



**LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY**

**SELECT COMMITTEE ON ESTIMATES 2007-2008**

**(Reference: Appropriation Bill 2007-2008)**

**Members:**

**MR M GENTLEMAN (The Chair)**  
**MR B STEFANIAK (The Deputy Chair)**  
**MS M PORTER**  
**DR D FOSKEY**  
**MRS J BURKE**

**TRANSCRIPT OF EVIDENCE**

**CANBERRA**

**THURSDAY, 21 JUNE 2007**

**Secretary to the committee:**  
**Ms G Concannon (Ph: 6205 0129)**

**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

<b>ACT Planning and Land Authority .....</b>	<b>421</b>
<b>Department of Housing and Community Services .....</b>	<b>368</b>

**The committee met at 9.30 am.**

Appearances:

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

Department of Housing and Community Services

Hehir, Mr Marin, Deputy Chief Executive

Sheehan, Ms Maureen, Executive Director, Housing

Collett, Mr David, Director, Strategic Asset Management

Brown, Ms Pauline, Director, Housing ACT

Stankevicius, Mr Adam, Director, Government Strategy and Community Policy

Hubbard, Mr Ian, Director, Finance Office for Multicultural Affairs

Manikis, Mr Nic, Director

Scandrett, Ms Kate, Senior Manager

**THE DEPUTY CHAIR:** I will read out the caution, which we have all heard, and then we will be quiet when people come forward. We have been reading this caution for each segment. All we will have to do when we formally start is say, “You are aware of the caution.”

**Mr Hargreaves:** I heard it the other day. If you want to, you can forget it.

**THE DEPUTY CHAIR:** I will read it for the benefit of the other officials in the room. The committee has authorised the recording, broadcasting and rebroadcasting of these proceedings in accordance with the resolution agreed by the Assembly in March 2002. Before we commence, let me place on record that all witnesses are protected by parliamentary privilege with respect to submissions made to the committee in evidence given before it. That means you get special rights and immunities attached to it.

While the committee prefers to hear all evidence in public, if the committee accedes to a request to hear something in private, we can take evidence in camera. I hardly think that will be likely, but it is there. Should the committee take evidence in this manner, I remind the committee and those present that it is within the power of the committee at a later date to publish or present all or part of that evidence in camera to the Assembly. I should add that any decision regarding publication of in camera evidence or confidential submissions will not be taken by the committee without prior reference to the person whose evidence the committee may consider publishing.

The other caution, which is not here, is that you do have parliamentary privilege. That means that you are protected from such things as defamation. It also means you have an obligation to tell the truth. Do you all understand that?

**Mr Hargreaves:** Yes, I do. Now I can rip into anybody I like.

**THE DEPUTY CHAIR:** Everyone is nodding. Good. We will wait for one more member. Here comes Mrs Burke. Minister and officials, welcome.

**Mr Hargreaves:** Who is the chairman?

**THE DEPUTY CHAIR:** Mick Gentleman will be here shortly. He is running a bit late. I am the deputy so I will start off and, on the basis of first in, best dressed, I will ask a question. We will have supplementaries to that question and, after that, Ms Porter and then Mrs Burke will ask questions. Do you have any introductory remarks, minister?

**Mr Hargreaves:** Yes, I do, thank you much, Mr Deputy Chair. Firstly, I am pleased to be able to come to the estimates committee. I think the budget papers actually contain good news. They do not contain all the good news, but they contain a hell of a lot of it. This gives us an opportunity, in fact, to put a lot of things on the record and in fact, in some cases, to put a lot of myths to the sword.

Last year Housing ACT improved service delivery to tenants and applicants and expanded public housing stock while reducing operating costs towards national benchmarks. This is a remarkable achievement under very difficult circumstances. No doubt you have heard from other ministers and departments around the restructures that were necessary as a result of budget reductions in the previous financial year. Those efficiencies were achieved by Housing ACT, I have to say, by addressing administrative systems and back-of-house staffing administrative support, not front-line staff. In fact, our front-line staff is doing a marvellous job, and there is no way we would do that.

A number of initiatives emerged, some of which require budget supplementation and some of which do not. We introduced, for example, the notion of shared equity and changed the PHRAP rules, and I would like to place on the record the genesis of all of this. It was not out of my mind or the minds of my officers. It was a full result of the ministerial forums in 2005, culminating in the housing summit. Out of that the community and the sectors variously drove the changes. I have no doubt that we will investigate those things a little further and in a bit more depth. I see and say good morning to Dr Foskey. I am quite looking forward to having a conversation around some of the issues with Dr Foskey.

**DR FOSKEY:** Are you looking forward to it, minister?

**Mr Hargreaves:** I have been looking forward to it, I have to say, through you, Mr Chairman to Dr Foskey, for about two weeks. I have been so looking forward to this that I have had sleepless nights.

Housing ACT has largely achieved a saving of \$14.4 million. The lower costs will move the operating costs for public housing closer to the national average cost for property, as reported by the Productivity Commission in its annual report on government services. In the first year of the three-year \$30 million expansion of public housing, 25 properties have been acquired for needy families. This amount will be supplemented by an additional injection of \$4.3 million in 2007-08. Some people thought and have been suggesting that the \$30 million was not really there. Let me assure the committee that the 25 properties are definitely there.

Approximately \$24.85 million has been spent on maintenance of public housing stock through a contract with Spotless Pty Ltd. I think we talked about it last year. In fact, we had two contracts that were put into one. It is achieving efficiencies and better responses. I applaud the officers for their administration and management of this contract.

Reforms to the public housing allocation system resulted in significantly reduced waiting times for those most in need. As at 18 June 2007, the average waiting time for priority housing applicants—that is, those in dire need; and I have asked people to take notes about this one—reduced from nine to 12 months to 51 days.

To give you an indication of the reduction, I have picked out three dates. On 18 June, as I have just mentioned, it was 51 days. On 12 June, a week earlier, it was 49 days. On 4 June, it was 40 days. When we changed the system, we set a target. Previously it took nine to 12 months to house people. We set a target to house them within three months. On 4 June, which is the best we did, it was just over one month. It was five weeks. In my view that shows that the changes are working. Those people that come to us in dire need are receiving their allocation, on average, in slightly less than two months. That is an incredible achievement. Of course, it might increase a bit over wintertime. We will just see how we go.

The public housing waiting list has reduced from 2,500 in June 2006 to 1,203 in June 2007. This reflects actual real demand and this will enable Housing ACT to support those that need housing. The housing list actually reduced at one point to 1,012. It is now at 1,203. So people are not being frightened away, let me tell you. In my view, Housing ACT continues to demonstrate high quality and responsive service delivery, the dynamic management of public housing assets and prudent financial controls.

Mr Chairman, I would be delighted to respond to questions that the committee may have. I will ask officers, when they come to the microphone, to identify themselves for the *Hansard* before they respond.

**MR STEFANIAK:** Thank you, minister. Minister, page 337 of budget paper No 4 outlines the five strategic themes for housing. One theme requires housing to perform as a best practice organisation. With that theme in mind, how is the contractual arrangement with Housing ACT's total facilities management company Spotless now delivering any improvements in efficiency gains or savings for Housing ACT in the area of property maintenance and management since that arrangement was initiated? In fact, is it? Are there any improvements or efficiency gains or savings as a result of that contractual arrangement?

**Mr Hargreaves:** I will get the department to give you some specifics. I do need to say, however, that one of the gauges of whether or not the TFM contract is actually producing out there for the tenants is the number of complaints that we get. I have to tell you that when I was first elected—it was the 1998 to 2001 period—35 per cent of my workload as a backbencher was on housing issues. A number of people complained to me bitterly about maintenance issues. I have to say that now I very rarely get a complaint. I might have one or two a month. There are better stats than I can tell you, but I do not get anywhere near the approaches that I used to get on

housing maintenance issues.

There are economies of scale when you have one contract instead of two. We also have an improvement in the operation of the call centre. A lot of people had problems getting their maintenance done because they could not actually get onto the contractor. We do not have that system anymore. We have the call centre arrangement, and that works particularly well. I will get Martin Hehir, who is the deputy CEO of the Department of Disability, Housing and Community Services to give you some more detail.

**Mr Hehir:** The total facility management contract has been in place, nearly in place for two years, come 1 July. The contract is a significant change from the previous contract. It has a number of key performance areas within it. There are about 11, if you like, performance measures that we look at in terms of managing that contract. Some of the specific performance measures actually do relate to the condition of the property and tenant satisfaction measured independently. What we do know is that our tenants are very aware of the service that they get, the respect that they are given and also the quality of the workmanship in the work done.

We have seen a significant improvement in our tenant satisfaction with our maintenance services. In the last survey that was undertaken, there was about a four per cent increase, which was quite a dramatic jump. We have also seen quite a significant improvement in terms of the overall efficiency of the work that is being undertaken, including how we actually manage some of the work between Housing ACT and the total facility management company, Spotless.

I might ask David Collett, the director of strategic asset management, to provide you with the detail of that contract management.

**Mr Collett:** On top of the range of satisfaction and overall performance improvements that both the minister and the deputy chief executive noted, there have also been some, if you like, hard dollar improvements in terms of the contract itself. One of the key performance indicators was around increasing the proportion of money that was spent on planned maintenance, rather than on responsive maintenance. The rationale for that, of course, is that we get much better value for our money if we go out and overhaul the complete water system in a house and replace taps at the end of their economic life on a volume basis rather sending a plumber out to replace a tap or a ball valve in a system on a one-off basis. Spotless have been effective in pursuing those targets to increase the amount that we have spent on planned maintenance.

We have also been able to use Spotless's own management of their subcontractor base in order to achieve improvements, and, as Martin says, at the end of 24 months of operation of the TFM we have been able to hold the schedule of rates for our subcontractor base. We will review that now, but to absorb two years worth of increases because of the way in which the subcontractors have been managed has been a significant improvement.

On top of that, we have been able to achieve better purchasing, particularly of paint and floor coverings. We have been able to move the paint used from the standard range to the premium range. That improves both the longevity of the paint but also the tenants'

ability to clean the walls if they get dirty. It reduces the amount of maintenance that the tenants are responsible for, which is sometimes a cost to our tenants.

We have also been able to negotiate a better deal for our floor coverings. We have gone to a heavier weight, a 32 ounce wool carpet, and we have increased the thickness of underlay from seven to nine millimetres. We have also been able to negotiate a rebate scheme on the total amount of paint and floor coverings that we spend at the end of the year. So, based on the use, we get a rebate at the end of 12 months that allows us to increase the number of properties that we have got in those repaint and floor covering programs.

Probably last of all in terms of what we may be able to achieve with Spotless is that, with Spotless's assistance—they are a major provider of maintenance services to the New South Wales government—we have been able to negotiate an arrangement with the New South Wales Department of Commerce to purchase the whitegoods that we provide as part of the house—typically, the stoves, the heaters and the hot water units—at the New South Wales Department of Commerce bulk purchase rate. That gives us not only significant leverage in terms of the cost that we pay for the items that I have just listed, but also access to a much bigger pool of appliances. That means that those appliances will be in manufacture for longer, there will be more spare parts available and there will be more knowledge within the industry from tradesmen about how to service those particular models because we will be linking up to a much more significant base.

To pull all that together, we have seen improvements not only in terms of tenant satisfaction and some of the more qualitative areas, but also in the quantitative areas, and particularly in hard dollar improvements. That has led us to a position where, over the last six-month review period, we will be applying a bonus to the contract, indicating that they have achieved across the board the majority of those KPIs that we have identified.

**MR STEFANIAK:** How much money have you saved to date?

**Mr Collett:** It would be difficult to get a hard dollar figure. I could take that on notice.

**MR STEFANIAK:** Okay.

**Mr Collett:** Of course, there have been movements in terms of the amount of responsive maintenance that we have had to do—

**MRS BURKE:** Why can't you give a figure on that, Mr Collett? Are you not monitoring it?

**Mr Hargreaves:** Mr Chairman, I have to intervene at this point. Mr Collett has said it is a difficult thing to put a hard dollar figure on it and he is happy to come back with that figure. I think that is a reasonable thing to do.

**MRS BURKE:** I just wondered why you have not got it here today.

**Mr Hargreaves:** Secondly, he has already explained, I think fairly well, that we do

not talk necessarily about moneys that are returned to Treasury. We talk about effectiveness of the use of the dollars that we have. In fact, if we talk about bonuses and things like that, we are still receiving services for the dollars in the contract.

**MRS BURKE:** Minister, on that then, as a supplementary, I am fascinated by your accountability indicators on page 343 of budget paper No 4. The percentage of properties undergoing refurbishment relet within agreed program milestones was 70 per cent, yet your target was 90 per cent. I am just not sure how all this good news equates to this fairly poor outcome on targets.

**Mr Hargreaves:** Firstly, that was a reasonably decent quantum leap, I have to say, from maintenance into refurbishment of properties. I will get Mr Hehir and Mr Collett, if he feels so inclined, to give you specific details. I will, however, make the point that there are a range of reasons why we have these houses for refurbishment and redevelopment, and to suggest that we have got houses sitting vacant out there just for the heck of it and not filling them with people—

**MRS BURKE:** You were telling us of a good service, minister.

**Mr Hargreaves:** In my view—

**MRS BURKE:** It is not happening.

**Mr Hargreaves:** Mr Chairman—

**THE CHAIR:** Mrs Burke.

**Mr Hargreaves:** We can have a nice time this morning or we can not have a nice time this morning.

**MRS BURKE:** Indeed.

**Mr Hargreaves:** I will ask Mr Hehir to address the question.

**MRS BURKE:** Thank you, Mr Hehir.

**Mr Hehir:** Measure j is the measure I think you are referring to. It was a new measure last year. It was a target that we set ourselves. We had some concerns in terms of the overall process to make sure that we were getting timely delivery of the refurbishment services. So it was a measure that we put in. We did want to manage that. It was an issue we ourselves were concerned about. I think when we put that in, the contract was less than a year old. So it was certainly an issue in the initial stages of that contract that we wanted to pay attention to and we wanted to have a look at.

What I can say is that our concerns were justified. There were issues there. But what I can also tell you is that for the last three months—and I understand we are on target for this month as well—we have met or bettered that 90 per cent target. We have started work, identified that there was a problem, put a measure in—as is good business practice—to drive change, and we have successfully driven change in that contract. We are very happy with their performance over the last three or four months.



They have met or exceeded those targets for each of those months.

**MRS BURKE:** So you are confident you will meet the 90 per cent?

**Mr Hehir:** For next year?

**MRS BURKE:** Yes.

**Mr Hehir:** Yes. We have kept that target of 90 per cent for next year. We believe it is achievable based on the fact that we have achieved it for the past three months and we are on track to achieve it again. We have worked very hard with the contractor and with our own internal systems. There were quite a number of different parts of the organisation involved in that process because it is not just about getting the work done. It is about early advice about when the property is going to be vacated and getting the contractors in early so that we can then tender and make efficiencies, rather than going for the spot price thing and then making sure that time frames for completion are advised within Housing ACT so that we are then actually able to relet the property. It is quite a process issue for us and we are very confident that we have cracked that issue.

**MRS BURKE:** So, very quickly, that applies to accountability indicator i as well? The same thing would be applied there, hopefully?

**Mr Hehir:** Yes, exactly the same thing is applied there. As I said before, we had identified it as an ongoing issue.

**MRS BURKE:** How long did it take you identify that?

**Mr Hehir:** We have been aware of that as an issue for a number of years.

**MRS BURKE:** A number of years?

**Mr Hehir:** Yes, absolutely.

**Mr Hargreaves:** Mr Chairman, I will not be put up with badgering of my officers.

**MRS BURKE:** I am sorry.

**MR STEFANIAK:** She is hardly doing that.

**MRS BURKE:** Excuse me, minister. You passed the questions to Mr Hehir.

**Mr Hargreaves:** I am addressing the chair, Mrs Burke.

**THE CHAIR:** Thank you, members.

**Mr Hargreaves:** I will not put up with badgering of my officers.

**MRS BURKE:** The minister passed the question to—

**MR STEFANIAK:** She is hardly badgering your officer. Go up to the Senate and see how badgering really works, John. Don't be so stupid.

**THE CHAIR:** Members, if you could just take some water, please.

**MRS BURKE:** But, chair, I was taking the minister through that and he passed the question on.

**THE CHAIR:** The minister and his officials are trying to answer your questions.

**MRS BURKE:** Come on!

**MR STEFANIAK:** She is asking them in a very moderate tone.

**THE CHAIR:** If you continue to interrupt them, they will not be able to.

**Mr Hargreaves:** Mr Chairman, if this does continue, I will take all questions and any other questions to my officers will be taken on notice.

**THE CHAIR:** Let us hope we do not need to get to that. Ms Porter, you had a question.

**MR STEFANIAK:** Do not be ridiculous, John.

**MS PORTER:** Thank you. I do have a question.

**DR FOSKEY:** So have I, Mr Gentleman.

**MR STEFANIAK:** Typical unaccountable government!

**MS PORTER:** Thank you very much, chair. Good morning, minister and officials. Good morning, everybody.

**Mr Hargreaves:** Good morning, Ms Porter.

**MS PORTER:** Minister, my question relates to the 2007-08 priorities on page 337 of budget paper No 4. The second dot point from the bottom mentions a significant expansion of affordable housing through community housing and the not-for-profit sector, I presume. Could you inform the committee how this is actually going to take place and how it will assist us in reaching this affordable housing goal?

**Mr Hargreaves:** Yes. There is a whole stack of initiatives. There is the affordable housing strategy, of course, and most of the questions, I think, would be better placed before the Chief Minister in his capacity as minister.

**MS PORTER:** No. My question is about the particular—

**Mr Hargreaves:** Yes, and I am putting a little bit of environment around that, Ms Porter. Of course, in the context of public and community housing, I am most delighted to be able to address that. Thank you.

Community Housing Canberra was established by the ACT government in 1998. It now manages approximately 180 community housing properties and 16 of its own dwellings. A meeting of CHC members on 12 December last year unanimously approved a new constitution, including measures to further the required governance arrangements, in particular to appoint the Auditor-General of the ACT as a company auditor and entrench the territory as a foundation member with the rights to appoint the chair, deputy chair and one other director, and to appoint directors on a skills basis. At this point I need acknowledge the work done by CHC and the officers of my department. The discussions around these changes took an enormous amount of time—almost a year, I think; maybe even longer.

The terms of the current directors have been extended until December of this year to allow for the changes announced under the affordable housing strategy. Under the affordable housing strategy—and remembering that I am only talking here about the community housing sector—the government is providing an injection of equity of \$40 million through the transfer of title of 135 properties, 132 of which are already under CHC's control through a 20-year lease. That needs to be emphasised here. We are actually giving ownership of the houses to CHC, which means that they have equity then, if they need to, to go to the financial market to buy money to do expansion of stock, replenishment of stock and all that sort of thing. So that is an expression of confidence in CHC.

We are also providing land at market prices to enable it to increase the supply of its dwellings. Also—and this is significant—we are providing a revolving \$50 million loan facility at government borrowing rates to support growth in the sector. As well, we are providing \$3.2 million capital to forward future developments and joint ventures and a \$250,000 subsidy per year for three years. In round figures, I think the number of properties that the community sector had was around the 600 mark and we are hoping it will grow to 1,100 over the period of the next three years through the provision of the leases that we have given to them but also, and more importantly, with the \$50 million loan facility, so that they can start actually buying and building specific homes for these people.

Additionally, as part of the affordable housing strategy, CHC will be returning to housing 45 properties which are not separately titled. These are multiunit properties. We really want to see them have the title. They do not want and we do not want them to be locked into things like multiunit developments where there is no individual title. Then they cannot use the equity there to transact anything.

**MRS BURKE:** So it is not because they have not got the funding to run it?

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

**MRS BURKE:** That is an assertion that has been made somewhere.

**Mr Hargreaves:** No, it is not at all.

**MRS BURKE:** Thank you for clearing that up.

**Mr Hargreaves:** Not at all. The issue really is that if we give them title to the properties, they can use the equity in there to grow their sector.

**MRS BURKE:** I fully understand that.

**Mr Hargreaves:** If we give them properties to manage where they do not have that equity, then they cannot move. All they can do is collect the rent and support the people in there. It does not allow the sector to grow. We will take those back and manage those as public housing properties. Also, we are working with CHC to progress the transfer of all the affected properties.

There was some suggestion last year, in fact, that we were taking money out of the sector. In fact, we did. We took \$485,000 out of the sector in the previous financial year, not this one that we are about to address, but the one that has just gone. That was over matching funds from the Commonwealth-State Housing Agreement. It went out of the sector in total, not just out of one particular part.

There was some concern expressed at the time that this reduction in the amount of funds would have a detrimental effect on the sector. Two things have happened. Firstly, there has not been that detrimental effect on the sector in recent times at all. In fact, there has been some positive movement. For example, Poachling and Soul have come together and formed ECHO. Dr Foskey was there the other day, and it was a sensational celebration of what they have been able to do.

These two organisations have come together with 26 properties—I think that was the figure—to address a special need, which is sensational. Now they are saving money in their administrative costs, but they are actually providing the services. I was privileged to be able to launch ECHO last weekend and it was sensational.

Those people who would consider that the money missing from the overmatching fund is a detrimental effect need to be reminded about the \$50 million loan facility and the injection of the title of those 135 properties. That is the same thing as turning up on their doorstep with a cheque for \$40 million. Also, we have got the actual capital of \$3.2 million and another \$250,000 each year for three years. That is a significantly greater number than the amount for \$485,000 that was removed from the sector.

**MS PORTER:** Can I ask a supp?

**THE CHAIR:** Sure.

**MS PORTER:** Thank you, minister. So you are doing this. At the same time, if I read budget paper 3, page 104, correctly, it says that there is going to be a significant acquisition of additional public housing stocks. Could you explain to me how we are going to improve the quality and accessibility of our public housing stock at the same time as we are doing this?

**Mr Hargreaves:** In the budget, we have the second year of our \$30 million coming in. The first year, last year, we provided 25 properties for \$10 million; there was also \$4.3 million in there too. This is the second year of the three years. We were

guaranteed \$30 million over three years—\$10 million a year. We are going to be acquiring properties to that extent. Remember also that, as people leave, we can sell those properties to buy or build something more appropriate to the needs of people.

Let me give you some figures on the purchases that we had between 1 July 2006 and 14 June 2007, which is the most recent count—just the other day. Thirty-two free-standing houses have been purchased, with an average cost of \$410,000. This compares to an average price of \$433,000 across the whole Canberra market. This is the September 2006 quarterly activity report from the Land Development Agency, for reference.

Also, we bought an additional 41 multi-unit dwellings. A further four properties are expected to be acquired prior to the end of the financial year, bringing the total number of purchases to 77 properties. So it is a growth of 77 properties. And 14 will have exchanged contracts for the completion of settlement in 2007-08. The estimated total expenditure on property purchased in 2006-07 will be around \$23 million. Of course, we have a purchase program which is in our base funding, which happens every year. That was supplemented by the \$10 million.

The property purchases in 2006-07 we expect to include 16 accessible units, two houses for clients with special needs, and one property for the crisis accommodation program. Remember that we do not just go and buy a three-bedroom house standard off the shelf; the approach that we have—and the changes to PRHAP—were directed at addressing the needs of people on the list.

This is the beauty of the changes that we are doing. We talk about the purchase. We are accelerating the purchase to tenants program so that we can acquire properties. If, for example, we acquire a property through sale to a tenant in an inner suburb, we may be able to purchase 1½ properties somewhere else in town or build 1½ properties elsewhere in town. Or, the way the current demand is going, where people are looking for small blocks and 2½-bedroom houses, we can buy possibly two with the accelerated sale to tenants program. That is how we are going to grow it.

But we need to understand that it is not just a question of numbers of housing stock; it is the type of housing that we are providing our people. There is the notion of the additional bedrooms that is around. We talk about people who have an over-allocation, if you like. There are significant numbers of people on our list who have an under-entitlement. There are people on our list who want to transfer to a property because they need additional bedrooms, and we have not got them. If we get money from the appropriate sale of these premises, we can provide those for our existing tenants. So it is not only the people on the list but also our existing tenants whose needs we can satisfy.

**THE CHAIR:** Dr Foskey.

**DR FOSKEY:** In relation to asset management, is there a commitment by government to grow the number of public housing residences or is the aim just to maintain the same number but manage them better?

**Mr Hargreaves:** We have started to go away from just talking about the numbers of

units that we have, the number of properties that we have. You would appreciate the changes to PRHAP and the announcements that I made around shared equity and those issues. That was really to take it away from a time-based, bricks-and-mortar approach into a responsive, needs-based approach. As I have just mentioned in answer to Ms Porter's question, it is about the needs of our existing tenants and the needs of our prospective tenants. Where people have a significant disability, we need to make sure that those premises are available to them.

One of the things that we have spoken about in the last couple of years is this notion that people have that there are only two types of government housing: three-bedroom units out in the suburbs like Charnwood, Holt, Richardson, Chisholm and those sort of places, and multi-unit developments like the Stuart Flats, Gowrie Court and Illawarra. In fact, that is not so. We have an enormous range, from five and six bedrooms right down to one—and bed-sits.

But we need to make sure that the needs of the people who are in them are satisfied by what they are given. As I just mentioned, people who have been applying for support are now looking for things like 2½-bedroom homes. They do not want a three-bedroom house on a quarter-acre block.

We need to have a housing purchasing strategy which reflects that, whether it is build or buy. Just having numbers is not reflective of our social responsibility. I want to take the consideration away from a pure waiting list/waiting time debate into the question of whether the government of the day is being responsive to the social needs of the community. If the answer to that is no, then they should be criticised. If the answer to that is yes, then we need the support of the Assembly to continue it.

**DR FOSKEY:** If the need is more public housing, do you respond to that with more public housing?

**Mr Hargreaves:** The answer to your question is yes, with the caveat that public housing is not cheap housing. It is not the intention of government to provide government housing as a solution to the affordable housing crisis in Canberra. In meeting our responsibility to people whose circumstances are such that they cannot exist in the private marketplace, we have to take a two-pronged approach. The first one is that we need to have initiatives which tackle the private marketplace to bring the affordability down. We also need to make sure that those people in dire stress are catered for. If we are required to put on more public housing because there are more people in dire stress, the answer to your question is yes. That is why we got the \$30 million injection.

**DR FOSKEY:** You mentioned shared equity before. I understand that probably a lot of my questions about that should be directed to the Chief Minister.

**Mr Hargreaves:** I am happy to take the shared equity questions.

**DR FOSKEY:** Okay. We will just see how we fare with these. Is the plan to use commercial mortgage providers or will Housing ACT play a role?

**Mr Hargreaves:** Commercial mortgage providers. The private financial marketplace

will be the primary source of funding. We are not going to go back to the old government house purchase scheme.

**DR FOSKEY:** Have you given any thought to what happens if a resident's income or health—that is, ability to pay—collapses? Will they be able to revert to a tenancy in their home or will they be forced to sell?

**Mr Hargreaves:** They will no longer be a tenant once they have become an owner. But I put this to you: we are talking about providing a conversation with the tenant and presenting opportunities to the tenant. I do not think that anybody would dispute that home ownership is the best guarantee of being able to stay there as long as you want to. In some cases—this might surprise you—buying 60 per cent of a home can work out at about \$10 a week less than the rent they are paying. We are talking about providing—I am happy to wait till you have finished your conversation if you like.

**DR FOSKEY:** I am just flagging that I would really like to finish this—just a few more questions in this line.

**Mr Hargreaves:** We are talking about talking to people about presenting options. This is not a forced thing. We are saying to people, “Look, these are the options open to you.” The people who would fall into the category that you are talking about are people who would be earning about \$30,000 to \$40,000 a year. They are probably unlikely to be able to afford the mortgage anyway. We would like to provide them with supports to get them up over the figure where they could.

For people who are earning between, say, \$50,000 and \$80,000 a year, what we talked about is that their arrangement is with a financial institution, not with us. But, by the same token, when we go and talk to them and have a conversation with them, we would do what we would do with people over \$80,000—their level of income and the prospect of their income has to be sustainable. Before we have the conversation, that has to be sustainable.

Let me mention examples of things that would impact on that. There is age. If a person has a decent income and lives in a government house, but they are facing retirement because it is coming to 54 years and 11 months, their income will drop, sometimes by over 50 per cent. That is a major impact. There is a possibility that it is a single-income family with a significant number of children. That is an impact. Some people may have had a place for a long time and that particular house has significant maintenance issues, which they would have to carry. That is an impact. I need to underscore this: the opportunity for shared equity is just that—it is an opportunity; it is not an obligation.

**DR FOSKEY:** Have you sought advice from Care financial counselling and other expert groups that have done a lot of work around people who have had to default on their mortgages, probably due to financial companies that are not reputable granting them that mortgage in the first place? I would be very reassured if I found that you were working with Care.

**Mr Hargreaves:** Yes. The short answer is yes. I will get you a fuller answer from Mr Hehir.

**Mr Hehir:** We have consulted with David Tennant from Care financial counselling to talk to him about what sort of parameters we would need to build. This morning, I agreed with David that we would second one of his staff members over to help us in the design and try and ensure that we minimise the impact and minimise the risk. We cannot completely remove it, but we will be working with Care financial counselling to minimise the risk to people as they go forward. So yes, we are working very closely with such organisations.

**DR FOSKEY:** Are you aware of the risks to shared equity purchasers when dealing with commercial mortgage providers—that the capital gains accrue to the lender but the risk is carried by the buyer? I am just thinking of this. There are people who are on \$80,000 at the time, but what if they lose the access to that income? It does not happen only to people in public housing; it happens to people everywhere. What if they lose the access to that income—it was not predicted and it could not have been predicted? They are the situations that I want you to address.

**Mr Hargreaves:** Before Mr Hehir does that, I have to say that yes, we did think about that. Remember, too, that it is not an obligatory thing: it is a conversation we will have; it is an opportunity for them. I mentioned one such example. I was thinking of people who had a public service career and were earning \$100,000 for a SOG B or around the \$90,000 mark for an EL2 or EL1. They can easily afford to rent in the private marketplace or buy in the private marketplace at that point. However, their ability to service such a loan, if you like—a mortgage—would be dramatic if, for example, they decided, through circumstance, that they needed to retire at 54-11. What would happen is that they would drop down to an income of about \$55,000 a year. It would have hardship.

What happens when you have the conversation with people? Remember that we talk about the sustained income, and the sustained income is proven by two years actual achievement plus the prospect of another year's achievement. Then the conversation starts about the individual circumstance of the individual person—the conversation that we have with people over that figure—making those people aware that there is risk and advising them to get financial counselling from Care or whoever they wish.

When Mr Hehir gives you a bit more detail, he might talk about how many people we are talking about. There are not a lot. It really is not a lot.

**Mr Hehir:** I might just clarify where the shared equity discussion is going. There are a number of parts to it. Housing ACT is responsible for one component. That is providing, if you like, retained equity—the phrase that we are using—where Housing ACT will undertake to keep 20 or 30 per cent of the equity in the house while the tenant purchases the remainder through finance from a commercial institution. We are not proposing to take any greater share of profit on a sale than what our actual equity would be. Over time, as experienced in other jurisdictions, we would expect the tenants to actually be able to purchase more and more equity from Housing ACT. So there is not that unreasonable, unbalanced share of capital gain that some of the private shared equity products have.

Certainly within Housing ACT, the intent is that we would be providing our tenants



with the capacity for them to purchase 60 or 80 per cent of the property while we retain the 20 per cent and allow them over time to grow their equity as either their mortgage repayments reduce or their financial capacity grows. It is about working with our tenants to give them the opportunity to enter into home ownership and see some proportion of capital growth. That proportion will reflect the proportion that they have got—that they actually purchased. There is no intent to take more than the balance on any sale—or more than our percentage on any sale.

In terms of the broader discussion around shared equity, that is perhaps best answered by the Chief Minister's Department, but one of the issues that they are looking at is whether there are products available that have the future equity split based on what the actual equity is at the start of the product. Some of the financial models out there at the moment will say that where the finance provider has 20 per cent of the equity they should get 40 per cent of the equity growth. That is quite a common model. Rather than say that, they are looking to see whether there are alternatives to that. They would much rather see the situation where, if the financial provider had 20 per cent, they would get 20 per cent of the growth as well. They are certainly aware that that is a significant issue, and that is one of the issues they will be considering when they discuss it with the bank. They are well aware of that as an issue. As to whether they are able to address it, I think they will be better able to answer than I am. But they are certainly aware that that is an issue.

**DR FOSKEY:** In retrospect—

**THE CHAIR:** Minister—

**DR FOSKEY:** I want to totally finish off this line. I think it is important—

**THE CHAIR:** Dr Foskey, you have had six questions. I have not had any.

**DR FOSKEY:** I am sure you can debit me later. It is just that I wonder if, in retrospect, you regret writing letters to people who Housing ACT assessed were in this situation, given the panic that resulted from people receiving those letters without the detail of understanding. To them it looked as though they were maybe on the point of being evicted. And how did you follow up to reassure those tenants, many of whom were women around my age whose families had grown up and who were in the situation of looking at a lowered income because they were probably about to retire? I am interested in how you followed up and whether, in retrospect, you think you might have done it differently?

**Mr Hargreaves:** Firstly, with the benefit of hindsight, in government and in opposition, we could probably do many things a little bit better. The intention was to highlight with our tenants something which was emerging and about which we were going to have a conversation with them in more detail and in a more complete way a little later down the track. Certainly, there was an opportunity for a misunderstanding contained in that. I can assure you that we are moving to address that. In the very near future, there will again be communication with each of our tenants which will clear a lot of this stuff up.

However, let me say this. It was not helped by people exacerbating the

misunderstanding and putting the fear of God into all of these people out in the public arena. That was an appalling state of affairs which could have actually been avoided completely. People say that there were hundreds of people—stacks of people—who were concerned. I have to say that I did not have that kind of approach to my office. When we did get approaches to my office—

**MR STEFANIAK:** Well—

**MR HARGREAVES:** We got a number of them. Remember that we had to look at this in its context. We have 11,500 properties in the public sector. We need to have it in context. I acknowledge that some people were very confused and very worried, and we are moving to address that. At the end of the day, the motive that we have is to improve the lot of our tenants—to put before our tenants opportunities that have never been put before them before. We are talking about being able to be responsive, getting away from this notion of bricks and mortar and getting into the notion of needs and addressing them.

People can look askance; they can roll their eyes and do whatever they like. At the end of the day, this is an initiative—an attempt—to do something positive for our tenants. I do not see any evidence of it in the history before this government came into power in 2001. I see no evidence of it whatsoever.

**THE CHAIR:** Minister, you will not be surprised—

**Mr Hargreaves:** Mr Chairman, I do notice. For the record, Mr Stefaniak indicated that he used to sell them the houses. Now I find that we are getting a bit of criticism—for doing what? For selling them the houses. I also notice that they ran down the stock so that it was in an appalling state of maintenance and, on top of that, reduced the numbers of the stock completely. Let us not start chucking stones. How about we start looking at what we are trying to do for our tenants and start applauding it?

**MRS BURKE:** How about we start with you then?

**MR HARGREAVES:** It would help for me. It would work for me if we started having some assistance and some applause for what the officers have been doing instead of trying to score cheap political points over the fear of people out there in the public sector.

**THE CHAIR:** Minister, you will not be surprised to hear from me a question on security of tenure.

**Mr Hargreaves:** Not at all. I have been waiting for two weeks for this one.

**THE CHAIR:** Last Friday, we had ACTCOSS and ACT Shelter both present to the committee.

**Mr Hargreaves:** ACT Shelter—that magic daytime branch of the Greens party, yes.

**THE CHAIR:** Their presentation to the committee was that they both felt that security of tenure meant that, if you were allocated a particular home, you would be

able to keep that for as long as your needs were there. Now you have indicated in your letter to residents that, if they were over-allocated in bedrooms, they may look at other options for their housing. Will anybody be forced out of those particular homes they have originally been allocated?

**Mr Hargreaves:** Firstly, I have to put the comments from ACTCOSS and Shelter into a certain context. Both of those organisations were very well represented at the housing summit that we had at the end of 2005. Both of those organisations indicated their understanding of the definition of security of tenure, which was the attachment of somebody to bricks and mortar regardless of circumstances, regardless of need and regardless of other people on the list waiting for such a property. Both of those organisations, however, at the end of the summit, acknowledged that there was not a shared definition of what security of tenure was all about. Was it, for example, a guarantee of bricks and mortar, or was it a guarantee of support within a system? This was the conversation at the time. That was one of the prime reasons for us tackling the notion of tenure—what was it—over the following 12 months.

When we talk about over or under-entitlement, we need to get some numbers onto the record.

**MRS BURKE:** You need to correct what you said.

**THE CHAIR:** Mrs Burke!

**Mr Hargreaves:** Mr Chairman, I will treat that remark with the contempt that is due. The numbers are these. Within entitlement—these are people whose housing and domestic circumstances match the normal entitlement that we would have for a given property—there are 3,872 of them within the property, within the entitlement. We have a number of people who have one bedroom over entitlement. For example, a married couple with one child at home in a three-bedroom home—that is entitlement in my understanding. If, on the other hand, it is a four-bedroom home you have one bedroom over entitlement. There are 3,266 people on our books in that particular category. For people two or more bedrooms above entitlement—there are 1,229 of them. There are also 651 people in our system who are under entitlement. These are people who need accommodation.

Earlier, I said that we are going to talk about the needs of people within the system and people on the list. We know that a lot of the people in our homes have been there for 25 or 30 years—more in some cases. We know that people's families have grown—gone and grown. It is possible that we will have somebody who is a single person who is living in a three-bedroom home and getting on in years. What we want to do is to say to these folks, “Look, we have a need for that particular property” or “We'd like to sell it, either to you or to somebody else. That's what we'd like to do. And we'd like to have a conversation with you about more appropriate housing.”

If we have a responsive and strategic property purchase program, we can say to these people, “In the same suburb where you live, we would like to have you move into a brand new place.” It might be 2½ bedrooms to replace four. We want to have a conversation with these people.

The conversation would be just that. Let me be absolutely clear about that: it is a conversation with people. At the end of the day, anno Domini will take care of the problem for us anyway. The imperative for us to identify people and say “On your bike” is not there. The opportunity does exist for us to provide more appropriate accommodation for people—which it did not before. It exists now.

When we go and see somebody, we might find this. I know a particular lady in Kambah whose husband may not be with us all that long. She has lived in this house and had her children grow in it and her grandchildren come to stay in it. She lives in a three-bedroom home. Her whole life revolves around her garden, and it is a delight. Now, our conversation would be—once she is the only person in the house—“Would you like us to talk to you about other accommodation in Kambah?” If she says no, we will say, “Okay. Is it okay if we come back in a year and talk to you again?” And we would leave, because her circumstances clearly are not conducive to moving on. She is in her seventies, and there will come a time when she cannot do a lot of the things around the place that she would like to do. We would like to give people the opportunity to be able to do that—at the same time, having the choice for ourselves to move people into or out of appropriate accommodation.

Some of our houses are accessible houses, provided because there is a disabled person in the family. Suppose that disabled person moves on, for any number of different reasons. These people are then occupying accessible housing when they do not have a need for it. We would like to have a conversation with them too.

Are we going to knock on somebody’s door and say, “You’ve got two bedrooms over entitlement. You’ve got three months to pack your gear and go”? The answer is no.

**THE CHAIR:** That is the impression they have, though, of the letter that has been written to them. All they need from you, minister, is a simple guarantee that they do not have to go.

**Mr Hargreaves:** I have just indicated what the position is, Mr Chairman. I also indicate to you that there are a number of other aspects I would like the committee to be aware of.

Firstly, as I said in answer to Dr Foskey, we will be going out with some further information about that to all of our tenants in the particularly near future—I would say in a week or so. That will be in the form of a letter from me and some pamphletry around what the issue is for them.

The second thing is that until recently we had no way of knowing who our market renters were—what salary our market renters were on and things like that. In terms of the second half of the supposed concern, the Housing Assistance Act has given us that information.

The third thing—and the most important one I want to get through to the committee—is that these are changes to the way things are going to be. They will be governed by guidelines. Those guidelines will be developed in conversation with a range of people on a range of levels. The tenants themselves will have input into the development of the guidelines. When the guidelines are in their draft form, they will be advised of it.

We will be using the joint champions group to advise us on how they feel. We will be involving the peak groups—Shelter, ACTCOSS and the tenants union, just to name three—although why you would need two peak groups is beyond me: there ought to be just one peak group; I think that there is a certain conflict of interest. Knock one of them off perhaps. We will see. I do not want other daytime branches involved in things. Once those draft guidelines are done, it has to go through a cabinet system. And of course, I will table those things in the Assembly and give the Assembly a look at them.

**THE CHAIR:** Thank you, minister.

**MRS BURKE:** Why won't you invite all the groups?

**Mr Hargreaves:** I have just named a few, Mrs Burke. It wasn't an exclusive list. I have just named some.

**MRS BURKE:** No, you just said that you didn't know why you would have two, or something like that.

**Mr Hargreaves:** I always thought that, if you have a peak group like ACTCOSS, it is the peak group, but Shelter claims to be a peak group and ACTCOSS claims to be a peak group.

**DR FOSKEY:** ACTCOSS set up Shelter because it couldn't handle all the work.

**MRS BURKE:** I think you know that, minister. Your predecessor would.

**Mr Hargreaves:** Why have you got two peak groups, then?

**DR FOSKEY:** They are not different concerns, minister.

**Mr Hargreaves:** I note, chair, Dr Foskey is instantly jumping to the defence of Shelter, and you would expect nothing else.

**DR FOSKEY:** I will ask some questions about that later.

**THE CHAIR:** Actually, minister, it was Mrs Burke.

**Mr Hargreaves:** But Dr Foskey jumped to their defence, chair. I wish fishing was that easy.

**Meeting adjourned from 10.31 to 10.48 am.**

**MS PORTER:** Page 337 of budget paper 4 mentions the implementation of changes to the public rental housing assistance program. Could you enlarge on that for the committee, please?

**Mr Hargreaves:** Absolutely. With your indulgence, chair, I would like to introduce Ms Maureen Sheehan, the executive director of Housing ACT, one of the architects of our changes to PRHAP, and she is going to wax eloquent on those changes.

**Ms Sheehan:** The changes to the public rental housing assistance program were announced by the government in the budget of 2006 and came into effect from 7 June last year. The major changes to PRHAP, as we call it, were around eligibility and the first thing was to change the income eligibility entitlement. One important change was to go to average Australian weekly earnings rather than average ACT weekly earnings. The proportion there was that for a single person eligibility for public housing was at 60 per cent of average Australian weekly earnings and for a couple it was 70 per cent but with additional amounts for each child that they have.

The importance of this was that under the old system, where the income eligibility was considerably higher, lots of people were eligible for public housing but, in fact, they weren't being allocated public housing. It was important to have an income eligibility level that had truthfulness to it and that gave people a real indication of whether they would be likely eventually to be provided with public housing. So the first thing that we did then was write to everyone on the waiting list to have their income details provided to us, and as a result of that the waiting list decreased quite considerably, the importance there being that at the end of the process, as the minister said earlier, I believe, we had about 1,200 people on the list.

With a public housing stock of about 11,500, we find that the waiting list is about 10 per cent of the total housing stock. What that tells you is that you can really see that the people who are now eligible for public housing have got a pretty good chance of being housed under public housing. That is a very important thing in terms of the transparency of what is going on, the reality of expectations that people on the waiting list have and their ability to plan their lives because they know that they have a really good chance of being housed once they are within that entitlement range. In New South Wales, for example, the waiting list is 60 per cent of the size of their total housing stock. If you compare that with about 10 per cent for the ACT, it gives you a very good feel for how we are really targeting and giving people a very realistic expectation of housing. That was a very important change that the government announced.

The second set of changes has to do with once you are within the income levels. The important thing for people on low incomes is to know the order in which they will be housed. We received feedback from the community, particularly from our homelessness service providers and our other community providers. We received feedback directly from them but also through the five ministerial forums that the minister held around housing and housing issues across 2005 and leading up to the summit in 2006. The feedback that we received there was that under the current system people who were classified as being in the top eligibility criteria could take between nine and 12 months to be housed. In other words, you could be in a homelessness service or you could be a rough sleeper and even in that state of crisis you could not expect to be housed for nine to 12 months. It was simply unacceptable.

We looked at what was a realistic expectation of how quickly we could house people and how we could change those eligibility criteria so that we could really provide assistance to those most in need and house them quickly when they needed to be housed quickly. That was where we introduced our new top priority criteria, and we did that in an evidence-based way. We looked at the existing category 1 in the waiting

list and we looked at the complex needs that we saw again and again of the people in that list. That was the basis on which we then developed our top priority criteria.

You won't be surprised to hear the sorts of things that we found there. We found women and children escaping domestic violence, we found homeless people, we found children at risk and people that care for children at risk, we found people with mental health issues, we found Aboriginal and Torres Strait Islanders who were experiencing discrimination in the private rental market, and we also found people with a disability whose natural supports were about to break down. That is particularly the mature parent position where a person is housed with their ageing parents but, under the old system, their parents had to pass away before they could even be considered for priority housing.

We took those criteria and put them into the top list and then—and this was the really important thing that we did—we set up a multidisciplinary panel of service providers at a very high level across all of these major complex factors where people were being provided with services and we had the panel assess the relative needs of the applicants. This was very important for us because under the old system a service—for example, a disability service provider or a homelessness service provider—would act as an advocate for a person with a disability or a homeless person, and the problem for Housing ACT was how to assess the relative needs of people with different types of complex needs who seemed to us all to be equally entitled to be housed. That is why we put a panel together whose job it was to assess the relative needs—not to act as an advocate just for the area where they provided service, but to come together with other service providers and then advise us as the housing provider, based on their expertise, who had the highest relative need.

As a result of that, as the minister said in his opening statement, we have gone from the position of housing those in greatest need, not for nine or 12 months, but down to under two months. I think that shows the importance of making the changes based on good, hard evidence and it was the evidence of the need that we found amongst people on our waiting list. As a result of that, we have found that we have been able to reposition housing and homelessness services at where they should be in that continuum of service provision, which is that where someone is in crisis, and the government is funding \$17 million a year to homelessness services to provide support in crisis, that is the part of the service system that people go to. When their crisis has been stabilised by that part of the service system, we look at the complex needs that they have through our multidisciplinary process and, at the point where people are capable of sustaining a tenancy in public housing with some support, that is when they move into public housing.

It is very important when government funds crisis support and then housing that you position your bits of the service system where they need to be, and that is crisis support in crisis, with public housing as the long-term way of supporting people so that they don't bounce back into cycles of homelessness. What was very important for government in all of this was to go from a situation where it could have been said that public housing was one silo of service provision and homelessness services and crisis services were another silo of service provision, to go away from that to creating a service system where you can then see how people can move from support through crisis into the final safe, secure, affordable housing which is provided in public

housing.

**THE CHAIR:** You talked about the indexes you used in the change. Last year in the budget process the government changed the way it related to indices and used the ACT wage price index on a number of levels. What would have been the difference to the waiting list, for example, if you had used that instead of the average Australian wage?

**Ms Sheehan:** I think that that is a different formula. The formula that the government was using there was to index payments to community service providers, and the move to that particular index reflects the fact that in human service provision it is estimated that about 80 per cent of costs, perhaps even higher, relate to salaries, and that is why it was important to give weight to the salary component in indexing payments to community providers. With respect to public housing eligibility, that is around the income levels of individuals. The other index is applicable to payments to community service providers. The index that we used around income is appropriate for looking at individuals.

**MRS BURKE:** Good morning, minister. I have to apologise at this juncture for being late. I was doing some radio work. I am sorry about that and I thank you for being here.

**Mr Hargreaves:** I hope you had a wonderful time.

**MRS BURKE:** I don't know about having a wonderful time. I hope you can answer some questions. I refer again to the accountability indicators on page 343. Item k refers to the percentage of tenant accounts \$500 in arrears on repayment agreements. We see there a 20 per cent drop for tenants in arrears for more than \$500. How will Housing ACT achieve the 20 per cent turnaround required to see the figure go from that 70 per cent estimated outcome for 2006-07 to 90 per cent?

**Mr Hargreaves:** I will get Mr Hehir to look at that for you and explain it to you. Again, just to show what we did in relation to the indicators for i and j, there was at the commencement a target and we had to develop a system to see how we would go against that target. Identifying the issues was the first part of it. We have done that, addressed those things, and we believe from the way in which things panned out over the last three months that you will find their achievement. Mr Hehir will give you some details.

**MRS BURKE:** What were those things you were talking about to address those things?

**Mr Hargreaves:** You start off at the beginning of the year by saying, "Right, what's my target?" and then you have the systems and all the vagaries that apply and you ask yourself how you are doing and actually do the test over the first six months, say, and then, of course, you see in the second six months what the performance is to set the next target. I asked this very question of the department, Mrs Burke, and I think it is a legitimate one: if, for example, your first target was 90 and you achieved 70, why not be realistic and put in, say, 80? That would have been a more realistic thing, I thought. I asked that question and now Mr Hehir will give you an answer to the question that I



asked him, which duplicates yours.

**Mr Hehir:** Thank you, minister. I will give a brief overview and then I will pass to Ms Sheehan for the detail of this one. Again, this was a first year for that performance measure. We previously had total quantity of debt as a performance measure and we were concerned about that in terms of having some perverse incentives just to evict people rather than try and work with them to find a way to address it. We did not let the issue go, though. We remained concerned about how we manage debt and how we actually work with our tenants.

So in the preparation for the 2006-07 budget we had a look at a measure that we believed would provide a good indication of how well we were working with the tenants in terms of actually getting them onto agreements and finding a process to get them to repay debt. So that is certainly what the intent of the indicator is. What we do know is that we believe it is a good process, that we should be working with people with high levels of debt to get them onto a repayment agreement, to move them forward and to find a structured way for them to address that debt.

I will pass to Ms Sheehan to talk about the detail of this measure. But, again, it was certainly a stretched target. We did not try and be soft on ourselves. We were certainly looking at what do we believe the acceptable figure is and how we are going to move forward. I will now pass to Ms Sheehan.

**Ms Sheehan:** Thank you. As Mr Hehir said, we did not previously have a target for people in debt to be on repayment agreements, although we did have the facility even within our business system home net for people to enter into formal repayment agreements. Although we didn't have a target, we had found that around a little over 50 per cent of people in debt were actually entering into repayment agreements with us.

As Mr Hehir says, to move from around about 50 per cent to up to 90 per cent was certainly a stretched target for us. But we believe it is important to set those stretched targets. I will describe the way in which we are increasing targeting the provision of housing assistance to people most in need. While for most of the people in this room \$500 might be a good day at Brand Depot, it could take people who live in public housing more than a year to repay a \$500 debt because their incomes are very small. That is why we felt it was really important to stretch ourselves and to work with our tenants so that they would enter into agreements to repay. Any family's life can become completely unmanageable if their debt is overwhelming and crippling. And that is why it was important for us to set that target.

We estimate and we are hoping that we will come in at about 75 per cent. That is not 90 per cent but it is a long way ahead of where we were at the start of the year, and it represents a commitment by our staff to work closely with our tenants. We would be hopeful that we will get towards that 90 per cent over the course of the next year, because if we don't the consequence for our tenants is that they will continue to live in debt, and that can be absolutely overwhelming and very damaging to their lives. So we will work to achieve the target because it represents the commitment that we have to our tenants.

**Mr Hargreaves:** I am sorry to interrupt you, Mrs Burke, but we also recognise that often the people who are in this situation are actually living on credit and so the amount of arrears that they may owe us, of say up to \$500, needs to be added to the sort of bankcard debts that they have or the arrears that they have with electricity and the rest. What is important for us is that we have affordable agreements struck with the tenants so that we are actually getting in there saying, “Look, we want to get you out of this mess.” If we have the affordable agreements then what is required is looking at the family household income and expenditure in a structured way, otherwise we cannot have an agreement.

**MRS BURKE:** You have got no argument from me, and you know that.

**Mr Hargreaves:** And that is a significant change.

**MRS BURKE:** Thank you, minister. But why wouldn't you be more realistic? You can answer that in a minute. I have a problem here. I have brought this up with the minister before and maybe, if he has a chance to have a re-think, he can answer it again. I cannot understand. You have indicated that \$500 is a heck of an amount of money. Why are we not kicking in earlier to, say, one week's rent?

**Mr Hargreaves:** Yes, we do.

**MRS BURKE:** Target the first week's rent. Also, why not have a mandatory repayment scheme? I know the minister has argued and said not. I think all people receiving a Centrelink benefit would have a bank account. I have to pay my mortgage, you have to pay your rent and mortgage. Why are we not able, as landlords, to do this? Surely we can find a way.

**Ms Sheehan:** Mrs Burke, under the existing legislation it is not possible for us. That would be like garnisheeing someone's wage. It is not within our power.

**MRS BURKE:** The minister can change that, surely.

**Ms Sheehan:** It is the issue of commonwealth legislation. What we do have at Centrelink is an agreement where people can be on direct debit from Centrelink, and over 60 per cent of our tenants are already on direct debit arrangements either through Centrelink or through their bank accounts.

**MR STEFANIAK:** Can't you make that a condition if someone is in arrears?

**Mr Hargreaves:** We can't, Mr Stefaniak—

**MRS BURKE:** You haven't got the flexibility?

**Mr Hargreaves:** We don't have the legislative authority in the territory to garnishee Centrelink payments. It is something that is governed by federal legislation. So we just can't do it.

**MRS BURKE:** Well, would you be prepared to make a case for that?

**Mr Hargreaves:** We can't change the legislation.

**MRS BURKE:** No, to the federal government. They are now looking at the next agreement.

**Mr Hargreaves:** This might come as an incredible surprise to you, Mrs Burke, but we have a difficulty in dialogue with that lot.

**MRS BURKE:** Well, keep trying.

**Mr Hargreaves:** We don't seem to be speaking the same brand of English. Perhaps you and I could go and have a chat with them about accents.

**MRS BURKE:** I would be happy to come with you. Finally, what is the current tenancy debt level being carried by the Housing ACT for tenants in arrears?

**Mr Hargreaves:** Could I introduce Mr Ian Hubbard, the chief finance officer.

**Mr Hubbard:** The current level of debt for housing is about \$1.2 million and, importantly, that represents under two per cent of our total rent revenue, which is probably a good result in comparison with other businesses in the economy which usually carry a large proportion of creditor debt. So, overall I think it does indicate that the vast majority of tenants of Housing ACT do pay their rent on time.

**MRS BURKE:** I have a worry—

**THE CHAIR:** I thought that was your last question.

**MRS BURKE:** I know but I want to continue my train of thought, chair. Sorry, minister.

**Mr Hargreaves:** Mr Hehir was going to give you an extra piece of information on that subject.

**MRS BURKE:** It is important to keep following through on this matter. Mr Hehir can come in after I have finished. In May 2006 we recognised that the level of debt was around \$1 million. You are saying you have put in better practices and procedures, yet we see the level of debt increasing. This is a concern, surely.

**Mr Hargreaves:** Yes. One of the things that we need to understand, too, is the environment in which we are doing these things. If we didn't do this, if we didn't have these initiatives in place, what would the level of debt be? It would be significantly higher than it is now. And so you have got, if you like, an amelioration exercise happening here. This has been in place now for only a year or so.

We need to understand that every time a market renter comes off our books, a rebated tenant comes onto our books, and so a person with quite possibly financial issues about their family situation will join the tenancies. The agreements that we strike have a certain period to run and you will not see an instant drop; you will see a drop over a number of years. I cannot give you a number but we have actually started it.

Mr Hubbard says the debt is \$1.2 million but if we had in fact not done what we have done and started to do that, you are going to be up around one point something.

**MRS BURKE:** Minister, sorry, that is a non-argument; that is a silly argument.

**Mr Hargreaves:** No it's not.

**MRS BURKE:** You are letting people get into debt—

**THE CHAIR:** Mrs Burke, would you let the minister finish his question, please.

**MRS BURKE:** You are letting people get into debt.

**Mr Hargreaves:** No, we're not.

**MRS BURKE:** Way too high.

**Mr Hargreaves:** No, we are not. Mrs Burke, I have just explained to you the connection between the level of debt and the initiative. You also need to appreciate—and I think I have explained this before—that the interventions do not wait until they get to 500 bucks or more. There are other triggers that happen. We go and have a conversation with our tenants to stop them getting to the \$500. Those processes already exist and have been existing for at least 12 months or so. What is the number? There is a trigger, and it might be a fortnight's rent. We don't just say, "Oh, they are behind in their rent. Well that's bad luck. We'll wait till we get to 500 bucks and then we're going to have a chat with them."

**MRS BURKE:** What is the trigger then?

**Ms Sheehan:** Mrs Burke, the trigger is any level of debt. The responsibility of the housing managers is, when they see any level of debt with a tenant, to contact the tenant and to make an arrangement for the amount to be repaid. And that is very important because as soon as someone gets into debt they have got a problem. I guess the first time you miss your rent, or you pay it a bit short, the risk is that having done it once you might do it again, and that is why it is really important for our housing managers to make contact. That is part of the requirements. We have recently done a lot of work with our housing managers, including providing a lot of support through their team leaders and through the regional managers to assist them to make that contact and to manage it very tightly.

The other thing that we have done is that Housing ACT has a service purchase agreement with CARE credit and debt. There are two aspects to that. One is that CARE actually assists our tenants to make realistic budgets, which include: repayment of their debt; very importantly, of course, not getting into greater debt; and repayment of other debts, not just housing debt. Also, CARE is providing training to our housing managers in how to assist our tenants to deal with debt.

**MRS BURKE:** But we are not seeing the level of that come down, are we? At the end of the day, it is going up, not down.

**Mr Hargreaves:** Hang on a second. Mrs Burke, I would like to ask you to appreciate that if we had done nothing the level of debt would have been considerably higher. So this is a mitigating program and over time you will see the level of debt go down, we would hope. But there are other issues that you have got to understand, too. I suspect there is a misunderstanding on the part of some members that when you see the level of debt you automatically assume that it is rent. Well, it isn't.

**MRS BURKE:** What is it then?

**Mr Hargreaves:** A lot of the amount of debt owed to the—

**THE CHAIR:** He is trying to answer you, Mrs Burke. If you would stop interjecting you would be able to hear what he is saying.

**Mr Hargreaves:** I might need to hide behind your protection here, Mr Chair. I am feeling decidedly under attack, and you know how sensitive I can get in those circumstances. The point that I am making is that there is tenant maintenance where some repairs are required to be done to properties because of tenant negligence or any number of other reasons. They have a debt to us for the maintenance. That is a one-off—it is not an accumulating thing like rent arrears.

**MRS BURKE:** What is it standing at at the moment?

**Mr Hargreaves:** We will get you a split of those within the time period. We will take that on notice.

**MRS BURKE:** You haven't got that today?

**Mr Hargreaves:** No, I don't have them here.

**MRS BURKE:** Why not? You should have papers like that, surely.

**Mr Hargreaves:** Mrs Burke, I don't have the figures here, and I will give them to you on notice within the time frame.

**THE CHAIR:** I think, Mrs Burke, that is reasonable. Dr Foskey has a question.

**MRS BURKE:** It's reasonable?

**Mr Hargreaves:** Another point has to be made in response to Mrs Burke's issue.

**THE CHAIR:** Yes, minister.

**Mr Hargreaves:** One of the things we have done to attack the level of rent arrears debt is to address the times when people get breached for their Centrelink payments. Up until this last financial year, when a person was breached they got no income from Centrelink and they were instantly in arrears with us. Then, of course, they had a catch-up problem. When the Centrelink benefits flowed again they had a double problem with respect to rent. What we have done is introduce an arrangement where, if people are breached, we don't require them to pay their rent for that particular week

at that particular level. It comes down to as little as \$5. This is so that we don't have people whose circumstances have placed them in this position, which is temporary, where they will end up with an accumulated debt and then they are in even further strife. So we have attacked that.

I don't think there has been an acknowledgement of the point that Mr Hubbard made: the percentage of debt carried is good compared with other businesses in the economy.

**THE CHAIR:** Dr Foskey and then Mr Stefaniak.

**MR STEFANIAK:** I would like a fair go, chair. I have had one question so far, which took five minutes to answer.

**DR FOSKEY:** Mr Stefaniak, I am going to let you have your go now because I am more interested in maintaining equanimity on this committee than in having arguments.

**MR STEFANIAK:** Thank you very much, Dr Foskey, and I would be quite happy to extend the same courtesy to you. I have a couple of questions, minister. How are the redevelopment and rejuvenation projects progressing at the former Burnie Court site and also at Fraser Court and Currong? I understand that they are still vacant blocks, and that has been the case for some time. What actually is happening?

**Mr Hargreaves:** To answer your question about what is happening and how is it going: it is going very nicely; thank you for asking.

**MR STEFANIAK:** When can we expect the sod to be turned?

**Mr Hargreaves:** Well, it depends on which sod we want to turn over. Mr Chair, there are a number of developments. What I would like to do, for the benefit of the committee, is to get Mr Collett to walk you through each of them. We have the Burnie Court one, we have Fraser Court and we have Currong.

**MR STEFANIAK:** When you are walking us through, can you tell us how many social housing dwellings will be constructed at those sites?

**Mr Hargreaves:** Social housing ones? Just please remember, though, Mr Stefaniak, that the money that we realise in the way of benefit to us will manifest itself in properties elsewhere and off site, because the money that we actually make on this process is required, under the Commonwealth-State Housing Agreement, to be applied into stock.

**MR STEFANIAK:** I am well aware of that. You might tell us how much extra stock you will build.

**Mr Hargreaves:** It depends on the type of dwelling that we buy with it.

**MR STEFANIAK:** What are you aiming for, minister?

**Mr Hargreaves:** I can't tell you.

**MR STEFANIAK:** And how much social housing will actually be at those two sites?

**Mr Hargreaves:** Mr Collette can have a crack at that.

**Mr Collett:** Thank you, minister. I will start with the Burnie Court site. We signed a joint venture agreement with Hindmarsh late last month, and that clears the way for us to prepare detailed designs for that site. We prepared a planning study which indicates the mix of use that we and Hindmarsh propose to put on the site. We have lodged that preliminary study with the ACT Planning and Land Authority and have received detailed comments back from them. We will be meeting with the architect this week to address those comments and to further the planning arrangements.

We anticipate that next calendar year we will be starting work, first of all, with the retirement component of that site. The Hindmarsh proposal, which we strongly endorsed and which is embodied in the work that underpins the joint venture agreement that we signed, anticipates that the site will be developed approximately 50 per cent for retirement accommodation and approximately 50 per cent for residential accommodation. That is a significant need in the Lyons-Chifley area, and in fact is reflected by a strong level of interest that we have had through public consultation from residents in those suburbs who are looking at the possibility of acquiring units.

**MR STEFANIAK:** Will that be affordable, Mr Collett?

**Mr Collett:** It will be, yes. We will stick closely to the model for retirement complexes within existing suburbs.

**MR STEFANIAK:** How much are we talking about?

**Mr Collett:** It will be close to the median price for three-bedroom stand-alone houses in the suburbs we are talking about. I cannot give you a price now. It will depend on the detailed architectural drawings and the construction costs, but it will certainly be affordable for the target market, which is primarily based on people within that area of Woden-Weston Creek who surround the development. That is an area that Hindmarsh have got significant experience in and that we have a level of experience in as well, and we are confident that the market will strongly respond to that.

**MR STEFANIAK:** And the social housing component of that development?

**Mr Collett:** I might just touch on the other housing, from which the social housing will be drawn, and that is the residential component of the site. We intend to produce a range of apartment units for general residential accommodation. It will be part of that tranche of accommodation that provides for the social housing. It will be, in fact, community housing on that site, through Community Housing Canberra. We have already made a commitment to provide them with \$2.8 million to invest in housing in that development.

The Hindmarsh group are particularly comfortable with having community housing on the site. They have visited City Edge and a number of the other properties

developed by Community Housing Canberra, and have in fact had discussions with Community Housing Canberra. My expectation is that Community Housing Canberra will leverage off those funds, so they will use the equity in the units that they purchase with those funds to secure loans and to purchase more.

**MR STEFANIAK:** So we are looking at what—10, 20 or something?

**Mr Collett:** Somewhere between 15 and 20, I would expect. It will depend very much on what level of leverage Community Housing Canberra put into it, and whether they want to apply any other funds; whether they see it is as a growth area or a demand area, particularly given the changes that have already been referred to in terms of where we see community housing going as part of the total mix of affordable housing in the territory. But, certainly, there has been support from Hindmarsh for community housing at that level. As I say, they have visited the complexes that CHC have been involved in, they have looked at the units that have been occupied by their tenants and they are completely comfortable with that.

**MR STEFANIAK:** I would like to refer to one other program that you have. I see that you have \$600,000 under capital works for some upgrades to the infrastructure of the long-stay caravan park at Narrabundah, which you hope to finish by June next year.

**Mr Collett:** That is right.

**MR STEFANIAK:** When will that work actually commence, given the uncertainty of the current dispute? Minister, you don't seem to have been involved in that process.

**Mr Hargreaves:** That's right.

**MR STEFANIAK:** Are you actually involved—

**Mr Hargreaves:** No.

**MR STEFANIAK:** or are you completely out of it?

**Mr Hargreaves:** No, totally out of it. I don't want to be involved in it. Mr Chair, let me put the scenario to you about this.

**MRS BURKE:** Minister, sorry.

**THE CHAIR:** He is trying to answer a question.

**Mr Hargreaves:** This is in response to Mr Stefaniak's question.

**MR STEFANIAK:** I did ask what happened to Fraser Court, which is a good point.

**MRS BURKE:** Yes, we didn't get the other—

**Mr Hargreaves:** We will come back to that. I want to make a point about Narrabundah Long Stay Caravan Park. This is not part of our public housing stock.



The only reason Housing ACT are involved at all is in the role of property manager. We are just the property manager because we have the skills to do this. There are works that are required to be done on that site and, as a good property manager, we are going to get those works done. Now, we are not involved—

**MR STEFANIAK:** What are the works?

**Mr Hargreaves:** I will give you a list of the works, if you like. I don't carry that information around in my back pocket and neither does Mr Hubbard.

**MR STEFANIAK:** I imagine the officials would, though.

**Mr Hargreaves:** Not in their pockets. But Mr Collett has it. The point that I need to make to you—and this needs to be absolutely understood—is that if you have questions around the land swap arrangements or anything to do with that at all—

**MR STEFANIAK:** I haven't. I asked you a simple question and you are answering it.

**Mr Hargreaves:** You asked me was I involved in it or not, and I am answering that.

**MR STEFANIAK:** You are answering—that's fine.

**Mr Hargreaves:** The answer is no and I don't want to be involved in it. All we are doing is bringing in the skills and expertise of Housing ACT to the benefit of the people who live there. That's all. This is in terms of rent collection and that sort of thing, and making sure that it is a nice place to live.

**MR STEFANIAK:** Mr Collett, I think, can answer that. Is the lease expiring in February? The lease is with housing, I understand.

**Mr Collett:** Yes. We did an audit of the caravan park when management was passed back to us with the announcement of the sublease with Dytin, the owner of the caravan park. At that time we did a number of remedial works that we thought needed to be done in the short term, particularly around OH&S issues. At the same time, we had a engineering company look at the in-ground hydraulic services, the road, the pavement and the fire services, and we identified some works that we needed to do in the medium term rather than in the short term.

Anticipating the conclusion of the Chief Minister's initiatives involving the NCA and Dytin, which would lead to a land swap with Dytin and a transfer of that land to the territory, we, as the minister indicated, as prudent land managers, anticipated the need to undertake those works. And so we have had them costed and we have put up a budget bid for those works. Treasury has recognised the necessity of that in the medium term. They supported that budget bid. It has been included in the budget as was announced. When the land is transferred to the territory through the land swap we will be making arrangements to spend that money. But we won't spend it while we don't own the land, as you would anticipate.

**Mr Hargreaves:** Mr Stefaniak, it is relevant to know that this amount of money, the \$600,000, is a provision. It is not a program where we will commence work on 1 July

because the money flows. It is a provision. We know the scope of works we need to do. Mr Collett has just told you about that. It means that in the financial year 2007-08, if it transpires that we need to do those works because the land swap actually goes ahead or whatever, we have actually got the appropriation there to do it. Were we not to provide that by way of provision we would have had to either have a supplementary appropriation or we would have needed a Treasurer's advance. But we already know and, therefore, the urgency and the unforeseen nature of it do not apply in the context of a Treasurer's advance. So we put the thing into the appropriation bill by way of a provision. The commencement will be largely dependent upon the outcome but we do have money there available and we do have the condition audit which points us to where we are going.

**MR STEFANIAK:** What will happen to the tenants if something goes wrong?

**Mr Hargreaves:** You will have to talk to the Chief Minister about that, Mr Stefaniak. I don't know.

**MR STEFANIAK:** Well, they are your tenants.

**Mr Hargreaves:** In terms of what?

**MR STEFANIAK:** As I understand it, the leases expire in February and if there is some hiccup in relation to—

**Mr Hargreaves:** We will have to address that question further towards the end of the year because we don't know.

**MR STEFANIAK:** You don't have any contingency plan?

**Mr Hargreaves:** I don't have any indication that the thing will or will not go ahead. I need to have that information given to us. It is not appropriate for us. From where Housing ACT sit, we are committed to these people having a home out there, so certainly we are a bit involved in that. But this land swap thing is actually a process and a project being conducted through the Chief Minister's Department. We are informed by that. If it appears as though things are not going to go ahead, certainly then we will, in conjunction with the Chief Minister's Department, obviously develop a contingency plan for those people. But it is a bit early yet.

**MR STEFANIAK:** Fair enough. What is the position with Fraser Court, Mr Collett?

**Mr Collett:** Around the world and back again. I was just making the point to Mr Hehir that the occupancy agreements with the tenants at the caravan park coincide with the terms of our sublease with Dytin. We have not invented that date. It is related to that and our subleases will be dependent upon what the lease with Dytin turns out to be given different outcomes.

Fraser Court has been more of a challenge for us than the Burnie Court site. The original proposal from St Hilliers, who the government announced were our third tenderers for the joint venture, was based on the refurbishment of the existing dwellings at Fraser Court. The dwellings have a number of characteristics that have

been difficult for us to manage and we have needed to do quite a lot of exploratory work on those units. At the same time as we have been negotiating the St Hilliers around the commercial terms for the joint venture, we have been undertaking investigative work. Over the last three months we have fenced the smallest of the block of units out there, block B. We have taken the ceiling linings off, opened up the ducts and looked at the structure, the roof flashing and drainage systems in order to make sure we were not taking on too much of a risk in refurbishing the building.

For a range of reasons, including conservation arguments, we would like to refurbish those units if that is possible, and certainly that was St Hilliers preferred position. However, the refurbishment of the units involves significantly greater risks than new construction. With new construction you dig a hole in the ground, pour a footing and build the walls. You can get subcontract prices for all of that work. The documentation prepared by the architects and the engineers clearly describes the extent of the work and you can have a reasonable level of confidence about what the final costs are going to be.

Unfortunately the refurbishment of the works for the existing buildings does not have that same level of certainty. We have made assumptions, for instance, about the number of hot-water units we will be able to re-use, but we do not know what the outcome will be and whether we will meet that target or not. We have made assumptions about the structure of the roof and what we can do to put on a new roof and drainage in but we might find that subsequent blocks have a different structure—timber purlins rather than steel, as we have found in the unit that we have explored.

We are also keen to make sure that we present the units in a way that is attractive to the market. We have done a lot of work with real estate agents trying to understand what the impact of the design will be on those outcomes. Unfortunately some of the things that we found when we did that exploratory work on block B have put our cost plan under even more pressure. We are currently talking to St Hilliers about how we ensure that the Commissioner for Housing—

**MR STEFANIAK:** What sort of pressure, Mr Collett?

**Mr Collett:** Sorry?

**MR STEFANIAK:** By how much? What sort of pressure?

**Mr Collett:** In the order of 10 per cent, but it is largely the uncertainty. I will use the example that I just gave you: the hot-water services in block B. There were only six units out of 104, so it is not a representative sample, but we were significantly over the 50 per cent of the hot-water units that needed to be replaced. When we got into the flashings around the roof plumbing, we found that a number of the supporting timber work, the fascia boards off which the gutters hang and which support the gutters, had rotted. The rot had gone into the fascia panels when we lifted them off.

It is a question of increasing the level of risk, I think, rather than the costs, although we have revised those costs and the increase is around 10 per cent. We need to make sure that the Commissioner for Housing gets a reasonable return for those units. The objective of entering into the joint ventures was to increase the return in the number of

units that we achieve. Part of your question, originally, was: what would be the return to public housing from these units?

The minister pointed out that, under the commonwealth-state housing agreement, we are required to and intend to apply all of the funds that are released from these developments into renewing our stock—buying new public housing. Not all public housing will be reproduced on the site. The excess funds that are not used for public housing on those sites will be applied to public housing elsewhere. Where we have sold blocks of multi-unit properties previously—Lachlan Court in Brisbane Avenue in Barton is a good example—we got better social outcomes; newer housing stock, easy to maintain; and a better mix of our tenants with the general community. But what we have missed out on in a sense is replacing the number of units.

We have had a significant decrease in the number of units that we hold and we have only been able to achieve 15 or 18 per cent of the number of units purchased back. With the joint ventures we are doubling those figures, looking at a range somewhere between 30 per cent and 50 per cent of the numbers of units returned. For the moment the joint venture is, from a financial point of view, on track to achieve those outcomes.

In the case of Fraser Court, to answer your specific question about the number of social housing units that will go back on that site, we have made it clear that we will give effect to commitments that have been made to the tenant, which I think members of the Assembly are aware of, that any of those who were tenants at Fraser Court before the refurbishment exercise was commenced would be given the opportunity to return to Fraser Court. We are not sure how many that will be. A number of the tenants that were there have been able to be housed in either townhouses or freestanding houses, which are generally regarded to be a more attractive form of housing. We always find that a number of tenants are concerned about the move, but after they have moved, established new social networks, found out where the buses run and established themselves in those communities, they are then reluctant to move again. That is just human nature.

Our expectation, on the basis of the interviews that we had with the tenants and their advice to us as they made the move, is that somewhere between 12 and 20 tenants will, at the end of the day, want to go back to Fraser Court. We will make sure that, whatever the outcome of the redevelopment, we have the capacity to house those tenants. As I say, the remainder of the funds that are released from the joint venture and not used to buy back the units will be spent on public housing elsewhere.

**MR STEFANIAK:** Thank you, Mr Collett. Minister, you mentioned overallocations and underallocations and gave some figures. Could you please table the figures for that?

**Mr Hargreaves:** I will repeat them, Mr Stefaniak, because the piece of paper I have in front of me has notes on it. But I am quite happy to slowly tell you the same information that I have here. The number of units within entitlement, the number of properties within entitlement—are these properties or tenancies?

**Ms Sheehan:** Tenancies.

**Mr Hargreaves:** Okay. Let us get the terminology correct so that we are talking off the same bench sheet. The number of tenancies within entitlement is 3,872. The number of tenancies which have one bedroom above entitlement is 3,266. The number of tenancies with two or more bedrooms above entitlement is 1,229. The number of tenancies under entitlement is 651—a total of 9,018.

**THE CHAIR:** I want to remain with the term equanimity and Ms Porter has asked the least number of questions so far.

**MS PORTER:** Thank you, Chair. Earlier on Mr Hehir mentioned significant improvement in tenant satisfaction. I would just like to explore that a little more. On page 338 it says that you are going to focus on the outcomes of tenant satisfaction surveys. Could you let us know what happens to the feedback that you get from those surveys. Do you think you will be able to continue to use that in the positive way that you were describing before, Mr Hehir? The page before talks about the Raising our Voice tenant participation program. Is that the same thing or a different thing? If you could explain that to the committee, it would be fantastic.

**Mr Hehir:** The social housing survey is a more formal thing. Every two years a national social housing survey is undertaken. We have seen significant improvements in that. We have gone from about 59 per cent overall satisfaction in, I think, 2003-04 up to 68 per cent in the last survey undertaken.

We believe in the importance of those surveys because they are very detailed questions and they give us very good information. We run our own survey with a slightly higher level of survey sent out every alternate year to improve the level of information. We like to get it annually. It allows us to track how we are going. It provides information like the understanding, the clearness of communication, satisfaction with location and with services provided for emergency maintenance, maintenance and treatment from the housing managers. It has quite a deal of detailed information with it. We supplement that by a qualitative rather than quantitative survey which we commission ourselves. We do it annually as well. We go out and have focus groups of tenants. We talk to them about their view of Housing ACT, the services we provide, the properties and the staff.

We like to use not only the quantitative information but also the qualitative information. We certainly find when we are working with our staff on how we can continue to improve our services that it is very good to have not only some very objective measures but also the real voice of the tenants through the qualitative information to get the message across about where we need to continue to improve. I think the Joint Champions Group is a different form, but I might get Ms Maureen Sheehan to talk about that.

**Ms Sheehan:** The Joint Champions Group is our standing committee for public housing tenants that are involved in participating with us in decision making about the provision of services. The implementation of recommendations came from a project that was run jointly by Shelter and the ACT Tenants Union, which advised us on the basis of what tenants wanted, not just what Housing ACT thought, and advised us on how we should conduct tenant participation in public housing.

We have a work program which we hope will take us through with the implementation of all the recommendations within the next year. The Joint Champions Group confirms the work program that enables both the tenants and Housing ACT to implement those recommendations. The recommendations are around how tenants can be involved in providing feedback on their housing, but, importantly, on how they can help us design services that are provided in the way that they would wish them to be provided. That is the really important thing; otherwise it is not really participation—it is just the chance to comment on things occasionally.

As we develop our operational guidelines on how to implement the next tranche of changes in public housing, around those issues that we discussed earlier—around people on high incomes purchasing their properties and also tenants moving to property sizes that more closely meet their needs—we are really looking forward, as the minister said, to consultation with our tenants. We will have a prime role there for the Joint Champions Group to assist us to get the voice of tenants as to what the guidelines should be.

**MS PORTER:** Thank you very much.

**DR FOSKEY:** That is good. My questions actually relate to the Joint Champions Group. Do the departments conduct an evaluation and satisfaction survey of the participants in the Joint Champions Group?

**Mr Hargreaves:** Can I just seek clarification of the question? Are you asking whether we have done some value testing on the members of the group?

**DR FOSKEY:** How they feel; basically whether they feel their participation—

**Mr Hargreaves:** Whether we think they have done a decent job?

**DR FOSKEY:** No, whether they think that their participation is producing the benefits that they probably hoped for when they undertook that participation.

**Mr Hargreaves:** Dr Foskey, I really think we need to understand that their term has come to an end. We have an advertisement out now for a new group. I can tell you that I have had a conversation with at least one member—I will not say how many—who has a completely different view of the value of her contribution than others would have, and a completely different view of the value of contributions of other members of the Joint Champions Group than other members would have. I suspect that would be the case with almost any of them. This is a dynamic that we live with all the time.

To attempt to answer that question would be to pre-empt a decision on my part as to whether to continue with it. The answer to that is that we are going to continue with it and that is why we have put an ad out there for people to express an interest in being part of it.

**DR FOSKEY:** How will the government ensure that the representation in the next permutation of the Joint Champions Group will reflect government housing tenants? Secondly, how will they be empowered by their involvement in the Joint Champions

Group?

**Mr Hargreaves:** I will get Ms Sheehan to give you some detail on this, but understand please, Dr Foskey, that when we put an advertisement in the newspaper we are asking for allcomers to express an interest in being on that group.

**DR FOSKEY:** Are they all going to be on the group if they put their name forward?

**Mr Hargreaves:** No, they are not. I am not going to have 11,500 people on the Joint Champions Group.

**DR FOSKEY:** Yes. So the question remains how you select, by what criteria.

**Mr Hargreaves:** Yes, sure. I will get Ms Sheehan to indicate that. Please, though, appreciate that we are interested in genuine advocacy. We are interested in genuine contribution. These people do not have a decision-making role—understand that, please—but we really do need them. So the process of selection is as best we can do it. Ms Sheehan can go down that track.

**Ms Sheehan:** When we conducted our first round of expressions of interest for people to become members of the Joint Champions Group, which was about two years ago now, we only got about 20 tenants that nominated. We wanted to be as inclusive as we could, so the 20 became members of the Joint Champions Group. If other people expressed an interest, they came along—and that was fine with everyone—and participated. Over the period of about the 18 months that the group operated, we would have had anywhere between 20 and 25 tenants that attended each meeting.

As the minister said, we have called for an expression of interest now. At the moment we have about 70 people that have expressed an interest. We think that is absolutely fantastic, because obviously it is more than three times the number of people that expressed an interest previously. Over the course of this life of the Joint Champions Group, we have been very active in participating with tenants in lots of ways. We have had regional forums with our tenants. Any tenant can come to a regional forum, meet housing staff and discuss issues that they are concerned about. That was an opportunity to talk to people about Joint Champions and to try and engender a bit of interest.

There was also a project that the Northside Community Service did with a group of public housing tenants: single mothers looking at the issues about provision of services to children who live in public housing. That gave us an opportunity to get those tenants interesting in participating in the Joint Champions Group. This goes to Dr Foskey's question, "Will it be representative?" We have had a very active campaign trying to get young people, women, women with children, teenagers and Aboriginal people interested in participating in the Joint Champions Group. I would be very confident that the Joint Champions Group will be highly representative of all the different sorts of people that live in public housing.

As the minister said, you cannot have 11,000 people involved in a committee but for all of the people that have expressed an interest in participating, we will absolutely make sure that they are involved in participating with us, and that they are involved in

tenant participation. It might not be that everyone sits on the same committee, but we are flexible enough to be able to work with the tenants to make sure that there is a range of ways that they can participate with us.

**DR FOSKEY:** Given your previous comments, Mr Hargreaves—I am asking this on behalf of a wide range of community organisations—what exactly do you see as the role of peak advocacy groups? I am going to mention Shelter’s name and hope that a ton of bricks do not fall on me, because this question is specifically about housing and the providing of advocacy for the most disempowered and vulnerable tenants.

**Mr Hargreaves:** Firstly, Dr Foskey, through you Mr Chair, there needs to be a distinction drawn between an advocacy organisation which exists because there is a need for strong advocacy for people who, for one reason or another, do not seem to have the power to advocate for themselves, either because of their perceived lack of power or for a real one. We have, quite clearly, a range of organisations that will advocate to or lobby government. The Tenants Union is one. There is a role for that. We acknowledge that role and are quite happy to do that. There is quite a difference, however, between that and a peak body. A peak body is one which has a constituent membership. It represents a whole sector. The best example of such an organisation is ACTCOSS. ACTCOSS is recognised because it has a wide-ranging membership of people in the community sector; it is a peak organisation. It does not exist to advocate on a particular issue on its own. It collects information from its membership and advocates the issues confronting the membership as produced to it and goes forward with them.

My issue about advocacy groups and peaks is defined in those two groups. I do not believe with a population as small as the ACT that we have need for any more than one peak group in most of our community sectors.

**DR FOSKEY:** You would be aware that Shelter has quite a large number of component organisations, which it supports. They find that Shelter can be their voice. Housing is often just part of their whole range of advocacy. They require a group that can just focus on housing. ACTCOSS is not in a position to do that. That is why it set up Shelter in the first instance.

**Mr Hargreaves:** What I hear you saying to me, Dr Foskey—please feel free to correct me if I have got it wrong, because I am seriously quite happy to be corrected—is that I should acknowledge Shelter as being the peak body on housing issues in the ACT and not acknowledge ACTCOSS as having that role.

**DR FOSKEY:** Clearly they work together.

**Mr Hargreaves:** I guess I am trying to say to you, quite openly, that there should be only one peak body. Industries can do it themselves. If Shelter is acknowledged by the sector as being the voice of that sector, perhaps we should acknowledge it as the peak body. I am sure ACTCOSS would be delighted to hear that. In a place as small as the ACT, I do not see why you need a number of peak groups. Just because an organisation is a collective of organisations coming together does not necessarily mean that they represent a whole sector. If there is competition between Shelter and ACTCOSS about who is going to be head honcho, they can go and sort it out.



**DR FOSKEY:** Forgive me; I do care about this. Perhaps you could facilitate—

**Mr Hargreaves:** Are you suggesting or insinuating that we don't?

**DR FOSKEY:** No, not at all. Perhaps you could facilitate a discussion between ACTCOSS and Shelter as to how they can because they obviously work together. They produced *The Wealth of Home* report together. What did you think of that document?

**Mr Hargreaves:** Firstly, Dr Foskey, I do not see my job as being referee—

**DR FOSKEY:** It is not a fight. There is no competition.

**Mr Hargreaves:** If people want to have peak status, then they need to sort it out themselves.

**DR FOSKEY:** You are the one who sees a problem, Mr Hargreaves.

**Mr Hargreaves:** If we are going to be contributing from the taxpayers' dollar to competing peak bodies, then I think we need to have a good, long look at it.

**DR FOSKEY:** It is a straw tiger that you have put up. There is not an issue between ACTCOSS and Shelter. You have created one or enunciated one here today.

**THE CHAIR:** Do you have another question, Dr Foskey?

**Mr Hargreaves:** Mr Chairman, I have to say that if we are paying out of the taxpayers' dollar for advocacy on both parts, then perhaps we need to ask, "Is the taxpayer being well served?"

**DR FOSKEY:** You are not paying for Shelter. It is holding together with a safety pin at the moment.

**Mr Hargreaves:** Dr Foskey, I am sorry if we have offended your—

**DR FOSKEY:** No, you do not need to go there, Mr Hargreaves.

**Mr Hargreaves:** relationship or if there is some sense of threat such that you need to raise it so vehemently in the committee. I pay respect to that; please do not misunderstand me. But the committee might like to know—the suggestion was that we do not pay much, that Shelter is holding together and all this sort of thing—that we contribute \$65,000 a year to Shelter to keep it in its position.

I have not had a look yet at the extent to which we support peak bodies for their contribution to dialogue around community and public housing. But let me say this, Mr Chairman: we have required the Department of Disability, Housing and Community Services, in the context of Housing ACT, to become more efficient and reduce its admin overhead. We have required the community housing sector to do that by the withdrawal of the overmatching funds of \$485,000.

Some organisations have actually done it. For example, I mentioned the case of SOUL and Poachling coming together as Echo. Some of them are resisting, but most of them are coming to it. I do not see why peak advocacy should be excluded from that objective of saying, “Are we actually paying out more in our grant funding for what we should be getting?” There is no suggestion that we would pay less out there, but the question is whether the money that we are paying out there would find its way into the sharp end of the problem.

If the efficiency drive was initiated by Housing ACT and picked up by community housing service providers, I do not see why the peak bodies should be spared from the same sort of approach. I do not think it is fair. It is certainly not fair on the membership of those peak bodies if we have asked them to clean their act up and do not require anyone else to do it. I think that is grossly unfair.

**MRS BURKE:** Thank you, minister. I have a question now. You may want to look at page 338, and then page 346—the operating statement relating to staffing full-time equivalents. There are a couple of parts to it. I will give it to you all and maybe your departmental officials can jot them down. I want to know: what is the explanation for the increase of staff from 203 to 213, where will they work and what will they be doing?

Again, looking at the costs, we can see how much they will cost. I assume it could be around \$1 million at, say, \$100,000 each. Given the increase in staff, what is the explanation, though, for the reduction in employee expenses of \$700,000, from \$16.7 million to \$16 million? How do you reconcile the increase in staff with a reduction of staff expenses?

**Mr Hargreaves:** Just so that I have the question right: on page 338, there has been an increase in the number of staff from 203 to 213 and you want to know how the extra 10 are going to be employed.

**MRS BURKE:** Yes, and where they will be.

**Mr Hargreaves—**No problems with that. Then you say that it looks as though you have gone up by 10 and down by seven. That is the way it would appear.

**MRS BURKE:** The funding, yes.

**Mr Hargreaves:** That is the essence of your question.

**MRS BURKE:** Yes. Thank you.

**Mr Hargreaves:** I will ask Ms Sheehan to talk about where the people are going to be working.

**Ms Sheehan:** The first group of three are the new FTEs on the books of Housing ACT, but they are not new inside the Department of Disability, Housing and Community Services. You will probably recall that last year Housing ACT moved to a new arrangement within our group of the Department of Disability, Housing and

Community Services. We previously made a dollar contribution to the department for our corporate services. We moved to a new arrangement where we specified the staff in the corporate area who were providing services to Housing ACT, and those staff appeared within the FTE of Housing ACT.

At the time that we did that allocation we had inadvertently left out three staff that are involved in a very important area—the advocacy, audit and review area. Again, there are no new costs to the department because those staff were already employed in the department.

**MRS BURKE:** But shouldn't the money follow? I understand what you are saying—

**Mr Hargreaves:** No. They were already there.

**Mr Sheehan:** They were already there.

**Mr Hargreaves:** The money is already there.

**MRS BURKE:** But it is not reflected here, though.

**Mr Hargreaves:** No. It is reflected in the base of the department.

**Mrs Sheehan:** Yes. The FTE appear, but there is no new cost to the department—that is the first three. We have planned to have three traineeships. We have a very big commitment to training. As you have raised with us previously, Mrs Burke, it is a competitive environment for us to compete with the commonwealth to retain our staffing levels. One way that we can do that is by training up staff and making ourselves an employer of choice. We thought it was a very important commitment to be able to provide staff on the ground.

In addition to that, the ACT has taken on national responsibility. Mr Hehir is now the Chair of the Policy Research Working Group which services the Housing Ministers Conference and Minister Hargreaves is now the chair. That group is leading the renegotiations for the commonwealth-state housing agreement. The secretariat is funded by the Housing Ministers Conference and we will be receiving funding for two positions to service the secretariat. That brings us up to eight. The final two will be involved in implementation of the changes that have been announced by the government to public housing. Because it is a major reconfiguration of our stock over a period of time, we had made a commitment to our staff that we would adequately resource that. We do not see those positions as being long-term positions, but we need to keep our commitments to our staff, which is to adequately resource such a major change.

**MRS BURKE:** Perhaps it would be easier for you to provide the staffing profile for the committee. Are you able to do that?

**Mr Hargreaves:** Of what?

**MRS BURKE:** The staffing profile for the department.

**Mr Hargreaves:** For the whole department?

**MRS BURKE:** Yes.

**Mr Hehir:** That usually appears in the annual report.

**Mr Hargreaves:** That is in the annual report, Mrs Burke.

**MRS BURKE:** If we could get an updated version, though. Obviously that was quite out of date.

**Mr Hargreaves:** I can only refer you to the annual report.

**MRS BURKE:** You have not got up-to-date figures. Okay.

**Mr Hargreaves:** I am referring the committee to the annual report.

**MRS BURKE:** Finally, how many staff are currently on stress leave? It was an issue. I am asking you: if this is still an issue, how many would be on stress leave? Some of these are specialist housing managers.

**Ms Sheehan:** Mrs Burke, there is no such thing as stress leave.

**MRS BURKE:** Or sick leave—whatever you are calling it.

**Ms Sheehan:** People are on sick leave.

**Mr Hargreaves:** Broken legs and—

**MRS BURKE:** No, people who have real stress and pressure—specialist housing managers—

**Mr Hargreaves:** I will answer that. Mrs Burke, any employer would know that we have people who are absent with or without a medical certificate claiming, quite properly, that they are away because they are ill. We have short and long-term employees on sick leave. It can be for any type of condition at all—whether it is stress, as you may put it, a back injury or a non-work related mental health or alcohol and drug related issue. There are a whole range of things why people are away. I do not—and I urge you not to—delve into the conditions of these people. They are away on sick leave. We have rehabilitation programs. If you want to know how many FTEs we have off in the short term in a year, that would take a calculation that we would have to go away and do. If you want us to tell you how many people are away on a long-term medical condition, we can tell you. But I cannot tell you—neither will I ask my officers to tell you—why.

**MRS BURKE:** That is fine. I know that there was a level of concern amongst some of your staff in the department—and I will not go any further than that—that have been under pressure.

**Mr Hargreaves:** You have to substantiate that, Mrs Burke.

**MRS BURKE:** If you have rectified that—

**Mr Hargreaves:** Mr Chairman, this is absolutely unacceptable—

**MR STEFANIAK:** How many you have got on sick leave—

**Mr Hargreaves:** It is unacceptable, Mr Chairman, to have Mrs Burke say, “There is a level of concern in your department, minister, over levels of stress” unless she is prepared to substantiate that.

**MRS BURKE:** You know I will not do that, because I will not reveal names.

**Mr Hargreaves:** If she will not do that, Mr Chairman, that action is nothing short of cowardly—

**MRS BURKE:** It is not.

**Mr Hargreaves:** It is cowardly—

**MRS BURKE:** It is protection of people’s rights.

**Mr Hargreaves:** and it is putting a label on my staff, and I will not accept it.

**MRS BURKE:** Since when have you ever named a whistleblower?

**THE CHAIR:** Order, members!

**MRS BURKE:** The minister would not name a whistleblower either.

**THE CHAIR:** We will move on to the next output class now. Within this output class, there are two—

**Mr Hargreaves:** That is appalling.

**MRS BURKE:** It is not appalling.

**Mr Hargreaves:** It is appalling.

**THE CHAIR:** Order! There are two levels. There is the overarching output of the Department of Disability, Housing and Community Services, but there are two classes within it: community development and policy, and community affairs. I suggest that we allow questions for both areas.

**Mr Hargreaves:** Only where it applies to my responsibilities, Mr Chairman. You have to address the others to Ms Gallagher.

**THE CHAIR:** Yes. There is an opportunity on the 28th.

**Mr Hargreaves:** I can let you know whether there is something I can do anything

about. If there is, I will be quite happy to answer it. But sometimes I cannot because I do not know. Could I address the chair on that issue?

**THE CHAIR:** Yes, most certainly.

**Mr Hargreaves:** Thank you. Without taking too much of the half an hour, Mr Chairman, I would like to mention some of the significant events within our department. I have been the minister for 2½ years now. I am really pleased to be able to see our multicultural community flourish; it is fantastic.

One of the big things that we need to put on the public record is our National Multicultural Festival. That is a success beyond our wildest dreams in terms of what we wanted to achieve, which is to showcase our multicultural community. Such is the success of it that 20 of the diplomatic corps—20 ambassadors and high commissioners—were involved this year. That is a significant increase, and it goes a long way to making sure that the young people in our multicultural communities are able to keep touch with the contemporary homeland of their forebears.

Let me take an example. Mr Stefaniak comes from a Polish background. If he was to go back to Poland, it would be a different country from the one he was introduced to as a boy. Our link with that and making sure that that does not happen—that we do not lose that—can be achieved only through the embassies. They are embracing it. I reckon it is great. I really think it is fantastic.

Another thing is the success of the Theo Notaras Multicultural Centre. I know that Mr Pratt has enjoyed many a function there. It is the beacon to the country to have that thing here. We may argue the toss on little bits here and there, but the presence of that centre has been a major milestone.

I draw the committee's attention to the 2006-09 ACT multicultural strategy. It was not something of our making; it came out of consultation with the community over a period of two years. It has 10 key themes; it addresses issues ranging from human rights to cultural and religious acceptance, young people and the migration of parents.

I also draw your attention to the presence of the ACT Muslim Advisory Council, which has been very helpful. We know of some of the difficulties at the mosque in recent times. I have had a lot of conversations with the members of the ACT Muslim Advisory Council; their appreciation and explanation have been absolutely wonderful—and let me say that it justifies their creation in the first place, because on that council are represented the various parts of the Muslim community that are having difficulties at the moment. It gives us a conversational opportunity to seek some peaceful resolution to their problems.

Of course, we do a fair amount of work assisting refugees. There are conversations happening, or about to happen, between Kathy Ragless from Companion House and Housing ACT about how we can assist refugees when they come to town. The problems change from time to time, of course. The latest crop of refugees is coming from north Africa, where a lot of the cultural differences are significant. For example, a group of young Somali men were given accommodation and taught how to catch buses and things like that. We thought they were fine and wondered why a couple of

them started to lose a bit of weight. They had not eaten in three weeks, because nobody had taught them that they had to do that. They were quite happy; they were not being insistent. They just sat there and waited for a woman to come along and provide them with a meal, because that is what they had grown up with. Thanks to Kathy Ragless from Companion House, we now have a program teaching those young men basic cooking and trying to get over that cultural difference. I need to pay particular credit to them.

I am happy to field any questions you may feel you would like to ask.

**THE CHAIR:** Thanks, minister. I might kick off. You touched on the Theo Notaras Multicultural Centre—its opening. Have there been any surveys or reviews to see if the centre is viable?

**Mr Manikis:** Yes, we have recently conducted a survey. The results are yet to be made available to the minister but I can say generally that it was a very good result in relation to both the general users of the facility and the tenants who have made a home there, administratively speaking. We can provide some detail at a later time.

**Mr Hargreaves:** Yes, when the thing is provided. I have not seen it yet, Mr Chairman; I will need to have a look first. But can I also say that in 2005 I had ministerial forums where I had various cultural groups come and talk to me casually, have conversations. It was not an us-and-them thing; it was to take some of the mystique and mystery out of it.

A lot of these groups come from military dictatorships and political regimes which were very negative towards them. I wanted to make sure that their attitude to their government was a positive one; the best way I could do that was to go down and talk to them myself. Originally I had them in the reception room here in the Assembly because there was nowhere else to have it. Now that the multicultural centre is on, I have it there. It is a bit like the New Zealand thing: you go the marae to have the conversation with the people. That is how we do it up there. The conversation is freer because it is in their centre. It is like going to their house. It is wonderful. All of the feedback I have had from people there has been that it has been wonderful. I have not had one—not one—instance of negative feedback about the centre or what goes on in it.

**THE CHAIR:** While we are talking about the centre, let me mention something in the foyer there. Can I ask you about that? Minister, why did the government spend \$75,000 on an Al Grassby statue when there appeared to be strong public opposition to the idea?

**Mr Hargreaves:** Thank you very much for the Dorothy Dixier, Mr Chairman.

**MRS BURKE:** It is a waste of time, though; we have more important things to be talking about.

**Mr Hargreaves:** I do not think so. The day Mrs Burke is the chair she can determine that. Mr Chairman, can I say that we need a context to be put around this. It concerns me that with some people who continue this criticism really all they do is prolong the

pain of some people. We need to understand that the amount of money was not a specific allocation; it was money from the construction cost of the centre. That centre came in on time and under budget. The money that paid for that statue came from the budget for that centre. That is why it is sitting in the foyer and not out in the middle of the courtyard. It is a representation of the spirit and philosophy of multiculturalism.

I understand that some people have objections to it. I urge members not to try to get political gain out of those people's pain but to consider that there are other monuments in this city which cost considerably more than \$75,000 which some people have an enormous amount of emotional negativity about. For example, we have a memorial to the Vietnam War. We in this room, I guess, generally speaking, do not have an issue with that. But I know some people who were conscientious objectors back in the days of the Vietnam War who, I might suggest to you, have a real personal difficulty with that particular memorial.

**MR PRATT:** Which one?

**Mr Hargreaves:** The Vietnam memorial—the memorial halfway up Anzac Parade.

**MR PRATT:** Halfway up Kings Avenue.

**Mr Hargreaves:** Anzac Parade. That is just one that I can mention.

**MR PRATT:** Shame on them.

**Mr Hargreaves:** We just need to understand that every time we do something of significance there may very well be some part of our community that has a real emotional problem with it. But the decision around it is about what it is there for. In this particular case, over here at the multicultural centre, I wanted to make sure that our nation and the philosophy of multiculturalism were celebrated by a welcoming expression in its foyer. That is what is there. I urge members who have not gone and had a look at it to keep their voices silent until they have done it.

**THE CHAIR:** Ms Porter.

**MS PORTER:** I have been over; it is very lifelike. I must say that I got a shock when I came down the stairs one late night after being at a function—and I do very much enjoy going to functions at the centre—and thought it was a human being standing there.

My question is not around the centre; nor is it around the multicultural festival, although you did mention that. I would like to ask a question about that if I get time later but I will just stick to one question at the moment. You mentioned youth a couple of times in your introductory remarks, minister. I wonder what we are doing to increase the participation of young people in leadership roles in our multicultural community and also the participation of women in leadership roles in our multicultural community.

**Mr Hargreaves:** Thanks very much for that, Ms Porter. Members would remember from last time I was here that we changed the nature of funding the multicultural



council into project funding. There were seven thrusts of that funding. There was \$69,000-odd, and there were seven thrusts. Those seven thrusts came from the multicultural summit that the community participated in. The community told us what they wanted it spent on.

Two of those thrusts address the issues you talk about, Ms Porter—young people and women. Multicultural Women's Advocacy is the name of the group. They receive funding to do some work around women's issues—and advise government and the community on the way forward. I want to give credit to the advocacy. Recently they put on an art show at the Italo Australian Club and raised some money. So they are not relying only on money from the government to do this work; they actually got some private support as well.

In the context of the young people, another thrust was that we needed to be careful about how we pass the baton from the older people to the younger people in a cultural environment. Some cultural groups rely on the notion of elders doing all of the decision making. What no cultural group has done particularly well in an Australian context has been to address succession planning. Usually—in a lot of cultural groups anyway—it is dynastic. It goes from father to son within a particular family, and so that works. But in the Australian context it does not quite work that way. We need to have some work led by the community doing that. That was one of the other initiatives that came out of our seven thrusts. We are going to be having a youth forum very shortly for the young folk to tell us their views.

Ms Gallagher recently had an exposition at the CIT. I have forgotten its name, but it was called “Connections” or something like that. It was in youth week. There were a whole stack of different workshops and activities; the best attended was the one on multicultural youth. It pointed to the fact that there is a lot of thought going around the young people and what they want to happen in the future. We need to tap into that. So we are soon having a multicultural youth forum; then they will be telling us.

**DR FOSKEY:** I have two questions. I was wondering if you could explain to me how the funding divides out between cultural activities and actually providing services to refugee and multicultural communities. We could not find that separation here.

**Mr Hargreaves:** Yes, it can be confusing. I will get Mr Manikis to do that. One of the problems that we encounter is that a lot of these cultural groups receive money from, let us say, Healthpact to do some activities. When you see that in the grants distribution, you would not see it in my department; you would see it in the department of health. We have also just changed the nature of grants presentation into the portal, which Minister Gallagher has principal carriage of. In a sense, it will be one entry point for people to work out where grants can be obtained from within government. That is where your multicultural grants sit—the ethnic schools association, for example. Then the various schools themselves get various grants. There is the multicultural grants program itself. That is where the evidence is on what we give out. If you have a particular area that we can home in on, Mr Manikis can address that. Have you got a particular area?

**DR FOSKEY:** That is the thing; I could not actually find it. There have been comments made to me that services are not funded as much as cultural activities are.

So here is your opportunity to tell me I am wrong.

**Mr Manikis:** As the minister mentioned just now, we do have ethnic specific programs and services that we deliver, mostly from a central point, which is the Office of Multicultural Affairs. Those services and grants have been around for quite some time. They are delivered, in the main, to either refugee asylum seekers or migrants—those three categories—or, as you said, culturally based groups. Other agencies—not just the Office of Multicultural Affairs—deliver ethno-specific services. An example is the migrant health unit, which sits in ACT Health.

One of the roles of the Office of Multicultural Affairs is to try to make sure that mainstream services and programs are receptive and attuned to the needs of migrants, asylum seekers and refugees. We do that in a number of ways. We talk to agencies and service providers within government about ways of making their services more culturally sensitive. We also connect agencies with our database—our culturally based groups. Through translated information, the leaderships in those groups are able to more effectively distribute information about mainstream services throughout their memberships.

The other way we do it is through a register of multicultural advisers which we maintain in the office. When boards and committees around the ACT government agencies are being established, we get asked—or sometimes we are proactive—to provide new members. We are able to provide names off our register. People from non-English-speaking backgrounds that make it onto those boards and committees influence the way services in those respective areas are delivered to multicultural community groups.

It is through those ways that we work actively to ensure—it is not just one big party that we fund, Dr Foskey; we do take it seriously right across a wide range of needs that are evident in our multicultural community.

We have a work experience and support program that we initiated some years ago and that has gone from strength to strength. At the grassroots level, that means up to 50 people that have been looking long term for employment in this town and have not even been able to make it to an interview. These are people that are mostly under-employed. People who are driving taxis or cleaners that have come here with degrees—postgraduate in most cases—come into our work experience and support program. In around 80 per cent of cases, after they complete that program they are in full-time employment at a reasonable level. We are very active.

I would reject the notion that government funding or effort is biased towards the cultural side of things. We do take it very seriously.

**Mr Hargreaves:** Can I add something to what Mr Manikis is saying? You need to appreciate—I am sure a lot of people do not know this; Mr Pratt would—that a lot of our major agencies like the police and the hospital have cultural liaison officers to make sure that service is delivered properly.

We also find that our role is a facilitation role, not necessarily in every case a full-on service delivery role. We have not reduced the amount of support. We have a lot of

people to provide support to. Our grant program is pretty much the same. However, you have to observe, Mr Chairman, that the Migrant Resource Centre of the ACT might have a different view with regard to the funding support they received from the federal government in recent times. They are in trouble—and in trouble big time. The federal government has reduced the level of funding to the migrant resource centre, an issue that I intend to take up in the ministerial council in Townsville in July.

**THE CHAIR:** Mr Pratt.

**MR PRATT:** Minister, I was somewhat surprised that you used the Vietnam War—

**Mr Hargreaves:** I just picked one off the top of my head.

**MR PRATT:** veterans memorial as a comparison with the Al Grassby statue, given that that memorial commemorates the death of thousands of Australians who willingly served their country. It is not the right comparison to make. But in relation to the Grassby statue, were funds diverted from the Notaras centre project to pay for that statue?

**Mr Hargreaves:** No.

**MR PRATT:** Not at all?

**Mr Hargreaves:** No. What happened, Mr Pratt, was this. I do not know if you were here at the time when I explained this; you may not have been. The Theo Notaras Multicultural Centre was delivered on time and under budget. The surplus funds allowed for the provision of an artwork, and that artwork was manifested in the statue.

**MR PRATT:** Okay. So all the fit-outs had been done?

**Mr Hargreaves:** Yes.

**MR PRATT:** And the community were entirely happy with the way the place was finished off.

**Mr Hargreaves:** Yes—subject to the normal warranty stuff, yes.

**MR PRATT:** I have another question if I may—I do not know how much time we have left.

**THE CHAIR:** Five minutes, approximately.

**MR PRATT:** Right. In relation to the troubles at the Canberra mosque, can you tell me how things are going? Is the Islamic advisory council—as they are in effect a peak advisory group—able to play a leadership role in trying to solve that impasse?

**Mr Hargreaves:** They have no role in brokering peace, if you like, in that context. Their charter is to advise me on issues around the Islamic community, and that is the role they have taken. However, I have to share with the committee that I have had a meeting with the council with that specific issue as the sole agenda item.

**MR PRATT:** So they have advised you on that?

**Mr Hargreaves:** They have advised me of the facts, remembering that there are various sectors having differences of opinion. They were represented at that particular advisory council, because I have them as members of it. What we did in that particular meeting was to have a conversation—a robust conversation—around our responsibilities jointly to the Islamic community. We looked at structures that could be brought into play and looked at suggestions as to how we could individually promote ways forward—for example, having the elections conducted by the ACT Electoral Commission so that it is completely out of—

**MR PRATT:** Are they going to take up that advice?

**Mr Hargreaves:** I understand so, but I cannot speak for the mosque community—for the Islamic society. I cannot speak for them. It is my understanding that they will, but again I do not know for sure. I have not had any communication with the electoral commission; nor have I had any communication specifically with the society.

**THE CHAIR:** Dr Foskey.

**DR FOSKEY:** I move to my second question, regarding the multicultural festival and the fringe festival. That seems to have become very much something that happens within government. I was wondering if you have given thought to giving it an increased community base—for instance, with groups being funded through a grants process—rather than running them from inside the department—with a little secretariat or commission, or someone in Dominic’s role, outside the department—just to give it—

**Mr Hargreaves:** The short answer is yes. At the conclusion of the festival, naturally enough, we had two meetings to evaluate how it went, both from an outcome perspective, about what we wanted to achieve out of it, and also in a production sense, about whether or not we did things well administratively, technically and all the rest of it. We had a very large working lunch with sponsors and people like that. The answer is that it is not, as you perceive, an activity within government. It is not. The government is the major contributor to it in both cash and in kind.

At the moment, for example, we need to acknowledge the extent to which the tradies club group contribute \$120,000 towards the productions—and there were many other contributors, both in kind and in cash. A lot of the events were put on by somebody else under the banner of the festival. There was a significant contribution from the embassies this year that did not exist in the past.

Taking this year first—the festival is guaranteed for 2008 and onwards—we are looking at ways in which we can have a greater community ownership of the management of it. There is incredible community ownership in the festival and in the outcomes. What we want to do now is to say, “Well, there is a role for government to partner in a more businesslike way.” We will be exploring that in the next 12 months. Did you have a question?

**THE CHAIR:** Ms Porter.

**MR PRATT:** I do but I cannot get there, John; I cannot get there.

**MS PORTER:** I think the answer to my question will be very quick, Mr Pratt, and I will ask it very quickly.

**MR PRATT:** Very sporting of you, Ms Porter.

**MS PORTER:** You talked about young people before. I also have a question around ageing. At page 194, budget paper 4 mentions “research to further inform and enhance the provision of positive ageing programs”. I wondered what research we might be doing in relation to the challenge that we have with a highly diverse population, including many people who came to Canberra many years ago—with the Snowy schemes and things like that. Some of them are quite elderly.

**Mr Hargreaves:** We are doing some work around that. That is one of the other thrusts of our seven thrusts—what we are going to do. We can get you another briefing some other time—and the detail if you like. We are doing a lot of work. But one of the big things that we are doing is this. We know that people of that generation are now starting to age to the point where they need to have specific accommodation. The Tamil senior citizens exercise at Isaacs—the units there—is one of the big initiatives that we assist in the process.

We also have a pilot program with ACTION to see about picking up people who are elderly and culturally disadvantaged—because one regresses back into one’s original ethnicity, if you like, the older one gets. We do not want to see people isolated like that, so we have a pilot program where you get basically a door-to-door service on an ACTION bus. We will see how that is going to travel. If it is successful, we will keep it going. So we are doing a number of initiatives to go with that.

You might like to take the matter up in a bit more detail with the office of ageing. They are the people who were driving a lot of it; we are just making sure that the multicultural people are looked after.

**MS PORTER:** Yes. I want to focus on that.

**THE CHAIR:** Minister, Mr Pratt still has a few more questions. Would you have another five minutes?

**Mr Hargreaves:** I am happy to stay for another five minutes.

**MR PRATT:** Thank you. Returning to the Al Grassby statue, what was the consultation process in determining the scope, cost and theme of that project, and who was involved in the approval process?

**Mr Hargreaves:** Thank you very much for the Dorothy Dixier, Mr Pratt. I really do appreciate that; that was wonderful of you. Firstly, let us go back even further, shall we? Where did it come from? Where did the idea come from? Whose bright idea was this? I lay claim to that bright idea. When did it pop up? I cannot give you the exact

moment of the day, but I can remember talking to people at the funeral about Grassby. I talked to quite a number of people there who were saying that we should have some sort of commemoration in the context of his contribution to multiculturalism. I was encouraged at that point to go to a statue, and it was a conversational encouragement.

I thought, “Okay, with the multicultural centre coming in on time and under budget, maybe there’s some money to be found.” I did not have an idea of how much it would cost, quite frankly, at that point, but you do not do these things without a decent amount of consultation. At this time we had our ministerial multicultural forums, where, as I explained earlier on, we had people coming into the reception venue and we talked to them. I raised the issue with all of them after that, and I was encouraged at all of them to go forward and commission the statue.

I raised the issue again in the context of the multicultural summit held at the convention centre. Some 450 people turned up. That was a brilliant thing. I raised it then. At this time—it was almost 12 months later by this stage—there was not one expression of negativity about this statue. So we said, “All right, let’s go and do it.” I mentioned it to a few people: “Yes, go and do it, because we can do it in the context of money from the centre.” I said to the department, “How about you go and commission the statue?” They said, “Yes, okay.”

Who did the audit on the process, if you like? How was the process done? We needed to commission an artist to do it. Whom did we consult? We consulted artsACT. They are the cultural auditor of things that we do. We cannot put up monuments of any type in the ACT without going to them. We also consulted them about the choice of sculptor. Mr Latona has a worldwide reputation in doing lifelike and life-sized sculptures.

The whole process was overseen—in fact conducted—by ACT Procurement Solutions. As you know, they are part of Treasury, and therefore the Chief Minister’s Department, not my department at all. We said that we wanted to have a sculptor do a lifelike statue—in a welcoming pose—of Al Grassby for the foyer of the multicultural centre. They went out and organised it. Then we issued the contract and then it was done.

**MR PRATT:** In terms of the project to put up an art piece in the foyer, were people at the convention and in other areas where you raised the issue given options for what else they might like to put up in terms of an art piece? Were they asked to contribute ideas as to what else might be put in place? Were any alternatives put forward other than the Al Grassby statue?

**Mr Hargreaves:** No, there were not, Mr Pratt. It was very much in a conversational sense—as are all my conversations with the multicultural community. It is not “this is what I’m going to do; what do you think?” It is a conversation: “I have had this idea; I want to commemorate this.” In all of the conversations, nobody said to me, “Yes, I want to do that, but you might be better off doing a painting.” Nobody ever raised anything like that with me.

I have to tell you that the consultation process on it was, in my view, quite proper. It was in a family-type context, because that is the way in which I engage with the

multicultural community. I do not have an us-and-them arrangement. I do not have a dictate arrangement where I am the man and I am going to say, “X is going to happen; what do you think?” We do these things together; that is the success of the thing.

**MR PRATT:** But were the 400 delegates at the convention and then the members of the community forum on the other occasions invited to make a formal submission?

**Mr Hargreaves:** No.

**MR PRATT:** Can you guarantee that there were no other ideas put up?

**Mr Hargreaves:** I can tell you this, Mr Pratt. To the best of my memory, nobody has put an alternative to me—to the best of my memory. As I say, the—

**MR PRATT:** Or to your department?

**Mr Hargreaves:** Not to the best of my memory and the advice that I have received. I have not been advised of any alternatives. There was not a choice arrangement or perspective put on this. It was not a case of “minister, we’ve got these three options to do this; would you like to take a pick?” There was none of that. It was always going to be that. As I said to you a number of times, the conversations were around an idea; I had no reason to believe at any time that people had an issue with it. When we actually then commissioned it, we had the issue raised in the public arena.

**THE CHAIR:** Minister and officials, thank you very much—for your extra time as well. Minister, we will see you back with Territory and Municipal Services on Tuesday, 26 June. We will reconvene this afternoon with the Minister for Planning.

**Mr Hargreaves:** Can I take the opportunity to thank the committee very much for the opportunity to be here. I would also like to say thank you to the officers of my department, both in Housing ACT and multicultural affairs, for the sterling support that I receive from them.

**Meeting adjourned from 12.36 to 2.29 pm.**

Appearances:

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

ACT Planning and Land Authority

Savery, Mr Neil, Chief Planning Executive

Lavis, Ms Jacqui, Deputy Chief Planning Executive, Planning Services Branch

Ponton, Mr Ben, Director, Development Services Branch

Meyer, Mr John, Director, Client Services Branch

Walsh, Mr Adrian, Manager, Corporate and Human Resources, Client  
Services Branch

Wurfel, Mr Peter, Chief Finance Officer, Corporate Resources, Client Services  
Branch

Smorhun, Mr Vic, Manager, Communications and Government Services,  
Client Services Branch

Howatson, Mr Anthony, Acting Chief Finance Officer, Corporate Resources,  
Client Services Branch

**THE CHAIR:** This afternoon we have before us the Minister for Planning, Mr Andrew Barr, and Mr Neil Savery, Mr John Meyer and Mr Howatson from ACTPLA. Before we begin, I will read the card to you. The committee has authorised the recording, broadcasting and rebroadcasting of these proceedings in accordance with the rules contained in the resolution agreed by the Assembly on 7 March 2002 concerning the broadcasting of Assembly and committee proceedings. Before the committee commences taking evidence, let me place on record that all witnesses are protected by parliamentary privilege with respect to submissions made to the committee in evidence given before it. Parliamentary privilege means special rights and immunities attach to parliament, its members and others, necessary to the discharge of functions of the Assembly without obstruction and without fear of prosecution.

While the committee prefers to hear all evidence in public, if the committee accedes to such a request, the committee will take evidence in camera and record that evidence. Should the committee take evidence in this manner, I remind the committee and those present that it is within the power of the committee at a later date to publish or present all or part of that evidence to the Assembly. I should add that any decision regarding publication of in camera evidence or confidential submissions will not be taken by the committee without prior reference to the person whose evidence the committee may consider publishing. Minister, would you like to make any opening comments?

**Mr Barr:** Thank you, chair. As this is my first appearance before the estimates committee as planning minister, I will take the opportunity to outline some of my views on the portfolio and give the committee an indication of the direction I intend to take as planning minister. As I am sure committee members would be aware, I yesterday released my statement of planning intent, and this statement sets out the main principles that are to govern planning and land development in the ACT in the coming years and is based on the priorities that the government sees at this time.

I have identified housing affordability as the most important priority for this portfolio.



To assist in meeting the government's policy objectives for affordable housing, ACTPLA will continue to maintain five years of planning-ready land, or around 11,000 lots, and we will also work with the Chief Minister's Department in implementing a number of other key initiatives contained within the government's affordable housing action plan. Examples of this include the introduction of the land rent scheme, the development of a compact housing policy and progressing englobo land sales as part of a five-year land supply strategy.

I have also identified the need for improved services in Gungahlin, particularly to support young families and others who have moved into the Gungahlin area, and to ensure their access to facilities such as shops, ovals, public spaces, petrol stations and leisure activities. The government will look at how services in Gungahlin can be improved. As the committee is aware, already through my role as minister for education and minister for sport I have ensured a new college for Gungahlin, a P to 6 school for Harrison and new district playing fields for Harrison. As the Gungahlin community continues to grow, I will continue to see that services for that community are a major priority for the ACT government.

The Stanhope government has a strong commitment to sustainable living. In the past 12 months, the ACT has lifted the minimum energy efficiency standards of new homes, introduced minimum requirements for energy efficiency in new commercial buildings and consulted on a policy that would make it mandatory for new homes to achieve a 40 per cent reduction in water use compared to 2003 levels. I have now, through the statement of planning intent, asked the authority to continue to focus on water and energy efficient building design as well as look at the environmental performance of subdivision design, advice on incentive schemes for solar hot water systems in residential areas, improved integrated transport and land use planning, and pilot projects to showcase central city redevelopment opportunities. I have also asked that ACTPLA continue to develop strong partnerships with the community to achieve success in addressing planning challenges. We will continue to work on planning system reform to make the system simpler, faster and more effective for both the community and business.

The 2007-08 budget furthers the Stanhope government's commitment to enhancing Canberra as a planned city and will build on the foundations that I have set out in the statement of planning intent. The 2007-08 budget commits \$1.255 million over four years for detailed planning of future land releases. This funding will help with the planning work in Molonglo, where the first land is expected to be released in the 2008-09 financial year and, in conjunction with Gungahlin, will help meet Canberra's land supply needs up to and beyond 2032.

Funding will also facilitate some initial planning, infrastructure and environmental investigations of other potential land release areas at East Lake, in the Majura Valley and in the Symonston corridor. This year's funding commitments continue the implementation of the 2004 Canberra spatial plan, which had investments of \$1 million in 2004-05 and \$0.5 million in 2005-06 and again in 2006-07. It provides just over \$2 million to improve online access to planning information. This funding will allow ACTPLA to upgrade technology to meet the needs of its customers, who are increasingly doing business online. It will help the community and industry access information about planning, development and individual blocks of land.

In addition, \$500,000 is available for the further enhancement of City West. This funding will continue the government's commitment to the development of City West and Childers Street. Stage 1 of the Childers Street project, which was completed in January of this year, involved the redesign of Childers Street between Hutton Street and University Avenue, with a range of new lighting sculptures, street furniture, kerbless pavement and water-efficient rain gardens that use stormwater runoff. This additional \$0.5 million funding is for detailed forward design and preparation of sketch plans and design concepts for the remaining key infrastructure that is required for the remainder of Childers Street from Marcus Clarke Street to Hutton Street and from University Avenue to the ANU boundary.

Another key initiative in the budget is a \$350,000 investment for a sustainable community at East Lake. This funding will establish a partnership between the Stanhope government and the CSIRO to make East Lake a national example of best practice in sustainable urban development. There are opportunities to apply sustainability principles throughout East Lake and to showcase the incorporation of leading edge sustainability principles at demonstration project sites. This project will embrace social, economic and environmental sustainability principles, technologies, and practices.

In closing, chair, there are some exciting challenges and opportunities for the planning portfolio in the years ahead. The 2007-08 budget continues to build on the Stanhope government's commitment to achieving a good quality of life for all of our community through good planning outcomes. I welcome questions from the committee.

**THE CHAIR:** Thank you, minister. In budget paper 4, on page 397, the second dot point refers to developing a building regulation with the overarching objective of promoting sustainable, attractive, safe and well-designed urban, residential and rural environments. Can you give us some practical examples of those?

**Mr Barr:** It is fair to say that these matters of sustainability are considered throughout the planning process. Examples such as environmental vegetation, topography, infrastructure, bushfire threats, indigenous and European heritage, open space, drainage lines and catchments are all part of that broader planning hierarchy. When we look at greenfield areas, where planning is at a district level and associated, if you like, with a structured plan and, through a process of preliminary assessments, variations to the territory plan to achieve those outcomes, the level of consideration is there for those particular issues. Planning, I think, assists also in creating local neighbourhoods and workable communities. Typical of that, if you like, as the focal point are schools, shops and community facilities. That level of local neighbourhood planning is another key driver within the planning portfolio.

Some examples, I think, in recent times would be around the Woden and Belconnen town centre master plans, particularly the work that has been done around Phillip oval, the City West master plan, and the concept plan that is being finalised for the Flemington Road corridor. It is an exciting opportunity in the newer growing area of Gungahlin to be able to develop a sustainable transport corridor through that area and then feed on into the city. I think there is a range of exciting opportunities. I will get

Mr Savery to outline some further work that the authority is doing in this area.

**Mr Savery:** In addition to what the minister has already talked about, I think it is useful to pick up on one of the key themes within the statement of planning intent which highlights climate changes, obviously a very significant issue both now and in the future for all of us. In that respect, we are working at local, regional and national levels to see what planning can do to address both the potential effects of climate change and how the built environment can adapt to that. We are actually moving into a phase now of understanding that there is a level of inevitability of some climate change, and that the built environment has to be able to respond to that.

The work that you are potentially going to see both now and in the future will look at initiatives through regulations and education and possibly through recommendations to government about incentives, subsidisation processes or programs to encourage people to do things differently. Also, we are going to be needing to talk about ways in which the built environment can respond to the possible effects of climate change. I am not suggesting for one minute that the Newcastle storms and what we have seen over the last few days are specifically climate change. Of course, those sorts of events have occurred before. But if that is something equivalent to the pattern of climate change in the future, we can see that buildings are being damaged and infrastructure is being eroded et cetera. We are all going to have to work more closely together—engineers, landscape architects, architects and planners—to design the built environment to be more robust in those circumstances.

I often liken it to saying, for instance, that if you build a house now, even though it may be a five-star house under our building regulations, you are in effect designing a building in accordance with the temperature forecast for the future. It could have to accommodate people with a temperature difference of between four and five degrees whilst that house is still a physical object. So in the next 50 to 70 years the house we build today could quite legitimately still be there. Is it designed in a way that can deal with that temperature difference without having to rely on artificial systems which, of course, have the potential to perpetuate the problem—air conditioning, heating systems et cetera?

Whilst we are not at a point where we have got the specific solutions and responses to all of that, I am giving you an indication of some of the fields in which we, along with our colleagues interstate, are looking to develop policy positions and key initiatives that governments can consider and accommodate. I will give you an example. For instance, under the recent COAG decisions for the climate change adaptation framework which was adopted on 13 April this year, the built environment is identified as one of seven key themes. Within that, the national planning group have been asked to identify for government consideration national principles for planning and infrastructure design to improve energy and water efficiency in the built environment. By built environment, I am not talking about individual residential buildings and commercial buildings. We are talking about everything you see and interact with in the built environment.

The minister has also made reference to some more immediate opportunities locally. The subdivision guidelines that we have been preparing as part of the new territory plan which was exhibited along with the territory plan seek to ensure that there is a

greater proportion of new residential building blocks that have appropriate solar orientation. In fact, we would be wanting to set a target for new subdivisions to achieve in respect of that.

We would expect that over the course of the coming months and next year that as part of a group that we are working with called the joint building and planning group, which is a national body, we are going to be looking at initiatives that would further improve the quality and design of residential buildings and commercial buildings over and above the recent changes that have been incorporated into the Building Code of Australia. We are working on infrastructure design around water sensitive urban design so that not only will individual buildings be required to reduce their dependence on potable water, but also entire subdivision designs will be required to reduce their demand on potable water. I think that is a good oversight of some of the things we are doing.

**THE CHAIR:** Minister, in your answer to my question, you touched on master plans. They are not recognised in the new planning regulations. How are you going to pull the information and the work that has been put into those into some of the new planning projects?

**Mr Barr:** All of that work did inform the process in terms of the development of the new draft plan. The detail transfer obviously occurred before my time as minister, so I would not be able to give you a blow-by-blow account of the process, but it is very clear that a lot of that work, be it master planning or neighbourhood planning, then informed the draft document that was put forward. It is important to stress that it is a draft document that was out for consultation. The consultation period recently closed and we will now be assessing those particular issues and all of the submissions that the government received, taking a reasonable amount of time to work through those issues to ensure that the final product is one that meets all of the community needs as identified through the consultation process.

**MR STEFANIAK:** Minister, I refer you to page 398 of BP4. Strategic indicator No 1 discusses the sustainable transport plan. How much of a role does ACTPLA have in this area, and what is the current status of the Civic to Belconnen busway? What actions are being taken by your office and department for planning future transport corridors? Will that planning of future corridors include the same process as the one for Civic to Belconnen? Specifically, will it include \$4 million of newsletters, consultants' reports and advertising?

**Mr Barr:** There were about seven questions contained in that series, but we will seek to go through them one by one. In relation to transport planning, there has been a transfer of responsibility to the Department of Territory and Municipal Services under the minister for transport and there has been a transfer of officers from ACTPLA to TAMS to undertake that role within that agency. ACTPLA, of course, continues to do planning work, but there is a delineation around at what point planners plan and doers do, if you like, as far as TAMS's responsibilities to take up that further work. But transport now sits with Minister Hargreaves in that portfolio.

**MR SESELJA:** Just reserving future corridors.

**Mr Barr:** That is part of ACTPLA's responsibilities, but it is work that is undertaken as a whole-of-government exercise, in conjunction with the Office of Transport, obviously. We wouldn't seek to undertake that level of work in isolation of other agencies, but the responsibility for transport has been centralised within territory and municipal services with the minister for transport, Mr Hargreaves.

**MS PORTER:** Good afternoon, everybody. My question is around the affordable housing initiative that you mentioned at the beginning of your address to us, minister. Page 398 of budget paper 4 mentions the implementation of those aspects of the national action plan on affordable housing that are relevant to planning and supporting the ACT government's affordable housing action plan which you did mention at the beginning. I was wondering if you could give us a little bit more detail about that, elaborate on that, please.

**Mr Barr:** Certainly. The government's clear agenda in relation to affordable housing has been outlined extensively by the Chief Minister through the affordable housing action plan, but it does pick up on what has been a very considerable amount of work done at a national level, including a number of joint ministerial councils between planning and local government ministers and housing ministers over a number of years. I think the key thing is to work on two major fronts. One is land supply and the other is around the simplification of the planning system, to reform that to make it easier, simpler and more effective.

In looking at the supply side, as I have indicated through the statement of planning intent, it is the desire to have five years supply of planning-ready land on the shelf, and that means the accrual of 11,000 lots. That work feeds into an overall national response on the supply side. It is clear that policies that have been pursued by governments at both the state and territory level and the federal level over nearly the last decade have largely been around fuelling the demand side. Initiatives such as first home owner grants really have just brought forward consumption, rather than actually addressing some of the key issues in relation to housing affordability, so it is important to have a supply-side response.

We face a range of pressures in relation to skill shortages and other issues that we will have the opportunity to discuss when I appear with another ministerial hat on, but I think the key to addressing housing affordability is a supply-side solution. I think the important role that ACTPLA can play, and that all jurisdictions have recognised, is around a ready supply of planning-ready land. We have traditionally held a three-year supply, but we are looking to increase that to five years, to 11,000 lots. Mr Savery has attended more of these ministerial councils than I have, so he will be in a position to provide you with a bit more detail around the history of the process and how we have got to the point we have now.

**MS PORTER:** Thank you.

**Mr Savery:** In response to your question, the national action framework for affordable housing, which is actually a joint initiative of housing, local government and planning ministers, is in the third of a three-year program which will see at the end of this calendar year the bringing together of what are called four commitment areas. The four commitment areas cover issues of taxation as one commitment; in

other words, looking at national reform on taxation issues and revenue issues. Planning is what is known as commitment area No 2. There is also a commitment area in relation to leveraging greater levels of private sector financing. I can't quite recall what No 4 is, but I remember or recall that it is some sort of bridging commitment to bring a range of other miscellaneous issues together under a single umbrella.

I can say with a high degree of confidence that the ACT, in partnership with the Queensland and New South Wales jurisdictions, has been leading the effort on bringing commitment No 2, the planning commitment, together over the last three years. That has resulted in the last few weeks in the development of what we have called a planning toolbox, which is where a consultant has been used nationally to bring together best practice from all jurisdictions in terms of their planning provisions in relation to affordable housing so that that can be used as a national tool for jurisdictions to identify what might be a better practice than what they are currently engaged in and whether it is easily adopted or adaptable in their current planning systems.

You have probably already seen the initiative that has come out of the ACT government's affordable housing action plan in relation to a compact housing code. Whilst the government hasn't made a formal announcement in terms of its content, I can advise that we've been able to draw on best practice from other jurisdictions in helping design that particular policy document, which will soon be presented to the minister for his consideration. So we are right on the front foot in terms of responding in a very quick time frame to some of the key issues that have been identified in the ACT government's action plan.

**DR FOSKEY:** Under "objectives", you identify the administration of the leasehold system. I assume this includes rural leases. I understand that rural leases for the Molonglo Valley have been or are being cancelled. I am presuming that this involves payment of just compensation to the leaseholders, but I can't see any provision for these payments in this year's budget papers. Is it there? I understand that compensation issues are still unresolved. Could you let me know, please, what is happening at the moment?

**Mr Barr:** If I could just correct your preamble, the leases have not been cancelled; they have expired. So I think your opening remarks, once again, Dr Foskey, are somewhat misleading. If we can just deal with that first up, the leases have expired. Yes, it is the government's intention to provide just compensation to that group of leaseholders, and that is a process of ongoing negotiation.

I understand that the solicitors representing those rural leaseholders have provided some further information, but there are still some outstanding matters between the government and the solicitors on behalf of the rural leaseholders. We will continue to negotiate in good faith, but certainly the government's position is quite clear in terms of a desire for residential development in the Molonglo Valley. In terms of the process, Mr Savery might be able to provide you with some more information.

**DR FOSKEY:** Thank you.

**Mr Savery:** As you are probably aware, this matter has been going on for some years

now and for most of that period it has been an informal exercise. Despite our urgings and advice to at least one of the rural lessees to formalise the process by making an application which would give rise to third party appeal rights, that advice wasn't taken advantage of and, in fact, they found themselves in a situation where the leases expired. Applications were lodged with the ACT Planning and Land Authority at the expiration of those leases. Given that by that time the government had made clear its intentions to proceed with the Molonglo Valley development and the prospect that that could occur in the life of any new lease, our view and recommendation to government was that it would be inappropriate to renew the leases or offer new leases.

The government supported our recommendation which we followed up on, which was to offer a three-year licence which would enable us during that period to negotiate compensation and any other arrangements. That offer was declined and was replaced with a counter offer of what was termed a protocol. A protocol has no standing in law, and we received legal advice not to accept that offer. Therefore, we notified the rural lessees, the three people involved, that they would have to vacate the land by 28 September of this year, but with the clear intention that we want to resolve fair and just compensation.

To that end, with legal advice, we also sought terms of reference from the rural lessees through their legal representatives, although they are not all represented by, as I understand it, legal representatives. Unfortunately, what occurred at the same time was a transition of their legal representation which resulted in some further delay in obtaining those terms of reference. I believe that is what the minister was just referring to when he said that we have received some recent information. So we are at the point where our solicitors are looking at the terms of reference to give us advice so that we can move forward on that matter.

The other specific thing that you raised was whether there is anything in the budget papers. There is no money in the budget papers. What I can advise you is that Treasury is aware of this issue. We can't estimate the quantum of the compensation. We alerted Treasury to the prospect that, during the course of this year, there could be a need to seek their assistance to pay that just and fair compensation once it has been resolved, and, of course, there is the potential for an arbitration process. I would like to think we don't have to get to that, but there is that option. I've got every confidence that there are options available with Treasury to assist us in being able to pay the compensation once we know what that is.

**DR FOSKEY:** What would happen if it hasn't been worked out before the eviction date?

**Mr Savery:** As it stands, they will be evicted. As it stands, the letters that they have received say that they must leave the land by 28 September. What we have clearly said also is that we intend to pay just and fair compensation. Our desire is to conclude that before they leave the land. That would clearly be everyone's preference, and that is what we are working towards. I don't know if I am being 100 per cent accurate here, but I believe there was something like a four-month delay in us asking for the terms of reference and actually getting the terms of reference, in part because of the transition of legal advisers. We are working as hard as we can. I think we are all working in good faith to achieve this outcome, but there are clearly in respect of one party at least

very different views on what fair and just compensation amounts to.

**MRS BURKE:** Are you finished?

**DR FOSKEY:** I've got more questions about Molonglo, but I will take a turn later, if you like.

**MRS BURKE:** Good afternoon, minister, and I thank your departmental people for being here today. I turn your attention to page 395, objectives. I will read it out while you are finding the place. It states:

The principal objective of the ACT Planning and Land Authority (the Authority) is to provide a planning and land system that contributes to the orderly and sustainable development of the ACT. To this end, the Authority seeks to work as an innovative and professional organisation that provides planning and leadership in response to social change, in partnership with all stakeholders in the community.

It is that part that I particularly want to draw your attention to. I am at a loss to understand why ACTPLA is unable to work with the NCA, being one of those stakeholders in the community, in a more cohesive manner to perhaps avoid such fiascos we have seen with the EpiCentre in Fyshwick and, more recently, the Narrabundah Long Stay Caravan Park.

**Mr Barr:** I don't believe that the premise of your question is accurate. I think the relationship between the NCA and ACTPLA and the NCA and the ACT government is very good. There are obviously always opportunities to continue to strengthen and forge relationships.

**MRS BURKE:** What do you do to strengthen those? What are doing to work better with them?

**Mr Barr:** I have just come from an engagement at lunchtime where I had the opportunity to have a number of conversations with Annabelle Pegrum from the NCA. I had the opportunity through various other portfolio responsibilities to have an engagement with Annabelle and many other members of the NCA. I take, as minister, the opportunity to seek to meet with them to understand the issues that confront them. There are times, obviously, when their political masters have a different view on issues than the ACT government does, and so from time to time there will be friction.

**MRS BURKE:** Thank you for that, but isn't it true, though, that you do somewhat use the NCA as a political football, particularly on issues such as the EpiCentre and the Narrabundah Long Stay Caravan Park?

**Mr Barr:** No, I don't think that is an accurate assessment.

**MRS BURKE:** I think there has been some game playing of late on both of those issues, with respect.

**Mr Barr:** You can hold that view, Mrs Burke. I don't share it.



**THE CHAIR:** Is there a question in there, Mrs Burke?

**MRS BURKE:** There was. The minister has confirmed the question that he is now determined to work more closely with the NCA. I look forward to that.

**Mr Barr:** I make the observation that, as minister, I am determined to work closely with all stakeholders, as outlined in the budget papers. It is a view that I hold as minister and I know it is shared by ACTPLA. It is not an issue here, Mrs Burke, and your line of questioning is futile.

**MRS BURKE:** Perhaps it is the Chief Minister I need to direct the question to. Thank you for that.

**MR SESELJA:** Chair, may I ask a quick follow-up question on that before starting a new line of questioning? When did the ACT government make a request to the NCA in relation to change of land use and the land swap around the long-stay caravan park?

**Mr Barr:** Yes. Mr Savery will answer that.

**Mr Savery:** Through the chair, there were actually two stages of request. There was an initial request, either just before Christmas or just after Christmas—I might have to get back to you on the specifics of that—which was an initial inquiry to establish whether or not the like-for-like uses that were being sought, particularly that in relation to a permanent mobile home, could be established on the alternative site in accordance with the national capital plan.

At that time, we sought to establish a position as to whether or not the National Capital Authority would support a variation to the territory plan, if one was required. The response from the National Capital Authority was that in their view the issue of permanent mobile home establishment would be inconsistent with the national capital plan. Whilst they did not give a specific response as to whether or not they would support an amendment to the national capital plan, we took the view that that was essentially the position that they were conveying to us.

That was conveyed to the project managers overseeing the entire exercise of the Narrabundah caravan park relocation process or land transfer process. We received instructions about two weeks ago, or at the time the most recent press articles were produced, to formally seek an amendment to the national capital plan and to vary the territory plan. That was the second correspondence. So that has occurred.

**MRS BURKE:** Why did it take six months for you to respond to the NCA's request for the variation application?

**Mr Savery:** We waited for advice from the project managers as to what action they wanted us to take. We sought the advice of the National Capital Authority and we conveyed that advice to the project managers and awaited their advice.

**MRS BURKE:** Why did you not hurry them along, knowing that the ball was in your court and not in the NCA's court? They were waiting on your response.

**Mr Savery:** We continued to seek their advice.

**MRS BURKE:** But this has taken six months to get some resolution. It was only brought to the fore by me, I believe, on 29 May and then again in the Assembly on 7 June. There was a letter there with no signature on it from your good self, I believe. It had not been sent as at 8 June. You were expecting the NCA to look at that matter on 20 June.

**Mr Barr:** Mrs Burke, given the history of this matter and the fact that we are in this situation because of the actions of the previous government, I think it is a bit rich for you, of all people, to be seeking to run this sort of campaign.

**MRS BURKE:** No, you are totally off the mark, minister. You have jumped into this issue very late. Mr Savery knows exactly what I am talking about.

**Mr Barr:** No. I am certainly aware of the history, Mrs Burke, of this issue, and why we have arrived at the situation that we have. It is the result of a decision from the previous Liberal government. We all know that. The Canberra community knows that.

**MRS BURKE:** No. You are just passing the buck, minister. You know you are.

**Mr Barr:** This government is seeking to address it, and the Chief Minister is doing so.

**MRS BURKE:** No. It has taken him too long.

**THE CHAIR:** Mrs Burke did ask about the timeline. Could we have an answer?

**Mr Savery:** I gave my answer. I continued to seek a response.

**MRS BURKE:** But why did you not pursue them? It has taken six months. Come on!

**Mr Savery:** I am answering your question. I continued to seek their advice. I did not get advice.

**MRS BURKE:** Why did you not get that advice?

**Mr Savery:** I cannot answer that.

**MRS BURKE:** Well, you were pursuing them. What answers did they give you when they said, "We can't give you advice"?

**Mr Savery:** The answer I received was that they were pursuing the matter directly with the National Capital Authority.

**MRS BURKE:** Well, we are going around in circles, then. Surely it was up to you to pursue the matter, to put this matter—

**Mr Barr:** I think you have asked that question.

**Mr Savery:** I did pursue the matter.

**Mr Barr:** This project is being managed by the Chief Minister's Department.

**Mr Savery:** I sought a position. I was advised that they were pursuing it directly with the National Capital Authority.

**MRS BURKE:** I think it is tardy. I am sorry to say I think it is tardy. The response has been bad.

**Mr Barr:** Again, you can hold that view, Mrs Burke, but I repeat the statement that I have made. We would not be in this situation if the previous government had not—

**MRS BURKE:** That is ridiculous. The Chief Minister was advised by phone, Mr Barr. There are things that you do not know.

**Mr Barr:** You cannot absolve the previous government of its responsibilities on this issue.

**THE CHAIR:** Order, members!

**MRS BURKE:** Stop blaming the former Liberal government when it was your Chief Minister who was advised of the sale in the first place.

**THE CHAIR:** Mrs Burke, if you continue, you will only get the reaction that you—

**MRS BURKE:** No. This is not true, chair. What is coming across is not true.

**Mr Barr:** Effectively, your line of argument is that we are not cleaning up your mess fast enough. That is effectively your argument, Mrs Burke. We are not cleaning up your mess fast enough.

**MRS BURKE:** You had better ask the Chief Minister when he was advised.

**THE CHAIR:** Order! Dr Foskey, you had a question.

**MRS BURKE:** It is not true.

**MR SESELJA:** I am sorry, chair. I thought you said that I could ask a quick supp, which I did. It has now gone on for a long time beyond my control. I was going to ask some questions.

**THE CHAIR:** Your colleague jumped in. I apologise, Mr Seselja. Go for it.

**MR SESELJA:** Thank you, chair. I did want to ask a number of questions about planning system reform, but there will probably be a lot of others as well. So I will ask one or two questions and then come back and ask some more.

Minister, in relation to planning system reform and the new territory plan, there was a report in the *Canberra Times* on 13 June this year about eight industry groups writing to you raising concerns about the new territory plan. Are you able, firstly, to confirm

for us the existence of that letter and, secondly, tell us of some of the concerns that were expressed by those industry groups?

**Mr Barr:** Yes, I have received a letter from a group of industry representatives, led by the property council, but with a number of other organisations signing the letter. I am currently considering the issues that they have raised. I have had a number of preliminary meetings with them. I will be having a formal meeting with them next week to respond.

**MR SESELJA:** So what are some of the issues that they have raised?

**Mr Barr:** Well, they have raised matters with me and I will be responding to them next week.

**MR SESELJA:** Thank you. You would be aware that there has been a lot of industry concern about the draft territory plan, not just from a group of eight. Is the government's position now that you are still looking to push ahead with the new territory plan in the next few months? I forget exactly what the timetable was, but the last quarter of 2007 was the latest advice we had. Is that still on track or would we expect the new territory plan in the last quarter of this year?

**Mr Barr:** I am still considering those matters as it is two months into my time as planning minister. I will be making announcements in the future in relation to that. I am happy to advise the committee that I will take the time to consider the issues that have been raised. Also, a number of people made submissions through the consultation process and I will be considering those issues. There is no doubt, though, that I have an opportunity now to provide a fresh set of eyes over this process and I will be taking the time needed to do so. I will make an announcement in the near future.

**MR SESELJA:** And would you table that letter for us?

**Mr Barr:** No.

**MRS BURKE:** Open and accountable!

**THE CHAIR:** Mr Barr, you need to give a reason if you are not going to table that letter.

**Mr Barr:** We would have to seek clearance from the eight organisations who have written to me. They wrote to me as minister. They did not write to the estimates committee. That letter was provided to me, as I understand it, in confidence for my consideration. I am meeting with those organisations next week and I will respond to them at that time.

**THE CHAIR:** Well, during the committee estimates process that in-confidence position does not apply. It is a reasonable request to table the letter.

**Mr Barr:** I am considering those matters and I am meeting with the organisations concerned next week.

**THE CHAIR:** It is in the standing orders, Mr Barr.

**Mr Barr:** So the committee is ordering me to table the letter?

**MRS BURKE:** You have to under standing orders, yes.

**Mr Barr:** Well, we will make the letter available in due course.

**THE CHAIR:** Thank you. Dr Foskey, do you have a question?

**MRS BURKE:** By close of business today?

**Mr Barr:** I will have to see where the letter currently is in the system.

**THE CHAIR:** Dr Foskey.

**Mr Barr:** I have just been advised that the letter is a public submission and is available on the authority's—

**Mr Savery:** It is not yet. It forms part of the submission.

**Mr Barr:** It forms part of the public submission process.

**MRS BURKE:** They have released it to make it public, so I presume they do not mind it being public.

**Mr Barr:** Well, you could ask them. You could easily get hold of them.

**MRS BURKE:** No. I was just saying what Mr Savery just said.

**Mr Savery:** If I could just clarify: each of the organisations that are represented on that letter has made submissions, in some cases together; in other cases individually. We have treated the overarching letter as part of that entire submission process. So they are not currently on our website. I understand that individual submissions for each member organisation are available on their own websites, but not the —

**MR SESELJA:** But I have asked for the particular—

**Mr Savery:** I know.

**MR SESELJA:** I think that is where we got to. I think that is clear.

**Mr Savery:** Yes.

**MR SESELJA:** That will be tabled soon.

**THE CHAIR:** Dr Foskey.

**DR FOSKEY:** Okay. Given widespread opposition in the Canberra community to

DA 53 and the call for it to be withdrawn by 3,367 petitioners to the federal parliament and by the public meeting on 24 May on the future of Albert Hall, what is the ACT government's position on the withdrawal of DA 53?

**Mr Barr:** That is indeed a matter that has been the subject of some community discussion, Dr Foskey. We were asked to provide comment, and I will get Mr Savery in a moment to outline ACTPLA's position in relation to DA 53 and the comments that were provided in the statutory independent role.

It really is a matter for the NCA. It is their particular draft amendment. I do not have a strong personal view one way or the other. They have a process. It is not for me to dictate to them how they will run their processes, but we will certainly—and have already, through ACTPLA—provide a view. In terms of an ACT government position, that matter is still to go before cabinet before there will be a formal position from the ACT government.

**DR FOSKEY:** Okay. Does the ACT government or ACTPLA support or oppose NCA's plan to remove the Flynn Drive cloverleaf and replace it with an intersection and traffic lights on Commonwealth Avenue? Does the ACT government have the responsibility for traffic planning in this area or does the NCA?

**Mr Barr:** The answer to the second question is yes. My understanding is that there is not strong support for that particular option.

**DR FOSKEY:** Not strong?

**Mr Barr:** Mr Savery can provide some further advice in a moment, but, no, there is not strong support for that option. Those issues around traffic were raised by ACTPLA in response to DA 53. Mr Savery can give you some more details now.

**Mr Savery:** At this stage the ACT government, through the ACT Planning and Land Authority, has not actually provided an official position to DA 53. During the formal consultation period which, as you know, ended and then was extended the authority, as is its role within government, sought to coordinate a whole-of-government response, particularly from those agencies most affected, like heritage, traffic and ourselves with the planning side of it.

Our response was, if you like, a holding response to the National Capital Authority that said that we had a range of concerns. In fact, our response has been included as part of the public submissions that have been made publicly available by the National Capital Authority. Some of those concerns raised related to the height of the building that had been proposed adjacent to Flynn Drive, some to heritage issues associated with the proximity of possible development to Albert Hall and certainly the traffic issues.

What we said in our response, however, was that due to the absence of traffic reports et cetera it was not possible for us to arrive at a conclusive position and that pending the provision of further advice or supporting documentation we were not in a position to seek a government position. We also indicated in our letter that it would be a matter that we would want to take back to cabinet because typically, if a draft amendment

essentially deals with planning issues only, it will be a bilateral matter for us to resolve with the National Capital Authority. But because this draft amendment raises so many other government issues, it is appropriate that we take it through the cabinet process. So we have advised the National Capital Authority of that. We are awaiting their response to our letter with the further documentation. We understand that they intend to convene a workshop with us and other government agencies to go through those issues. One would imagine that at the end of that we would provide further advice to government with a recommendation on the response.

**DR FOSKEY:** Have you found that your ability to communicate with NCA has improved over the period of the public discussion about this issue?

**Mr Savery:** I do not know that it has ever been bad, and maybe in part response to the previous—

**DR FOSKEY:** I did not say it was bad.

**Mr Savery:** question—

**DR FOSKEY:** I just asked if it had improved.

**Mr Savery:** It was not bad, so it did not have anything to improve on it. It was what it always is, and that is a very constructive, positive dialogue between the two planning agencies, which is how we conduct our business.

**DR FOSKEY:** You have regular meetings and—

**Mr Savery:** We meet on an eight-weekly cycle. We identify agenda items and discuss them. We try to anticipate issues that are of common interest to us with a view to trying to be proactive and resolving them before they become problematic. But aside from those regular meetings, we are in constant dialogue or participating in joint initiatives together. For instance, we are both joint sponsors and project partners on the Canberra biennial initiative. We both regularly attend conferences or local seminars where we are both speakers and we work together to—

**DR FOSKEY:** What is the biennial?

**Mr Savery:** The Canberra biennial is a festival of architecture and design. This is its second year.

**Mr Barr:** I am happy to provide you with some more information, Dr Foskey. It is an outstanding concept.

**MS PORTER:** Thank you, chair. Minister, as we all know the Planning and Development Bill 2006 was tabled in the Assembly in December 2006. Page 399 of budget paper No 4 states:

The new planning system will commence in October 2007 and will be preceded by a comprehensive agency, industry and public education and training program.

There will be a number of mechanisms in place to monitor and report on the reforms—

How will the planning reforms be monitored? Would you outline the extensive communication process—

**Mr Barr:** Yes.

**MS PORTER:** the public education and education of staff, et cetera?

**Mr Barr:** I can advise the committee that ACTPLA commenced initial staff training within the organisation back in June designed to give ACTPLA staff a common general understanding of the planning reforms. Specific briefings have then been delivered by staff members to a variety of stakeholders: the MBA, HIA, property council, law society and community councils. A range of those forums have already been held. In line with the additional funding in the budget in relation to information technology and being able to deliver further information on planning through IT, the authority is developing an electronic information tool, helpfully titled “Planning Explained”.

**MS PORTER:** Very helpful.

**Mr Barr:** That will provide information on the internet to all users of the new planning system. We have arranged a series of fact sheets, information nights and a variety of opportunities in the lead-up to the development of the new system. There is an amount of money within the authority budget in the order of about \$100,000 towards education and training and promotion of these reforms. But Mr Savery may be able to add some further detail.

**Mr Savery:** I think it is appropriate that we expand on this because it is probably one of the most important exercises that we are going to undertake in the next financial year in terms of the education, training and development program both within the organisation and within the broader community, particularly those people who use the system on a daily basis. In other words, it is their lifeblood. Associated with that is the development of our IT systems to complement the implementation of planning system reform.

I would like to ask Jacqui Lavis and John Meyer respectively to talk about training and development and the implementation of the IT system. They are very important pieces of work next year.

**Ms Lavis:** We have a major responsibility for the rollout of the Planning and Development Bill and the planning system reform project generally. It is fair to say, I think, that our commitment to education and training really commenced at the start of the process of planning system reform with the early phases of our policy development on behalf of government on the shape and form of the new planning system. So up to probably a little more than two years ago, we commenced with the process of research and the publication of technical papers. We started to engage in a broad ranging dialogue with community and industry on the scope and nature of the new planning system. We had a number of major and significant aims, but primarily



to reduce the number and complexity of transactions in the planning system.

Just picking up on the question that was asked around the monitoring and key indicators, I think that those have to remain the primary goal in terms of the outputs of the system. So what we are creating is a set of tools, if you like, to enable us to get to that end. So rather than thinking of planning system reform as a goal in itself, it is actually the number and complexity of transactions which we need to seek to reduce. Obviously the reasons for doing that are to save costs in the development sector, both from the perspective of the development industry, but also the general community, the mums and dads, if you like, who engage in the system. When we get to the end of the year and we have the system of monitoring indicators in place that will be very much the perspective.

That ongoing dialogue has continued for the last couple of years. We have had a series of roadshows where we have taken again all interest groups through a number of phases of system reform. Those all form part of the education side of the equation and it is fair to say that we have a very broad and solid range of support.

As the minister indicated, now we are moving into, I guess, the training side of the spectrum. We have a significant scope of works in terms of the Planning and Development Bill. We are at a very advanced stage of its thinking and development. As the minister has indicated, we have started drilling down within the organisation to ensure that the ongoing process of familiarisation with the main themes continues. That is being followed up with, if you like, an online survey of staff just for us to verify the reach within the organisation of the understanding of the new system.

We have also been conducting detailed conversations with our key stakeholders as to the extent to which they would want to participate in training and the extent to which they will be able to support and promote the training programs that will be run in a tailored way for their particular constituent groups. For example, the HIA have quite different training needs from the MBA or the property council. The HIA have a very hands-on way of delivering training. They like to get people together and really allow for a robust question and answer session in quite an informal setting. The property council like to do things in a little bit more of a formal way. The law society likes perhaps to go away and think about some questions to ask us and conduct their question and answer session in that way. Each of those groups will have a tailored approach to training.

As the minister and Mr Savery have indicated, there is a commitment also to the availability of online information. We are finding more and more that the constituency of interest want to access information online. Of course, a lot of after-hours customers can access information in that way. I might now hand over to John Meyer, who can give some indication of our online initiatives.

**Mr Meyer:** As part of the reform process, electronic service delivery is a major and fundamental part of the way we are progressing with our business transactions. Some 18 months ago we received some pilot funding from Ausindustry under the regulation reduction incentive fund to develop an electronic development application form. That form is nearing completion and is being tested at the moment, and I will talk a bit more about that.

Subsequently, we received a substantially larger grant to actually put in place an end-to-end platform which covers all aspects of our development applications and building applications such that ultimately, when the system is in place, the whole environment will be an electronic one by which our clients will be able to do business with us. We are actually putting in place not only the smart forms but also electronic forms which are accessible from homes or offices or wherever is convenient to do business. It means that there will be website access to information on the progress of an application through its various stages of assessment. Certifiers, for example, in partnership with electrical trades, builders and others will be able to see how each of the different components are working together to achieve a particular outcome. So the level of inquiries and trying to establish where an application is in the process will be reduced significantly by virtue of having that access.

A lot of that, too, will be provided onto mobile phones. We are already providing tie books online, that is, where the major sewerage ties are around the city so that plumbers are actually downloading that 24/7 now. They do not have to wait for a business day to come to Mitchell. They can actually transact business, get copies of the plans on their phone and progress from there. So this whole notion of actually simplifying the way in which clients can do business is fundamental to our progressing.

The ACT government has provided additional funding for the next three years to further complete the electronic development application and building application system and also to replace what we call our legacy systems, which are now somewhat outdated and need to be refreshed as part of this process. In terms of training and development around this, what we have been doing is not trying to do the big bang launch of this technology, but rather working with different areas of the development community and trialling it out with some of our clients to make sure that the interface and the speed and effectiveness of the system are well tested. We expect to start going live with significant components of this and to start to roll it out more effectively over the next three months and will continue to build modules as we go and launch those over the next three years.

**MS PORTER:** Thank you very much.

**MR STEFANIAK:** Just on that, this plan has attracted widespread condemnation from major industry groups, has it not? What are you doing to fix that?

**Mr Barr:** I am sorry?

**MR STEFANIAK:** This plan, the new plan.

**MRS BURKE:** System reform.

**Mr Barr:** You are not talking about IT any more? You have changed the subject again?

**Mr Meyer:** The restructured territory plan.

**Mr Barr:** You are talking about restructured territory plan?

**MR STEFANIAK:** Yes, the territory plan.

**Mr Barr:** It is a new line of question?

**DR FOSKEY:** It is.

**MR STEFANIAK:** Well, I will start with that, then. The new territory plan has attracted a wide—

**Mr Barr:** Draft territory plan.

**MR STEFANIAK:** range of criticism, unless you have done something radical since 13 June. There was a scathing article in the *Canberra Times* containing criticisms by the master builders, the planning institute and the housing industry association. The article refers to a couple of things that happened, the obvious errors, such as banning plant nurseries in Pialligo and removal of the heritage protection around the Sydney and Melbourne buildings. A lot of industry seemed to say slow down, get it right and take your time. What are you doing as a result of all this industry criticism?

**Mr Barr:** Slowing down, taking my time and getting it right.

**MR STEFANIAK:** Where are we at at this stage? What is the—

**Mr Barr:** I am having a meeting next Monday with each of the industry groups who have written to me. I have already met with the property council. I intend to continue consulting. You know, we put the particular draft territory plan out for consultation. We have received, I think, just over 100 submissions—103 submissions. We are considering those. I will do exactly as you said, Mr Stefaniak. It is my intention. As I have indicated there, I have the opportunity, having arrived in this portfolio two months ago, to provide a fresh set of eyes on the issues. I will work cooperatively with all of the stakeholders to get a good outcome for the territory.

**MR SESELJA:** Has the NCA given any comment on the new draft territory plan?

**Mr Savery:** At this stage, through the chair, there has been no official response from the National Capital Authority. I understand that they were taking their response to the board today and that we were to receive it tomorrow.

**THE CHAIR:** While we are in that convivial mood, when Mr Savery has finished, we might break for afternoon tea.

**Mr Savery:** Does that answer your question?

**MR SESELJA:** Yes, sort of. So it is coming tomorrow, is it?

**Mr Savery:** Well, I can only go on what they are telling me.

**MR SESELJA:** Yes.

**Mr Savery:** I have made it clear to them that, because we need to move this process on, I would like it by tomorrow.

**DR FOSKEY:** Taking your time.

**Mr Savery:** Yes, but there has to be a point at which we receive the submissions so that we can determine what action needs to be taken.

**MR SESELJA:** That is fine. That answers my question, thank you.

**Mr Barr:** It is a consultation process and we are in the middle of it. We look at the issues, Mr Stefaniak.

**THE CHAIR:** Thank you, minister. We will break for afternoon tea and come back at 3.50 pm.

**Meeting adjourned from 3.30 to 3.49 pm.**

**THE CHAIR:** Welcome back to the estimates inquiry into the planning portfolio.

**MS PORTER:** Minister, page 396 of budget paper 4 talks about priorities being pursued by the government. Before we were talking about the detailed planning to facilitate land releases in the Molonglo Valley. Could give the committee an idea about the environmental and engineering investigations mentioned in the budget papers? How are they proceeding? What is being done to pick up on those things that we were talking about before: the importance of the climate change strategy, obviously the protection of endangered species, and the river corridor, et cetera?

**Mr Barr:** It is indeed an important issue and very topical. As I am sure the committee is aware, the government has announced an intention to release land in the Molonglo Valley in the second half of 2008. ACTPLA is currently reviewing the sequencing of land in the first three suburbs and how the 2008 land release might be facilitated. But this land release process is dependent on the completion of a number of statutory processes.

I will take some time to outline those for the committee. The first is a consideration of the draft variation to the territory plan No 218. That is related to the preliminary assessment by government this year. There will be public consultation on the draft variation to the territory plan. This is anticipated to commence in the middle of the year and to run for three months.

An assessment report on the preliminary assessment is being prepared. It will be forwarded to me for consideration as to whether further assessments are required. A further report responding to the issues raised on the draft variation might be required. And then, subject to final government support, the final variation is subject to various Assembly processes prior to gazettal, which is expected in mid-2008.

It should be noted that urban development in the Molonglo Valley cannot proceed without an amendment to the National Capital Plan. A draft amendment to the

National Capital Plan will be released for public comment concurrently with the draft variation to the territory plan. From that point the NCA will follow its own statutory processes and time frames, which are of course a matter for the commonwealth government.

In terms of the longer term issues, you would be aware that, through the Canberra spatial plan, we identified the Molonglo Valley as an area which had the potential to accommodate a large number of new Canberra residents.

In terms of the specific questions you asked about ensuring that the environmental values of the valley are preserved for future generations, I can advise the committee that there are known areas of high environmental and landscape significance. They have been identified through the detailed technical studies undertaken by ACTPLA, the NCA and independent consultants in consultation with ACT government agencies. The areas that will be protected via land use policies in the draft variation of the territory plan include the river corridor; the hills, ridges and buffer areas; as well as urban open space.

Perhaps the issue that has captured the imagination of the conservation council the most has been the significant area of woodland in the valley. This is located on the former lease known as Kama. This is to be protected as public land as a nature reserve. I understand that this area provides an important habitat link between the Pinnacle Nature Reserve and the Molonglo River. It consists of 111 hectares of yellow box, red gum, grassy woodland and 35 hectares of natural temperate grassland.

Urban development will need to be set back from these areas—the river and the Kama Nature Reserve—to protect them from, if you like, the edge effects of urban development. Mr Savery can provide some further detail on the environmental aspects of the Molonglo redevelopment.

**Mr Savery:** Perhaps it is also worth reiterating that this process has now been going on for about three years. Since the Canberra spatial plan was adopted by the government as its overarching strategic framework for development in Canberra, we commenced work on the future development prospects of Molonglo. That involved an initial study with the National Capital Authority, which was to identify the suitability of this entire valley for future urban development. At the conclusion of that it identified three, if you like, large blobs of land. That does not sound too sophisticated but that is essentially—

**MS PORTER:** A planning term, is it?

**Mr Savery:** Not a recent one.

**Mr Barr:** One of those on a list for a new minister to understand is “the blob of land”.

**Mr Savery:** Over time, as we have done further work with the National Capital Authority, they have been refined. Specifically we have looked at what we call urban-capable land. We have now narrowed that down to the three areas that have been identified.

They have been the subject of significant community consultation over the last two years, including through the development of a structure plan, which starts to give some form and structure to the appearance, the size and the feel of what this future development might entail. For instance, it has roads and local centres; and it identifies where the major centres of public open space might occur, the relationship of the urban area to the environmental areas, and the relationship of those urban areas to the river corridor et cetera.

A key component of the work that the minister was referring to is a series of environmental studies. They have looked at the grassy woodlands, the raptors, the eagles and where their nesting sites are, legless lizards, and a range of other fauna and flora located in this valley, so that we can have a fairly good sense and understanding of what areas should be set aside for future conservation purposes. They have, in effect, been excluded from the area that has been denoted for future urban development within the draft amendment and the draft variation, which are soon to be released, as the minister has indicated.

We have also undertaken hydrological assessments to determine impacts of development on the water ecology of this area. A key piece of work that we have done is to look at water quality associated with any urban development, particularly stormwater run-off not only from future urban development but also from the established areas of Duffy, Holder and Weston Creek. At this point many of those areas drain into the Molonglo River and do not have the same level of gross pollutant capture that some of the other more recent suburban developments in Canberra enjoy.

There is an opportunity, through the development of the Molonglo Valley, to improve water quality. At the end of the variation process we also have to undertake further environmental impact assessment. This would go into some detail, particularly for those areas of development that will be some years away—bearing in mind this has a 20 to 25-year development front. Areas being left for future development have some more of those environmental sensitivities that we will seek to refine. Ms Lavis can perhaps expand on what some of those studies might entail.

**Ms Lavis:** As we move to the refinement of detail in relation to the potential urban land release area in the Molonglo Valley there are a number of exciting possibilities in terms of ensuring that we create a community that lives in harmony with its environment.

The sorts of studies anticipated in the development of the concept planning stage—the level of detail that starts to map out the shape and form of suburbs—would be dealing with matters such as refining the precise treatment of the edges, which has been referred to in the previous commentary. For instance, we have identified that where we have significant reserves acting as wildlife corridors and abutting residential environments we need to be aware of the best practice mechanics for handling those buffers. There has been some preliminary work on that on the northern edge of Gungahlin. Initiatives range from the installation of predator-proof fences along reserve edges, through to the issues of domestic animal containment.

These are all initiatives that enable a residential community to live in harmony with its environment. Probably as importantly it starts to raise awareness amongst residents

moving into these areas—many of whom will be people not formerly Canberra residents—as to their obligations to the broader environment.

As Mr Savery indicated, there is real potential to ensure that the network of stormwater management—the series of ponds and water quality control devices—is providing a positive environmental outcome. Whilst they provide an important water quality function for the Molonglo River, they also provide mini habitats in their own right. Understanding the extent of almost a restoration of the landscape that is capable through a process of urban development is something we are keen to track and understand.

There is also real potential for understanding the extent to which new residential communities can start to reduce their carbon budgets. There is potential to work with the utility providers in terms of understanding the processes of energy use within an urban environment. That is everything from, as we indicated earlier, more efficient subdivision design to the accessibility to alternative modes of transport to the private car, through to the way in which power and other utilities are used in new domestic premises. We can explore a range of initiatives.

Because the rollout of the Molonglo urban corridor is over at least a 20 to 30-year time frame, we are expecting that new technologies will be coming on stream during the course of development. Each time we plan for a new urban land release, we will be able to review the past practice and set some new benchmarks for future stages of development.

**DR FOSKEY:** I do not know whether this has been asked; my apologies if it has. I know that some environmental studies have been completed for the Molonglo Valley. Are they all public documents at this stage?

**Mr Savery:** Jacqui might wish to clarify. Once the amendment is made public, a preliminary assessment accompanies that document. That has a number of background studies associated with it. They would be made publicly available. They are there to assist people in their understanding of the amendment and how the preliminary assessment has arrived at the position it has.

**DR FOSKEY:** And did you give a date before as to when that might be?

**Mr Barr:** It was the middle of the year.

**DR FOSKEY:** Middle of this year?

**Mr Barr:** Yes.

**DR FOSKEY:** That is now.

**Mr Barr:** Sooner rather than later.

**DR FOSKEY:** Soon—that is what I used to tell my kids.

**Mr Barr:** It is not far away. I indicated that there is a parallel process in terms of an

amendment to the National Capital Plan and the NCA's process. We have those processes running parallel.

**DR FOSKEY:** I notice that in the budget there is no provision for the dam wall in the Molonglo Valley. This was one earlier idea. Does that mean this proposal has now been officially rejected?

**Mr Barr:** No; it just means that there was not funding in this year's budget. These matters will be considered as part of the overall process. There are a variety of options. We will need some water management strategies. But in terms of our role, no firm policy decision has been made. That is part of the consideration over the ensuing period. Mr Savery can add some further detail.

**Mr Savery:** In answer to the member's question, there is a significant body of work that still needs to be undertaken in respect to what is the most appropriate water management technique that should be employed for the Molonglo Valley. Importantly the answer to that does not have to occur now.

If the government were to determine—there would be a significant process involved, including environmental impact assessment—that a lake, which would involve the damming of the river at some location, was the most appropriate environmental, social, whatever solution to stormwater management and for other reasons, there would not be a need to fund that for several years. The development that the minister has referred to occurring in the Molonglo Valley in the initial stages and towards the end of next calendar year is not dependent on a dam wall being built.

**DR FOSKEY:** I note that there are funds in the budget for road building. Has the necessary archaeological research into these areas been undertaken, including location, sacred sites, artefacts, scatters and scar trees? Has this research informed the location of roads?

**Mr Savery:** Ms Lavis might be better placed to clarify this. The preliminary assessment and some of the work that we have done has included heritage assessment, including pre-contact assessment of potential sacred sites and a number of other environmentally important aspects of development in Molonglo. This has assisted us in identifying the location of roads.

Most of the capital works for roads associated with the Molonglo Valley are mainly forward design—it is not construction of roads. That is not to say that there is not anything associated with that. But most of our work at this stage is in forward design, feasibility and further environmental assessment.

**Ms Lavis:** As Neil has indicated, there has been a preliminary scanning of both the Aboriginal archaeological and cultural status of land in the valley, and also the settlement history of the valley. There is a level of understanding at a first-stage sieving. That first-stage sieving enables the planning process to identify the most suitable broad locations for major infrastructure. Then, as we move into this current stage of infrastructure, design and planning, more detailed studies are undertaken along narrower scopes—potential route corridors and the like or potential locations for particular areas such as water infrastructure. There is a progressive scaling up of



detail.

Obviously there are some established processes for taking material back to the heritage council. If it is not required to seek formal clearances on the basis of land on the heritage register, it is certainly possible to seek advice from the various experts, including Aboriginal reference groups that are within the purview of the heritage council. Those processes are used as an interactive basis to reach a level of detailed understanding about go and no-go areas in respect of some of those issues.

**DR FOSKEY:** I understand that as yet there have been no archaeological surveys. Would it not would be important for that to precede those kinds of decisions?

**Ms Lavis:** It depends on how one might define the terms of archaeological surveys. An archaeological survey can be anything from a broadbrush scanning of sites that are likely to require detailed investigation through to a very detailed technical analysis that might be done; for example, by remote sensing. The most likely areas of interest will be the type of Aboriginal cultural sites that are found quite commonly throughout the territory. Those are things such as scatter sites, limited occupation sites and, in some instances, tracks and alignment.

They are probably not the sorts of sites that require the detailed type of archaeological sensing that you might expect; for example, to get in an older urban environment and the like. The types of studies necessary are probably more likely to be interactive studies with members of archaeological reference groups. The need for studies of any other areas of occupation history likely to require more detailed analysis would be uncovered during subsequent stages of investigation.

**MR SESELJA:** Minister, it is clear that this process has been considerably sped up. When I questioned the previous planning minister—I think about 18 months or two years ago—he gave an indicative time frame of around 2011-12. At that point it was certainly some years off. The Chief Minister then announced that it would go ahead within about 18 months. That was some months ago; it would now be a year. Was ACTPLA consulted prior to that announcement?

**Mr Barr:** ACTPLA were, as part of a whole-of-government approach, pooled together by the Chief Minister's response in terms of the affordable housing strategy. We are part of, and contributed to, that work.

**MR SESELJA:** Was this announcement prior to the affordable housing strategy?

**Mr Barr:** Indeed yes. What led to the work that underpinned the affordable housing strategy went back a period. ACTPLA, like a range of other government agencies, was involved in providing advice as part of that process.

**MR SESELJA:** Are you saying that, in terms of the speeding up of this process, that was going on well before this announcement from ACTPLA's point of view—in terms of the planning and getting things going? As I said, it was not long ago that we were talking 2011-12; we are now talking 2008-09. When was the decision taken?

**Mr Barr:** The decision was taken by cabinet to sign off on the work in terms of the

affordable housing strategy. At that point, following input from a variety of government agencies in terms of determining the affordable housing strategy, we moved into an implementation phase. Note, through the budget papers, that additional resources have been provided to ACTPLA to address the particular needs—to have a further development front available—for the second half of 2008. As has been indicated in the public on a number of occasions, the beginnings of that would be at—for want of a better description—north Weston. That is where the first land releases would occur.

**MR SESELJA:** Was the signing off on that—the speeding up of the process for Molonglo Valley—in the second half of last year?

**Mr Barr:** I was not minister at the time.

**MR SESELJA:** One of your officials might be able to help.

**Mr Barr:** It is really a question of government indicating a new set of priorities around affordable housing. ACTPLA was provided with resources, through this budget process, to meet those particular targets. And we are getting on with the job.

**MR SESELJA:** So it is just in this budget; there has been nothing prior to—

**Mr Barr:** ACTPLA has an ongoing budget and its ongoing resources. Additional money has been provided in this budget specifically around land release in Molonglo.

**MR SESELJA:** I am just trying to get a picture. ACTPLA, being an independent agency and doing its planning work, was working to a longer time frame. I am just wondering when ACTPLA started to work towards a shorter time frame.

**Mr Savery:** I think I might be able to assist. The time frame in which we have been progressing the draft amendment with the National Capital Authority and the territory plan variation essentially has not changed. That program has been ongoing. I know that you are well aware of that. We anticipate that around this time of year we would be able to advance those.

At the time you were asking the questions of the previous minister—18 months ago, or whenever it was—we were anticipating that there would not be a demand on the need to release land in Molonglo perhaps until 2010-11, 2011-12. Since then—I cannot be precise on the time frame—whilst we have still been progressing with getting the amendment and the variation through the process, the government has come back to us and said that, as a result of changing circumstances—more public servants coming, affordable housing pressures, change in population statistics, whatever—we have a need to get land out quickly in the Molonglo Valley.

It is more that that has been sped up—not so much the progressing of the territory plan and the National Capital Plan amendment. Because we have been working away at that, we are in a position—whenever the government says it wants to bring it on stream, subject to the statutory processes being agreed—to bring it on quicker.

**MRS BURKE:** Minister, what is the statutory time frame for the assessment of

development applications? I am interested in the terminology “statutory time frame”. Could you let the committee know that?

**Mr Barr:** Thirty days when there is not an objection and 45 when there is, in terms of residential?

**Mr Savery:** It does not matter whether it is residential or commercial.

**MRS BURKE:** Obviously there are two categories: single dwellings and others. Are you saying it is 30 days?

**Mr Savery:** I will clarify: it is 30 days without objection and 45 days with objection. But the authority also has a period of time available to it in which to make a decision if it has not made those decisions within that statutory time frame, which is six months.

**MRS BURKE:** I have a supplementary just to follow on. I just wanted to get that clear before I asked the next part. On page 401 of budget paper 4, if we look at the accountability indicators at (b), “Development Applications assessed within statutory timeframes”, we see that targets are set at 85 per cent for single dwelling applications and 75 per cent for other development applications. My question is: why are we not meeting the statutory time frame for those? Why are we so behind—15 and 25 per cent?

**Mr Barr:** We are certainly meeting the targets—

**MRS BURKE:** Meeting targets?

**Mr Barr:** that we have set.

**MR SESELJA:** The statutory time frame—

**Mr Barr:** So your question is—

**MRS BURKE:** Yes, the time frames. You are not meeting—

**MR SESELJA:** Fifteen or 25 per cent of the—

**MRS BURKE:** Yes.

**Mr Barr:** So your real question is: why are the targets 85 and 75?

**MRS BURKE:** Yes.

**Mr Barr:** But not—

**MRS BURKE:** Yes, if you can explain that.

**Mr Barr:** In a moment I will get Mr Ponton to outline some of the complexities that are attached with some DAs. They are not all simple. One of the key issues around

planning system reform was to move to a different method in terms of having a code track, a merit track and an impact track whereby we could streamline the processes so that not every DA had to go through the extensive process that it does now, that it—

**MRS BURKE:** How much over are we? How much is the overrun in terms of the time within the statutory time frames? You are saying that it is taking longer than 30 days?

**Mr Barr:** Some do, obviously, and there are a variety of reasons for that, but the—

**MRS BURKE:** What are those reasons? What would they be?

**Mr Barr:** I will get Mr Ponton to outline that.

**Mr Ponton:** In terms of the performance targets, at the moment—at the end of May 2007—for single residential developments we were running at 79 per cent. For other development applications, at the end of May we were 72 per cent. We expect that when we incorporate the figures for June 2007 we will meet the performance targets of 85 per cent for single residential and 75 per cent for others.

**MRS BURKE:** What is stopping you from reaching 100 per cent? That might be a silly question, but—

**Mr Ponton:** It relates to the complexity of certain applications. Our desire would be to achieve 100 per cent within the statutory time frame, but unfortunately, with certain applications and depending on the number—for example, a large tower development in a town centre—there are complexities that mean that it is just not possible to achieve the 30 or 45 days.

**Mr Savery:** Can I add to that? Often more complex applications involve significant negotiation between the agency and the applicant. It might mean that we have not received all the information that is required to undertake the assessment. It might mean that we have indicated the likely response that we are going to give and either objectors or the applicant elect that they want to make changes to their proposal to avoid the possible decision that we would otherwise make.

Planning is not an exact science in terms of being able to make a black-and-white decision on some of these very complex matters. For instance, if we give a response that we want to achieve improved environmental performance in a building, it is not something that you can just assign through a condition. You go back to the proponent and you say, “This is what we want to achieve. These are ways in which we think you can do it. Are you willing to or not?” That all takes time. More often than not applicants are prepared to engage in that: they know that the alternative is that we may give a decision that forces them to go to appeal because they do not like the prospect of that outcome. So it is often to the benefit of the development approval process to go through those exercises. As I say, sometimes we simply do not get the information that we require because—

**MRS BURKE:** Why is that?

**Mr Savery:** Very often applicants do not provide you with enough detail in their applications. Often the criticism is levelled at the planners and the planning system—as the reason why development applications are held up et cetera. I can tell you from many years of experience that quite often the quality of the development application is inadequate. We spend an inordinate amount of our time trying to extract additional information out of proponents.

**MRS BURKE:** Wouldn't that say to you that therefore it is very complex? Maybe there is a lot of assumed knowledge on your part. Maybe that is something you can look at.

**Mr Barr:** It is one of the key reasons for engaging in a process of planning reform and picking up on what is leading best practice in Australia. In a moment I will get Mr Savery to outline some of the aspects of the—

**MRS BURKE:** It has been a real problem, hasn't it?

**Mr Barr:** Indeed, yes, it has. It is important to note, though, that when you benchmark the ACT performance and time frames against those of other jurisdictions—in effect, councils in some areas—you find that we perform very well. Whilst there is always a commentary and a view that things do not happen fast enough in Canberra, the evidence does not back that up. Nonetheless, it is important to always have a look at your processes.

One of the key issues—it has been identified and funded in this budget—is to provide additional resources in the IT area to enable, for example, online applications. The key features of the planning system reform process are about streamlining this. I might get Mr Savery to quickly outline some of the key aspects and why we fundamentally believe that this is an important reform to address just the issues that you raise.

**MRS BURKE:** Thank you, minister.

**Mr Savery:** I would like to just preface my comments by saying that the question you are asking and the issues you are raising are not uncommon in other jurisdictions in Australia. I can cite articles in newspapers from other jurisdictions where people complain about the speed or timeliness of their development approval system. I am not saying that we cannot we improve—

**MRS BURKE:** I was going to say let's hope that complacency—

**Mr Savery:** I am just saying that it is a general theme that people tend to turn to the planning system and blame it for delays in having developments approved. As the minister has indicated, in our turnaround times for development approvals we do perform very well compared to other jurisdictions, but the planning system reform looks to improve that further. In the first instance—I know that we have talked about this in previous estimates—we look to eliminate certain categories of development from needing a development approval in the first place.

Under the leading practice model and the design of not only the legislation but also

the new territory plan, there is an exempt category that expands the range of development activities that occur in the ACT that are exempt from development approval. That removes things like single detached residential houses in greenfield areas from needing a DA. They are currently included in all these stats—or a lot of them are included. There are things like outbuildings and in some cases fences and pergolas. Many of those will be eliminated from requiring a DA under the new system.

However, if an application is still required in the new system, there is another category of uses or development types that could potentially—it will not happen in the first instance, but over time as we develop more and more codes, as we call them. There is a code track within the new territory plan, created through the legislation. If a development can comply with a code and all the rules that are in a code—in other words, we prescribe what achieves an appropriate development outcome within that code—you still need to get a development approval but it is a 20-day turnaround, not a 30-day turnaround and there are no third-party appeal rights. You can see that, incrementally, through this system reform, we are making significant inroads. First of all, we are reducing the number of DAs that are required. Secondly, if a DA is required, there are other categories that potentially avoid needing to go through the whole gamut of processes.

**MRS BURKE:** Thank you very much for that. Finally, could you give the committee the number of single dwelling applications and other development applications, please?

**Mr Barr:** I do believe we have that information.

**Mr Ponton:** The current number of development applications lodged and approved?

**MRS BURKE:** Yes, for single and other.

**Mr Ponton:** For other development applications lodged—again, this figure is to the end of May 2007.

**MRS BURKE:** Yes.

**Mr Ponton:** The figure is 859, compared to 935 last financial year. For the same period last financial year—of those we have determined 801. For single residential development applications, we have lodged 3,565 compared to 4,263 in the same period last year, and we have determined 3,552 of those.

**MRS BURKE:** So there is a short wait. I guess that is what you are telling me. There are only a small number waiting to be determined?

**Mr Ponton:** That is right, yes.

**MRS BURKE:** Yes, thank you.

**MS PORTER:** I want to go back to the Molonglo Valley; I forgot to ask you a supplementary before. Page 112 of budget paper 3 mentions the North Weston pond forward design. I think you may have mentioned this in an answer to Mr Seselja

before. There is an amount of money there to be put aside. I would like a bit more information about why we need to do this now and why it is that amount of money. Perhaps you would like to—

**Mr Barr:** Sure. I will get Ms Lavis to—

**MS PORTER:** Yes, and perhaps the money man over there might be able to explain to me about—

**Ms Lavis:** I think we have indicated in our previous answers how significant the question of water quality management is in bringing the Molonglo urban development area on stream. That is partly because there is an element of retrofitting the existing drainage catchments—primarily of the Woden and Weston Creek areas—as they drain to the Molonglo Valley. I think it is fair to say that in the past 30-odd years or so the understanding of urban water quality management has significantly advanced. With the whole question of the impacts on receiving ecosystems if water quality management is not adequately controlled in the urban environment, there is a much better understanding now.

To some extent, the works that are proposed for the general north Weston area are providing both an element of retrofitting of the existing urban environment and planning ahead for the impacts of the proposed urban environment. Some of the background papers that Mr Savery referred to that will be made available in the context of the preliminary assessment coming out for public comment will provide some of the technical information that indicates the scale of water infrastructure investment that is likely to be necessary.

A range of options have been examined. In order to integrate urban stormwater management with the urban environment, there are always a number of ways you can do it. You can do one big pond or you can do a series of little ponds. The way in which those are integrated with the future urban environment is pretty significant. As I indicated earlier, they can provide a range of associated amenity benefits, depending on their design. Obviously they have to be designed in relation to the topography. But in the north Weston area there are a number of other parcels of existing water and sewer infrastructure that have to be designed around. We are not seeking to refit a number of existing pieces of infrastructure, so there is a bit of fitting in, if you like, around existing utility networks that has to be achieved.

The moneys that have been made available in the capital budget will enable progressive engineering feasibility studies to be progressed. They will start to move into the design and hydraulic capacity of some of those pieces of work. It requires a level of hydraulic modelling, which is work of a specialist nature. Hence the need to ensure that the investment that has to be made by the territory in the ultimate capital works design uses the best possible technology and also ensures that the management of existing utility networks is not compromised.

**MS PORTER:** Thank you.

**THE CHAIR:** Minister, I have a question relating to my electorate, in the suburb of Fadden. You may have heard Mr Peters from Telstra on the radio this morning talking

about the placement of a new mobile phone tower. There has been quite a lot of discussion about it over the last 12 months. It appears that they intend to go ahead with that. My concern regarding the placement of the tower is this. My understanding is that Telstra have been using their 3GIS study to provide broadcast frequencies and wattage for the particular tower. I understand that the 3GIS study only talks about the 3G network broadcast antennas and that the antenna they intend to put up between Macarthur and Fadden is the NextG antenna, which has a different wattage, size and broadcast power. My question is this: is it your understanding that they are using the correct surveys in the information they provide to ACTPLA or do we need to ask them for more information?

**Mr Barr:** I am aware that there was an approved network plan; that the particular site, Fadden, was the subject of a considerable number of community complaints; and that it was subsequently withdrawn and a new option put forward. Mr Ponton might have had some discussions today and may be able to provide some further information as a result of some discussion this morning.

**Mr Ponton:** Certainly. As the minister has correctly identified, the network plan approved in March 2006 identified a range of sites across Canberra. The Fadden site, because of the community interest, was removed from the network plan. However, we have recently received an application to amend the network plan to provide for the 3G tower in Fadden. That is over block 2, section 364, Fadden, which is a piece of unleased territory land. Given that the application to amend the network plan was lodged only recently, the authority has not yet looked at the proposal in detail in terms of assessing the specifics of the tower.

We are expecting that, beginning in early July, the amendment will be notified to the community. That will be by a letterbox drop—quite a wide letterbox drop—to interested parties, and also by a sign on the property and notification in the *Canberra Times*. Once we go through that exercise, that will be the time that we will look at the detail of the application and determine appropriateness or otherwise.

**THE CHAIR:** My concern, of course, is that, if they are making an application for a 3G tower which has a study behind it on the effects of that sort of radio frequency but they are going to use not a 3G tower but a NextG antenna, which has a different broadcast frequency and wattage, the information they are using off that study will not be correct.

**Mr Ponton:** That is certainly part of the detail that we will be looking at as part of our assessment of the application in terms of what they are providing or the documentation that they have provided to us—in terms of what they are seeking the approval for and whether or not it is consistent with the specific proposal.

**THE CHAIR:** Thank you.

**Mr Savery:** Chair, if I can clarify something, our understanding at this point in time is that the application has been lodged for a 3G tower.

**THE CHAIR:** Yes.



**Mr Savery:** If it transpires that it is something else, we will have to take that into consideration.

**THE CHAIR:** Great.

**MR PRATT:** Minister, in relation to that question about the Fadden-Macarthur community Telstra tower saga, I understand that on 7 February 2006, in a public meeting at Fadden, Mr Ian Peters of Telstra indicated, in terms of the community's wishes, that such a Telstra tower would be placed further up the ridge, north of Karralika—even as far north as Macarthur ridge—and that he would not be seeking to build south of Karralika. I understand now that ACTPLA may be about to accede to a request by Telstra to erect their tower south of Karralika. Is that your understanding?

**Mr Barr:** First, I was not at the public meeting that you refer to—

**MR PRATT:** No, no.

**Mr Barr:** so I cannot verify for my own personal understanding as to—

**MR PRATT:** Other people can.

**Mr Barr:** I will—

**MR PRATT:** People can, minister.

**Mr Barr:** I will take your word, Mr Pratt, that Mr Peters said what he said. In terms of approval of towers, that is something that the ACTPLA handles in its independent statutory role. It does not come to me as minister, and I was not minister at the time.

**Mr Savery:** Can I take on the question—again, not challenging what you say about what occurred at that meeting, which I do not believe we had a representative at either.

**MR PRATT:** I think it was on a Sunday morning.

**Mr Savery:** Yes. I think it was a meeting that we were invited to at late notice and we were not able to attend. But putting that to one side, the authority does not have a power to tell people where they can or cannot make applications for development. We can only process the application that we receive. As I understand it, this is on unleased territory land, so there are other processes within government involved with granting licences et cetera. Our job as the statutory planning agency is to process the application we have received. If it happens to be contrary to the words Mr Peters used at that meeting, that is not something we can judge the application by. We just deal with the application as it is.

**MR PRATT:** Regardless of whether ACTPLA has yet made a determination or is in the process of determining Telstra's application, why has ACTPLA not broadly consulted across the Fadden community, particularly those who live in that ridge area, about Telstra's proposal? My understanding is that the residents have received very few letters about this, and this has caught them by surprise.

**Mr Savery:** In the first instance, as I understand it, we have only just received the application. Mr Ponton was just explaining that we have not even started to process the application at this stage. The regulation under which the network plan was approved was the process through which broadbrush community consultation was undertaken in terms of identifying generally where the whole network would be located. I think you are aware that that occurred some time last year and involved up to 40-odd towers around the ACT.

Then, as individual proposals came in, in accordance with that network plan, there was more specific consultation, but it was as specified by our guidelines—any resident within, I think, a 50-metre radius or thereabouts of the proposed tower. At this stage, my understanding is that those people have received a letter or something from Telstra—I am not familiar with what it is; it is something that Telstra initiated itself. We have not actually required them to do that at this stage. I would ask Mr Ponton to advise on any other measure.

**Mr Ponton:** I understand that Daly International, who are acting for Telstra, provided correspondence to residents in the area on 4 June advising that they intended to lodge the application to amend the network plan in the near future. As the chief executive has identified, that was lodged with the authority on 14 June 2007. I was saying earlier that the formal process, in terms of notification, will occur in the first week of July, so beginning on 2 July. That will again constitute letters to residents in the area within a certain radius, a sign on the property or the subject land, and notices in the newspaper.

**MR PRATT:** I understand that Telstra, in terms of being able to get reach from a tower located north of Karralika, are not particularly happy about that because of the additional costs required to lay infrastructure and power. I do not understand whether those costs are astronomically different from those of a tower located south of Karralika. But if the residents are unanimously against a tower located south of Karralika because they say it is an eyesore, where are ACTPLA's priorities? Are you willing to take the unanimous view of the community or are you more inclined to look at the requests put by Telstra regarding their economic interests in this?

**Mr Savery:** Our role as the statutory authority is to examine an application, be it a Telstra tower or a building or anything else, against the provisions of the territory plan and any other statutory policies that the government has adopted that we must have regard to. Unless some of those matters that you have just outlined are included within those provisions, they are not relevant to our assessment of the development application.

Let us take, for example, the cost of the infrastructure. If that is not something that it is required of us to assess as part of the development application, it is not to say that we have no judgement about it but, on planning merits, it is not something that we would have to take into account. Can I also say, though, that just because an entire community forms a view that it does not want a Telstra tower—or a building or something—that is also not a means in itself for us forming the ultimate decision. If the grounds on which they are opposing the development are not grounds that we can legitimately take into account—ie against the provisions of the territory plan—we may ultimately form the view that there is no basis to their appeal. I often make the

comment—I know I have made it in this forum before—that one well-reasoned objection that articulates everything on planning merit can often be much better than a 2,000-person petition that has no planning basis to it, because weight of numbers is not the way in which we assess development applications.

**MR PRATT:** But would a planning basis assessment take into consideration proximity of the tower to residences, particularly if it may affect residential values and if the eyesore factor is taken into account, even when the residents say they would not mind a tower located north of Karralika because they are quite happy to see that there to provide a service? Is that not a consideration too?

**Mr Savery:** It could well be. As I say, it depends on what the provisions are. The terms that you have used—I would use slightly different terms, in terms of property value and amenity as opposed to eyesore. It depends what, for instance, is contained in our telecommunications tower guidelines about the proximity of towers in terms of their electromagnetic radiation. If our guidelines say not within 100 metres and it is, then it is more likely that we are going to have some concerns with that. If the tower is located 200 metres away and our guidelines say 100 metres, one would imagine we would have less concern. I am speaking hypothetically because I do not want to prejudge the application but—

**MR PRATT:** Sure; I understand that. I have one last question, if I may. If ACTPLA determines in Telstra's favour, are there any appeal rights for local residents?

**Mr Ponton:** No, there are no rights of appeal in terms of third—

**MR PRATT:** So it is not appealable?

**Mr Ponton:** No.

**MR PRATT:** Thanks.

**THE CHAIR:** Mr Stefaniak, you have been waiting for a long time.

**MR STEFANIAK:** Thanks very much. In relation to the empty school sites from the closed schools, what planning work is being done in relation to the future of those closed sites?

**Mr Barr:** That matter is being handled by my colleague the Minister for Territory and Municipal Services. I suggest you direct that question to him.

**MR STEFANIAK:** Okay. I have another question then. I want to take you to a couple of things on the ACTPLA territory plan consultation website. I think this is in relation to the territory plan consultation. I have a copy here that was last updated on 11 May 2007. The second paragraph says:

The review of the Territory Plan does not change the policy underpinning the Plan, but rather, aligns the structure of the Plan to reflect changes in the new planning legislation to enhance its usability.

That was during the consultation. After the consultation, the last update, on 4 June, states in the second paragraph:

The review of the Territory Plan aims to provide greater clarity to the policy underpinning the Plan and align the structure of the Plan to reflect changes in the new planning legislation to enhance its usability.

It is very different now. Why was the wording changed? Doesn't that make a mockery of the consultation, minister? What is the reasoning behind changing the wording there?

**Mr Barr:** The object of the policy neutrality process was one of principle; it obviously cannot be absolute.

**MR STEFANIAK:** I have copies if you need them.

**Mr Barr:** No, I understand that. The principle there can never be absolute given the nature and the multiple and overlapping policy documents that are in place. A broad statement around policy neutrality was made, and I think you referred to that, but it was always observed from the beginning that there would have to be some variations given the complexity of the work that was being undertaken. Again I need to stress that this is a draft document that has gone out for consultation; no final decisions have been taken; and there has been no issue with the consultation process in terms of people's ability to contribute to it. We are considering the issues that have been raised as part of that.

**MR STEFANIAK:** There is no explanation. It would seem that ACTPLA surreptitiously changed their explanation of the changes. That smacks of—well, it is a bit devious, isn't it?

**Mr Barr:** I do not believe so.

**Mr Savery:** I am obviously going to say I don't believe it is devious. What is happening is that we have got an interactive process going on and, in good faith with the consultation process, people are coming back to us saying, "We don't understand what this means" or "Can you clarify X, Y and Z?" As a result, we are constantly updating material and information. Ms Lavis said before that, with education, training and development, it is not something that we are just about to enter into. It is something we have been doing for the better part of 12 months, if not two years. So we are constantly updating our communications tools et cetera to help improve levels of understanding.

The minister has just made reference to the fact that from the outset we established and identified that our objective principle was policy neutrality, but we also made it clear from the outset that you would never be able to achieve that to perfection because of the nature of the exercise, where we are going from something like 50 or 60 documents collapsed into a single document, where there are overlapping policies. There is something like 15 years of material, some of which is redundant, and what we have tried to do is sort through all of that and its required interpretation.

As a result of that exercise—and this is contained in some of the responses we have been getting through the public submission process—people have been saying, “What do you really mean by this notion of policy neutrality?” We have tried to clarify that, to assist people in their level of understanding. I am not saying we have achieved it, but that is why we would change words, to try to improve it. No doubt, as a consequence of the submissions we have received, we will be coming back to the minister with further recommended changes to the document.

**MR SESELJA:** But it does seem odd, doesn't it, minister, that after the consultation is finished, when industry has been screaming, “No, it is not policy neutral” and ACTPLA has been saying, “We are doing policy neutral to the best extent we can,” there is then a shift that seems to move you closer towards its not being policy neutral? It is not even that subtle a shift. From “does not change the policy underpinning” to “aims to provide greater clarity” seems to be giving you more scope to change the policy, which I don't think is necessarily a problem but I think there needs to be clarity as to whether or not you are actually going to try to be as policy neutral as you can or whether you will try to fix some of the problems that have been identified as part of this process.

**Mr Barr:** I think that was mostly a statement. I think you began with a question by saying, “Is it odd?” So I will say no, I don't think it is odd. I think it is part of an ongoing process. I do note and welcome your statement, contained in the middle of that, that you are not opposed to the concept of seeking to clarify and to streamline—

**MR SESELJA:** I think there are lots of things that should be fixed as a result of this process.

**Mr Barr:** Yes, indeed, and I am quite happy to. I hope you have made a submission as part of the process.

**MR SESELJA:** But has the position shifted? Has the position shifted from the start, where there was policy neutrality, to one now where you are going to try to—

**Mr Barr:** As I indicated at the beginning, the principle of policy neutrality is there, but we did indicate from the start that there would be some areas. An example is a response to particular requirements from the Auditor-General around clarifying certain aspects of policy. We have to look at a requirement there to address some issues as part of a process. I think the important thing in all this is that those issues are aired and that people have the opportunity to make comment on them. With how we go through the process, as we do, through the Assembly, the planning and environment committee has an opportunity to examine the issues as well. I don't see it as a problem, as part of an ongoing reform process of addressing areas where there is agreement, that we can clarify things and make it simpler, faster and more effective, Mr Seselja.

**MR SESELJA:** How far will you go in that direction now, though? There have been numerous examples brought forward by industry. They have said to us, which I have taken to Mr Savery in our briefings, that this is different and ACTPLA has come back and said, “No, it's not. It was there. You needed to dig down and find it.” There are numerous examples of that. How much are you now going to change those things that

may have been in there before but weren't a very good idea as part of this process? Will you be now making significant policy changes as part of the new territory plan or will you still just simply be clarifying some things and essentially keeping it policy neutral?

**Mr Barr:** I don't intend to be making significant policy changes, no.

**Mr Savery:** One of the other things we have said in response to industry comments and other members of the community is that if a policy change has been made—and it may be inadvertent or in some cases we have made it because we have had to make an interpretation; people can challenge whether our interpretation is correct or not—is that it shouldn't affect anyone's property rights. In other words, if through going through that process we have changed something from 20 storeys to 18 storeys, then that shouldn't be allowed to occur. The person should have the right to have the 20 storeys. So we are going through that process of ensuring that, if and where those changes have happened—and I would suggest to you in the main they would be inadvertent changes—then we will correct those.

Could I also pick up on the point you made, because I think it is an important one. Again, whilst we haven't gone through in detail all of the submissions yet, and we are working through that process, we are finding that, for a number of people who have made the comment that this is not policy neutral, in fact we can demonstrate that it is policy neutral. There has been, as you indicated, something in the back pages of the document or in some far away guideline document that no one knew about and no one had actually been using for a long time, but nonetheless it is a statutory document. It actually has force and effect. So we have pulled that forward and put it into the territory plan. On the surface, it suddenly appears to someone that we have introduced some new policy but, in effect, we haven't. There is going to be a variety of things here as we work our way through. There is inadvertent change. There is error. There are people out there who think we have changed policy, but in fact we can show we haven't changed policy. It will be a combination of all those things.

**MR STEFANIAK:** On page 414 there is reference to other income of \$6 million which appears to be balanced by extra expenditure. Total revenue is \$18.975 million and total expenses are up to \$18.975 million. What are these numbers made up of, especially the other income?

**Mr Barr:** I will get Mr Howatson to make his debut in today's hearings.

**Mr Howatson:** The \$6 million there relates to the revenue we receive for leased territory land, land rents. The reason it is sitting there as a \$6 million estimated outcome with no budget is the fact that a decision was taken to transfer that function to TAMS. However, that hasn't yet occurred and the collection of that rent still stays with ACTPLA. So, until there is the decision to physically move it across, ACTPLA has been collecting the rent for the land.

**MR STEFANIAK:** When is that to happen?

**Mr Savery:** It is under active reconsideration. Is that a fair thing to say?

**MRS BURKE:** Is there no time frame?

**Mr Savery:** No, it is immediate. It is under active reconsideration. Because we also manage the expenditure of territory expenses through the same people and that function isn't being transferred, it is being reconsidered that it might be more appropriate to retain the land rent function within the authority. That is a matter that is going to be due for reconsideration by cabinet. Have I confused you?

**THE CHAIR:** Mr Howatson, I bring you to page 407 of budget paper 4. Under the expenses column, employee expenses will drop by a variation of minus seven per cent this year, rise slightly in the 2008-09 outyear, drop again in the 2009-10 outyear and then rise again in the 2010-11 outyear. Firstly, directly underneath the seven per cent drop there is a superannuation expenses column which has only a three per cent variation. I want to try to understand why employee expenses are dropping by seven per cent but superannuation only by three per cent and why there are those different variances in the outyears.

**Mr Howatson:** As to the movement in employee expenses, the increases over time reflect increases from the recent EBA negotiations. Any movement within those up and down would reflect any possible changes in FTE numbers as a result of strategic programs in the outyears that might require less salaries to be involved. As to the difference between the overall percentage for employee expenses and superannuation, the reason behind that is more technical in nature rather than related to actual employee numbers. It relates to the fact that the superannuation line in the budget papers is hard coded; it is not moveable. So, whether employee numbers actually increase, it may not have a direct correlation with the superannuation number. That is why there could possibly be a slight difference between the two. Any underspend on superannuation, by the way, is actually returned to government.

**MRS BURKE:** I presume that the reduction in staff from 271 to 258 is linked to that. It is probably involved in that, but what effects will that have, minister?

**Mr Barr:** Why is that occurring?

**MRS BURKE:** Yes.

**Mr Barr:** There is a transfer of some staff who are involved in transport planning within ACTPLA to the Department of Territory and Municipal Services. That accounts for part of that reduction. There are also, I understand, some staff transfers to the Shared Services Centre. Transport, the Shared Services Centre and other general cost savings account for the combined FTE reduction.

**MRS BURKE:** How will that affect the efficiency of the organisation?

**Mr Barr:** The responsibilities and money are being transferred to another agency in large part.

**DR FOSKEY:** I have the inevitable question about the EpiCentre. Given the potential massive or large compensation payment the government may have to pay to Austexx if the NCA's interpretation of the planning laws applying to Fyshwick are upheld by

the court, does ACTPLA consider that it did enough to ensure that all buyers had equal knowledge of ACTPLA's legal interpretations, or do you think that, given the failure of the LDA to take responsibility, ACTPLA should have recognised the potential breach of procedural fairness and referred the matter to the minister to resolve?

**THE CHAIR:** I should remind members that this matter is before the court. We need to be careful about how we delve into it.

**Mr Barr:** About the only comment I would make, firstly, is that it is a mythical figure, this compensation issue. I don't know where that has come from. There is no basis in fact for that. I would refer Dr Foskey to the Auditor-General's report and also advise her that the NCA have not vetoed anything. They have simply provided a peer review, and that is not the only view that is out there about this issue. That review has no official status; the NCA have made that very clear. It was provided well after ACTPLA made a decision and it is not the only view that is out there.

**DR FOSKEY:** I am not sure you are answering the question I asked, but thank you for that anyway.

**MR SESELJA:** I have a supplementary to that. Minister, given that that view is out there, despite the non-official status, as you say, it has broader implications, doesn't it, for the new territory plan because ACTPLA have confirmed their interpretation with a slight rewording, in response to the Auditor-General, of what can be done in that part of Fyshwick? The NCA will have to sign off on this new territory plan. If their view of what may undermine the retail hierarchy is different from ACTPLA's view, does that have the potential to prevent the current draft from going ahead as it relates to Fyshwick?

**Mr Barr:** This document, the peer review that the NCA provided, is not the only view. It is not the only peer review.

**MR SESELJA:** It does seem to be the NCA's view at the time. They don't seem to have put a contrary view to it at any stage.

**Mr Barr:** They have issued a media release. I've got a copy of it now and I can read it out.

**MR SESELJA:** Please.

**Mr Barr:** It is dated 6 June 2007 and reads:

The National Capital Authority ... has clarified its role in relation to the ACTPLA approval of the Epicentre development.

Claims that the NCA is vetoing the ACT Planning and Land Authority's ... decision to approve the Epicentre are inaccurate.

ACTPLA is responsible for dealing with applications for development approvals on sites such as the Epicentre site, which is Territory Land. In giving an approval ACTPLA must be satisfied that the development is consistent with the National



Capital Plan.

The NCA is not a party to any of the litigation concerning the Epicentre site.

The NCA made an assessment of the proposed development for consistency with the National Capital Plan and commissioned an independent report on the issue.

The NCA did so because of its statutory responsibility for the administration of the National Capital Plan; the strong public interest in the application and recognition that the ACTPLA decision was subject to potential litigation.

As I have said, it is not the only view, it is not the only peer review, it is not the only independent view, but that's fine.

**MR SESELJA:** But it is the only public view coming from the NCA.

**Mr Barr:** No, it is not coming from the NCA, and they have made it very clear.

**MR SESELJA:** But the issue in relation to the EpiCentre is not the question there.

**Mr Barr:** They have made it very clear that it is not their view; it's an independent view.

**MR SESELJA:** It is in relation to the NCA approving the draft, or the new, territory plan and they haven't expressed a contrary view to that at all.

**Mr Barr:** They haven't expressed a view.

**MR SESELJA:** This is their peer review and they haven't come out and said, "We don't agree with it"?

**Mr Barr:** As I have indicated—

**THE CHAIR:** Minister, I think we should wait until we see if there is a question in this. It is still a preamble at the moment.

**MR SESELJA:** Sorry. What are the implications if the NCA does agree with that peer review for this part of the territory plan?

**Mr Barr:** If the NCA agrees with the peer review, one of the peer reviews, one of the independent reviews that are available, it still doesn't alter the fact that ACTPLA is the decision maker in relation to this issue.

**MR SESELJA:** Are you sure about that? I am not talking about the EpiCentre. I am talking about the new territory plan.

**Mr Barr:** I am talking about the EpiCentre.

**MR SESELJA:** No, the question is in relation to the new territory plan and how land use in Fyshwick would be affected by this peer review.

**Mr Barr:** It's a hypothetical question.

**MR SESELJA:** There was a hypothetical question just then and you answered it.

**Mr Barr:** In relation to the EpiCentre, where it is not hypothetical, but you are asking me a hypothetical question—if this happens and this happens and this happens, none of which we know will happen.

**MR SESELJA:** But it is not very far-fetched that they would take that view.

**Mr Barr:** It could well be, but you are working on a series of hypothecations as to what may happen.

**MR SESELJA:** No, just one.

**Mr Barr:** A series of them, in fact, because—

**THE CHAIR:** I think we are drifting away from reality, so we might go on to other questions.

**MR SESELJA:** If I can just put one final question, given that the minister is avoiding this issue.

**THE CHAIR:** Will it be hypothetical?

**MR SESELJA:** No. Are you comfortable, then, that the elements of the draft territory plan as they relate to Fyshwick will go ahead with no problem?

**Mr Barr:** It is still in a draft stage, Mr Seselja.

**Mr Savery:** Could I also part answer? Of course, we have to wait for the National Capital Authority's submission, which we talked about before, which we haven't received yet. If I could perhaps expand a little bit, the peer review that has been provided to the ACT Planning and Land Authority, which the minister indicated was five months or thereabouts after we made the decision, as far as we are aware is not the position of the National Capital Authority. It is an opinion of consultants engaged by the National Capital Authority. So, whether or not that transpires into what the National Capital Authority's view might be in relation to any changes we have made to the territory plan in the restructure, we don't know at this stage.

Could I also make it clear that the clarifications that we have made to the territory plan don't just apply to Fyshwick; they apply to all the industrial areas. The provisions of lease versus shop were being contested as one of the issues raised with the Auditor-General, and the Auditor-General made a recommendation that we should make those clarifications, which we have done. As I understand it, having read the National Capital Authority's peer review by Spiller Gibbins Swan, it is not per se the issue of lease versus shop that is, in fact, at the core of the question around whether this is or is not inconsistent. The question is around the retail centres hierarchy, which is more broadly based in strategy within the national capital plan, whereas the territory plan deals with the specifics or the quantities, if you like.

**MR SESELJA:** But lease versus shop is a key part of what that would look like in terms of the retail hierarchy, isn't it?

**Mr Savery:** Sure, and therefore where it applies within Fyshwick et cetera, and then you really start to get engaged in some of the deliberative debate around what the impact of various developments would be. Spiller Gibbins Swan say one thing about what the impacts might be. We have our own independent expert advice that says otherwise on what that might be. Likewise, at the time that the development application was being processed the only thing that we were asked to do by the National Capital Authority, which is correct because it's not their role to be the decision maker or to second-guess what our decision should be, was that we should have regard to the issue of retail centres hierarchy, and we did. We made a decision. Nothing occurred during the development application process whereby the NCA said, "If you approve this it will be inconsistent with the national capital plan."

**MR SESELJA:** You may find out tomorrow when the NCA comes to us.

**MS PORTER:** Page 405 of budget paper 4 talks about Belconnen town centre infrastructure, and an amount of money is shown. I am just wondering what that is about. It says that it is for works in progress and talks about land release. I am wondering what that is all about.

**Mr Barr:** It's a street extension for Cohen Street in Belconnen.

**MS PORTER:** This is in my electorate and I do want to know what is going to happen.

**Mr Savery:** It is works associated with potential reconfiguration of the public transport system in and around the Belconnen town centre. The works, when we can undertake them, would involve the extension of Cohen Street adjacent to the Westfield shopping centre, and all of that would be configured to enable the government to create a bus transport interchange. But that is subject to ongoing negotiations in relation to land development in the Belconnen town centre. In fact, this may be the third year that we have rolled that item over.

**MS PORTER:** Okay. It is waiting for the negotiations to conclude.

**Mr Savery:** Yes.

**MS PORTER:** Do you know how they are going?

**Mr Savery:** No.

**Mr Barr:** The Land Development Agency, not ACTPLA, is undertaking the negotiation of that.

**MS PORTER:** All right, we will wait.

**DR FOSKEY:** Mr Barr, what, if anything, prevents the government from insisting

that a proportion of all new residential development be made permanently affordable housing?

**Mr Barr:** What prevents it?

**DR FOSKEY:** Yes.

**Mr Barr:** A public policy assessment in relation to whether that would be the best way to address housing affordability. Through the affordable housing action plan, we have made a series of commitments and policy changes aimed at addressing the spectrum of housing affordability issues. As I indicated in my opening remarks, supply-side solutions are going to be the best way to address these issues. We have in certain developments in certain areas sought, either by mandating a particular proportion of affordable housing or in collaboration with the developer, to deliver affordable housing options within a broader redevelopment or broader development process. A variety of policy solutions have been put forward. Included in that is additional money and a revolving line of credit, effectively, for community housing providers.

There is the opportunity through the compact block codes that we will establish to be able to provide affordable housing options that are in fact market-based solutions to the housing affordability issue, given that the price of land is the major factor in determining housing affordability. Two-thirds to three-quarters of the cost of a house and land package has been the price of the land. So that immediately signals a supply-side issue.

As I indicated at the beginning and as is the number one priority in the statement of planning intent, additional supply into the market is the key policy response, but it is one of many. There is additional money for public housing and there is, as I say, the line of credit for community housing. There is a variety of options and policy solutions being put forward. Your one-size-fits-all approach that is indicated in the tenor of the question is appropriate in some areas, not always in others, and the government should have more than one policy response to these issues. We do have more than one policy response, and it is outlined in the affordable housing response that the Chief Minister released a few months ago.

**DR FOSKEY:** Are you looking at implementing strategies such as those in other parts of Australia, Europe and America which insist that a proportion of permanently affordable housing is including in major new developments?

**Mr Barr:** In some, yes. That has been a feature of some of the policy proposals that have been floated. For example, in the East Lake development there is a desire to integrate public housing, and we will continue through the housing portfolio to provide that option. Another example is 15 per cent in the Macgregor west development. So there are options, but if you are asking, which effectively is what you are doing, for a territory-wide inclusion rezoning policy for every land release, the answer to that is no, but that doesn't mean to say that there isn't that policy option available in various locations and we intend to pursue it through the variety of means that the government has outlined.

**DR FOSKEY:** Is there a belief that we shouldn't have affordable housing in new developments such as on the corner of Commonwealth Avenue and London Circuit, or in any places perhaps which are seen as very high-value property?

**Mr Barr:** I think the clear example would be East Lake, where, I think everyone would agree—

**DR FOSKEY:** That's hypothetical.

**Mr Barr:** No, it's not. We have just put money in the budget to fund that further work, and the desire there is for an integrated community that has a mixture of private, community and public housing, one that would have a diversity of housing types. I think it's a case-by-case basis, but there are clear examples where we have sought either through private developers or through Housing ACT, Community Housing Canberra or other community housing providers to provide that affordable housing option. But I think we need to look more broadly and say what are the reasons and what have been the reasons for the broader issue of house prices rising well above the pace of people's incomes and leading to the affordability issues that we have, and they are largely supply-side issues.

**DR FOSKEY:** Do you agree with Catherine Carter's comment that the Greens were naive to suggest that affordable housing should be included in the development on the corner of Commonwealth Avenue and London Circuit because it was too valuable a property?

**Mr Barr:** Do I endorse, on that particular statement, that the Greens are naive?

**DR FOSKEY:** Yes.

**Mr Barr:** Yes.

**DR FOSKEY:** To make that proposal.

**Mr Barr:** In a nice way, the Greens can be naive at times, in a pleasant sort of manner. There have been times when I have agreed with the property council and times when I haven't.

**DR FOSKEY:** But do you agree with that statement?

**Mr Barr:** No, I didn't say that. I have agreed that at times the Greens can be naive, but that is a personal view. Whether I think the Greens are naive or not is really immaterial.

**DR FOSKEY:** Yes, it doesn't mean we are.

**Mr Barr:** No, it doesn't. That is just a view that I hold from time to time, like most people will have the view from time to time.

**DR FOSKEY:** So do you agree with her statement? You don't?

**Mr Barr:** No.

**DR FOSKEY:** You don't agree with that statement. Thank you.

**Mr Barr:** No.

**Mr Savery:** Minister, if I could, I want to take advantage of the question to highlight that for instance in City West, which could be regarded as having the potential for expensive land, the government, through the adoption of the City West master plan, did set itself the objective of five per cent affordable housing as part of development in City West. You would appreciate that student housing accommodation has occurred in that precinct and that has been included and accepted as being part of that five per cent of affordable housing on the basis that if it doesn't occur there those students will be dislocated to further reaches of the city. In order to achieve that, the government has negotiated land values appropriately with the Australian National University. So there is evidence that right on the fringe of the city centre the government is trying to actively promote affordable housing.

**Mr Barr:** Before Dr Foskey asks a question about the property council, I want to quickly finalise a point that I was making mid-sentence. We need a complete response on the supply side. It is not enough just to mandate particular areas for affordable housing into the future. We need to address the issue across the board, and that is a supply-side solution—more land, more houses. If we continue to under supply the market, even if we do reserve 10 or 15 per cent, we are not going to address the issue, and that is the key point I want to make. Yes, there is room for innovative policy solutions within a broader strategy but the key thing—and it is the number one priority in my statement of planning intent—is five years of planning-ready land, 11,000 lots, so that we are not caught short in case there happen to be 5,000 more public servants in a commonwealth budget, or the ABS under-counts by 5,000 the number of people in this city. We have to have the ability to respond quickly to increased demand. Supply-side solutions are a key feature of the statement of planning intent and the affordable housing action plan.

**THE CHAIR:** Mr Seselja says he has one final supplementary on the retail question.

**MR SESELJA:** I do. It wasn't so much a supplementary as a quick follow-up. Mr Savery, you referred to the independent advice that ACTPLA received that was different advice from what the NCA had in their peer review. Are you able to table that document for us?

**Mr Savery:** Yes, we will be able to get that for you.

**MR SESELJA:** Thank you.

**THE CHAIR:** Are there any other questions?

**MR SESELJA:** I have more questions on other things.

**MRS BURKE:** Well, you may as well carry on.

**DR FOSKEY:** I might ask a question. One of the key deliverables includes contributing to the government's climate change strategy. How is that being incorporated into planning responsibilities? For instance, are the new commercial buildings going up around the Canberra Centre as energy and water efficient as those buildings that are being put up at Brindabella Park, and if not, why not?

**Mr Barr:** In the first instance, I refer Dr Foskey to the statement of planning intent in terms of an indication of the direction that we intend to take in response to climate change. I, of course, can advise that the Planning and Development Bill 2006 enshrines the principles of sustainable development as an object requiring consideration for all development. There is a statement of strategic directions in the territory plan that contains provisions for the efficient use of resources, including the management of greenhouse gas emissions and water sensitive urban design.

The Canberra spatial plan promotes sustainability through the creation of a more sustainable settlement pattern and improving the sustainability of the built form and the public realm. Improving energy efficiency in buildings is a major focus of the authority in reducing greenhouse gas emissions. Commercial and residential buildings are required to meet the minimum energy efficiency standards through the Building Code of Australia. Advertisements of residential properties in the ACT are required to include an energy efficiency rating.

Climate change impacts are, of course, being considered in the planning of East Lake, Molonglo and other greenfield areas. Water sensitive urban design is being undertaken and reflects the need to manage and conserve water under drought and climate change. Of course, it is worth paying a tribute to industry in this context, and I am glad that you highlighted Brindabella Business Park because it is an opportunity to recognise that a number of developers are already seeking to incorporate this. The Green Building Council, amongst others, is seeking to lead on these issues. These developers are putting forward the arguments, which I think are quite persuasive, that it is saving them money, it is a more attractive environment for potential tenants and it makes economic sense. So I think there is a clear indication here that industry is getting on the front foot with this and I welcome that and congratulate it on the work that is being done. There is always more that can be done and will be done.

**DR FOSKEY:** So are you now insisting on at least six-star efficiency for those buildings to make sure it does get done?

**Mr Barr:** I think there is the opportunity to have that discussion as part of the climate change strategy. I will not pre-empt all that will be in that document but I am certainly keen to encourage that this process continue and, as I say, I welcome the fact that industry is taking the lead.

**DR FOSKEY:** I don't think they are taking the lead exactly.

**Mr Barr:** I think you will find that there is considerable movement on this, and more than there has been in times past. It is becoming a key part of future building design. I think there is an argument in respect of whether there is a role for the government to seek to lead a little bit further. I am not going to pre-empt decisions that cabinet will take in relation to the climate change strategy at this point, other than to say that, yes,

the issue is on the agenda. I welcome moves made by industry already and if we can seek to build on those, we will take that opportunity.

**DR FOSKEY:** Have you looked at prescribing co-generation for power and heating in new large-scale buildings?

**Mr Barr:** We have looked at it. We are yet to make a final decision.

**DR FOSKEY:** But you are looking at it?

**Mr Barr:** Yes, we look at these things.

**DR FOSKEY:** That is excellent. Have you spoken with the NCA when it comes to these kinds of environmentally responsible outcomes, specifically with regard to the new ASIO and defence buildings that are going up around Russell?

**Mr Barr:** Personally?

**DR FOSKEY:** Has the government, ACTPLA?

**Mr Barr:** I have had some conversations with Annabelle Pegrum just in broad terms on a couple of occasions, just as an opportunity to introduce myself to her in the planning ministerial role. Those discussions have been broad ranging. In terms of the specific buildings that you refer to, I have not discussed those with Ms Pegrum. The authority may have, and I will ask Neil to comment.

**Mr Savery:** If I could answer that and also elaborate on some of the other discussion because it is a complex area, both at a national and a local level. In regards to the specifics of both ASIO and defence buildings, we do not have any official role, as you would appreciate, in both their design and approval. As part of the amendments to national capital plan—56, 59, 60 and 61—we, in concert with the National Capital Authority, sought to ensure that there were principles of improved sustainable design in the built environment featured in all of those amendments which, as you know, have subsequently been passed.

We always make it a point in our conversations with the National Capital Authority that the ACT government is very keen to promote and improve sustainability in the design of new buildings. For instance, in respect to section 63—the site you were referring to before on the corner of London Circuit—we were in conversation with the National Capital Authority about the urban design guidelines that it is their responsibility to prepare, because it is designated land. Again, we have asked for improved environmental design to be incorporated into that.

You would also, I think, appreciate that commonwealth government departments—not that it is my job to speak on their behalf—are now requiring as a part of their procurement process minimum performance standards in their new buildings. I do not know if it is the case for the ASIO and defence buildings but I would be surprised if they are not abiding by those procurement requirements which I think are a minimum 4½ ABGR, which equates to a four-star, green-star building. In fact, my understanding is that some of defence's recent buildings outside of the ACT set the



benchmark for design standards for other properties.

In respect of Brindabella Park versus the Canberra Centre development, they have had to—

**DR FOSKEY:** It wasn't the Canberra Centre development, it was new developments around that area.

**Mr Savery:** Okay. If we take the taxation office and section 88, which is where DITR has gone, if we look at the NICTA building and the new forestry mining building, which is at 18 Marcus Clarke Street, we find that all of those are achieving equivalent, if not better, standards than the ones that I have just talked about for defence in terms of 4½ and four star. In some respects, that is driven again by the commonwealth procurement processes, and this is where it starts to get complex.

We are signed up to the national standards through the Building Code of Australia, which sets a minimum standard, and the minimum standard is somewhere more equivalent to three star, green star. None of it is absolutely accurate in terms of translation but it approximates to a three star. So they are operating higher now. But where the real complexity comes into this, of course, is that at the same time as you have governments, be it local, territory or state, progressively looking to improve the standards or set more rigid standards, you also have the commonwealth government that says you should set minimum regulations and let industry be the leader and take higher standards. The government does not have the prerogative to simply mandate green star for commercial buildings. It is the proprietary brand of the Green Building Council, and they have made it clear to the territory government in the past that it does not want it to regulate green star, so there is an issue there.

We are also involved at a national level with what is called the joint building planning working group, which is looking at ways in which, on the one hand, we can satisfy the COAG requirements on national reform agenda, which are to try and limit the amount of regulation, and what other ways are there in which we can facilitate through education, through incentives, through subsidies and through demonstration projects ways in which industry and development generally can perform better without using the heavy hand of regulation. But, in effect, if at the end of the day, in order to rule out worst practice, there is a need for a level of regulation, we have to demonstrate that there is a justification for that. What we are looking at is a national implementation model—that is what it would be called—that would enable us to set the performance measures, both within the building system and within the planning system, for what is an appropriate expectation of governments for design, and then let industry do the leadership role that it exhibits through things like the green-star approach. There is a lot of interplay occurring here.

**DR FOSKEY:** It doesn't sound as though things are going to happen in a big hurry, then.

**Mr Savery:** But what I am saying is they are. The latest generation of buildings that have just gone up or are going up inside the ACT in the city centre are miles ahead of what they were a few years ago, in terms of both water and energy efficiency.

**DR FOSKEY:** Well, they need to be.

**Mr Savery:** Yes, they do need to be. Agreed.

**DR FOSKEY:** Thank you.

**MRS BURKE:** I have one last question. Minister, I was having a look at the operating receipts on page 416 of the budget statement of cash flows on behalf of the territory. I note the figure of \$6 million on page 417. I don't believe this was the same \$6 million that Mr Stefaniak asked about. The note refers to unbudgeted land rental revenue.

**Mr Barr:** It is the same question.

**Mr Howatson:** It is the same thing.

**MRS BURKE:** So where was the land rental revenue from?

**Mr Howatson:** It is the land rent that we collect in the ACT from various properties. There are 400-odd properties, mainly rural leases. There are some other commercial leases as well.

**MRS BURKE:** So why was it unbudgeted?

**Mr Howatson:** A decision was taken to transfer that budget to TAMS. However, the physical bodies who collect it still remained with ACTPLA, so we have just been collecting the rent in the interim.

**Mr Savery:** So to clarify, the amount of \$6 million was budgeted for but it was budgeted to go to another department. We hadn't budgeted for it but it is still with us.

**MRS BURKE:** Shifting sand.

**Mr Barr:** All one government, Mrs Burke.

**THE CHAIR:** Mr Seselja.

**MR SESELJA:** Thank you, chair. Minister, you touched on this in an answer that you have given but, for the sake of clarification, I want to pursue a couple of things in respect of issues relating to land bank. Firstly, when you say "planned land that is ready to come on line", I assume you mean immediately? When I say "immediately", I mean within a very short space of time—a few weeks.

**Mr Barr:** There is a difference between planning-ready land, which has a broad concept development plan but not to the level of an estate development plan that you would get either the LDA or a private developer to do—

**MR SESELJA:** You refer to land bank. Take us through this exactly. How long would it take from when you say we need another 1,000 blocks before we would be able to see those on sale?

**Mr Barr:** The point is that we currently maintain three years of planning-ready land. It is available. So there are 8,000 planning-ready blocks sitting notionally on the shelf in ACTPLA that can be transferred. And there is a development sequence. So if you go out to Harris, Franklin or Forde you would be seeing the tail end of that process. That land was made planning ready some years ago. It then goes through a process. An estate development plan is prepared, it is ticked off by ACTPLA and then developers go and develop it.

So, what I am saying is that rather than just holding 8,000, or effectively a three-year supply, we do the planning work even two years further back so that you have got 11,000 blocks and you have a development pipeline that is there and available. So there may be a need to bring stuff forward. It is not that we are saying, "Well, we are thinking of planning suburb X to come online in 2013 and we need it in 2011." We have done the planning and it is sitting there ready to hand over to the LDA or to a private sector developer to do the estate development work, which then gets ticked off by ACTPLA and then off you go, you start building.

**MR SESELJA:** Where does, say, west Macgregor fit? Before the announcement was made was west Macgregor considered planning-ready land prior to that time?

**Mr Barr:** Yes, it was. It had an approved concept plan.

**MR SESELJA:** Okay. It seems that we are now seeing a sort of catch-up since the significant announcements of the expansion of the commonwealth public service. We have always known that there is a lot in the north in terms of land that could come on line very soon, but are we now seeing it in the south?

**Mr Barr:** Well, that is not entirely correct. I think there is a release in Tuggeranong, there is west Bonython—

**MR SESELJA:** Yes, very small.

**Mr Barr:** and Kingston foreshore, which is south.

**MR SESELJA:** I am talking beyond the—

**Mr Barr:** You are talking about the deep south, are you?.

**MR SESELJA:** Well, not just the deep south, and I would not refer to Tuggeranong as the deep south. I think Mr Gentleman would be offended.

**MRS BURKE:** Yes, we live there.

**MR SESELJA:** But what I am talking about is obviously more greenfield developments.

**Mr Barr:** Woden east, for example, is another southside location.

**MR SESELJA:** That is clear but I am talking about broad greenfield developments

where we see lots of residential houses rather than some apartments going here and there like in Woden east, although I understand that there will be some townhouses there. I am talking about broader sort of suburb-type developments. What has changed? Have we seen a shift in terms of the ability to bring some of that land on line more quickly from the moment the government identifies that “yes, we need an extra 1,000” or “yes, we need an extra 2,000”? And what has changed in recent times in response to this housing affordability crisis?

**Mr Barr:** Yes, the change in policy around englobo land release does make it easier to bring it onto the market more quickly.

**MR SESELJA:** That is just a different way of bringing it to market, obviously.

**Mr Barr:** But it does enable competition in that area.

**MR SESELJA:** Sure.

**Mr Barr:** Once the concept plans have been approved and that work is done by ACTPLA, it also enables it to be quickly transferred to market, such as in west Macgregor. And then you then go and get the developer to do the estate development plan, which is then approved by ACTPLA and off you go, there is your land supply. But the important thing is that we get the work done at a planning level to have that five years supply. It is a rolling issue, because once you have released it, and once west Macgregor is off the books, you then need to ask, “Where are we going next?” Hence, the discussion around Molonglo was to have a second development plan, so that there was the opportunity not just in Gungahlin but also south of the lake to have a new greenfield development front, and I think that is important in addressing the supply-side issues that the territory has faced.

**Mr Savery:** Could I just add to that?

**Mr Barr:** Of course.

**Mr Savery:** I think it is useful to talk about the enormous choreography that has to occur to get estates developed on the ground. No doubt that is one of the reasons why the government determined that Chief Ministers would take a more central coordination role within government. You have got the strategic land supply strategy, which is coordinated by Chief Ministers, which identifies the five-year forward program of land release. And then you have got the annual land release program of the Land Development Agency. Sitting in amongst all of that, once that has been identified, you have got the planning agency producing concept plans to create the planning-ready bank of land, which is to go from three years to five years. And then, almost like rolling off a conveyor belt, you have got, up until recently, the Land Development Agency producing estate development plans in accordance with that program. And now you have got private sector players increasingly coming in through the englobo land sale sell process who will be working in parallel with the LDA in that process. Then, added to that is the government’s capital works program, which again has been significantly increased in the forward years to ensure that we can keep pace with those estates in terms of building roads, sewers, water mains et cetera.

**MR SESELJA:** Yes.

**DR FOSKEY:** Are you following through that line?

**MR SESELJA:** I was just going back to the minister's earlier answer in relation to the englobo. Let me clarify the position. You are essentially saying that the government's shift of policy in terms of going to englobo has now allowed you to respond much more quickly and therefore meet demand more quickly?

**Mr Barr:** It is one of the factors, yes.

**MR SESELJA:** So previously it was being slowed down because you didn't have that option? You only had the LDA to go to?

**Mr Barr:** There were some capacity issues within the LDA that were identified in terms of meeting the targets that the government had set and as a desire through the change processes to address those issues. Those issues have been widely canvassed, Mr Seselja.

**MR SESELJA:** It's just good to hear a minister say it.

**DR FOSKEY:** I just want to ask this question. I can put my other questions on notice, but I think this one is better asked here. The question is in relation to strategic indicator 1 on 398, which states:

The Canberra Spatial Plan makes provision for periodic monitoring and review of progress. The first review has been completed. Progress against both plans—

and that includes the sustainable transport plan—

will be reported in respect to key project achievements over time.

So the first review has been completed. Is that available in a document?

**Ms Lavis:** Yes. There is a document which could be tabled if desired.

**DR FOSKEY:** Can I ask for that to be tabled?

**Mr Barr:** Yes.

**Mr Savery:** Can I just—

**Ms Lavis:** There is the two-year report.

**Mr Savery:** Yes, I know there is. Wasn't that tabled—

**Mr Barr:** Excuse me, we have squabbling children.

**Mr Savery:** I just wanted to clarify: wasn't it tabled in the Assembly?

**Ms Lavis:** Well, I think it was tabled in the Assembly but it can be re-tabled.

**Mr Barr:** Yes.

**Mr Savery:** I am sure it was tabled in the Assembly.

**Ms Lavis:** It was, yes.

**THE CHAIR:** The garden city review.

**DR FOSKEY:** No, the garden city review is something else.

**Mr Savery:** No, the review of the Canberra spatial plan.

**Ms Lavis:** It's a two-year review.

**Mr Barr:** Look, if it has not been tabled in the Assembly, I am happy to provide it to the committee.

**DR FOSKEY:** And if it has, can you tell me where I can find it?

**Mr Barr:** Yes.

**DR FOSKEY:** I don't think it has.

**Mr Barr:** If it hasn't, I will make it available.

**DR FOSKEY:** I haven't had a chance to look at some things since the last sitting. So if the review has been completed—and it looks like it has—how are we progressing with the spatial plan? If that is really too big a question, let me ask this specific one. I am particularly interested in the dual use of urban open spaces bushfire abatement zone and biodiversity corridor. To me these two things—the bushfire abatement zone and the biodiversity corridor—could very well be in great conflict. I just want to know if you could tell me how that is going.

**Mr Savery:** To an extent, obviously it would be useful to have the review document in front of me. But most of the work relating to those two issues is contained in concept planning work that we do. So as we progressively roll out the design of a new suburb we undertake to ensure that issues of biodiversity, continuity, continuity through habitat corridors and bushfire abatement are canvassed.

Ms Lavis was giving some examples in her description of some of the work that sits behind the Molonglo structure planning where we have done studies on bushfire abatement, bushfire risk management and at the same time looking into some of the key environmental issues around the biodiversity of the woodlands, the grassy woodlands, the river corridor environment, some of the key nesting sites for the raptors et cetera.

I think you are right: it is not an easy thing to reconcile necessarily, but sometimes they also can work well together. For instance, one of the things the abatement zone

rules out is pine plantations because, of course, when the abatement zone was introduced it was in response to the McLeod inquiry which talked about the dangers of having pine plantations close to built-up areas. So the opportunity is there now for us to look at native habitat, which does not necessarily pose exactly the same risks as the pine plantations. What proximity can they have within an abatement zone so that they can provide some of those habitat corridors and other areas of biodiversity conservation while still allowing us to create the abatement zone?

Edge road treatment is a key feature of the abatement zone processes. You will find that in all of the new concept plans we are designing edge road treatment, which again seeks to create further buffer between the built-up area and what may lie beyond, be it nature reserve, open space or habitat. Did you want to expand on that?

**Ms Lavis:** I would just make an additional comment, which would be well known to members. Of course, some of those issues that were foreshadowed in that question also relate to the land management practices that Territory and Municipal Services would be undertaking in some of the reserve areas. So some of the decisions and land management regimes that are made available under the bushfire operation, the strategic bushfire operations plan, would be picking up on some of the implicit questions, and that is where you have a balance between land management practices perhaps for the management of native grassland as opposed to the management of open spaces used for more active recreational purposes.

So the precision, if you like, that we moved to in terms of concept planning actually picks up some of those different potential management regimes. Some areas will be zoned or identified for active recreational uses; some will be identified for more passive recreational uses where you can actually maintain your habitat corridor. So that sort of refinement of planning, as the minister has indicated, allows us to also adjust the potential fire management regimes according to land use and potential land management practice.

**DR FOSKEY:** I look forward to seeing the review.

**MRS BURKE:** I have one quick question which I meant to ask earlier. I also refer to page 398. I draw your attention to strategic indicator 1, “undertaking public consultation and evaluation of the Garden City Provisions and Character Guidelines for the inner north and inner south”. Where are the character guidelines? I understand this was something that was talked about before the last election. I am not sure which aspects of that you actually still undertaking public consultation on. I was just wondering where the character guidelines for the garden city variation are.

**Mr Barr:** I see from the information that has been provided that it was the previous minister who in September 2004 issued a direction to prepare these guidelines. I understand that they will be released on the authority website in late August this year.

**MRS BURKE:** Late August—from 2004?

**Mr Barr:** Yes.

**Mr Savery:** Can I just in part respond to your bait, perhaps?

**MRS BURKE:** Was it that good?

**Mr Savery:** Yes. It was explained at the time that whilst the direction was given to the authority by the minister prior to the last election—and the minister did say this on a previous occasion in this forum—and despite our requests for budgets, we were not given budgets. So it was not possible for us to undertake the character guidelines. At the time he gave the direction a time frame was not specified. I am not suggesting that it should have been done earlier, but we didn't have a budget and there was not a time frame.

**MRS BURKE:** Well, that's disappointing, isn't it? The direction was given but you did not have the funds to do it.

**Mr Savery:** So we have now done it. A budget has been made available to us and we have done it.

**MRS BURKE:** I thought it was undertaken. Minister, you may be able to answer this rather than department officials. Wasn't the money sort of earmarked before the last election for it to happen? Yet we have the department saying there was no resource in there to do it.

**Mr Barr:** Some of the issues you have raised are before my time as minister, so I was not privy to particular cabinet decisions.

**MRS BURKE:** Mr Savery has raised a very valid point.

**Mr Barr:** Yes. But it is simply a case of government priorities. We can presume that the previous minister said we will in this term of government, and it has been delivered in this term of government.

**MRS BURKE:** Mr Savery is saying there is a matter of resource in that.

**Mr Savery:** Well, just to clarify it, the previous minister made it clear—so it will be in *Hansard*—either last year or the year before that the budget was not provided but that was because it did not rate in the government's priorities in comparison to other things. So his response to that is recorded.

**Mr Barr:** Yes, there is always a question of priorities in which initiatives you deliver first. Again, I don't presume to speak with authority about decisions around priorities that were made by the previous minister, but I think the important thing is that we undertook through this term of government to deliver on these guidelines and they will be delivered in this term of government.

**MRS BURKE:** Just about, maybe?

**Mr Barr:** Well, in August, late August.

**MRS BURKE:** You will scrape in just before the election.



**THE CHAIR:** Are there any more questions for the Minister for Planning or for the officials?

**Mr Barr:** It is good year and a bit before the election, Mrs Burke.

**MRS BURKE:** Well, of course. Why wouldn't you wait till election year?

**MR SESELJA:** Yes, I have one, chair. I take you right back, minister, to about 2.30, when you were asked questions around the sustainable transport plan. You gave an answer that said essentially it is in TAMS but there is still some planning function in terms of future corridors and the like in ACTPLA. At a recent public hearing we questioned Mr Hargreaves in relation to the sustainable transport plan and he confirmed that a lot of the work in terms of future busways was yours. Given that the government has identified setting aside land for busways as a priority, what work are you as planning minister and ACTPLA going to be doing for the other busways between the town centres?

**Mr Barr:** Well, we have indicated that some work is being undertaken between Gungahlin and Civic, particularly around the Flemington Road transport corridor. So that would be the key area that I would identify in the short term. The sustainable transport plan provided a longer term set of goals and so land has been reserved for a Belconnen to Civic busway, and further work in terms of Flemington Road is something that the authorities are currently undertaking.

**MR SESELJA:** So land has now been reserved, has it?

**Mr Barr:** Sorry, I will correct that statement. There is a final decision on the preferred route that needs to be made, and so it was incorrect to say that land has been reserved. The planning work had been done around two possible routes but a final decision has not been taken.

**MR SESELJA:** But at this stage no planning work has been done on the future network of busways that has been proposed. You talk about Gungahlin to Civic but no planning work has been done on linking the rest of the town centres?

**Mr Barr:** Mr Savery may be able to give you some further detailed advice on that.

**Mr Savery:** A piece of work called the strategic network plan has been commissioned and it is being administered through the office of transport within the Department of Territory and Municipal Services. The strategic network plan would assist the government's understanding because it would come back for government deliberation and, obviously, the minister for transport in the first instance. It will determine or identify what the broad network of the public transport system would be, as opposed to the more specific work that we have been doing in the past, which relates to one particular corridor, Belconnen to city.

In the event that the minister and the government determine that as a result of that work there is a strategy they want to implement and it is in accordance with the sustainable transport plan, then one would imagine that there is quite a big piece of work to do around land use planning—where the corridors would have to be, how

they relate back to town centres, bus interchanges et cetera. I am not saying that some of that work does not already exist. This would be to confirm where growth is occurring, where the potential for patronage is, and then the planning authority would undertake to do that work.

**MR SESELJA:** Obviously you are not planning to undertake that in the next financial year. So that is something for the future?

**Mr Savery:** Yes, we are waiting for that work to be done. We are waiting for the decision to be made on the routes for Belconnen to city. If a decision is made we would vary the territory plan to put that into effect. The minister has indicated his desire for us to look at transport planning associated with the public transport corridor between city and Gungahlin, and there would be a collaborative effort between transport and land use to look at the implications of that corridor.

**Ms Lavis:** Perhaps I could give some further information in relation to Flemington Road. There is an active process of investigation at the moment about the capacity of the road corridor in Flemington Road. Budgets are available within the ACT Planning and Land Authority and parallel work is being undertaken by the Land Development Agency in relation to the next land release in the Franklin suburb. We will be looking again at the capacity of the Flemington Road network to accommodate the type of bus priority treatments that the government has been envisaging. So active on-road work, if you like, has been undertaken as part of concept planning and an estate development plan approval exercise for that land.

**THE CHAIR:** Thank you, minister and officials from ACTPLA. That concludes today's hearings.

**The committee adjourned at 5.50 pm.**