that are associated with the tourism industry in our region, some of whom are with us here tonight. The concern that the tourism industry feels regarding the budget cuts in the 2006 budget by the ACT government cannot be understated. To assist you with that understanding I have prepared an industry impact statement for your consideration.

In the last six years the tourism industry has been through some interesting times under this government. Fluctuating funding since 2000 has resulted in fluctuating visitor numbers, which is clearly shown in table 2 of that document. A substantial loss of funding in the 2002 budget resulted in a 13 per cent decrease in visitor numbers. Based on that historical data the Tourism Industry Council conservatively estimates that this budget cut in 2006 will result in a 10 per cent decrease in numbers, that is, 200,000 visitors. The impact of the loss of this visitation is significant.

I refer, firstly, to the impact on direct revenue to the government. Access Economics estimates that in 2002-03 the government earned \$107 million in taxes from tourism, that is, about \$60 per visitor to the ACT. So a loss of 200,000 visitors is a loss of \$12 million in direct government revenue. Secondly, tourism is an incredibly labour intensive industry. More visitors require more staff to look after them. Not surprisingly then, fewer visitors require fewer staff. As stated in the Canberra plan, tourism is the largest private sector employer industry in the ACT. The Tourism Industry Council estimates that a loss of 200,000 visitors will result in the loss of about 1,200 jobs.

In this current environment of low unemployment, those people who lose their jobs in tourism and hospitality will probably find positions in other industries, but what will happen to the industry through the loss of skilled workers when the government decides it can again reinvest in tourism and we see the resulting jump in visitor numbers, as historically we see in table 2? Who will be around to service those visitors to the ACT?

With the same lack of vision for the growth of the industry, three out of four of the institutions in the ACT responsible for tertiary education teach tourism and hospitality. Of those the ACT government funds two. For whom are those people being trained? If the government is not prepared to invest in the growth of jobs in the tourism industry where will these students work once they are qualified? The same could be said about the

tourism and hospitality vocational educational training offered in colleges. In 2005 over 500 students graduated with qualifications in tourism and hospitality. When they do not get jobs in the ACT in their area of study and qualification will they stay here?

Perhaps while children are protesting at the closure of their schools they can also be pleading to the ACT government to save their future jobs in tourism and hospitality. Currently the ACT government is trialling VET in hospitality in year 10, but will those students get jobs when we are looking at fewer tourists and fewer jobs in the tourism industry? These students will probably have two choices: either they can stay here and seek jobs in other industries, or they can take their qualifications and go to another place to live where government support for tourism ensures vibrant growth with plenty of career opportunities.

Quite frankly, that place is any other place in Australia, because every other government in Australia is investing substantially in the tourism industry. I refer you to table 1 in the document. In the 2006 budgets announced by state and territory governments the ACT funded tourism the lowest of any jurisdiction—the lowest by a long shot. Tasmania is the next, with over \$40 million committed by government compared to \$13.8 committed by the ACT government. The Northern Territory, which has a much smaller population base than the ACT, is funding tourism to nearly \$43 million. How can the ACT expect to hold its market share when its commitment to this industry is \$30 million to \$40 million less each year than its competitors? We do not have a chance to grow this industry, let alone hold our market share in this competitive environment.

It is clear to the tourism industry that the ACT government does not have a long-term strategy for our industry, unlike the governments in Queensland and Tasmania that have well-documented and publicly known strategic plans for the growth of the industry and the associated financial benefits to government and the economy. The ACT government has a short-term reactive approach to the industry. That can be clearly seen with the disbandment of the statutory authority and the degrading of the board to an advisory committee. What are the benefits of a statutory authority with a board predominantly made up of representatives from industry and business? The decision-making process occurs within a commercial focus and decision-making is based on trying to get the most visitor numbers to the ACT. The loss of this structure potentially results in decisions on the expenditure of tourism funding being made within a political context, not necessarily with a commercial focus.

The tourism industry understands that the ACT government is under extreme pressure due to a variety of issues. However, that is not due to tourism not bringing in revenue to government. The Tourism Industry Council will not stand before you and ask you to take money from essential services such as education and health to pay for tourism. We ask you to support our industry so that by attracting more visitors the government will receive more revenue that will enable it to fund education and health. When you cut costs in tourism you impact on the income government receives by three times. Do not be short sighted on expenditure. Tourism funding is not a cost or a luxury; it is an opportunity for government to raise revenue.

THE CHAIR: Thank you very much.

MR SMYTH: What effect are these cuts having on the ACT catching up? How tough is

it in the market? Are other jurisdictions getting further ahead of us because we are just not investing?

Ms Cheatham: We have seen in the 2006 budgets that in 2005 every jurisdiction besides the ACT went backwards in their visitor numbers. In the 2006 budgets every other state and territory upped the ante and said, "We want back our market share." As stated in this document, the Tourism Forecasting Council predicts that 95 per cent of the Australian tourism market will have no growth in visitation over the next five years. Therefore, the more money they spend, the more market penetration and the more aggressive they are, the less likely we are to retain the market we have.

DR FOSKEY: How do you think the government should best spend its tourism dollar, given that even with an increase it would still be a modest amount, comparatively speaking? Where do you think we would get the best value for our buck?

Ms Cheatham: Two years ago we developed a new branding position and in 2005 we got that into the marketplace. While all other jurisdictions increased their funding they have always been more than us. In that competitive market, with branding being used smartly and tactically, we got a growth in visitation. So we reversed a trend and that is where we could still be working.

DR FOSKEY: What do you say about the government's argument that the Federal government is doing that; therefore, the ACT government can step back?

Ms Cheatham: The Federal government's responsibility is to market Australia to international tourists, not to market one jurisdiction to Australia. Ninety-five per cent of our market is domestic. That is where we need to continue to look for growth, and that is where we need to retain our market share. The Federal government is responsible for marketing Australia as a tourism destination to the rest of the world.

MR MULCAHY: Ms Cheatham, the Chief Minister would have us believe that on a per capita basis he is very generous in his funding of tourism, and that the industry should be most appreciative of that generosity. Could you give us your thoughts on that datum?

Ms Cheatham: I am sorry; you do not have a copy of the document.

MR MULCAHY: That is all right.

Ms Cheatham: Table 1 shows a comparison analysis of state and territory government budgets. One thing that is important in tourism funding is that all things are not equal. In some states tourism funding included convention bureau funding or major events. In other states they are separate budget items. Firstly, you need to look at the whole pie. In other states and territories, shires and councils are also responsible for funding tourism. For example, on the Gold Coast, Gold Coast council funded tourism in 2006 to the value of \$10 million, as opposed to the \$300,000 it gets from the Queensland government. So the strict comparison of tourism funding from one jurisdiction to another is not necessarily an equal equation to compare.

Secondly, obviously you require a base of funding to get market penetration and to get impact in the market. Consumers who are buying holidays get a lot of information

thrown at them. To cut through to them and to help them make a buying decision in your favour, you need a base amount of funding. If you look at table 1 you will see that the appropriation of the Northern Territory is \$200 per capita. That is five times what we are spending per capita. While states with bigger populations bring down that national average, when we look at those we are competing against we see they are all spending \$40 million plus. That is the comparison that should be made.

MR MULCAHY: Finally, given your role in the industry training body, do you believe the positions that are being provided for young people to learn tourism and hospitality skills are likely to taper off if there is reduced employment demand in the territory as a result of the downturn?

Ms Cheatham: I think the demand for those positions will still be there. It is just that we will be training people who will take their skills and work somewhere else. They will not stay here because there will not be any jobs.

MR GENTLEMAN: Ms Cheatham, I might have missed this earlier, but where did you get the statistics for table 1?

Ms Cheatham: If you refer to the references on the back page you will see that I went to every state and territory budget announcement and extracted the tourism figures from every budget.

MR GENTLEMAN: I had a quick look there. It seems quite incredible. If you look at what Queensland is spending per capita on visitors and compare that to Canberra it appears that Queensland gets eight times more visitors by spending 60 per cent less per capita and 50 per cent less per visitor, and New South Wales is even more dramatic.

Ms Cheatham: As I said, these figures do not include what the shires and councils are spending. I said earlier that the Gold Coast spends \$10 million alone, on top of what the state government spends, to market its region. These figures are just out of state government budgets; they do not include what is spent from every region. I would like to know how to get my hands on the aggregate figures, as I think that will give us a better idea as to who is spending what per capita. That is the way you are going to make a decision.

THE CHAIR: Looking at these figures it appears as though something additional needs to be done. As you said, the government appropriation for the Northern Territory is quite high. Am I right in my reading of these figures?

Ms Cheatham: Yes.

THE CHAIR: Yet visitor numbers are not as high as they are in the ACT.

Ms Cheatham: But if you get a breakdown of those figures you see that the Northern Territory's figures are stronger in international, and international visitors have a higher spend. So the economic return from an international visitor is about three times what you would get from a domestic visitor.

THE CHAIR: You said it is the job of the Commonwealth to advertise internationally?

Ms Cheatham: Yes, but all the other states and territories have offices internationally as well so that they get their market share out of Australian marketing.

MR MULCAHY: The Convention Centre has been good for the ACT. Do you have a view on the impact of convention centres, in particular, recent ones that have been built in other cities, and the linkage between that and your tourism figures?

Ms Cheatham: As you can see, some of those state and territory figures include convention bureau funding, and some do not. The convention bureau is a separate line.

MR MULCAHY: I am talking about tourist inflow as a result of having conventions.

Ms Cheatham: There is no doubt about it; the development of infrastructure allows you to attract bigger groups of people. Business tourism, or the convention market, is a great growth area for the ACT. We have seen that over the last couple of years. That is a national trend. Australia is winning more and more international business. With the development of infrastructure here we are getting more business from overseas. As the national capital there is no doubt that decent convention facilities would enable us to attract really large numbers, and that could have a huge impact on our visitation.

MR SMYTH: So the longer we delay on a new convention centre the greater the market share that will go to other areas, like the Gold Coast and Perth, which have just built new convention centres?

Ms Cheatham: Absolutely. The Darwin centre comes on in a year or so. That will be the new centre that everybody will be going to. The Melbourne one will then reopen. Right now we are in a position where we struggle to attract a conference that is bigger than about 600 or 700 people, just because of the capacities we have for breakouts into different meetings. As you know, they have concurrent meetings and they need huge exhibition space because that is one way they fund their conventions. So we will not get international conferences that have 2,000 or 3,000 people until we have the capacity to handle them.

THE CHAIR: Thank you very much. We will send you a copy of the transcript so you can make corrections if you need to.

Ms Cheatham: Thank you very much. Thank you for your time.

SLOAN, MR CRAIG, Chairperson, Canberra Business Council

MILLER, MR JOHN, Executive Director, Canberra Business Council

THE CHAIR: I think the witnesses from the Canberra Business Council were in the room when I read the card.

Mr Sloan: Thank you very much for the opportunity to appear today. We probably have about 10 minutes presentation before we open up to questions. I think we have 15 minutes allotted to us.

THE CHAIR: You have 15 minutes in total, yes.

Mr Sloan: I will do my best to keep within that time frame. As chairman of the Canberra Business Council I welcome the opportunity to appear before this 2006 estimates committee in response to the handing down of the 2006-07 ACT budget. The council is a member-based business organisation with its major strength being its membership of almost 40 industry organisations. Our major objectives are the promotion of Canberra as a business centre and the national capital, and to support the retention and growth of business across all industry sectors in the Australian capital region.

The council sees this budget very much in the context of, and in response to, the ACT government's strategic and functional review. The council's submission to that review forms the background for our appearance at this committee. I believe members of the committee have a copy of that submission. We also take this opportunity to explore some of the initiatives announced in the budget. The council recognises that the ACT government is confronted with some difficult decisions. Canberra Business Council supports several aspects of the ACT budget handed down by Chief Minister and Treasurer Jon Stanhope on Tuesday, 6 June.

The government has made a necessary start on reducing ACT government spending and identifying more efficient and cost-effective ways of delivering government services. Canberra Business Council believes that these measures will need to be taken further in future budgets. For the time being the council is concerned that it and the ACT community have been left in the dark about the government's commitment to making the ACT a business-friendly environment—a key commitment of the government's economic white paper, to which it has since repeatedly recommitted itself.

The budget leaves the business community unsure about whether this commitment remains. The budget abolished Business ACT and practically all government programs for business. In respect of tax, the narrow tax revenue base of the ACT government has consistently been referred to as a constraint on the territory and its ability to deliver services to the community. This will not change unless the ACT strives to be a low-taxing jurisdiction by national standards. The council reiterates a statement it has made on many occasions, most notably in our submission to the 2002 inquiry into revenue raising in the ACT by the then Standing Committee on Public Accounts, which is that the ACT's rate of taxation and overall level of revenue raising are essential components of an economic framework that is conducive to promoting the growth of the private sector, and with it jobs and income growth for the local economy.

At the time of that submission ACT revenues for the 2002-03 financial year included

54.6 per cent of own source income, whereby this figure has increased to 58.08 per cent for 2006-07. Overall, ACT revenue in the four years has increased by 30.28 per cent, from \$2.203 billion to \$2.87 billion. As we did with the 2002 inquiry and in our submission to the strategic and functional review, we urge constraint in public expenditure, particularly in the area of staffing where substantial cost increases have arisen. The 2006-07 ACT budget includes increases in administrative fees and charges indexed against the wage price index. We have questioned the indexing of charges and suggest that these increases should occur only on merit. Should a price not increase if, and only if, there has been an increase in the cost of providing that service?

The council will also contend that the consumer price index, the CPI, should be the measure used to determine the increase in pricing. The WPI will take advantage of the tight labour market. The council continues to have concerns about increases in taxes and charges that directly and indirectly impact on the ability of businesses to grow and expand. A number of measures in the budget will contribute to reduced housing affordability in the ACT. This can only exasperate attempts to bring more people into the territory to cope with employment demands.

In our submission to the strategic and functional review we noted the challenges confronting this economy, that is, the availability of human resources. This is not a challenge unique to this jurisdiction but it can be argued that the competition between the private and public sectors has implications in the form of wage pressure. In place of programs the budget talks about establishing an ACT skills commission. However, the budget contains no details about the commission or its operations, and the business community is unsure whether it will fill a hole that has been left. The council is interested to know what role the commission will fulfil, the type of support there will be for it, and what funding is available for it to undertake its functions and responsibilities.

The council has long acknowledged the significant contribution of tourism to the ACT economy. The potential of the tourism sector to add to that narrow revenue base facing the territory, as alluded to before, has been diminished by this budget. Our view is that much of the benchmarking used in the strategic and functional review did not necessarily measure apples with apples and, as such, will have a detrimental effect on future economic outcomes. Tourism is one area in which we believe that to be the case. Given the size and make up of the ACT, it is misleading to measure the ACT's spend against the national average.

In a paper prepared for the council by Access Economics it is noted that tourism marketing should be funded from consolidated revenue. Marketing efforts also need to increase steadily over time just to keep pace with inflation, population growth and the increase in the marketing efforts of competing destinations, let alone any increases needed to generate a real increase in tourism. The council is very keen to know what will be the proposed bureaucratic structure for tourism and, in particular, where will the tourism component sit within the Department of Territory and Municipal Services? The council is also concerned that the territory is placing a responsibility on the Commonwealth that should rest with the ACT, that is, the marketing of tourism.

The National Capital Authority has very few resources at its disposal to market and promote Canberra. Given the benefit we have derived from the presence of major institutions in the territory, it is vital that we market to maximise the benefits. The

suggestion is that for every dollar cut in tourism, \$7 to \$13 is cut from the economy. We are interested in that equation. If it is not agreed with, what is the multiplied effect that the government thinks is correct? The government noted in its budget that 61 per cent more is spent on economic development than the national average. Again, we question the comparisons and the benchmarking used. For instance, in other states moneys contributed at local council level to support business will not have been accounted for, yet it is a significant source of support for business.

The knowledge fund was described as being not the best use of resources. Why was it not? In our submission to the ACT government's strategic and functional review we noted, "Market failures in early growth companies arise from a myriad of factors, many not associated directly with the structure, operation or culture of the businesses themselves." A plethora of written material exists both in Australia and elsewhere that supports government input that ensures business innovation survives to deliver significant economic returns to the community, not just interested parties to the businesses supported.

In acknowledging Canberra's future, the Canberra plan states, "Our strategies for the knowledge economy will include investment funds and intellectual property management policies to support local commercialisation." The council is deeply concerned that the abolition of the knowledge fund and other programs will mean that the ACT is giving away a comparative advantage it has over other jurisdictions, given the nature of the community and the skill sets we possess. The council is very keen to see the ACT workers compensation scheme reviewed and notes the provision in the ACT budget for that review. We are interested to know what stage preparations for that review have reached.

We note the substantially cheaper scheme that applies in New South Wales, and the ACT business community wishes to see quicker reform than the three-year time frame proposed in the budget. We also note the proposed new occupational health and safety act. Again, we are interested to know where this process currently sits. Within the area of regulation the budget papers note, "The government will require all agencies to review their regulatory activities to ensure they meet current best practice and do not impose burdens on the community or business." The council seeks support for the publication of detailed regulatory impact statements for all amended and new legislation to demonstrate transparency and to build greater rigour into the determination of such legislation.

In conclusion, I am mindful of the time constraints within which we appear at this committee. I conclude by expressing disappointment in and concern at a number of areas in the 2006-07 budget, but I also acknowledge a commitment to containing expenditure in critical areas that hopefully will deliver better outcomes in future years. We appreciate the opportunity to appear here today and we welcome any questions that the committee might have. Thank you.

THE CHAIR: Thank you. Mr Miller, do you wish to say anything?

Mr Miller: No.

MR SMYTH: You referred to business development and to the ending of the knowledge fund. How do you measure the comparative advantage that we have? What are we truly

giving away?

Mr Sloan: I think the fact that we have an innovative, highly skilled base on which to draw. I think you have only to look at businesses, even those that have gone through the knowledge program in prior years, to see that we certainly pack above our weight on a per capita basis in innovations, start-up companies and growth. We have only to look at the number of companies and the dollars being raised by those businesses, which have gone through some of those programs and have gone into the export market themselves, to see the benefit that we have in that area.

MR SMYTH: In tourism and business development you said you were concerned that the data used was misleading and you noted the lack of detail in the skills commission and the tourism and business development regulation. Is the budget, as presented, a useful document to the Canberra Business Council, or should it be more clear about what the government intends to do?

Mr Sloan: I think it should be more clear about what the government intends to do. I reiterate what I said in my presentation. We are not sure about the detail behind a number of statements in the budget. The business community has been waiting a number of months for the budget to see the outcome of the functional review being handed to the government. We are still in limbo. We are still waiting to see exactly how this will roll out. That certainly applies across a number of areas, including business programs as well.

Mr Miller: I might add something to that specifically relating to the budget papers that were presented. I think we would always be looking for more detail in the context of the budget papers. In some cases, in particular in BP4, there is inadequate information to enable us to get the detail that we need.

MR SMYTH: The Victorian government recently said in its budget that it would endeavour to cut red tape by about 25 per cent. Do you get a sense of commitment from the white paper that we are the most friendly and pro-business jurisdiction in the country, and after the easing of red tape that will happen with this budget?

Mr Sloan: Definitely not. I think there is a commitment from the government on a number of fronts. All we have really seen in this budget is more consolidations, but the benefit and detail of those consolidations are not known. In some of the presentations you have had from other industry groups I think you will find that significant hardships have been placed on a number of members of the business community because of some of these new initiatives. I do not think there is a huge cutting of red tape at all. I think this government set its functional review pretty much by comparing us with other jurisdictions. I think it is time I also had a look at how it is reducing red tape in other areas to see where some of those benefits may be.

MR SMYTH: What is the benefit of being a low-taxing jurisdiction? If a government has to provide services you raise taxes. That seems reasonable. What direct benefit is there to the government in reducing its tax burden?

Mr Sloan: Simply to compete, I think. We are in an extremely competitive market. The benefits are enormous. The government, like a lot of people, does not necessarily fully

understand business. Reducing tax simply puts more money in the coffers of the business owner. In reality, if business and economic development drive the people it attracts to the territory, around the region it would be significant. A lot of economic impact purely comes from reducing taxes and reducing costs to businesses. We are not asking the government to put out handouts. We are saying, “Do not necessarily compare apples with what is going across the border.” We are a different territory. We need to do all we can to promote ourselves and give ourselves a competitive advantage.

MR MULCAHY: Mr Sloan, I direct my question to you as chairman of the Canberra Business Council, recognising that you are with one of the world’s leading accounting firms. Are you aware of any other jurisdiction—state, territory, local or federal—that uses WPI as a method of increasing charges? What do you think would be the longer-term impact of that? Could you speculate as to why the government might have moved to that increase in charges?

Mr Sloan: No, I am not aware. You mentioned that I am with a large organisation. Certainly some of the contracts that we have with the federal government are indexed on the WPI. But by far the largest majority are on CPI. I have no idea why the WPI would be there. In the current climate, and as history would have it, there is no doubt that the WPI is by far a higher rate than the CPI. Obviously it loads up the rates, the income and revenue coming back to the ACT government, at a greater level than the CPI would do. But I am not aware of any intention other than that.

THE CHAIR: Thank you, Mr Sloan and Mr Miller. We will get the transcript to you as soon as possible so you can check for any errors.

Mr Sloan: Thank you for your time.

CARTER, MS CATHERINE, Executive Director, Property Council of Australia
WHEELER, MR CHRIS, Treasurer, Property Council of Australia
SULLIVAN, MS JUDY, Member, Property Council of Australia

THE CHAIR: I am aware, Ms Carter, that you were in the room when I read the card before on a number of occasions, but I am not quite sure about your colleagues. Were they in the room when I read the card before?

Ms Carter: No.

THE CHAIR: It is all right. I will just read it again. You understand these hearings are legal proceedings of the Legislative Assembly protected by parliamentary privilege. That gives you certain protections but also certain responsibilities. It means that you are protected from certain legal actions such as being sued for defamation for what you say in this public hearing. It also means that you have a responsibility to tell the committee the truth. Giving false or misleading evidence will be treated by the Assembly as a serious matter. Do you all understand that?

Ms Carter: Yes.

Mr Wheeler: Yes.

THE CHAIR: Thank you. I am sorry, but we are running late. Would you like to make some opening remarks now?

Ms Carter: I am here with two property council members, Chris Wheeler and Judy Sullivan. What I would like to do, if it is all right, is make some introductory comments and then hand over to my colleagues just to talk about some of the detail. As I hope all members of this committee will have seen, a week before the ACT government budget was handed down the Property Council of Australia released a public discussion paper, *Initiatives for Canberra: Securing Canberra's Future*. This outlines initiatives designed to secure sustainable economic and social development in the ACT. The property council produced this discussion paper in response to a call from the Chief Minister to debate the future of Canberra. We were very pleased with the way in which the government received our ideas.

Part of this report discusses population growth. In our view, population growth is one of the key drivers necessary to drive economic activity and diversify employment opportunities in the ACT. Our objective is to see Canberra's population grow to 500,000 people by 2030. This call was welcomed publicly by planning minister, Simon Corbell, who said that if we could achieve that sort of population growth then the city would really hum. But in order to do something about a static population, we have to get the policy settings right on issues such as housing affordability, taxation and infrastructure. It is our view that, if we do not get these things right, we eventually will not have the critical mass of people needed to support the amenities and services we have come to expect in the nation's capital. Unfortunately, this budget does very little to support these objectives.

In this budget, the government has been forced to take some difficult measures to rein in expenditure. We applaud you and applaud the government for doing that and particularly

for efforts to restructure the public service. We also commend the government for its initiatives to complete the planning system reform process and to undertake preliminary work in relation to development in the Molonglo Valley. These are all very welcome initiatives. But this budget also greatly disappoints because of the raft of new fees, taxes and charges that it introduced. These present a significant impost on business and on the community and will do nothing to stimulate business confidence or population growth in the ACT.

This budget catches everyone, but it is particularly the property sector, both residential and commercial, that will bear the brunt. In all, this budget seeks to raise a further \$69 million from the property sector, which is almost half of the ACT's supposed total budget surplus in this last financial year. This includes a massive increase in general rates, the introduction of user charges on utilities, the introduction of a false alarm fee for both residential and commercial properties, and the introduction of a fire and emergency services fee, which will also apply to both the residential and commercial property sectors. These combined present a massive impost on the property sector, on business and also on the Canberra community, which is, I think, an important point that needs to be understood.

At the same time, we see no reduction in stamp duties, on leases or on conveyances. This is worth mentioning for two reasons. Firstly, the ACT has the highest rates of stamp duties in the country, and this dramatically undermines the territory's competitiveness and is already—and we know this for a fact—driving investment over the border. High stamp duties also add to Canberra's already expensive housing market, which I think is really of concern to everyone here. Secondly, stamp duty on commercial conveyances is a tax that should have been abolished as part of the 1999 intergovernmental agreement on reform of commonwealth-state financial relations, which the ACT government signed up to. Access Economics found that reducing this tax would deliver the largest economic boost in terms of attracting investment and creating jobs. In our view, the hesitation of the ACT government on this issue does the community no favours.

The ACT is also to increase its water abstraction charges by \$10 million to a total of \$27.2 million. Again, this represents a significant impost on the community, but what this also highlights is that the ACT is charging significant fees without delivering the services or infrastructure. What is needed in this case is a new dam, one of the things that are highlighted again in this report. But before we get to any sort of discussion about infrastructure and a new dam, what we need here is a plan for infrastructure. There are no indications at the moment of a real infrastructure plan at all.

The ACT government is taking difficult steps to address the ACT's financial situation going forward. It says it is doing this now to ensure that our children and grandchildren can enjoy quality services and infrastructure. The government has said that, if we suffer the pain now, it can achieve surpluses in subsequent budgets. Our challenge to the government is to work with the business community and the property investment sector to get the policy settings right, to develop a competitive taxation regime, to address housing affordability, to develop a strategic infrastructure plan and achieve population growth targets to ensure the future of Canberra, because right now, in our view, there is still a lot of work to be done on this.

I would like now to hand over to Chris Wheeler to go through some of the specific detail

about the magnitude of fee and charge increases for the property sector.

Mr Wheeler: I am the Treasurer of the Property Council of Australia, ACT Division. Just elaborating further on Catherine's comments, sadly this budget emphasises how committed the ACT Revenue Office is basically to property taxes. We need to wean ourselves off property taxes. Essentially the government appears to be gouging from a sector that is the lifeblood of the city. If you look around at the moment across our skyline you will find that cranes fill the city. They are providing an enormous amount of activity and jobs. We run the risk of discouraging that activity when we have such a great opportunity to foster it at the moment.

Another concern we have is that, whilst we are seeing signs of expenditure restraint finally, sadly, historically the ACT has had a practice of having expenditure 20 to 25 per cent higher than the rest of Australia. You have to really ask yourself if that is sustainable. Essentially the stamp duty in the ACT continues to be the highest in Australia, as Catherine has mentioned. We now have a budget where rates are increasing on commercial property by up to 60 per cent, not the nine per cent we have been led to believe. Land tax is again increasing way beyond inflation; it is increasing, according to the budget papers, by 10 per cent, but we believe that the government has underestimated the increase in property values and that could be anywhere up to 15 per cent. So one has to ask whether this budget is actually sustainable. If we continue to gouge from one of the most important industry drivers in the city, you have to wonder whether you are going to kill the golden goose and whether the rest of the city is going to go down with it.

I turn in particular to the most important aspect from our industry's perspective: rates. According to the budget papers, the rates were to increase by about, roughly speaking, nine per cent, which was a three per cent inflation figure plus an uplift of six per cent, making nine per cent. According to the analysis that we have done, the actual impact on rates across the commercial property sector, if you take into account the fire levy, which is a rate tax, means that the impact is actually between 50 and 60 per cent, not nine per cent. The reason for that is that rates are a formula: the average unimproved value—the land value—plus the rate value.

If you look at the land value alone, in the last year the value of land has increased between 15 and 19 per cent commercially in Canberra. The rate factor itself separately has increased. If you take into account the fire levy, it has increased to 33 per cent. That is where we get our 50 or 60 per cent uplift. If you look at some of the more prominent buildings in town, the rates of the St George Centre, which is one of the premium A grade office buildings in Canberra, will increase this next financial year by about \$24,000—that is, from present rate value, a rate bill of about \$45,000 to \$69,000, a rate increase of just over 50 per cent. If you look at the AMP Building, which is an older building, its rates will increase by \$11,000—from presently \$20,000 to \$31,000, an increase again of over 50 per cent. The budget papers claim that commercial property rates will increase on average by \$440 a year. It does not stand analysis.

Also, our brethren with the Canberra Business Council mentioned that a rate increase in the future will be based on the wage price index, the WPI, instead of the CPI. Brendan asked Craig what was the reason for that. It is a very simple reason: to choose the highest index you can find to increase rates. A very interesting question to ask Treasury would

be what led them to introduce the WPI figure? I am sure the instruction came in choosing the highest uplift factor you can find. Isn't that what the CPI is about? The CPI is about reflecting increases in prices in our community—not the highest sector, but the overall average. It is a cynical exercise, sadly.

Ms Sullivan: When I was speaking to ACT Treasury about the WPI index, it took a while to determine exactly which index they were using for the WPI. There are four different types of WPI index. There is a national index plus territory indexes as well. I finally discovered that they are using the Canberra index from a December-to-December period. It is going to be based on the ACT total hourly rates of pay, excluding bonuses. It is a very specific subset of WPI indexes as well. I have not had the opportunity to find out what the other subsets would have revealed, but that is the actual index which is being used.

Mr Wheeler: Rates are our biggest concern. Turning to the fire levy, it really is a new property tax. It is a misnomer to call it a fire levy; it is actually a misleading term because it is not linked to fire services. It is actually a rate charge; hence our analysis of including the fire levy when we talk about rates. The way in which the fire levy is proposed to be calculated is simply the same way as rates are. It is a proportion of the value of vacant land. So it is a tax. There is no linking of the revenue to the justification for the tax—that is, provision of a fire service—nor is there a linkage between the revenue and the risk associated. If it is associated with the fire service, then surely the tax should reflect the risk of fire. There is also an issue about equity here. The rate for the fire levy is \$84 on residential property—\$84 flat.

On commercial property—somehow commercial property is more risky than residential property—it is an adjustable rate of approximately 0.5 per cent of the unimproved value. If you take an analysis of the range of property values around the city, the annual charge will vary from about \$3,000—probably about the starting lowest fee—to \$50,000 on commercial property. On average it is approximately about a \$10,000 impost per property in the territory. It is \$10,000 per commercial property compared to \$84 for residential property. Again, you have to ask yourself: is commercial property that much more risky than residential property? If this is in fact a true risk, the charges relate to risk.

That very same issue was analysed in New South Wales after the HIH collapse. The New South Wales Treasury asked the Public Accounts Committee to analyse the question as to whether the then insurance levy, fire insurance levy or the fire levy in New South Wales could be collected in a more efficient manner. It was collected the same way as we collect it here as a premium on insurance bills. After 18 months the Public Accounts Committee concluded that, to impose the levy on commercial property in a similar way to what is proposed here, is highly inefficient and does not reflect the risk profile at all. In fact, the conclusion it came to was the more incidences of residential fire, the more of commercial. Queensland, for instance, has a completely different system—it has 16 risk categories. So there has been no analysis whatsoever as to how to best impose this levy and the real justification for it.

We are not questioning that money should not be spent on fire protection; we are just questioning how this particular levy has been calculated and imposed. The present scenario of having a fire levy based on insurance premiums is not an inefficient way.

Premiums are inherently assessing risk. The insurers are making that call, so the more risky properties pay a greater fee. It would seem to make sense. The budget papers claim that there will be about \$10 million raised by this levy. Again, the figures that we have question whether that is a serious underestimation.

Again, some of the other issues that are raised in this budget that affect us in particular are the water abstraction charge, which is increasing by 120 per cent. Our concern is that there is no earmarking of that money towards infrastructure. If you look at the label given to the impost water abstraction charge, you would suspect that it would be used as an investment towards our future water supply and water management.

MR PRATT: There is a legal requirement for that.

Mr Wheeler: As Catherine has mentioned, the property council's vision paper looks at our future with water and recommends some methods for funding as well for a dam. We also have the utility land use fee, a mysterious fee that will somehow be charged on utilities. In the first year it will raise \$8 million and in the second at least \$16 million. As sure as night follows day, that will be passed on by Actew, Telstra and anyone else that might be a utility provider. We suspect that a prime target will be our industry and all those in it—a further impost.

With stamp duty, sadly, we have done multiple submissions to the government over the years on this. The ACT continues to have the highest rate of stamp duty, the highest category for stamp duty in Australia. Our highest rate is 23 per cent above New South Wales, our nearest competitor. Our stamp duty on commercial leases is 40 per cent higher than that of New South Wales. Our commercial disadvantage is evident. All the state government and territory government's commitments to the rollback of the GST have been thrown out, basically. There is no sign of that in this budget. We continue to have revenue gouging from the property sector while at the same time the government is getting a GST windfall.

Land tax, again, is increasing. The budget papers suggest it is 10 per cent. Our figures, because they are linked to property values, suggest that it is more like 15 per cent. That will be interesting to monitor over time, but we have already seen that the ACT has been one of the highest taxing land tax jurisdictions in Australia. Again, it is one land tax after another after another. There is too much dependence on one area in the economy. As soon as the property industry has a downturn, which will happen, what is going to happen to the revenue coffers for the territory? There needs to be a broader base.

Finally, I would like to comment on the civic levy. The civic levy is proposed in the budget papers to generate about \$1.2 million in revenue a year. Whilst the property council have been working cooperatively with representatives of government in developing a model and have been supportive of the idea, which in essence was going to then effectively be itself an impost on rates, we had not contemplated that we would be hit by a 60 per cent increase in rates. To contemplate a further increase in rates to justify a civic levy, in the context of a 60 per cent increase in rates, is going to be very hard to swallow.

THE CHAIR: Thank you very much for all of your presentations. We will get a copy of the transcript to you as soon as possible. You can get back to us with any corrections.

Ms Carter: Sure.

THE CHAIR: Thank you very much.

Ms Carter: Thank you.

MR SMYTH: Can I ask a question?

DR FOSKEY: What about our questions?

THE CHAIR: We have already had 20 minutes of presentation.

MR SMYTH: One question will not hurt.

THE CHAIR: If I give one question to you I need to give one question to everybody else.

MR SMYTH: No. I will let Mr Mulcahy have my question.

MR PRATT: I will defer my question on hospital parks to Mr Mulcahy.

MR MULCAHY: Thanks, chair. Thank you, Mr Pratt.

DR FOSKEY: You don't deserve mine.

THE CHAIR: What about Dr Foskey?

DR FOSKEY: I am not giving you my question.

MR PRATT: I will give mine back to you and you give—

THE CHAIR: Very quickly because we are already well out of time.

MR MULCAHY: Given the data that you now produced—my office has been analysing it over the last couple of days—indicating that commercial property owners could be facing increases of up to as much as 60 per cent, Mr Wheeler, based on your knowledge of the industry, how will they seek to recover those charges and what will be the impact of their efforts to recover those sorts of additional tax charges, presumably in relation to people leasing buildings or tenancies?

Mr Wheeler: Do you want to answer that, Judy?

Ms Sullivan: Yes.

Mr Wheeler: We have given some thought to those sorts of issues.

Ms Sullivan: You do it.

Mr Wheeler: Contrary to popular perception, there is simply not going to be a flow-on

from landlords if landlords are passing rates on to unsuspecting tenants under their leases. Basically the answer relies on what is in the lease. Since the retail leasing legislation and commercial leasing legislation have been in place in the territory, many rents have been fixed rents, gross rents, which do not have in them an uplift component reflecting increases in rates and taxes. Many of the ACT landlords, and particularly perhaps the mum and dad landlords that own smaller properties who have fixed rents, are the ones that are going to be hit. They are not going to be able to pass it on, certainly not during the term of their existing leases.

DR FOSKEY: Yes. Do you have any suggestions for broader, non-land based revenue sources? You said that the government should be looking at it.

Mr Wheeler: That is a very good question.

DR FOSKEY: We have not got time now. Have you got something you could table or give us later? It is something I am very interested in.

Ms Sullivan: Much of our suggestions are conveyed on this paper. I have also provided budget submissions to government.

Mr Wheeler: We will come back to you, Dr Foskey, on that. That is something which is close to our heart.

DR FOSKEY: It is close to the territory's heart, I think.

Mr Wheeler: Totally.

MR PRATT: If there is any heart left.

Mr Wheeler: The previous Treasurer would often point out, as has the Chief Minister, that we do not have a great revenue base because we do not have the minerals base that Queensland and Western Australia have. But, equally, one has to also think about other ways of taxing beyond the traditional paths. Having said that, the fire levy is an example of that, but it has simply just been imposed like a rate; it is a rate. More imaginative structures—this applies to all sides of government—with more imaginative ways of seeking revenue are definitely called for.

THE CHAIR: Thank you very much.

Ms Carter: Thank you.

THE CHAIR: As I said, we will get the transcript to you.

The committee adjourned at 6.20 pm.