



**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, 3 JULY 2006**

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

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

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

## APPEARANCES

|   |             |
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| <b>Chief Minister's Department.....</b>                     | <b>1033</b> |
| <b>Department of Territory and Municipal Services .....</b> | <b>1033</b> |

**The committee met at 9.30 am.**

Appearances:

Barr, Mr Andrew, Minister for Education and Training, Minister for Tourism, Sport and Recreation and Minister for Industrial Relations

Department of Territory and Municipal Services

Zissler, Mr Mike, Chief Executive

MacDiarmid, Mr Ross, Chief Executive, Australian Capital Tourism

Hitchcock, Mrs Sarah, Corporate and Community Programs Manager, Australian Capital Tourism

Sanchez, Mr Chris, Chief Finance Officer, Australian Capital Tourism

Marriage, Ms Sue, Director, Sport & Recreation

Guthrie, Mr Neale, Chief Executive Officer, Enterprise Services

Chief Minister's Department

Harris, Mr Mike, Chief Executive

Hudson, Ms Cathy, A/g Deputy Chief Executive – Governance, Public Sector Management and Industrial Relations

Cotton, Ms Margaret, Director, Office of Industrial Relations

Healy, Ms Chris, Director, Asbestos Management Team

Lamming, Mrs Helen, Senior Manager, Industrial Relations & Workers Compensation

Roberts, Mr Geoff, Registrar, ACT Construction & ACT Contract Cleaning Industry Long Service Leave Boards

Janssen, Mr Erich, Commissioner, ACT WorkCover

**THE CHAIR** (Ms Porter): I will just 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 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. I am sure that you all understand that. Minister, would you like to make some opening remarks?

**Mr Barr:** I would. Thank you, madam chair. I would like to thank the committee for the opportunity to appear today. As committee members would be aware, sport and recreation, tourism and stadiums, which come under my portfolio responsibilities, have been integrated into the new Department of Territory and Municipal Services. The creation of the new department brings together similar functions that will assist to streamline operations and achieve the required efficiencies. This provides a great opportunity to identify synergies between different areas—for example, sport and recreation and sports grounds.

“Going Forward Together” is the major change program currently taking place in TAMS, which involves a number of in-house project teams critically examining the most effective ways of implementing the significant reforms that are required. A number of

key projects within this program are concerned with aligning like functions, reducing duplication and ultimately delivering a more efficient service for the community.

I will also talk briefly about industrial relations, another of my portfolio responsibilities, and make the statement from the outset that I will seek to continue the good work done by my predecessor, Katy Gallagher. Major reforms in this area include workers compensation and occupational health and safety—they are in the pipeline—as well as the provision of public holidays in Canberra. Also, my officers are investigating all they can to buffer ACT employees from the devastating effects of the Howard government's draconian workplace reforms.

In addition, I share responsibility for ACT WorkCover with my colleague Simon Corbell. WorkCover continues to be an important part of the regulatory framework set up to protect Canberra workers. I have provided a small insight into my portfolio responsibilities of sport, recreation, tourism and industrial relations. I am now more than happy to take questions from the committee.

**THE CHAIR:** Thank you very much, minister. I might just kick off. You mentioned the integration process and what you saw as its value. Could you give us a little more detail about the integration of sport and recreation into the Department of Territory and Municipal Services—I can say it this early in the morning but, by the end of the day, probably not. What financial savings, in particular, will be obtained through this?

**Mr Barr:** I will come to that and get the officers to outline some of the fine detail there. Early on in the process in my term as minister I received some very strong representations from sporting groups that they wanted a one-stop shop within the government to be able to access a whole range of support services that we would offer. There was some criticism that sport and recreation had, if you like, perhaps been a bit of a journey within the department, in that it had followed the particular minister and ended up, over the years, in some slightly unusual positions. There was a sense that the realignment of sports ground management within that group provided much greater synergies and meant that the management of sports grounds and the sports grants process and all the rest were now going to align.

In this process we have also looked at how we can streamline our grants such that the administrative costs are less and make it easier for various groups to access the wide variety of grants that the government offers. I particularly welcome the establishment of the Grants Board, one place that people can go for a series of streams of grants rolled into a single process. Sporting and community groups have clearly indicated that that is a welcome initiative. In terms of administrative time, some organisations anecdotally report that they would almost have to have a full-time officer just for writing grant applications. This is something that we are seeking to make easier for sporting and community groups. It is a welcome initiative.

We are seeking to streamline the administration around grants and the number of officers involved in the handling of applications. I might get Mr Zissler to outline some of the proposals. Obviously the new department started on Saturday. This is their first business day, but they have been doing a fair amount of work on how they are going to go forward with the new structure. I will get Mr Zissler to outline some of that.

**Mr Zissler:** As many of you heard before, we established the department as of last Saturday. There are 12 major projects being undertaken by the department of which one is looking at the rationalisation of the services around sport and recreation, our sportsgrounds and the way we manage the land more generically. A broader project is looking at the synergies between that group and the Stadiums Authority, as it was—the stadiums going forward—and some of the overlaps we have with tourism as well, which I am sure we will discuss a wee bit later.

That work is very early. We will be doing that over July and August. However, there are clearly opportunities on how we take forward some of those synergies. Most recently we were fortunate enough to have both ministers in a room where we met with all the major sporting groups. That joint ministerial discussion proved to be very fruitful and allowed the various sporting groups to talk about how the grants will occur—again, the clarity is not around that yet. They know that they have one place to come to, one voice to be presented, and we can work forward with them.

That is the major outline of that. In terms of the details, we are working through and reviewing the current programs. That will take about eight weeks, and then we will talk about the grants going forward from there. I point out this is a normal process anyway. Every year all the applications are received. There is about an eight to 10-week process where we go through every application prior to making the grants. This is nothing unusual, but this year we have some clarity of focus around it as well.

**MR STEFANIAK:** You have cut the grants program by \$300,000—from \$2.4 million down to \$2.1 million; page 310, BP4.

**Mr Barr:** Yes. Obviously in seeking efficiencies across government we had applied a similar rationale to grants programs as well. We are seeking to ensure that the administration of such programs is as efficient as it can be. We are, as Mr Zissler indicated, going to be engaging with sporting groups around their particular areas of need. Now that we have all of these functions in the one department we will be seeking to be able to better meet need without having to go across agencies. As I indicated in my remarks, one of the first things that was raised with me when I became minister was the need to ensure a one-stop shop within government. I think that we have delivered on that in this reform.

**MR STEFANIAK:** I note that you have put sport and weekend facilities together under “municipal services”. That is probably something the industry would like. You go through the grants process: you would have already had your grants seminars, which you normally have in May, I understand, and groups would now be in the process of applying for grants. That is a significant cut; it has never been a huge program—\$2.4 million down to \$2.1 million. What are you cutting? Is it going to be the sports grants, is it going to be the triennial grants or is it going to be the incentive grants on the triennials? My understanding is that you already have a pretty efficient grants administration. Out of all the departments you are probably the best there. Where is the \$300,000 going to come from—from joint programs with the commonwealth; I do not think you have too many of them? Where is it going to come from?

**Mr Barr:** We will be working with each of the sporting groups and each of the applicants to assess their needs. It is an open conversation. We will work through the

issues through the year. I make no bones about it: this area of government did have to deliver some efficiencies, had to take a cut like all other areas and had to adjust in order to address underlying structural issues with the budget, as I am sure the committee has examined on numerous occasions over the last fortnight. It is, I think, in the context of—

**MR STEFANIAK:** Are you saying that you just do not know where you are making those cuts at this stage?

**Mr Barr:** There are a variety of options. We need to work with the groups. There have not been particular areas that have been identified at this stage, as Mr Zissler indicated. We have a process in the next couple of months where we will be working our way through the applications, looking at where particular needs are and how we can seek to meet those needs within the budget constraints that we have.

**MR STEFANIAK:** It would be handy for the committee perhaps to have a breakdown of the grants of \$2.409 million for the last financial year. Can you give the committee a breakdown of where all those grants went to?

**Mr Barr:** I cannot verbally, but I can certainly take it on notice.

**MR STEFANIAK:** Could you take that on notice. It is the 2005-06 grants. I think that will be very helpful.

**Mr Barr:** We can provide that information, Mr Stefaniak.

**THE CHAIR:** Dr Foskey has a supplementary question and then Mr Smyth.

**DR FOSKEY:** Good morning, minister, and everybody else. Just when you were considering making your cuts, and especially to something as hands-on as community sporting grounds that get people out there, did you weigh the \$276,000 that has been committed for the next three years to attract AFL matches against putting money into sporting events that get people out there rather than sitting watching TV? I know that in this country it is almost nihilistic to say anything like that, but it seems to be an area that is against cuts that reduce people's ability to play sport.

**Mr Barr:** Yes, obviously you do need to balance all of these issues. The investment that the government has made in bringing AFL games to Canberra has had a very positive spin-off in terms of participation at a grassroots level. Bringing that elite competition to the city sees increased junior interest in sport. As part of that package we have an expectation that the Kangaroos will contribute outside of just their game time and that they will participate in junior development clinics, in promotions and all the rest for the sport. We do get more than three or four games a year out of this arrangement. I certainly think if you were to speak with ACTAFL in Canberra they certainly have had a significant boost as a result of having these games played in the ACT and they have seen that in the levels of participation in the sport over the last eight years.

**DR FOSKEY:** How do you measure the impacts of expenditure like this to find out whether it has been worth while?

**Mr Barr:** There is not an exact science on this. But we can see, obviously, from the

increases in participants in sport that we are getting a benefit. We certainly see across the clubs in the ACT that they have increased interest as well. In the end, the fact that so many community partners, sporting groups, individuals and clubs have sought to also sponsor the Kangaroos is evidence in itself that they believe there is a benefit from their involvement in playing top level games in the ACT. It is not just the government that has this view; it is one that is held—

**DR FOSKEY:** I am sure you are responding about quite an active level in this case. I am interested in how you decide to spend this much money here and not that much money there.

**Mr Barr:** It is also worth noting that there are other economic and tourism benefits from hosting these major sporting events. With my other portfolio hat on, I can certainly say that it brings other benefits as well. For the level of investment that the government has in this, we certainly think we would get a reasonable return from that across the range of portfolio areas.

**DR FOSKEY:** But you have not got a way of assessing and measuring them.

**Mr Barr:** There are various measures that we can apply. If you would like further detail on that, I can make it available.

**DR FOSKEY:** I would like further detail on that, Mr Barr.

**Mr Barr:** They are published and available through various sources. We can seek to get that information to you, Dr Foskey.

**THE CHAIR:** Mr Smyth and then Mr Seselja have supplementary questions.

**MR SMYTH:** In terms of the transfers in and out, what has happened to the all up sport and recreation budget for the year? You have picked up sport and recreation but not gambling and racing.

**Mr Barr:** That is correct.

**MR SMYTH:** And stadium authorities have been rolled in.

**Mr Barr:** Yes.

**MR SMYTH:** Could you tell us now what the all up budget based on those parameters was last year and what it will be for this year? What was the staffing profile like last year to this year based on those movements?

**Mr Barr:** I will need to call on my officials to get a little bit of that detail. Overall, yes, there has been a reduction in the restructure. A proportion of staff will move to the Shared Services Centre. In the instance of the Stadiums Authority, we will seek to gain some efficiencies by increasing the stadiums that they will be managing. They will also pick up Manuka Oval and Phillip Oval within their responsibilities as a unit within TAMS. There are obviously some efficiencies being sought through sport and recreation, whereby they will pick up support services from the larger department. Mr Zissler, are

you in a position to add anything further?

**Mr Zissler:** Probably not. I think that is right. We are looking at that as part of the formation of the new department. There will be some opportunities to reduce duplication and there will be the shared services component; so there will be some savings through that. In terms of numbers of people, as the minister alluded to, I expect no changes to the stadium staff. They are a very modest team of nine, and I expect that to remain at about nine. The sport and recreation numbers I do not have off the top of my head.

**Ms Marriage:** We have 38 staff at the moment in Sport and Recreation ACT.

**MR STEFANIAK:** How many of those are with the Academy of Sport?

**Ms Marriage:** With the Academy of Sport there are 18 full-time equivalents; some of our positions are casual and some are job share.

**MR SMYTH:** So 38 FTE currently?

**Ms Marriage:** Yes.

**MR SMYTH:** What will it be at the end of this financial year?

**Ms Marriage:** I could not answer that at this particular point in time.

**MR SMYTH:** Why can't you answer that?

**Ms Marriage:** Because the budget has not been finalised. Some are casual positions that are attached to programs like Kids at Play. At the moment you have staff that might work an hour here and an hour there, so it is quite difficult to count that down back through full-time equivalents.

**MR SMYTH:** What has your staff budget done—has it gone down or gone up?

**Ms Marriage:** We have not finalised the whole staff budget. The casual positions are the flexible part of our budgets. Depending on what focus we put on community programs, which community programs we operate and at what capacity we operate those programs, I could not answer about the staff budget at this point.

**MR SMYTH:** Minister, could I say that that is unacceptable. Other departments have fronted here. They know exactly how many staff they are losing, we know in business what we are losing, we know in tourism what we are losing and we know in planning what we are losing. How can you, as minister, direct what you are doing when you do not even know at the start of the year what the outcome will be in terms of staffing?

**Mr Barr:** Obviously we have an ongoing process. We will need to make adjustments during the financial year.

**MR SMYTH:** You are asking this committee to recommend to the Assembly that this budget get passed on a wing and prayer? You are asking us to take you at face value, when you cannot tell us how you are going to spend the money for the year on sport and



recreation?

**Mr Barr:** No, Mr Smyth. I am saying that this is a normal process, as Mr Zissler outlined earlier.

**MR SMYTH:** No, it is not normal.

**Mr Barr:** The level of detail you are seeking relates, as has been indicated, particularly to levels of casual employment regarding particular programs that we have the ability to adjust during the year. So it is difficult to give the exact answer that you would seek at this point because there are some quite variable factors that are at play. We will, through the course of the financial year, be seeking to make certain adjustments, depending on demand for particular programs as well. You would, I am sure, give the department the flexibility: if there were increased demand in a particular area, they would seek to meet that; or if there were particular programs that were not as popular as anticipated at the beginning of the year, we would be able to make some adjustments around casuals, and which programs we went forward with, extended or retracted, based upon demand over the course of the year. There has to be an element of flexibility.

**MR SMYTH:** But you do not even know what your staff budget is.

**Mr Barr:** Some of these issues need to be worked through. This is the first business day of the new department. They have some issues they need to work through and we are undertaking that work, as Mr Zissler indicated, in the next six to eight weeks.

**MR STEFANIAK:** On top of your grants cuts, you are going to have to find \$540,000.

**THE CHAIR:** Mr Stefaniak, Mr Seselja has the next question after Mr Smyth has finished.

**MR SMYTH:** If we could just finish if we are not going to get an answer on the staff. I make the point that the chief executive of the Chief Minister's Department told us that across the ACT we will lose 318 jobs. He knows what is coming and going. I make the point to you, minister, that you should know. If you do not, you should be asking your staff to tell you exactly how many jobs you are losing. Could we have a reconciliation of the cash in and the cash out? Look at the numbers on page 297 of budget paper 4: at first blush, \$15.6 million this year compared to \$15.5 million last year. But the classes are not directly equal. The Stadiums Authority is bringing a couple of million dollars with it. Has the sport and recreation budget this year gone up or down compared with last year?

**Mr Barr:** As I indicated at the outset, Mr Smyth, we have sought some efficiencies. We are seeking to benefit from the location of sport and rec within Territory and Municipal Services—

**MR PRATT:** Ups or downs?

**Mr Barr:** in terms of being able to address some of the back end services, if you like, that underpin, obviously, our front end programs. I am seeking, as I am in all of my departments, to ensure that they are as efficient as possible and that we are concentrating our resources—

**MR SMYTH:** We have heard this one before. How much money have you got?

**Mr Barr:** There is across the board, as I indicated in my opening statement, a reduction in funding.

**MR SMYTH:** How much?

**Mr Barr:** The fine detail will be available. I have taken a question on notice from Mr Stefaniak.

**MR PRATT:** The industry has been told that it is \$840,000.

**Mr Barr:** There is a proportional reduction in sport and rec.

**MR PRATT:** You have \$300,000 in grants already.

**Mr Barr:** I am seeking to absorb the majority of that through administrative efficiencies, but we have to work through that process.

**MR SMYTH:** How many staff are going to shared services?

**Mr Barr:** Do you have that?

**Mr Zissler:** That is being worked through by the Chief Minister's Department and Treasury.

**MR SMYTH:** Sorry: that is a ridiculous answer.

**Mr Barr:** Shared services do not begin until early next year.

**MR SMYTH:** Shared services have a budget. They obviously know how many staff they have. Just about every other department has been able to tell us how many staff are going across to shared services. Why can't you tell us with sport and rec?

**Mr Barr:** Because that has not been determined.

**MR SMYTH:** Why not?

**Mr Barr:** Because we are still working through that process, Mr Smyth.

**MR SMYTH:** So you have no idea what you are doing with your staffing budget for the year? You are still working through it?

**Mr Barr:** We are working through a process of establishing a new department with new functions.

**MR SMYTH:** Maybe we will pass your budget when you have worked through it.

**Mr Barr:** We have, obviously, a process in train. I have full confidence in my

departmental officials to manage that process. As a broad statement of philosophy, as I have indicated, I have sought to ensure that savings are achieved through efficiencies within the administration.

**MR SMYTH:** We have heard the patter; what is the fact?

**Mr Barr:** That is an important principle to begin any process with.

**MR SMYTH:** You have enunciated that. That was enunciated more than a month ago.

**Mr Barr:** That has been indicated to you. That process is being worked through as we speak.

**THE CHAIR:** Mr Smyth, we are going to move on.

**MR SESELJA:** I just wanted to go to some of those specific savings going back to the grants program we were talking about. Facts sheet No 17 for sport and rec talks about how the administration budget for sport and rec development grants is currently at 16 per cent of program expenditure. Are you able to talk us through what that 16 per cent amounts to—that is, how many staff are administering that program and how you will get it down to three to five per cent best practice, which is also listed in that fact sheet?

**Mr Barr:** I will be seeking some advice from my officials. I do not know whether they have that level of detail with them now. We can certainly seek to provide that information.

**MR SESELJA:** You would know how many staff administer the grants program, I assume?

**Ms Marriage:** It comes down to the definition of the administration of a grants program. Standard administration is logging information into a system and processing that information. Then there are relationships, or the facilitation of relationships, with the sport and recreation industry, working with it prior to applications, working through its applications, and making sure it understands the applications it is putting in and what might be the outcome of those applications. That is a greater definition of administration. In normal terms, in our organisation we count administration as the processing part. It means that at this point in time we are approximately at the six per cent mark for that administration.

**MR SESELJA:** So you do not agree with the 16 per cent listed in the ordinary fact sheet?

**Ms Marriage:** That figure of 16 per cent would be calculated on all the work that was done with the sport and recreation grants, that is, from the grants seminar through to the presentation, discussions with the sports as we assess their applications, and doing assessments for the Sport and Recreation Council. Under our grants programs there are about five phases of assessment processes. That is a very time-consuming process. Over the next 12 months we will be endeavouring to reduce that administration and the number of times we are going through assessments.

**MR SESELJA:** But you have six per cent as your administration figure?

**Ms Marriage:** That is if you are looking at your true processing part. If you are looking at the rest of that, it is more around the 14 per cent to 15 per cent mark, so that is not a ballpark figure.

**MR SESELJA:** When you referred to a staff member, does only one staff member look after the grants program? Is that the six per cent to which you referred?

**Ms Marriage:** At the moment one and a half staff members are designated to the grants program.

**MR SESELJA:** So I assume there is no scope for a cut there. You are not looking at fewer than one and a half staff members?

**Mr Barr:** Mr Seselja, I indicated earlier that, as part of this process, there has been a whole-of-government streamlining of grants into a single grants portal. Two streams of grants will operate. Across government we are seeking to streamline the administration of grants. It was fairly clear that too many different grants programs were being run independently of one another and there was too much administration. It was difficult for community and sporting groups to be aware of the full range of grants.

We are responding to a particular request from the community to streamline that process. There is now a one-stop shop. One click on the ACT government website will outline all the grants that are available. As part of this process we are seeking to ensure that the administrative side of running these programs consumes the least amount of money possible. We are devoting resources to delivering grants to organisations.

**MR SESELJA:** Once again you are talking fairly generally. Specifically, how would you go from the current 16 per cent down to three or five per cent to meet industry best practice?

**Mr Barr:** I will get Ms Marriage to outline the process in a minute. At present we go through five phases and we are looking at how to streamline that process. Part of the issue is that we are dealing with volunteers or people who have limited time. We are seeking an easier process in the management of grants. An important principle to underline in a reform process is that we seek to make it administratively simpler as well as reduce the total administrative burden from a government perspective. For your benefit I will now have that process outlined.

**Ms Marriage:** As of last year our grants program is a completely online grants application process. So the sports can tap straight into our website and log on their application. That does not necessarily slow up or accelerate the first phase as you still have to get all your paper records in place. We are looking at reducing probably five assessment processes. The first two phases are in-house assessments.

We, as the organisation with the greatest relationship with those sports, sit down and assess them in accordance with past grants applications, what we understand to be their strategic direction from their annual reports, and their future plans. That is phase one and usually also phase two. In phase three we bring in people from industry to be part of a

subcommittee. Phase four is the sport and recreation ministers council and phase five, naturally, is the minister. We will be looking at streamlining that process. That figure of 16 per cent would come into all those levels of administration.

**MR SESELJA:** Would streamlining involve cutting it down to two phases or something like that?

**Ms Marriage:** Cutting it down probably to two or three phases. When you appreciate that we have 120 to 140 applications to go through it is time-consuming to deal with them and to provide documentation to people on those subcommittees. Discussions can last for up to three or four hours in an afternoon when we are going through applications. A lot of those applications can be looked at in accordance with past applications and future directions.

**MR SESELJA:** Minister, what savings do you anticipate from this streamlining of the grants process?

**Mr Barr:** It is around \$800,000.

**MR SESELJA:** That is just from streamlining the grants?

**Mr Barr:** No, sorry, I meant that across the department we are seeking savings of the order of \$800,000.

**MR SESELJA:** Specifically, what will you save here?

**MR STEFANIAK:** You said \$300,000 for grants and you would lose about five and a half staff?

**MR SESELJA:** The \$300,000 that you are saving on grants will not all be saved in administration?

**Mr Barr:** No. We are still working through it.

**MR SESELJA:** So you do not know what you will save on administration?

**Mr Barr:** No. We have set a target.

**MR SESELJA:** What is that target?

**Mr Barr:** That is for the entire agency. That is the figure of \$800,000 that is referred to absorbing into DTMS. We are seeking to make administrative savings that will be spread across a number of functions.

**MR SESELJA:** I am looking at how much you would save as a result of streamlining the grants process.

**Mr Barr:** The final figure has not yet been determined because we are still working through streamlining aspects. Broadly, Mr Seselja, you would not need to duplicate a variety of services within sport and recreation that would be performed, if you like, at a

broader departmental level. I refer to things like media service to the minister, for example, which would be picked up within the broader department. So we seek to make some savings there. I have indicated previously that I seek to operate a lean administrative arm. We would seek also to achieve efficiencies in my office to ensure that as much of the money is out in the community and not tied up in administration.

**MR GENTLEMAN:** Minister, you referred to the integration of sport and recreation into DTMS. There is a reference on page 293 of BP4 to the improved delivery of services and programs, and you have spoken about that. However, dot point 7 on page 294 of BP4 states that it is “to allow for improved delivery of services and programs to meet the changing demands of providers”. How will you be able to do that?

**Mr Barr:** I think we have already outlined some of the streamlining we are seeking to achieve in the grants process. One of the issues is how much time is required effectively of voluntary organisations, in large part in their interactions with government. This part of the process will streamline that and make it easier for organisations. All the sporting groups I have met so far have certainly appreciated the direction in which the government is heading in this regard. We seek to ensure that their experience in interacting with the department is as smooth as possible.

I hark back to the original point I made—the co-location of sport and recreation with sportsground management. A lot of the issues that have already been brought to my attention relate to being able to access sporting fields. As a result of the drought, a number of sportsgrounds obviously have come offline. I am very pleased that \$500,000 was allocated in this budget to bring additional sporting facilities back to use. That is an important feature of this budget.

I am also pleased that the budget contains money for the Harrison neighbourhood oval. I am aware that we need to meet a particular demand for sporting ovals in Gungahlin. Again, I welcome an initiative in the budget that is providing for additional playing fields in Gungahlin and across the city. Given that the drought has broken, we have money now to rejuvenate sporting facilities, which is an important point. Along those lines, issues about access to indoor sporting facilities have also been raised with me. I am also seeking to address some of those needs in the year ahead.

**MR GENTLEMAN:** Earlier Dr Foskey referred to the Kangaroos. How much money is injected into the ACT economy each year as a result of our relationship with the Kangaroos? How much does it cost us for that relationship?

**Mr Barr:** In the context of the tourism discussion I will get that exact figure for you. I do not have it in my head but it is millions of dollars. In the budget papers the government’s commitment over the next three years is \$276,000 a season, or \$828,000 over three years. That is an increase from the \$250,000 a season that we offered in the current agreement but, of course, that is not the only part of the package that we took to the Kangaroos.

Obviously, we expected them to have made an announcement by now. It is frustrating that we do not have an answer from them. The deadline was this Friday because we need to look after the best interests of members of our community. There is a clear indication that they want top-level AFL games played in the ACT. If the Kangaroos cannot commit

we need to look at other teams and at other options. We said to the Kangaroos that we would like an answer by Friday or we would start negotiating with other teams and with the AFL to ensure that we got games in Canberra for the next three years.

**MR STEFANIAK:** Congratulations on your 40 hectares. I think that brings you back to about 240 hectares. For the purposes of this discussion let us assume that the water extraction charge is legal. How much extra will that cost you? ACT Hockey, for example, will have to spend \$35,000 a year extra on its water, Queanbeyan Council \$27,000, and apparently the Botanical Gardens an extra \$60,000. With all those ovals to water, and you need those ovals, how much extra will that cost and where is it coming from?

**DR FOSKEY:** Mr Stefaniak, I had the call. I do not believe you went through the chair.

**MR STEFANIAK:** I am sorry.

**MR SESELJA:** It was a supplementary question. That question has been asked.

**DR FOSKEY:** I do not think so. It did not go through the chair, Mr Seselja.

**MR STEFANIAK:** Could we come back to it?

**Mr Barr:** We will come back to it, Mr Stefaniak.

**MR SESELJA:** You do not want the minister to answer any hard questions.

**MR GENTLEMAN:** There is a process to be followed, Mr Seselja.

**DR FOSKEY:** There is a process to be followed and I have the call.

**Mr Barr:** I will happily come back to that question.

**DR FOSKEY:** Thanks, Mr Seselja, for your advice. Minister, could you table the feasibility study that shows the dragway is economically viable?

**Mr Barr:** I understand a lot of that information is available on the web site of the Chief Minister's Department.

**MR PRATT:** That web site is pretty short on detail.

**Mr Barr:** There is a link on that web site to the dragway. I am sure we can download it and make it available for you, Dr Foskey.

**DR FOSKEY:** Thank you. I would really like to see the feasibility study.

**MR PRATT:** You want the real one, do you not, Dr Foskey?

**DR FOSKEY:** I am not sure whether such a study exists. The most recent economic assessment of the viability of the dragway, the 2004 dragway options report, describes the project as high risk. While it was to be an international standard dragway, annual

operating subsidies of between \$49,000 and \$141,000 were foreshadowed. Now that a national standard dragway is planned could you let us know whether any annual regular operating subsidies will be required?

**Mr Barr:** The government indicated that no operational subsidy will be forthcoming from it should the dragway proceed. We are in the middle of a detailed process relating to environmental assessments and a range of other issues are being considered. The government has been straightforward and up front in saying that it will not be subsidising the ongoing operation of the facility, should it go ahead.

**DR FOSKEY:** Is it true that it is being downgraded in the government's plans from an international to a national standard dragway?

**Mr Barr:** I think the government's commitment has been capped at \$8 million. As a result of the conclusion of all the appropriate processes the standard of the facility will then be a matter to be considered. The government is firm in its belief that \$8 million is the maximum it will contribute to such a facility.

**DR FOSKEY:** On what has the \$212 million already been spent?

**Mr Barr:** I understand it has been spent on the consultation process and on soil testing. A variety of environmental assessments have been carried out. That amount of money has gone towards the current process, to assess the viability of the facility and a range of consultation mechanisms and reports, et cetera, that have underpinned the process to date.

**DR FOSKEY:** Could you table that expenditure? I find it hard to believe that consultation, as currently conducted, could have made such a big bite into that amount.

**Mr Barr:** That process occurred prior to my taking over the dragway portfolio responsibilities, which have come across to sport and recreation. I am sure that information is available and I can source it for you.

**DR FOSKEY:** I hope that the government is keeping a tally on what it spends on the dragway?

**Mr Barr:** Certainly, yes.

**DR FOSKEY:** Will the cost of acquiring Mr and Mrs Brogan's land be included in that \$8 million?

**Mr Barr:** I will have to take advice on that. As I said, the government's commitment is \$8 million and it will not be spending more than that.

**THE CHAIR:** So you will take that question on notice.

**DR FOSKEY:** What is the cost of the geotechnical survey being carried out in May 2006 at block 51? Will that come out of the \$8 million, or is it coming out of the \$212 million?



**Mr Barr:** My expectation is that it would, Dr Foskey, but I will have to come back to you with the costing of that.

**DR FOSKEY:** I would like to hear about that.

**MR STEFANIAK:** When are you making a final decision on the dragway?

**DR FOSKEY:** I have one more question. The Minister is quoted in the *Canberra Times* as saying that any money in excess of the government's grant of \$8 million will have to be raised privately. Has any money been received or promised from the private sector to date?

**Mr Barr:** Not to the government, no. You would have to direct that question to the dragway proponents and ask what their additional revenue sources might be. I am not aware of any money being offered to the government to supplement that \$8 million. But some money might well be forthcoming from other private sources and other interested sponsors of motor sport when we have concluded the processes that are currently in train. I should add that the environmental reports and all the other processes will go to the minister responsible for the environment, Mr Hargreaves, before they come to me. That reporting process will occur through Mr Hargreaves and not through me as sports minister.

**DR FOSKEY:** A noise impact assessment was carried out in February. That study was based on an international standard dragway with 20-metre high earth berms and a track cut six metres into the ground and, by the way, it was very expensive. In the \$8 million dragway version, which obviously falls short of that, we are talking about 7.5 metre earth berms, almost one-third of the original size, and a track cut three metres into the ground. Where is the noise data based on these reduced infrastructure measures?

**Mr Barr:** That is part of the assessment process so I think that question is better directed to my colleague Mr Hargreaves as he is managing environmental assessments and they are being reported back to him.

**MR STEFANIAK:** Could you answer my earlier questions relating to the dragway and to water extraction for your ovals?

**Mr Barr:** A decision on the dragway is expected later this year as a process is still in train. I do not seek to pre-empt that process. In a town that is obsessed by process I acknowledge it is one decision that is generally agreed between the parties, or between those for and against the dragway. We have a process in place and we are going forward with it. It is fair and reasonable to let that process conclude. As sports minister I would not seek to intervene and to make a decision in advance of completing that process.

I have just been informed that a decision is expected to be made in the second half of this year, from September onwards, but it might take a little longer than that. I will seek to ensure that we go through the full process and that all the environmental assessments are thoroughly undertaken. I take Dr Foskey's point that we need to ensure we test it against all the parameters. I acknowledge that this is a significant issue for residents in north Canberra and in the Majura Valley; so it is important that we get all the evidence on the table, that it is a fair process, and that people feel all the avenues have been explored.

**Mr Zissler:** The \$500,000 for the rejuvenation or the refurbishment of the ovals is a capital line. We will spend about \$10,000 per hectare going back and doing that. Of course, the extraction charge is a recurrent expenditure. We have estimated that to be about \$400,000 a year. We are still working through that.

**MR STEFANIAK:** On all your ovals?

**Mr Zissler:** That is across the department.

**MR STEFANIAK:** Is that over and above what you already pay for water?

**Mr Zissler:** Water prices have increased, so yes. We use water not just on our ovals; we use water in our laundry at Mitchell, so we have a water charge.

**MR STEFANIAK:** I note your answer. At the end of the last financial year, which was last Friday, how much did you spend on water for ovals and other sporting facilities that you own, and what are your anticipated costs for extraction charges this current financial year?

**Mr Zissler:** We have that information but I would need to work through it and give it to you in pieces. Obviously the stadium is a separate entity so we need to establish the water charges for it. I am not sure whether that work has been done but we certainly will provide the figures to you.

**MR STEFANIAK:** You estimated an extra \$400,000 for these ovals. Is that for community ovals?

**Mr Zissler:** That is for the ovals, yes.

**MR STEFANIAK:** That is the total for the ovals?

**Mr Zissler:** That is our understanding, but I will confirm that later.

**MR STEFANIAK:** It would be good if you could supply those figures.

**THE CHAIR:** You will take that question on notice.

**MR PRATT:** Minister, going back to the question about staff numbers or the FTE level for the office of sport and recreation, you said you anticipated 38 staff. Could you give us the percentage of FTE permanent and part-time staff?

**Ms Marriage:** We will take that question on notice.

**MR SMYTH:** You do not know currently how many full-time staff you employ?

**Ms Marriage:** I know how many full-time staff I employ, but some of them are job share positions and some of them are calculated as regular casuals. With the system now, every casual that you employ, whether it is for half an hour or above, is given a staff number in our personnel system. So you have to go back through that and work out your

full-time equivalents.

**MR PRATT:** Minister, having regard to where you are taking this reorganisation, do you anticipate retaining delivery service staff? I know you will be talking about the back end changing and about people moving to shared services. Are you confident that you will retain front-line delivery service staff?

**Mr Barr:** In the context of the Academy of Sport, yes. We have already indicated that there are no changes there.

**MR PRATT:** To the staffing?

**Mr Barr:** Yes.

**Ms Marriage:** To the technical roles. It is an organisation in which I have one psychologist and one nutritionist, so I need to have at least one for each of my 250 athletes.

**MR PRATT:** They are staying?

**Ms Marriage:** That is a given for technical staff at the academy.

**Mr Barr:** As I have indicated, some work needs to be done on what functions can be picked up by the broader department. I have indicated that that work is still under way. It is my intention to ensure we achieve these savings through administrative end delivery rather than front-end service delivery. I have indicated that there are some programs where demand flows through the course of a financial year, so we will need to make adjustments as we go forward. I have indicated that there is a large number of casual staff and that there will be adjustments here and there. As a principle I am seeking to make the savings that we are required to make through administration.

**MR PRATT:** So in addition to making savings through administrative staff—some of that will be natural because some of them are going across to shared services—you are also looking at changing some of those front-line specialist positions to achieve efficiencies? What do you have in mind?

**Mr Barr:** We can look at how we deliver those services. It is incumbent on any agency constantly to look at better ways of achieving the outcomes that it is seeking to achieve. As has been indicated, in the next six to eight weeks a fair amount of work still has to be done on changing certain structures. But, as has been indicated in the grants process, we are seeking to compress that. I am confident we can make those adjustments and that we can make the savings we need to make through those processes. I cannot rule out absolutely that there will not be some changes to service delivery, if you like, at the pointy end. We will seek to ensure that our overall delivery is at, or as close as possible to, current levels. In fact, in some areas we will seek to enhance service provision.

**MR PRATT:** So you will seek to ensure that that service is maintained? Are you looking at perhaps removing positions and contracting out services?

**Mr Barr:** I have not given that issue detailed consideration. I do not think that would be

a direction in which we would seek to head. We operate a reasonably small unit at a pretty good level of efficiency, but there is always room for improvement and that is what we will be seeking to achieve.

**MR PRATT:** So you guarantee that you will retain core capability in that unit?

**Mr Barr:** Yes.

**MR STEFANIAK:** Are you saying to Mr Pratt that you are not cutting the Academy of Sport?

**Mr Barr:** As you have seen from the indicators, no. We are still maintaining 250 athletes. There is a degree of flexibility, obviously.

**MR STEFANIAK:** I note you do not have the cost per athlete any more in your 310. That is a discontinued measure.

**Mr Barr:** Yes.

**MR STEFANIAK:** Why is that?

**Mr Barr:** We have sought a different report mechanism there, Mr Stefaniak. Yes, that is correct.

**MS MacDONALD:** Minister, I wanted to ask about Phillip Oval. It is an area that has been commented on in previous budgets and I am curious to know what is happening with it. Can you inform the committee what the future plans are for Phillip Oval at this stage and why it has taken so long for any developments to occur in this area?

**Mr Barr:** Thank you, Ms MacDonald. I agree that Phillip Oval is an eyesore. We need to move quickly to address what are some fairly obvious issues there. Along with the fire, there have been a couple of unfortunate incidents that have occurred at the facility. As I indicated earlier, we are transferring responsibility for the management of the oval to the stadiums group that will operate within the department. In addition to Canberra Stadium, they will have responsibility for Manuka Oval and for Phillip.

I will get Mr Zissler to outline the process that we have in train for Phillip, but I do acknowledge from the outset that it is a problem and it does need addressing. We are just checking a figure on what the insurance is for the fire.

**Mr Zissler:** Thank you for the question. I just want to get my numbers right. As you know, in the budget we have got \$1.7 million allocated for the refurbishment of Phillip Oval. The insurance, which is yet to be finalised, will be in the order of another \$500,000. We are commencing work with the stadiums group, sport and rec and the property group—and one of the useful synergies now is that it is under one management stream—to look at the economic viability and what condition we will upgrade Phillip Oval to.

As you know, it is a very large parcel of land. We want to be quite clear about how we best use that going forward. We have current commitments with the AFL and ACTAFL

on how it gets used in the future, and we are just pulling all those proponents together. I am to receive a report, I would have thought, by September-October, in time to start that work then.

**MS MacDONALD:** The insurance figure is \$2.2 million?

**Mr Zissler:** It is about 2.2. The 1.7 is clear. That is in our budget. The insurance is about \$500,000. It is not absolutely signed off as yet.

**MS MacDONALD:** But you will not actually know how you are going to spend that until September or October? Is that what you are saying?

**Mr Zissler:** We are doing that work as we speak. We are considering a number of options that look at the utility of the oval and what amenity we may create for that, and then, indeed, with the land on the periphery of the oval, how we might best utilise that, given it is part of that sort of Woden precinct. Things like car parking are critical issues for us.

**MS MacDONALD:** I know that the facility has been used. I think Mr Stefaniak injured his leg at one point in the last couple of years playing a game of AFL on the oval.

**MR STEFANIAK:** No. That must have been somebody else, I think.

**MS MacDONALD:** All right. Is it being used at all at the moment?

**Mr Zissler:** No, not at all. We have basically secured the site and we undertake minimal maintenance to make sure it is safe. It has been quite challenging. The surface is not appropriate. Money is needed to totally resurface it. We may indeed move it slightly to get a better alignment. There is a significant amount of work to do.

**MS MacDONALD:** Better alignment to what?

**Mr Zissler:** Again, within the land. It is a major project. This is not just a matter of going back, reseeding it and throwing water on it. I think we are going to have to resurface it, put new irrigation systems in, do significant work with accommodation around the periphery and construct a new stadium of some sort. There are different levels of stadiums and protection you might want to create. Car parking is a significant challenge. In that precinct we have a net loss of 500 car spaces at the moment that we are seeking to get back up to that sensible number. So this is not just a throw some grass seeds and water on it challenge.

**MS MacDONALD:** Obviously not.

**Mr Zissler:** I wish it was, but it is not.

**MS MacDONALD:** Can I just express my interest in receiving a breakdown on that record when it comes out and is made available?

**Mr Zissler:** Absolutely. I am expecting it around September-October. Again, there are multiple components, so it is a matter of trying to work through that as well.

**MR PRATT:** You talk about the car parks on the periphery. I presume you are only talking about upgrading or rebuilding or refurbishing car parks for oval use, not for broader community use?

**Mr Zissler:** No. I think we will be looking at broader community use.

**Mr Barr:** Yes.

**Mr Zissler:** As I said, at the moment in the whole precinct we have a net undersupply—that is a better word than loss—of about 500 spaces. With the extensions to the Hellenic Club and more office buildings moving in that area, plus, of course, more people living there as well, we are quite undersupplied.

**Mr Barr:** It would, Mr Pratt, make sense to be able to utilise those car parking facilities seven days a week, obviously.

**MR PRATT:** So the government will be seeking to extend its revenue raising car park operation, will it?

**Mr Barr:** We certainly would not be providing free car parking in competition with our own pay parking arrangements. Any parking arrangements for Woden would fit within the policy that applies for the entire town centre.

**MR PRATT:** So are these revenues to assist in the refurbishment of Phillip or are these general government revenues raised through your prolific car park revenue raising exercise?

**Mr Barr:** Well, Mr Pratt, at this point I would not seek to hypothecate revenues from future car parking arrangements, but it certainly would underpin the viability of the precinct overall if there was a revenue stream outside of just weekend events that might occur there. Utilisation of resources seven days a week is an advantage, obviously, but, no, I would not claim to be hypothecating all potential revenue from a car park or some car parking arrangements in the precinct towards the stadium.

**MR PRATT:** Mr Zissler, you said that that Phillip Oval Precinct is quite a large parcel of land. In terms of the other peripheral areas, do you intend to also look at other arrangements where you will build facilities that can either be leased or used as revenue raisers to offset costs at Phillip?

**Mr Barr:** I think, Mr Pratt, that we would have an open mind to consider all of those—

**MR PRATT:** So these are the things that are possible, are they?

**Mr Barr:** They are. In developing the precinct overall, I think we would be crazy not to look at all of the options that that land could be used for, obviously within the parameters of our planning regime. We would look broadly at the different options. You need only look across the country and across the world at some of the facilities that are co-located with stadiums to see that there are a variety of opportunities to enhance the experience for spectators at particular facilities that you might seek to co-locate. There is a whole

range of options there, and part of the work that we are currently doing is to explore those options and to seek interest and advice from the community about the sorts of facilities that they might like to see co-located.

**MR PRATT:** But you have already said that you would not be hypothecating revenue raised back to the maintenance of Phillip Oval.

**Mr Barr:** In relation to car parking.

**MR PRATT:** So you might with these other?

**Mr Barr:** That is a possibility that is clearly on the table.

**MR PRATT:** So we will not see slabs of the Phillip Oval precinct being sold off for other uses, for other people's revenue raising?

**Mr Barr:** No. That would not be the intent.

**MR PRATT:** I might come back later on to ovals in general, if I might, chair?

**THE CHAIR:** I think you had better ask the question.

**MR PRATT:** Forty hectares have been reclaimed now or will be refurbished. How many hectares of community ovals does that leave that you cannot budget for?

**Mr Zissler:** It is a very precise number and I will get it straight to you.

**MR PRATT:** Thank you.

**MR SMYTH:** On Phillip Oval, Mr Zissler, earlier you said you would look at other accommodation around the periphery. Are we talking old age accommodation, high-rise accommodation or are we talking accommodating other sporting groups?

**Mr Zissler:** Primarily sporting use, I was referring to—things like change rooms and toilet blocks—

**MR SMYTH:** So primarily, but you will not rule out aged care accommodation and other development on the site?

**Mr Barr:** You could come up with a very long list, Mr Smyth, of potential uses, but—

**MR PRATT:** But not to be ruled out?

**Mr Barr:** No. I think we would go in with an open mind about it.

**MR SMYTH:** It could be office space? It could be residential? It could be other community facilities?

**Mr Barr:** There is a range of potential uses. The rider I put on that is that it must be consistent with planning arrangements that are a feature of that particular site and that

precinct.

**MR SMYTH:** So the Stadiums Authority will now run Phillip Oval?

**Mr Barr:** Yes.

**Mr Zissler:** Currently the budget sits with sport and rec. Once we have established the stadium, they will take ownership for the project going forward. So they will take over Phillip Oval and the Manuka Oval arrangement as well.

**MR SMYTH:** How much is the recurrent budget currently for Phillip Oval?

**Ms Marriage:** It is \$80,000 a year for operating subsidy.

**MR SMYTH:** I draw to your attention page 315 of budget paper No 4, 10 lines from the bottom. It actually says that Phillip Oval and that \$80,000 year recurrent are actually being transferred to DED. Now, I find it intriguing that you are saying—

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**Mr Zissler:** DED has disappeared.

**MR SMYTH:** Well, that is the question. First and foremost, how will you transfer an oval to a department that no longer exists? Why are you transferring it at all if the Stadiums Authority is actually going to run it? Can you tell us why this inaccuracy is in the budget papers?

**Mr Barr:** That is an obvious inaccuracy.

**MR SMYTH:** I make the point back to you, minister, about your figures. Your figures do not add up. There are inaccuracies all through this. You cannot tell us what the real budget now for sport and rec is. You cannot tell us what the staff sport and rec is and you are actually transferring bits of sport and rec to a department that does not exist. How can we trust anything in this document?

**Mr Barr:** I think, Mr Smyth, that the answer would lie a few lines below. You will see that that transfer occurred in 2005-06.

**MR SMYTH:** Then why is it recorded as a change to appropriation for the financial year 2006-07 if it did occur in 2005-06?

**Mr Barr:** It is for accuracy of reporting, Mr Smyth. If you then look below, you will see that there is a transfer of sport and rec from DED and that amount is included in that. It is simply to be transparent about where that money went in the outyears and now where it is going in 2006-07.

**MR SMYTH:** Yes, but anybody who reads this document without the virtue of your knowledge and without the joy of having previous budget boxes at their bedside would assume that you are now transferring the oval to a department that does not exist, and I make the point.

**Mr Barr:** Indeed, Mr Smyth, I take the point that not everyone would have budget



papers as bedtime reading. That is a point I acknowledge. I think equally, were we not to indicate what had happened to that money in the outyears, you would be asking me the same question with a different angle: minister, where has that money gone? Yes, perhaps in the presentation it could be even clearer than it is, but there is, as you see, further down that line, a transfer from the former Department of Economic Development.

**MR SMYTH:** So is the \$80,000 double counted?

**Mr Barr:** No, the \$80,000 is not double counted, Mr Smyth.

**MR SMYTH:** You are certain on that?

**Mr Barr:** Yes.

**THE CHAIR:** Does anybody else have another question for sport and rec because we are going to morning tea. After that we are coming back to tourism.

**MR PRATT:** I do not envy you the task of refurbishing these 40 hectares and whatever else is still swinging in the breeze. What analysis have you undertaken of recycled water from industrial use as a possibility of assisting the watering process of community ovals?

**Mr Barr:** Thank you, Mr Pratt. I understand that work has already been done and there is a process for north Canberra and its ovals. I might get Mr Zissler to outline that.

**MR SMYTH:** Yes, done by the previous government. It was a wonderful initiative of the previous government.

**Mr Barr:** Credit where credit is due.

**MR PRATT:** In that case, how far has it progressed since 2000?

**Mr Barr:** Certainly. I will get Mr Zissler to outline that for you.

**Mr Zissler:** We have a number of projects looking at how we might recycle water. As you know from previous hearings, I think last week, we talked about a state of the art watering system we use which is recognised nationally as being leading edge and that looks at how we use water across all our ovals. As we refurbish these 40 hectares—and I will come back to those numbers shortly—we will be applying those services to that area as well.

In terms of the reuse, there are a number of pilots ongoing. You have to be very clear about the quality of the water. It is not just a matter of pulling it out and dumping it on the grass. You have got to be clear about that. Indeed, you have got to assess it over time. Often it is about the grass type as well. As you know, we have multiple grass types. At the moment the pilots are focusing on the reuse of the water and its compatibility with various grass types. You have to test this over a number of seasons, years, because it's about usage and how much it gets torn up; so it is ongoing.

**MR PRATT:** This trial has really been going on for about five years, has it not?

**Mr Zissler:** I cannot be explicit about the answer to that. I will find out exactly how long, but we have gradually increased the number of sites we use, yes. I will take that on notice.

**MR PRATT:** Could you also please take on notice how the trialling has progressed over the five-year period? We need to see the path of progress in five years. Thank you.

**MR STEFANIAK:** You are currently spending \$570,000 on the teams in the national competitions program.

**Mr Barr:** On the national league teams, yes.

**MR STEFANIAK:** The Raiders and the Brumbies are actually locked in until 2009, but that leaves a lot of other, perhaps less high profile sports that benefit considerably from that. Are you cutting any of the teams in national sports funding?

**Ms Marriage:** Each year, with the review of the national league team funding, we have consultation with each of those sports that are listed as recipients in the previous year. We have general criteria for looking at what their operational costs are and whether the national league competition that they are involved in is changing. For example, with soccer, one year they had a competition that was run over a four-day weekend rather than over a period of a season. So we had to reassess their administration.

We are actually looking at reviewing the guidelines at the moment to tighten them up a bit so that the sports can actually feel comfortable with their acquittal processes and feel comfortable that we are actually accommodating their true valued parts of the national league team. So at this point in time \$570,000 is the commitment for the national league team funding. If we do look at reducing that level, clearly it will be in consultation with those national league team organisations.

**MR STEFANIAK:** It seems you are very seriously looking at it. You do have some fairly significant teams there like the Canberra Capitals who have done Canberra proud, also both the Lakers and the Strikers in hockey and the Rams in Australian Rules. I think you have ice hockey teams and there is some money for cricket. They do not get a huge amount of money, but—

**Ms Marriage:** Water polo.

**MR STEFANIAK:** all of those teams represent Canberra in national and national-type competitions. They have received that money for, I think, five or six years now. I take it what you are saying is all that is very much up for review. Obviously you are not going to touch the Raiders or Brumbies because of those arrangements, which probably mean you cannot. But all those other teams then could possibly face cuts.

**Mr Barr:** I think, Mr Stefaniak, it is also worth looking at the additional support that we can provide. By way of example, it surprised me to learn that the Capitals train at Radford College and get hours of court time in between the under 14s and the under 16s, so that their training needs are not always met at the moment.

I have had an approach from one—Basketball Canberra—with a view to establishing a

basketball centre of excellence and seeking to have a training facility that would enable their elite, both the Gunners and the Capitals, to be able to train, if you like, with less competing time for the facilities. So we are able to provide additional support for these organisations outside of that particular funding process.

**MR STEFANIAK:** For some of them, minister. I have already mentioned the example of hockey, which is at Lyneham. They obviously will have a significant additional expenditure of \$35,000 a year just on the water abstraction charge. There is not much more you can do for them. They are paying a bit extra and I think they get \$40,000 apiece for the men's and women's teams in the national league. Obviously in that instance they are not in the same category as basketball, which you might be able to do some things for.

**Mr Barr:** I have met with the hockey people already. We will have an ongoing relationship and seek to meet particular needs as they arise. It is important that we undertake the process in consultation with these teams to ensure that we are meeting their needs. As has been indicated, the nature of the particular competitions can change from year to year and there are certain events that will occur that may need additional support while in other years that may not be the case.

I think it is a very clear commitment that any changes to that funding pool would be done in negotiation with those national league teams, depending on their specific needs in any financial year as we go forward. So it is important that we retain some flexibility because the needs change. It would be a little bit crazy to say no, this is set in stone forever, and never seek to make changes, particularly when we are approached to provide the services that we are providing in a slightly different way. Well, we are very open to negotiating with those teams to seek to meet their needs.

**MR STEFANIAK:** Finally from me, then, in terms of your general program, you are cutting your grants by \$300,000. How does all this sit in terms of trying to address serious issues like increased childhood obesity?

**Mr Barr:** There is a whole-of-government approach to addressing those issues.

**MR STEFANIAK:** Well, this clearly does not help, doesn't it?

**Mr Barr:** We need to ensure that across government, across agencies and, certainly from my own perspective within different portfolio responsibilities that I hold, we can seek to address those issues through a variety of means.

**MR STEFANIAK:** What I am saying, though, is minimal dollars spent here obviously has a big effect in terms of saving lots more down the track in terms of health costs for obese people.

**Mr Barr:** Undoubtedly preventative health is important, Mr Stefaniak. I acknowledge that, but we can seek to address the issues, as I indicate, through a variety of means. I think it would be unfair to impinge upon one particular aspect of the total package, to single that out and say that this government is walking away from a particular commitment to address those issues.

**MR STEFANIAK:** I am more suggesting, minister, that you are trying to save \$300,000 on a fairly small grants program. Health costs are in the hundreds of millions of dollars, especially for such problems as obesity. Surely it would be better to perhaps spend a little bit of money to save a hell of a lot more down the track. Preventative health is such an important area and one of the best ways of doing that is getting people physically active. If you can do that at minimal cost, surely that is getting more bang for your buck and saving a lot more money down the track, isn't it?

**Mr Barr:** I take the general direction of your point, but I think it is drawing a bit of a long bow to assume that the bottom will fall out of participation as a result of the changes that we are proposing to make here. I think that is an unfair assessment overall.

**THE CHAIR:** We will go to morning tea and come back at 11.

**Meeting adjourned from 10.46 to 11.02 am.**

**MR GENTLEMAN:** How much money does the average domestic tourist spend during a trip to Canberra and how much money does the average international tourist spend during a trip to Canberra?

**Mr Barr:** That is a very good question, Mr Gentleman. Looking through my notes here, I can see that we have some overall indications about increased visitation and length of stay, but I will defer to Mr MacDiarmid on whether we have that detailed breakdown of expenditure for different classes of visitor.

**Mr MacDiarmid:** We do have that information, but we do not have it with us today. We can certainly make available information on the length of stay of both international and domestic visitors, as well as the levels of expenditure. The information comes from Tourism Research Australia. It is independently established and certainly can be made available within 24 hours.

**Mr Barr:** I can indicate, though, that for the year ended March 2006, the previous 12 months to that, the information we have is that the average length of stay for international visitors for holiday purposes increased from 2.3 nights a year to 3.5 nights, so we have seen an increase in the length of stay of international visitors in the most recent reporting period.

**MR GENTLEMAN:** I am trying to get an idea of whether the income for the territory is greater from international or local visitors. That is the reason behind the questions there.

**Mr Barr:** There is series of subsets, if you like, within each class of visitor as well. There are some, and I am sure we will come to this point down the track, who have higher disposable incomes and who do inject more into our economy. I am sure that Mr Smyth will be pursuing a line of questioning and I have some interesting information for him in relation to certain aspects of different types of visitors. I am sure we will come to that point, but we will take the fine detail of your question on notice and get back to you.

**MR GENTLEMAN:** Just on programs, on page 299 of budget paper 4, under output class 3.1, there is a description of the creation and implementation of a number of

marketing and development programs. Can you tell us how many of these marketing and development programs would be directed at overseas tourists?

**Mr Barr:** Yes. I will get Mr MacDiarmid to outline the programs.

**Mr MacDiarmid:** In the 2005-06 year, we spent between \$650,000 and \$700,000 on arranging a consumer campaign activity, culminating in a major event in Marine Square in Singapore. We also attended a range of trade shows in China, Hong Kong, Singapore, Malaysia and New Zealand. It is a range of activities that we engage in against that level of expenditure.

**MR GENTLEMAN:** Following up on that, will any of the international programs for coming years in this budget have any theme highlighting an Australian round of the World Rally Championship?

**Mr MacDiarmid:** The answer to that question is no.

**THE CHAIR:** I have a couple of questions. Minister, this budget appears to reduce funding for tourism by a substantial amount. Why has this reduction been made? How do you expect to maintain the visitor numbers that we have just been talking about, given that funding has decreased? Do you believe that Canberra will remain competitive as a tourism destination? How do we compare with, say, other states?

**Mr Barr:** Yes, we do certainly think that Canberra will remain a competitive destination. Obviously, we do need to look at our position in the market against our competitors for domestic and international tourists. We do have certain advantages and disadvantages. We seek, obviously, to capitalise on our advantages, such as proximity to the major gateway for international tourists, Sydney, and our position between Sydney and Melbourne, two of the major tourist destinations within the country.

We will, as part of the change process, obviously be seeking to make some efficiencies in the delivery of our tourism services. A recurring theme, certainly of my appearances before the committee, has been having a critical look at what percentage of the funding that we provide to an organisation is consumed in administration. There have been some concerns that we have not been, if you like, at a jurisdictional benchmark around our administrative functions. There is a certain economies of scale factor that comes into play there. But we have, as a jurisdiction, been spending considerably more per head of population than almost all other jurisdictions on tourism.

There does come a point, and I have engaged in the Assembly with Mr Smyth on this, where there are diminishing marginal returns from increased investment. We need to be smarter about how we expend our funds. As to the direction that the organisation has been heading in recent years, previously nearly a third of its expenditure was on a car race. In Mr Smyth's day, the V8 supercar race consumed in the order of \$7 million to \$7.5 million of a total budget of about \$20 million. We have sought to invest more money in marketing. The destination marketing role is very important and I see that as a key feature for our tourism corporation; that is important.

We do seek to work collaboratively with the national institutions. I recently attended the Australian tourism exchange in Adelaide. We had an outstanding presentation and

information stall there. We had also with a similar theme the war memorial, the national museum and the institute of sport. I forget who else was there, but there was a range of, if you like, national partners all within our consistent branding, which was important. So we do seek to build on those relationships. It makes sense that, as part of the campaigns that they run around their own individual attractions, we would seek to more broadly encompass them with our own destination marketing goals.

I think the important thing, really, is where we direct the money, because, as has been the case across all of the portfolio areas that I have responsibility for, there is a need to make savings and to do things more efficiently. I make no apologies for that. I think there has been a little bit of an obsession more about administrative structures rather than where we are seeking to direct the money. It is important that we maintain our efforts on marketing, but also that there are a number of key events that underpin our events calendar—obviously, Floriade is a major feature there—and we seek to enhance those particular events.

In a minute, I will throw to Mr MacDiarmid to give some more detail around some of the particular events that we are looking at and how we are going to continue that marketing focus, but I think it is important to note in the current climate that there were falls in domestic tourism for all jurisdictions except the ACT in the last 12 months, so I think we have set in train a good direction. We will continue to build on those efforts, and I do not see that changes to the administrative structure will in any way undermine the work that has already been done and the work that we will continue to do into the future, but it is important that we acknowledge the contribution that the board has made to that ongoing program and I do seek to maintain the board in an advisory role into the future.

I have already engaged with the Tourism Industry Council about how we could seek to broaden the advice that is provided there and they have particular views about some additional industry representatives that would enhance that advisory capacity, but we have a changed process. I would like to take this opportunity to put on record my appreciation, certainly in my early days in the portfolio, of all of the work that Mr MacDiarmid and his team have done. I think they have done a fine job.

We have a changed process now, but I do not see that as in any way undermining the future direction of the organisation and it will forge ahead. My observation is that the culture that Mr MacDiarmid has endeared in that organisation is positive and forward looking. They are innovative and I would seek to work with them to build on the work that they have done to this point. You had a specific question in relation to some of the events and marketing efforts that are going forward.

**THE CHAIR:** I do not necessarily want to take up time now to do that. I am really happy to receive information on that on notice. I just want to make sure that we position ourselves vis-a-vis the other states and the Northern Territory.

**Mr Barr:** Perhaps I should get Mr MacDiarmid to outline that process.

**Mr MacDiarmid:** It has been quite a journey over the last couple of years to position the ACT as a place in the Australian story, which is the brand positioning that we have adopted. The execution of that obviously is in tag lines such as “See yourself in Canberra”, now iterated into “See yourself in the nation’s capital”. I suspect that in the

years going forward there will be further iterations of that in terms of the tag line. But fundamentally, Canberra is a place in the Australian story, as are most national capitals round the world in their own countries, representing in this case what it means to be an Australian.

We have actually had a lot of success with that and people are starting to resonate with it. In the case of the Sydney market, which represents a substantial part of our visitation, Sydneysiders, based on qualitative research, are very much in line with it. It is more challenging the further you get away from New South Wales, into Brisbane and Adelaide, but nevertheless they are coming on board as well. The approach we have adopted has been very much around a combination of destination marketing events—again with the same approach, and I will come to that in just a moment—and our sales and distribution activities. They are the three areas that we will be focusing our attention on in 2006-07 and going forward.

If we are going to hang on to our market share position in a very challenging domestic market, where we saw a six per cent decline in 2005, it is really important that we focus as much of our resources on those three areas as we possibly can. Therefore, when it comes to savings, which I am sure we will get into, the other areas which do not provide the opportunity to retain that market share position are the areas we will focus on trying to reduce.

Floriade is a really good example of an event that really has grown in the last 12 to 18 months or two years in particular. We have really now engaged the national institutions in building what we call a trail around Floriade. That is, I guess, a good example of how we are now building this cooperation and partnership with the national institutions. The combination of an event like Floriade with this trail program over a period of a month actually had a substantial increase in visitation last year from where it was the previous year.

If I can just make a point about the target that is now sitting in our statement of intent or the equivalent of, which is actually a reduced number, we should recognise that we are being conservative in our estimates here because the domestic market has declined by six per cent. We do not see any change in the parameters that drove down that domestic market. We actually see those particular parameters being as significant as they were in 2005 and 2006, to the extent that a combination of a six per cent decline and an ongoing decline in domestic visitation across the country means that we would need to be conservative in establishing a target for Floriade that was lower than last year.

That is the basis on which we actually established that number, because the level of funding for Floriade in 2006-07 has not changed from 2005-06, except for the fact that we had already planned, as you would do six to nine months ago, to reduce the size of the beds from what was last year a record size of 12,500 square metres of garden down to something that we have usually done, which is around 10,000 to 10,500 square metres.

**MR SMYTH:** I have a supplementary question on the marketing issue that you raised, madam chair. I have some other questions as well. Minister, you said that we need to remain competitive. You also spoke about the point of investing at which you get a diminishing return. What is the point of diminishing return? Has that been determined? If so, can you back up that we are currently spending too much on tourism? Secondly, how

will you remain competitive when all of the other jurisdictions are at least maintaining their tourism funding, if not increasing it substantially, and that ranges from the Northern Territory through to the Victorian and Federal governments? How will we remain competitive against the direct competition from the other states and territories in this country?

**Mr Barr:** Mr Smyth, you and I have a fundamental philosophical difference around the role of government in providing handouts to industry. That is fairly clear from our conversations on this issue.

**MR SMYTH:** No, I am not asking about our fundamental differences. I am asking about how you will remain competitive.

**Mr Barr:** No, I think it is a fundamental difference, Mr Smyth. I think that the role of government in this field is to provide the conditions and the overarching support that will enable the local industry to achieve—

**MR SMYTH:** No, I bring you back to what you said. You said, “We will remain competitive.” How will you, as the minister for tourism, achieve that?

**Mr Barr:** Absolutely, because we are directing our efforts into those areas that provide a return for this region. As has been indicated, those key events and those key marketing areas are unchanged, or only in a very minor context, as part of the changes that will occur at an administrative level. We are seeking to create the environment whereby the local industry can flourish. My fundamental belief is that they are not helped to develop their industries by being overly reliant on government handouts, so we have sought to focus where the government expends its dollar in this area on a broader role, if you like, around destination marketing and the development of product that individual businesses may seek to undertake as part of that broader role for government is there and those links are there, but it is not, I repeat, a role for government to provide welfare for businesses. They will strengthen and grow on the basis of their ability to operate effectively without government assistance. This, Mr Smyth, is a conversation I have had with the tourism and transport federation. I have met with them twice now. I had a very interesting conversation with their executive director, who is, as he said, a proud coalitionist but one who shares my view that industry handouts are not what is needed to develop this industry.

**MR SMYTH:** What percentage of your budget would go to industry handouts?

**Mr Barr:** There was previously across the government a considerable amount of money.

**MR SMYTH:** Detail it if it is considerable.

**Mr Barr:** You have identified aspects of it in the Liberal Party’s criticism of the budget overall. It is interesting that, broadly speaking, the Liberal Party is supportive of reduced expenditure but specifically opposed to each measure that the government brings forward. It is a real question of your credibility as a political party. In general, you support efficiency in government expenditure and yet oppose every specific measure. Mrs Burke the other day said, “Don’t touch Weston Creek.” Somehow, Weston Creek needs to be immune from any—



**MR SMYTH:** You can't do it, can you? You cannot detail the business welfare that you talk about.

**Mr Barr:** Yes, there is—

**MR SMYTH:** Perhaps we will take another tack. Do you believe that funding tourism is an investment for the ACT, that there is a return?

**Mr Barr:** There is a return, Mr Smyth, but I've indicated—

**MR SMYTH:** Okay. It is one of the few areas of government that gives a direct return.

**Mr Barr:** There is a variety of areas of government that give returns, direct and indirect.

**MR SMYTH:** But you eventually get a direct financial return in terms of taxes as well as other benefits.

**Mr Barr:** You get a direct financial return from investment in education. You get a direct return from a whole range of activities, Mr Smyth.

**MR SMYTH:** But you agree that there is a measurable return in tourism funding.

**Mr Barr:** There is, but the level of return is contested. If you ask different forecasting groups, different economists, if you put 10 in a room, you will get 10 different answers.

**MR SMYTH:** All right, what is your view? What is the return on the investment you make in tourism?

**Mr Barr:** I don't seek to have a personal view, and that is the point, Mr Smyth.

**MR SMYTH:** No, I am asking you how much it is, I am asking you to quantify it. Had you done the work before you made the cuts?

**Mr Barr:** My point is that it is fundamental to the role of government overall—

**MR SMYTH:** So you can't answer the question.

**Mr Barr:** No, Mr Smyth, I am seeking not to answer the question that you are—

**MR SMYTH:** You actually have to answer the questions asked by the committee.

**Mr Barr:** No, Mr Smyth, I am seeking to provide an answer to the broader question, which is: what is the role of government overall?

**MR SMYTH:** No, I have not asked that question.

**Mr Barr:** You have in an indirect way sought to.

**MR SMYTH:** No, I have not. Do not answer an indirect interpretation. Answer the

direct question. What is your knowledge of the return on the investment that is tourism funding in the ACT?

**Mr Barr:** Depending on who you talk to, Mr Smyth, it ranges.

**MR SMYTH:** No, I am talking to you, your knowledge.

**Mr Barr:** I do not seek to have a personal view, because I do not believe that there is—

**MR SMYTH:** Does the government have a view?

**Mr Barr:** an answer, Mr Smyth. As I say, you get 10 different answers when you talk to 10 different people.

**MR SMYTH:** I am asking you. You are a minister. You are asking for money from the Assembly, through this committee, to spend on tourism. I am asking you what your understanding of the return is of the investment of tourism dollars by the ACT government.

**Mr Barr:** It varies, Mr Smyth, depending on which report you read, from between \$4—

**MR SMYTH:** Which report do you like the best?

**Mr Barr:** Between \$4 and \$11 per dollar is what I have heard touted around the industry. Obviously I do not agree that for every dollar you spend, you get \$11 back. Otherwise we would invest the entire budget in tourism.

**MR SMYTH:** Then you would cross your law of diminishing returns.

**Mr Barr:** You certainly would, and this is my point.

**MR SMYTH:** But what is the appropriate point?

**THE CHAIR:** Just a second. Mr Gentleman has pointed out that he did ask a related question earlier.

**MR SMYTH:** He might have, but it is not the question I have asked and I am not getting the answer.

**THE CHAIR:** You were not even in the room when the question was asked.

**MR SMYTH:** We were listening outside.

**Mr Barr:** My view, Mr Smyth, is that we will do best for the industry overall and for the development of that area of our economy by seeking to undertake a broader role for government around destination marketing and that we do not—

**MR SMYTH:** The ACTC has been undertaking destination marketing for the last couple of years.

**Mr Barr:** Certainly, and more, Mr Smyth, under this government than ever when you were tourism minister. There is no doubting that.

**MR SMYTH:** Well, let us compare the figures.

**Mr Barr:** You wasted millions of dollars on a car race that the local people did not want—

**MR SMYTH:** No, that a select group did not want.

**Mr Barr:** and that very few people turned up to watch

**MR STEFANIAK:** They did. They wanted it all right.

**Mr Barr:** Mr Stefaniak, I think we can agree to disagree on that.

**MR SMYTH:** Go and compare the data with South Australia. It is a nice smokescreen, minister. Can we come back to investment? What does the government accept is the return on tourism? Did you do that work before you cut the tourism budget?

**Mr Barr:** This jurisdiction invests more per capita than almost all other jurisdictions in Australia.

**MR SMYTH:** You need to be careful about misleading the Assembly because you are not comparing apples with apples, and you know it. A number of sources have put out an independent analysis of what you are saying, and it is just not true. You need to take into account all your funding, while other jurisdictions do not. You compare tourism and event funding in the ACT with tourism and funding in Victoria, and you know it. You should be very careful about misleading this committee.

**Mr Barr:** You, Mr Smyth, are famous for the merger of tourism and event funding, aren't you? We only need to look back on the previous experience and the way you ran it.

**MR SMYTH:** Not I. You have done an unsure document. You prove it. It is incorrect and you know the industry has said that.

**Mr Barr:** Well, Mr Smyth, I fundamentally disagree with the statements you are making.

**MR SMYTH:** Well, prove it. Disprove what TIC is saying. Disprove what other tourism organisations are saying.

**Mr Barr:** No. You disprove the figures that are contained within the—

**MR SMYTH:** We have. It has been disproved.

**Mr Barr:** You have not. You fundamentally have not.

**MR SMYTH:** It has been disproved many, many times.

**Mr Barr:** You are still yelling at me now in this context—

**MR SMYTH:** No, I am not yelling at you at all.

**THE CHAIR:** We are going to move on. Dr Foskey has got another question and Mr Pratt has a supplementary.

**DR FOSKEY:** The fact sheet that was released with the budget says that ACT Tourism programs duplicate much of the effort undertaken by the National Capital Authority and the ACT government wants to eliminate this duplication. Could you please outline the exact tourism programs that the ACT government duplicates and the process that you went through to identify this duplication?

**Mr Barr:** Thank you, Dr Foskey. There is a range of areas where some of the effort that we were doing locally did overlap with what the commonwealth was doing through its various agencies and various attractions. In the broader sense I think it is important that we seek to work constructively with those national institutions, and I certainly am of the view that we are getting closer to the sort of relationship that we need to have with those organisations.

But it is important, when we are seeking to put together events calendars and the like into the future, that we have a good sense from the national institutions of when they are looking at running, if you like, blockbuster-type events and that we are not seeking to have local events overlap with those that are run nationally. We will find that we have too much on on a particular weekend and then nothing on on others. I think it is important that we work at improving that relationship.

Obviously these organisations have marketing budgets of their own and some of the expenditure that has been incurred by the tourism corporation has overlapped. We can do better. We can seek to be more inclusive with those organisations. It is important that we strengthen the relationship with the NCA as well. They have a role to play, too, in terms of their management of the parliamentary triangle where a number of the national institutions are.

We will obviously, in moving forward, seek to work collaboratively and, as I indicated, the experience at the Adelaide Tourism Exchange was very good and it was pleasing to see that level of cooperation between our tourism body and the national institutions. I am, in looking forward, as I say, keen to ensure that we manage our events calendar effectively to avoid that duplication and that we pick up on the initiatives through Floriade that have been outlined previously in terms of increased cooperation between the organisations.

But perhaps there has been, and I am sure people would agree, a tenor in relation to ACT-federal government relations where we have been at loggerheads on some of these things. Very early on I spoke with Annabelle Pegrum at the NCA and sought to establish from day one an open and constructive relationship, and I think that is important in going forward.

**DR FOSKEY:** Do we have a memorandum of understanding with the NCA about

tourism? Do we have regular meetings with the NCA to devise tourism campaigns to get the best result for the dollar? This is a very big statement that you make here in the fact sheet and you have not in your answer to me given me more than an intuitive understanding of where there is duplication. I, and I think the rest of us, need to be assured that you have set in place with the NCA a process that will actually make that true.

**Mr Barr:** Thank you, Dr Foskey. We do not have an MOU at this point, but we do have regular meetings with them and also with the national institutions, I might get Mr MacDiarmid to outline how that process currently works.

**MR SMYTH:** Before Mr MacDiarmid goes there, I note what Dr Foskey said about not answering the question. Could you take on notice and give us a written reconciliation of where the overlap with the NCA is and detail how much exactly it is?

**Mr Barr:** We can do that, Mr Smyth, yes.

**THE CHAIR:** So you will take that on notice, and Mr MacDiarmid is going to give us some more details on what is happening?

**Mr Barr:** Yes, on the NCA relationship and with the national institutions.

**Mr MacDiarmid:** Dr Foskey, we have a regular national institutions group directors' meeting. In fact, we have three levels of meetings with the institutions, including representatives of the NCA. One is on a quarterly basis with the directors, including the Chief Executive of the NCA, Annabelle Pegrum. Those are designed to ensure that we do build this degree of cooperation that we have referred to before to make sure that the partnerships that we establish minimise the duplication that was also referred to.

We also have a meeting with the public programs people to work with them to ensure again that, if there are exhibitions coming up, we understand what those exhibitions are and that we can work with them to ensure that there is a marketing program attached to it, that in fact it is consistent with and complementary to what we might be doing, and also to minimise duplication because at the end of the day the national institutions represent the Australian story.

If they do not actually start using the tagline positioning and they do not start working, I guess, to help cement that position in the minds of consumers outside the ACT, then we are going to find it difficult to sustain the brand positioning that we have established, because they do represent the place of the Australian story.

The other meeting we have with the national institutions and the NCA is through the marketing group of the NCAA, National Capital Attractions Association. We make representations on a regular basis to that group. It is a group representing all the institutions and also the private sector attractions, including the National Aquarium and Zoo, Cockington Green and so on. Again, we are in regular contact with that particular group to ensure we work cooperatively, build partnerships and actually demonstrate the value that we can add to them and that they can add to things that we do.

**DR FOSKEY:** Will that continue when the tourism commission no longer exists?

**Mr Barr:** Absolutely, Dr Foskey, yes. I think it is important to note that the change in administrative structure does not mean that—

**DR FOSKEY:** May not mean?

**Mr Barr:** Does not, Dr Foskey. It does not mean that we will no longer participate in all of the industry forums and all of the work that we do. That is ongoing. There has been a perception that we have just scrapped tourism altogether, and that is clearly not the case. I welcome the opportunity to put on the record that those meetings and that development work that we have been undertaking will, of course, continue into the future.

**MR PRATT:** Thank you. Minister, can I go back to the question for which we still do not have an answer? What is your best analysis of the return on investment in tourism? Can you take it on notice if you cannot answer us now?

**Mr Barr:** Somewhere between \$4 and \$11 appears to be the range of views, obviously diminishing with each additional dollar that is spent. I do struggle with the concept that you get an \$11 return for every \$1 spent, particularly with large sums of money. I think that there is clearly a diminishing marginal return from increased investment.

**MR PRATT:** Doesn't your best analysis tighten that up? Cannot you get a tighter number than that?

**Mr Barr:** The point I sought to illustrate earlier, Mr Pratt, is that if you put 10 economists in a room, 10 modellers, you will get 10 different answers.

**MR PRATT:** What answer did you reach from those 10 economists?

**MR SMYTH:** What did Treasury tell you?

**Mr Barr:** There are a variety of views around this. No-one has a magic answer for that. As I say, economics is not an exact science.

**MR SMYTH:** So what number did you use as a basis for the cuts that you have made?

**MR PRATT:** That is right. That is the question. What did you arrive at?

**Mr Barr:** The figures that we have sought to go forward with in relation to tourism expenditure are based upon a number of factors.

**MR PRATT:** \$11 or \$4?

**Mr Barr:** No. I would say that the most important one is what the territory can afford; that we do need to live within our means. Again, I come back to the point I raised earlier. We have some views that in general we need to make expenditure savings, but specifically we are opposed to each one. It is a fundamental issue of credibility, really, how to move forward with a sustainable base across the entire area of responsibility of the territory government.

In putting forward this particular proposal, we sought to achieve administrative savings and we have sought to concentrate our effort in those areas that I have outlined from the start. We are spending more on marketing and on the particular events that have been successful than Mr Smyth ever did when he was minister. The change in focus for the corporation has been to move away from \$7.5 million car races and to put that sort of money into destination marketing, to market all of the attractions in the region. That is an important step, I think, that we move beyond propping up events that, frankly, were dogs in the tourism sense.

**MR SMYTH:** Check the Adelaide experience and the return they are getting on their investment now.

**Mr Barr:** Well, Mr Smyth, fundamentally it was the wrong event, the wrong weekend and it was not supported locally.

**MR SMYTH:** Check the Adelaide experience and make those statements.

**MR PRATT:** You could have made it the right weekend.

**Mr Barr:** We could use that money much more effectively than on subsidising a car race.

**MR PRATT:** Again going back to a question which you would not answer or could not answer, can you take this on notice: what is the percentage of funding of the budget that you say was spent on, as you put it, welfare expenditure to prop up local tourist capabilities?

**Mr Barr:** I have already indicated that we will take that on notice.

**MR GENTLEMAN:** Minister, before Mr Pratt's question earlier on, you were talking basically about the success of tourism in regard to domestic numbers in this last year compared to other states. We have heard from Mr MacDiarmid about the success of Floriade and Summernats, the Australian story program and the See yourself in Canberra program. You have said that as the tourism corporation now moves into TAMS there will be no loss of those programs; they will continue. But how do you replace the expertise of Mr MacDiarmid when he leaves?

**Mr Barr:** Clearly going forward, to lose someone of Ross's capability is a loss to the territory. I thank him very much, as I did earlier, for his contribution and certainly for assisting me in my first 10 weeks in the portfolio. But I have also observed through the organisation a tremendous culture and that all of the skills and experience that Ross has brought forward have been instilled in other people in the organisation.

There is some exciting young talent who are coming forward and I had the opportunity to see their work and to meet with them in Adelaide at the Adelaide Tourism Exchange. I am very confident for the future of the organisation. As important as Ross has been over the years, it is important that an organisation is more than just one person. I am sure he would agree that his legacy is also the team that he has established and that there are some fantastic people, in whom I have the utmost confidence, who will go forward. They will get the chance to step up into a leadership role. It is an opportunity.

On a personal level, I have perhaps benefited from a changing of the guard, and it does present an opportunity for new people to come forward. Whilst we acknowledge the considerable work that has been done by all of those officers within ACTC, some of whom have indicated that they will leave in the year ahead, there is a very strong team that will continue forward. I think that is a testimony to Ross's work over his time.

**Mr MacDiarmid:** Can I just add to that, minister, by saying that I have only been there four years and a bit. There are people in the organisation that have been there a lot longer than I have and I have learnt more from them in the four and a bit years I have been there than they probably learnt from me. So, while I appreciate the comments, the reality is that the way we have structured the transition process, the people in the organisation in management positions who have a lot of years of experience, who have a high degree of enthusiasm and commitment and who are highly innovative I have no doubt will take the organisation forward.

The people in the organisation are also very talented and very capable. So I do not think there is any concern at all about moving forward with the expertise and experience that will remain in the organisation post my leaving and some of the others also leaving.

**THE CHAIR:** Dr Foskey has a supplementary, and then Mr Smyth. We will finish at a quarter to because we need to go on to IR.

**DR FOSKEY:** I just want to take you, minister, to your comment about discontinuing events that have a net benefit for Canberra, and you keep referring back to the V8 car races. It is observable on page 312 of budget paper 4 that the Rally of Canberra that was held last year had a visitor target of 4,000, but only 1,500 or so came. I note that the target for this year is down even less than that. So I am interested in how much funding you will provide to the Rally of Canberra, its projected revenue and whether there has been any cost-benefit analysis of the dragway in terms of cost and revenue and flow-on effects that we might conceive and whether tourism has been consulted in that.

**Mr Barr:** Thank you, Dr Foskey. I am advised that funding for the rally is about \$853,000. Visitor numbers associated with the event have been disappointing. Subaru are no longer sponsoring. They have completed their five-year sponsorship. For the future of the event, it is important that they get a new sponsor because as a tourism event it currently does not stack up. I think there is a strong view within the tourism industry that that is the case. So I think a new sponsor for the event is important, and we do need to look at where it fits within our calendar and how we can perhaps better run it as a tourism event.

But I think you are right to identify that as a concern. We do need to look at how we can better organise the event. In my view, on the basis of the financial contribution, it does not have a tourism return that justifies that level of expenditure, and we certainly need to look at a new sponsor. We need to look at how the event is run into the future because at the moment, on a clinical assessment of its tourism return, it does not meet that—

**MR SMYTH:** So its future is in doubt?

**Mr Barr:** Well, I think that we need to find a sponsor for it. Without a sponsor, we would have to seriously look at it. I am not seeking to make a decision today by any



means, but I think it is important that we do find a new sponsor for the event to ensure its continued viability into the future. The way it is going at the moment, sponsorless, it would be in trouble.

**DR FOSKEY:** Has ACT Tourism calculated level of visitors and revenue from the dragway?

**Mr Barr:** No, Dr Foskey.

**MR SMYTH:** Mr MacDiarmid, you were on ABC Radio on 22 June this year saying that the corporation was “not top-heavy in overheads and administration” and that “people in the organisation are working at the pointy end of tourism promotional activities”. Have you ever calculated what the cost of administration of ACTC is?

**Mr MacDiarmid:** Yes, it is of the order of 14 per cent if you include rent, which is half a million dollars. I think that is the point the minister was making. If we have the ability to sublease some of the premises and save on that \$500,000 in that transitional process, that contribution will go back to program funding or to address some of the issues the minister referred to in his opening statement. Referring to the other elements of expenditure that make up the overheads, that is, electricity and IT—obviously we have a finance team as well as some small corporate service activities—some corporate service functions, or certainly the government liaison function, will move into the Department of Territory and Municipal Services.

Obviously, as some shared service facilities are being established they will move into that area as well, providing the opportunity for some potential savings. At the moment those shared services costs will remain within the organisation’s budget. If you go on to the rest of that quotation you will find that I referred to the fact that a substantial rent cost was being incurred. I disagree with the other elements of overheads on the basis that the team of people in our administrative area has performed pretty well. Nevertheless, because of what I described a moment ago, there are opportunities for savings and the minimisation of duplication.

**MR SMYTH:** How does it compare with other tourism authorities around the country?

**Mr MacDiarmid:** I have not done that exercise although in conversations with my colleagues I think they are in and around the same sort of territory and they have about the same sorts of numbers. The emphasis here is: where we can save money that will go back either into program activity or into other areas of savings targets that have been set by the government? The opportunity to move into the Department of Territory and Municipal Services provides the capacity for that to happen.

**MR SMYTH:** Minister, given what Mr MacDiarmid just said, how could you guarantee that overheads in the department would not blow out? Why are the savings that are being made not then being apportioned to the marketing process?

**Mr Barr:** Opportunities have been identified around accommodation. Under previous staffing arrangements we established the need for a standalone officer to provide ministerial support. That will no longer be necessary because those functions can be picked up within the broader department. Clearly, we can reduce the position of one staff

member who provides support to me. Within the broader department I would have one officer providing support for sport and recreation, tourism and all those areas for which I have ministerial responsibility within the department.

If you look at the physical location of some of the other state and territory tourism officers you will find that they are often in more accessible areas than our tourism officers. There is not that much walk-through traffic out of the airport. I think it is possible to have a shopfront and a more public display in a government building within the city for visitors to the city who might not stop in at the visitor's centre on their way in, or for visitors who might access the city from a different route. Having a visible and public display in the city centre is an attractive proposition.

**MR SMYTH:** Just for the record, how many staff does the ACTC currently have? How many will remain and then transfer into the department?

**Mr Barr:** It is 48.5 down to 40.

**MR SMYTH:** How many of that 40 will survive long term?

**Mr Barr:** That requires crystal ball gazing to a certain extent, Mr Smyth. We see those positions going forward in large part. The individuals occupying those positions obviously will come and go, as per the normal process. A proportion of functions will move to shared services as has been identified. There will be some areas of duplication in finance and support to the minister's office, and media would form part of a broader unit within the department.

It is important in this transitional phase to retain a degree of flexibility in the first year and then to establish where we might need to strengthen particular focuses. The broad philosophy underpinning all this is that we maintain or enhance our effort at the pointy end, where it matters, and seek to make appropriate savings at the administrative end. As I clearly identified, one surplus position that currently supports my office can be absorbed into the broader department.

**MR SMYTH:** On a slightly different issue, I understand that the Land Development Authority is doing some work on the need for a new five-star hotel in the ACT. Has your office or the ACTC been contacted about that? Have you had any input into that report? Have you seen that report and can you provide it to us?

**Mr Barr:** Is this in addition to the Doma hotel development?

**MR SMYTH:** No, it is different to the Doma.

**Mr Barr:** So another one in addition to that?

**MR SMYTH:** Yes. I am not sure whether the Doma is strictly a five-star hotel. I understand there is a report that looks at the viability of a new five-star hotel in the ACT.

**Mr Barr:** I understand that some work has been undertaken in the Civic redevelopment models. I have not seen it.

**Mr MacDiarmid:** I have not seen it either. Obviously I have been made aware of it, but I have not seen the details of the report.

**MR SMYTH:** Did the ACTC have an input into that report?

**Mr MacDiarmid:** No. Obviously we provide a huge amount of statistics from the research work that we are doing and that is available on our web site. I can only assume that it would have been used, or one would like to think that it has been used, by an organisation to determine the viability of a project of that size. I have not seen the report. We have not specifically been contacted, or I certainly have not been.

**Mr Barr:** The advice I have informally from the Hyatt is that its five-star hotel in Canberra is one of the best performing hotels in its group as a result of its effective monopoly.

**MR SMYTH:** Yes, but that is an entirely different issue. Are you concerned that the LDA has not contacted the ACTC to get its view?

**Mr Barr:** Am I concerned?

**MR SMYTH:** Are you concerned that there has been no input from the territory's tourism body into whether or not this city needs a new five-star hotel?

**Mr Barr:** I am happy to take up that issue with my colleague.

**MR SMYTH:** But the report could well be finished?

**Mr Barr:** It could well be. I am happy to investigate that. It is probably not an ideal situation but, at the same time, the LDA has in place a range of processes and it would be better if you asked the responsible minister about them. I am not au fait with the fine detail.

**MR SMYTH:** I am asking you, as the minister responsible for tourism, whether you are concerned that other parts of government are making decisions without consulting either with you, as the minister, or with your peak tourism body to get a true picture of what is needed?

**Mr Barr:** My greatest concern in this portfolio at the moment is the massive opportunity that has been lost to this jurisdiction as a result of the federal government overriding the civil unions legislation. I received advice from the Tourism Industry Council that we missed out on a major market as a result of that.

**MR SMYTH:** So will you compensate for that by returning the tourism funding?

**Mr Barr:** I would like to see that commonwealth legislation go through unhindered.

**MR PRATT:** As a tourism initiative?

**Mr Barr:** Certainly, Mr Pratt. It would have major spin-offs for this jurisdiction, which is seen as a gay and friendly jurisdiction. I am happy to table the letter from

Kym Cheatham at the Tourism Industry Council to the Chief Minister supporting the legislation and specifying the large tourism spin-offs that would have resulted if the legislation had not been knocked off. It is important for the government to proceed with that.

**MR SMYTH:** Will you return the \$3.5 million cut this year to compensate for that?

**Mr Barr:** No, Mr Smyth, I will seek to develop new tourism markets for the territory. Had that legislation not been knocked off I believe we would have had an opportunity to develop a new and enlarged market for the ACT, which has some of the highest disposable income of any sub-market in the country. It is important for us to progress with that.

**THE CHAIR:** Minister, will you table that letter?

**Mr Barr:** I am happy to table that letter.

**MR SMYTH:** Speaking of new markets, how much will the planning for the Brindabella Classic cost this year?

**Mr MacDiarmid:** Given that last year was the first year of the Brindabella Challenge, clearly it was going to be a potential risk. The steering committee, which was formed last year and which met again this year, has agreed to take on that event itself, which is fantastic news. Subject to the confirmation of the minister in consultation with the chief executive, Department of Territory and Municipal Services, we have set aside \$40,000 in the budget.

That \$40,000, which is notionally allocated in the marketing budget for marketing the event, is the same amount as last year. I think it is a great outcome. It is a clear indication that all associations comprising the steering committee recognise its value, are prepared to get behind it and with some small seed funding through the event assistance program will ensure the event continues, which is great news.

**MR SMYTH:** I see the result expected for Floriade is fewer visitors this year as opposed to what we saw last year. Floriade did very well last year with 158,000 visitors. Why are we expecting only 132,000 this year? Is that as a direct result of the cuts?

**Mr MacDiarmid:** No, it is not.

**Mr Barr:** There are no cuts to Floriade.

**MR PRATT:** Is it as a direct result of the industrial action taken last year?

**Mr MacDiarmid:** No. Mr Smyth, I made the point a while ago that the industry declined by six per cent in 2005. The parameters or the factors that resulted in that decline across the national market are still in play. In fact, if anything, the impact they have had on the market has increased slightly. On the basis of that level of funding we expect the numbers attending Floriade to be around the same as in 2005.

It would be naive to assume that the marketplace I described to you in 2005 would exist

in 2006 and would not have an impact on numbers. If we retained that figure of 132,000, a previous number that we set as a target, we would have done extraordinarily well in a very tough domestic market, particularly when we are so heavily reliant on the market in Sydney which, as we know, has been affected by fuel prices.

**MR SMYTH:** Will the minister take that question on notice and provide a breakdown of how he and the Chief Minister have been using the 16 per cent on administrative overheads? Could he give us a breakdown of exactly what that is?

**Mr Barr:** Certainly, Mr Smyth.

**THE CHAIR:** Thank you Mr MacDiarmid. I hope you enjoyed your last day here.

**Mr MacDiarmid:** I am not sure that it is my last. I could be here for the annual reports and I look forward to seeing you.

**THE CHAIR:** If you are here for the annual reports, we will try to have scones, jam and cream for you.

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

**THE CHAIR:** We will deal now with industrial relations.

**MR GENTLEMAN:** Minister, could you give us an update on WorkCover investigations into the death of a building construction worker over the weekend? Could you also let the committee know why the union's occupational health and safety representatives were not allowed to inspect the site?

**Mr Barr:** It is not appropriate for me to go into too much detail at this point, as it is an ongoing investigation with the police and with WorkCover. In relation to the second part of your question, it is clear that the impact of the federal government's legislation has come to the fore.

**MR SMYTH:** So the worker's fall is directly attributable to the change in WorkCover arrangements?

**Mr Barr:** No, I am not suggesting that. It is clearly the case that the union is no longer able to play the same occupational health and safety role as it played previously, which is a matter of concern. Not knowing the full details of the incident I would not seek to make an accusation in relation to this case. I simply make the point that overall there are now changes and it is a changed environment. Given the high risks associated with this kind of work, it concerns me that there would be any attempt to cut corners on health and safety issues, speaking generally. I think that is a legitimate concern for me to have raised. I will get Mr Janssen to outline what he is able to outline in response to your question, Mr Gentleman.

**Mr Janssen:** There is not a lot that I can say. An investigation was commenced immediately on notification of that incident. It is being undertaken jointly with the Australian Federal Police. WorkCover investigators, police and the Coroner attended the incident on Saturday morning. We had a number of investigators on the site earlier today

interviewing persons who were present during the incident. That process of collecting information and ultimately preparing some advice for the Coroner is now proceeding.

**MR GENTLEMAN:** From my knowledge there have been only a few deaths in workplaces in the ACT.

**DR FOSKEY:** I believe industrial relations is the overarching department for the work of the community sector task force. I am interested in knowing when the report of that community sector task force will be released?

**Mr Barr:** We are working through those complex issues. By way of background, the task force, which was established in April 2005, held its last meeting towards the end of February this year. There are some outstanding issues. My concern at this stage is that elements of the community sector are unhappy with the draft report, so we are seeking to work through those complex issues. I am concerned about producing a document that shows some way forward. As part of this process my office is working with stakeholders to try to achieve an outcome. After engaging in all this work it would be unfortunate if we arrived at a position that was no better.

I do not have a final date on the report other than to say that the work is ongoing. It is important for us to achieve some outcomes otherwise it would have been an exercise in futility. As is always the case when there is a change in portfolio responsibilities, it is a little unfortunate that all this work was done under a former minister. Obviously I had to pick up a project that I was not involved in commencing, so I needed to have a critical look at aspects of it. As I indicated, I noted that there is a degree of unease amongst community sectors about aspects of the draft report. We need to resolve those issues so I am working through them.

**DR FOSKEY:** Minister, could those issues not be resolved after the report is made public?

**Mr Barr:** Some ongoing work needs to be done, Dr Foskey. I will be seeking to make the report public in the near future. We have not yet reached the stage where we will be doing that.

**DR FOSKEY:** Is the ACT government still committed to developing a baseline for salary costings for the community sector in service agreements?

**Mr Barr:** Some of those issues were touched on in the report. I think some organisations have concerns about certain aspects of that report. I will not give a definitive answer at this point because work on that still needs to be done.

**DR FOSKEY:** Perhaps you could answer my next question without reference to the report. Will the ACT government complete the investigation of the pay and conditions differentials between workers in the community sector and those working in a substantially similar position in the government? What is the nature and extent of recruitment and retention problems in the ACT community sector?

**Mr Barr:** That work has been progressing. I have already had a couple of meetings with various sector representatives and I have discussed specific issues around recruitment

and retention. They asserted that they train people up and the ACT government comes along and pinches their best workers. I was able to assure them that in the foreseeable future the ACT government would not be seeking to expand the size of the public service, thus allaying their concerns.

**DR FOSKEY:** Though their workload might increase?

**Mr Barr:** Issues relating to the overall size of the service are perhaps better directed to other ministers. It is important to acknowledge the extra workload on some of our public servants and on some of the workers in the community sector. That having been acknowledged, we are seeking to address those issues as best we can. As with everything, Dr Foskey, there are limits to what governments can achieve. Not all the solutions you seek are within the purview of governments to deliver. Overall, we will continue to work on these issues.

**DR FOSKEY:** So will that investigation of pay and conditions differentials be made available to the public? Will you be able to inform the next budget?

**Mr Barr:** It would be my expectation that by the time of the next budget that work would be complete.

**DR FOSKEY:** Will we be able to see that work?

**Mr Barr:** At this point I will take on notice the question as to exactly when such information could be released. Some of it is already plainly in the public arena. You simply need to look at the Saturday *Canberra Times* to see in some instances the differential between certain positions in the community sector and the government. The scoping work is ongoing. I do not seek to make commitments today on which I could not deliver. It is something we are working on and we look forward to releasing that information.

**DR FOSKEY:** Will the government be seeking more detailed information about employment conditions in future reporting mechanisms such as performance reports provided by funding agencies?

**Mr Barr:** I will have to take that question on notice, Dr Foskey.

**DR FOSKEY:** How will the community sector be assisted to explore more creative leave options for employees? Will these leave options be incorporated into the core pricing formulas of future funding agreements?

**Mr Barr:** I will have to do some work with my colleague the community services minister on aspects of that because it impinges on some of her portfolio responsibilities. I am happy to do some further work there. With my industrial relations minister's hat on, I would not seek to pre-empt certain discussions that would need to occur with the community services minister and that sector. I am happy to work constructively on those issues, Dr Foskey.

**DR FOSKEY:** Have you ever thought about creating a special category in the WorkCover awards for the ACT community sector?

**Mr Barr:** No, I have not, but I am happy to take advice on that.

**Ms Cotton:** Perhaps I could say something there. I think the WorkCover awards are actually based on national agreements about the categories that are involved, so we are a little bit limited in having special categories. Members of community sector organisations are certainly able to apply for some of the WorkCover awards and have in the past been successful in doing that, so there is certainly nothing to prevent community sector associations participating in those awards at the moment.

**DR FOSKEY:** Is the government going to provide industrial relations advice and resources to the sector?

**Mr Barr:** Given the relative level of resources that we have, I am happy to assist where we can. I am not in a position to give a commitment to provide a complete array of services, given the limited resources that this agency has. Where we can, yes, we will, but I would not seek to give a commitment that we could not deliver on at this point, so I will say a cautious yes to aspects of that but, again, entirely contingent upon the relative workloads and the range of other issues that need to be dealt with that are of quite significant priority for the organisation.

**DR FOSKEY:** Finally, some time ago the ACT government committed to setting up the conditions for portability of long service leave within the community sector. How is that progressing? It seems to be taking some time.

**Mr Barr:** Some of those issues were discussed and are part of that task force report, so we can look at progressing aspects of that. There are clear differences, though, between the community sector and the construction and cleaning industries, where those schemes currently work very effectively. We do need to acknowledge that there are differences, but nonetheless that work progresses.

**MR SMYTH:** I have a question in regard to the new administrative arrangements for WorkCover. WorkCover, of course, was an independent body in the last budget. In this budget, have all of its functions been incorporated into the Chief Minister's Department?

**Mr Barr:** No. Some of the regulatory enforcement responsibilities sit within that new office under Mr Corbell's purview. Perhaps the best way I could assist you, Mr Smyth, would be to say that the top level policy functions remain with me under industrial relations, but some of the on-the-ground regulatory enforcement is moving over into that new office. I can get some more detail for you.

**MR SMYTH:** No, that is fine. I just want to establish where we are working here. Last year WorkCover seemed to cost about \$8 million. How much of that is going to Chief Minister's and how much of that is going to Mr Corbell?

**Mr Barr:** I would have to seek some advice.

**MR SMYTH:** What reduction, if any, has there been in the funding to WorkCover in the current year?



**Mr Harris:** I don't have the detail of that off the top of my head, unless the commissioner does.

**Mr Janssen:** No, I don't.

**Mr Harris:** I would have to take it on notice to provide a reconciliation.

**MR SMYTH:** Can I say that I find it quite extraordinary that you do not know the breakdown of such an important area and that you are taking this question on notice.

**Mr Barr:** I am sure we can get the information to you very quickly, Mr Smyth.

**Mr Harris:** The advice I have just been given is that the entire budget moved to justice and community safety.

**MR SMYTH:** If the entire budget has moved to justice and community safety, where have the staff gone? What is the split?

**Mr Harris:** The vast majority of the staff, subject to the commissioner's view, will fall into the regulatory office.

**MR SMYTH:** So there is no money going to Chief Minister's. All the money goes to JACS, but not all the staff go to JACS.

**Mr Janssen:** The separation between the policy and the operational has been in place for some years and, as a consequence, all of WorkCover's staff have been involved in that operational side of the regulatory function. In Chief Minister's, in the Office of Industrial Relations, is where the policy activity has been undertaken and that will continue to be the case, I understand.

**MR SMYTH:** Is that where you are now situated?

**Mr Janssen:** No, I am in the justice and community safety portfolio as part of the development and setting up of the Office of Regulatory Services.

**MR SMYTH:** If you are in the Office of Regulatory Services, what are you doing here today? What role do you perform in the development of policy?

**Mr Barr:** There is a policy advice and reporting requirement to me.

**Mr Janssen:** That is right.

**MR SMYTH:** But the commissioner did not do that before.

**Mr Janssen:** The OH&S act provides for the commissioner to report to the minister or certainly to advise the minister on a range of issues that might impact on the regulation of safety in the ACT. That is, effectively, hardwired into the legislation, that reporting line. While the OH&S act falls under the responsibility of the Minister for Industrial Relations and the legislation stays as it is, that will be an ongoing requirement. The sort of advice I might provide would be in relation to operational issues and how they might

have an impact on policy developments that would be taking place in relation to the act.

**MR SESELJA:** Can you clarify that for us, Mr Janssen? To whom do you report? You report directly to Minister Barr on some aspects and you report to Minister Corbell on other aspects. Do you report to the CEO of JACS or is it straight to the minister in all those other aspects?

**Mr Janssen:** In relation to the Minister for Industrial Relations, it is a direct relationship. In relation to the Attorney-General, I expect, and these are very early days in the process, it would function similar to other agencies where there would be a reporting line through the chief executive.

**MR GENTLEMAN:** Minister, if I can, I come back to WorkCover investigations that I was asking about earlier? Can you tell me whether WorkCover investigates road accidents where a driver is operating a vehicle as their workplace in the ACT?

**MR SMYTH:** Is that appropriate here? Isn't that meant for the regulation unit, which is, of course, under JACS and the minister is not responsible for that?

**Mr Barr:** Yes.

**MR GENTLEMAN:** Okay. I will put it on notice.

**MR SMYTH:** Just to clarify, in reality this is about industrial relations policy, not about application.

**Mr Barr:** Yes, that is right.

**MR SMYTH:** And the commissioner appears in his role as a policy adviser to you, not as to his enforcement role under Minister Corbell.

**Mr Barr:** Yes.

**MS MacDONALD:** Chair, it is my recollection that Minister Corbell outlined that point clearly when he appeared before the committee.

**MR SMYTH:** Yes. Does Mr Janssen therefore replace the individual who was previously providing industrial relations policy support to the industrial relations minister?

**Mr Barr:** No. I still retain additional IR advice from the office of IR within Chief Minister's. In areas which specifically relate to WorkCover, I can receive policy advice from the commissioner and then there are, if you like, more general areas within industrial relations that I receive separate advice from, which is how it has always been.

**MR SESELJA:** So neither of those roles has changed.

**Mr Barr:** No. In terms of advice to the Minister for Industrial Relations, no.

**MR SESELJA:** But Mr Janssen is not taking on additional policy advice now as well.

**Mr Barr:** No, he had previously provided that advice to the industrial relations minister.

**MR SESELJA:** As to Mr Janssen's arrangements in terms of moving into a department, has the salary structure at the top remained the same or has it changed as a result of a different role?

**Mr Harris:** Mr Janssen has a contract which has not changed.

**MR SESELJA:** And that would not change for any subsequent commissioner.

**Mr Harris:** Not until the contract comes up for renewal.

**THE CHAIR:** On page 91 of budget paper 3 there is an item about \$200,000 for an asbestos project. Is that about a regulatory part of the project?

**Mr Barr:** I will get Mr Harris to clarify that.

**Mr Harris:** There was in 2005-06 a separate output class for asbestos. That is not the case for 2006-07. The output class is now part of the Office of Industrial Relations and it is for the completion of the implementation of the new asbestos legislation, with a \$200,000 allocation in 2006-07 but then no allocations in subsequent years. So it is for the completion of the project which started last year.

**THE CHAIR:** Will that cover management and training issues associated with the project that have not been completed up to this point?

**Mr Harris:** Yes. I will get Ms Healy to give you that detail.

**Ms Healy:** The \$200,000 will be used to support the implementation of the regulations for non-residential premises which require owners and persons in control to establish asbestos registers and asbestos management plans for their premises. It will provide training and support for those owners and persons in control.

**MR SESELJA:** I wish to ask a supplementary question concerning the previous line. Just finishing off the other one in terms of the new arrangements, I should have asked at the time whether Mr Janssen's salary is equivalent to the salary of a CEO of a department or is a fair bit lower. What are we talking about here? Now that he is in a department, I am trying to get a picture as to where he sits. What is the salary currently?

**Mr Harris:** I don't know off the top of my head Mr Janssen's salary.

**MR SMYTH:** You cannot have two CEOs in a department.

**Mr Harris:** I am sure the commissioner could indicate his classification and then I will be able to answer your question.

**Mr Janssen:** I am in the classification SES 1.3.

**MR SESELJA:** Moving on to another area, minister, I heard you before, I think it was in

response to Mr Gentleman's first question, lamenting the changes in relation to union involvement in OH&S. As a result of that, what are you doing in terms of OH&S to cover those changed circumstances? How will you be changing policy? What different regulations will you put in place to take account of that?

**Mr Barr:** Obviously, we need to operate within the federal law, so that does restrict our ability in certain areas.

**MR SESELJA:** But you are responsible for OH&S policy and law.

**Mr Barr:** Yes. As I indicated earlier, it is of concern to the government that that additional role for unions has been taken away. It is, in my view, a detrimental step. We all have a responsibility to create safe workplaces and the experience on the weekend goes to illustrate just how important that is, particularly in the construction industry. You can't be blase about those sorts of OH&S issues. It is very important because it is a matter of life and death that safe workplaces are fundamental. It is disturbing that you would have any death in any workplace, but we do need to acknowledge that there are increased risks in the construction industry in particular. In my view, what has occurred federally is a detrimental step.

**MR SESELJA:** Given that, what are you doing in terms of OH&S policy?

**Mr Barr:** We obviously seek to enforce our OH&S act and we are undertaking a review of that act at that moment. That work is continuing and it is something that you will see legislation on in the next little while. Certainly, my expectation is this financial year. It may not be the end of this calendar year, but it will be in the new year that we would seek to further that work and have a further strengthening of our act. That is something on which work has been done in partnership with the OH&S council, that is broadly agreed. There are some areas obviously where there is disagreement between employers and employees, but we would seek to work constructively on those issues. As I say, it highlights the importance of enforcing our OH&S regulations as they are now and also looking at where we go in the future because it is fundamentally unacceptable that someone would die at work on a site in Canberra. That is just unacceptable.

**MR SESELJA:** Presumably, part of that review of OH&S would be taking into account what you say is now the gap as a result of the changes to federal workplace law?

**Ms Healy:** Perhaps I can outline the actual changes for the committee. The Occupational Health and Safety Act does have right of entry provisions which allow authorised representatives to enter workplaces and conduct inspections. That would, of course, include anyone who is an authorised representative and it could be a union official. What has happened with the WorkChoices legislation is that some new provisions have been introduced which require an authorised person basically to get a permit from the Australian Industrial Relations Commission to say that they are an appropriate kind of person to have that kind of right and there is also now a requirement to give 24 hours notice of entering a workplace. Those regulations came into effect in the ACT on 6 June 2006 as a result of a regulation that the federal government passed and those provisions are now effective in the ACT. The ACT government wasn't consulted before those regulations came into place.

**MR GENTLEMAN:** Minister, is it your industrial relations policy that WorkCover gather any data from road accidents where the driver may be operating a vehicle for work purposes?

**Mr Barr:** I understand the direction of the questioning. It is certainly in relation to those issues that we have been working with the TWU on. I think it is important that we do head in that direction. I would have to seek advice as to whether that is something that we have been doing up to this point. It is something we could certainly look at. I know it is a topic of ongoing conversation, but at this point I can't give you a definitive answer.

**Ms Healy:** If the person is doing something in the course of their work and they have an accident, then that would be a workplace for the purposes of the act and the normal obligations to report would come into play.

**MR GENTLEMAN:** I want to find out whether the stats are there.

**Mr Barr:** We would possibly have an issue around some definitions there that we can progress and that I understand are the topic of an ongoing conversation.

**MR PRATT:** Minister, how much money has the government spent in its High Court appeal against the WorkChoices act?

**Mr Barr:** My understanding is that it is \$100,000.

**MR PRATT:** Can you be specific?

**Ms Healy:** No, we can't be specific. We have intervened in the High Court challenge, but it is actually the Solicitor-General who has taken the action on behalf of the ACT. Because it is a constitutional matter, the budget comes from a specified justice budget.

**Mr Barr:** I have certainly heard that figure of \$100,000 bandied about. Because it is a legal matter in the High Court, it is not something that falls within my portfolio.

**DR FOSKEY:** I have a supplementary question to a question I was asking you before, Mr Barr, in relation to the community sector task force report. You suggested that there were some aspects of the report that were objected to by some parts of the community sector. Could you go into a little more detail about which aspects of the report and which parts of the community sector?

**Mr Barr:** I will take that on notice, Dr Foskey. The fine detail of which page, which sentence and which particular aspects of the draft report I don't have in front of me. I am aware at a more general level, though, that some of the peak organisations were not happy with aspects of what was put forward. It is something I can perhaps get back to you with some more detail on. I am sorry, I don't have that in front of me at the moment.

**THE CHAIR:** Take that on notice.

**MR SMYTH:** Minister, at the launch on Saturday of the federally-funded ARK trailers which look after animals when there is a crisis going on at the pound, Minister Hargreaves asked for—

**Mr Barr:** Where is this going?

**MR SMYTH:** Mr Lloyd turned up to hand over to the ACT this excellent initiative that the federal government had funded and Mr Hargreaves accepted it. In his speech he said that he thought it was time that we banned fireworks in the ACT. Is a policy shift coming? Are you considering banning fireworks in the ACT, and when might it happen?

**Mr Barr:** There is to be a review in 2007. Next year we are anticipating a review of the revised arrangements that my predecessor implemented. I have obviously received strong representations from the RSPCA, a variety of other organisations and individual householders. It is a vexed issue. There are some within our community who are very protective of that Queen's Birthday long weekend tradition. I think anecdotal evidence is that the tightened regulations have certainly reduced the number of complaints and the number of incidents. At a personal level, I am not a huge fireworks aficionado. The New Year's Eve display and Skyfire will do me, thank you very much. I don't see a need to stand in the freezing cold on the Queen's Birthday long weekend and watch things explode. That does nothing for me.

**MR PRATT:** Or blow up your neighbour's letterbox.

**Mr Barr:** Indeed. I acknowledge, Mr Pratt, that there have been problems with some fireworks being used for purposes other than family entertainment, shall we say. We will be reviewing the effectiveness of the revised and tightened regulations. But, as I say, I certainly don't approach them as minister with a view that we must keep fireworks at all cost. That is not my personal position and I am very happy to declare that. I do have considerable sympathy for pet owners and for the Canberra residents who have letterboxes blown up and have a whole range of concerns there. It needs to be more than just my personal view that comes to the fore. I think we need to look at it more broadly.

**MR SMYTH:** When is that review likely to be completed? Will it have an impact on the fireworks season next year?

**Mr Barr:** No, my understanding is that it is July 2007.

**Ms Healy:** Under the legislation, it is supposed to commence on 1 July 2007.

**Mr Barr:** So we would have one more year, next year, to assess. We are certainly getting feedback on the most recent one. I have met with the RSPCA on the specific issues and will continue to engage in dialogue with it, but it certainly is an issue on which there are obviously strong views on either side, and in many instances strong views held in surprising places. You might have an expectation that some people would be particularly for a ban and they turn out not to be. It is the subject of ongoing consideration.

**THE CHAIR:** Thank you very much, minister. All other questions should be placed on notice. Thank you very much, officials.

**The committee adjourned at 12.32 pm.**