



**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

MONDAY, 25 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

Actew Corporation Ltd	553
Conservation Council of the South East Region and Canberra	607
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The committee met at 9.08 am.

Appearances:

Stanhope, Mr Jon, Chief Minister, Treasurer, Minister for Business and Economic Development, Minister for Indigenous Affairs, Minister for the Environment, Water and Climate Change, Minister for the Arts

Actew Corporation Ltd

Costello, Mr Michael, Managing Director
Knee, Mr Ross, Principal Strategic Planner
McIlwraith, Mr Kerry, Chief Finance Officer
Wallace, Mr Simon, Chief Accounting Officer
Webber, Mr Simon, Technical Manager
Bickford, Mr Gary, Project Director, Water2WATER
Webb, Mr Chris, Deputy Project Director, Water2WATER
Stolt, Ms Marlene, Corporate Communications Manager

Department of Territory and Municipal Services

Zissler, Mr Mike, Chief Executive, Office of the Chief Executive
Tardif, Mr Phillip, Executive Director, Office of the Chief Executive,
Government Policy and Legislative Coordination
McNulty, Mr Hamish, Executive Director, Environment and Recreation
Ottesen, Mr Peter, Director, Environment and Recreation, Sustainability
Policy and Programs
Neil, Mr Bob, Director, Environment and Recreation, Environment Protection
and Heritage
Butt, Mr David, Director, Environment and Recreation, Energy and Water
Policy
Watkinson, Mr Russell, Director, Environment and Recreation, Parks,
Conservation and Lands
Kiemann, Ms Susanna, Director, Office of the Chief Executive, Strategic
Finance

Department of Disability, Housing and Community Services

Hehir, Mr Martin, Deputy Chief Executive
Sheehan, Ms Maureen, Executive Director, Housing ACT
Manikis, Mr Nic, Director
Stankevicius, Mr Adam, Director, Government Strategy and Community
Policy
Hubbard, Mr Ian, Director, Finance
Harwood, Mr Neil, Director, Aboriginal and Torres Strait Islander Services,
Office for Children, Youth and Family Support

THE CHAIR: Good morning, Chief Minister. Good morning, members. Welcome back to the estimates hearings for 2007. This morning we are hearing from the Minister for Environment, Water and Climate Change and officials from Actew Corporation, followed by sustainability. Then the committee is hoping to get to indigenous affairs at about 11.30. Just before we start, I will read the card for 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 it 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 to 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 and officials, too, I remind you that if you are coming to the front to give evidence, collect your name plate from the back. As a further reminder, make sure your mobile phones are switched off. Minister, would you like to make any opening comments?

Mr Stanhope: No, thank you, Mr Chairman. As you are aware, this is a continuation of hearings that were held last week. I do not know whether you have a specific time for Actew this morning before we go to the department?

THE CHAIR: We were hoping to try and finish with Actew by 10.

Mr Stanhope: By 10. Actew and Mr Costello and his officials are more than happy to continue the hearing. Thank you, Mr Chairman.

THE CHAIR: Questions, Mr Stefaniak?

MR STEFANIAK: Thank you very much, chair and members. Mr Costello, rather than Mr Stanhope, can probably take this question. You may have to take it on notice. We have heard a lot about environmental flows. We have heard that maybe 15 to 17 excess gigalitres was released not that long ago. Could you tell us, going back, say, to 2000 and 2001 how much water was released from our water supply for environmental flows in each of those years? Would you be able to break that down, preferably to a monthly, but even to a quarterly figure? Also, could you indicate how much is being released now, and could you track that back, say, to the start of this year, at least, on a monthly basis?

Mr Costello: We could provide those figures, but if you do not mind, I will take that one on notice. At the moment we are releasing five megalitres a day from the lower Cotter and I think about one and a half megalitres a day from the Googong. If we tried to release any less from Googong, we would have to turn it off. These things are not that finetuned. They are very large valves and so on.

There has been a lot of debate about the impact of environmental flows and what it would have meant for our current water situation. I am on public record as having said that our situation now would not be significantly different if we had not had environmental flows. I will ask Mr Ross Knee to be available to elaborate further but, in essence, it comes down to this. We were not able to use the water out of the Cotter system for significant periods after the bushfires, as you know. That meant that we had large overflows of water that disappeared down the river and was lost to us. So even if we had not had a system of environmental flows, that water would have been lost anyway. That was just an incident of the fire.

The second thing is that once we started being able to draw water from the filtration plant, once that was in place and we were able to have it up and running and fully operational, we were also able to start taking water from the lower Cotter dam. The operation of the water restriction schemes means that, if we had not been releasing them, we would have gone into restrictions later. Now, that would have had a benefit, obviously; you would have been in restrictions later. But it would pretty much have meant that it would not have made much difference to where we are now. We would just have been somewhat better off during that time, obviously, particularly for our playing fields and our sporting fields. But in terms of where we are now—I think it is right, isn't it Ross?—we would not have been significantly different to where we are now. That is our conclusion. Obviously, if there had been an enlarged lower Cotter dam, we would be.

But as you will recall, Mr Stefaniak, I am sure that it was only as recently as December 2002 that the Assembly unanimously decided that it was not a good idea to build a new dam for Canberra into the distant future. That was the sentiment at the time, and I think it was a widely held sentiment. So even if we had started building a dam, an enlarged Cotter dam, say, in 2004-05 when, clearly, situations were changing and people's minds and opinions were changing, that still would not have been in place to have made any difference to the level of environmental flows.

From Actew's point of view, it is very straightforward. Environmental flows were brought in in 1999. The system of guidelines at that time, as I think Mr Smyth said the other day, was a good system of guidelines. But, like all systems, they are reviewed. That was part of the original proposals, and they were reviewed. After that review, the system of environmental releases was tightened up quite a bit, particularly in times of drought, and we have applied those new guidelines ever since. I do not know if you can add anything to that?

Mr Knee: No. I think you have covered it again.

MR STEFANIAK: Thank you. I notice—

Mr Stanhope: For the sake of completeness, Mr Chair, Actew has taken on notice a request to provide the environmental flow details from 2001. We might as well take it back to when the environmental flow guidelines commenced in 1999.

MR STEFANIAK: That is fair enough. I have no problem with that, Chief Minister. That is fine. I notice in the budget papers that the estimated profit outcome for 2006-07 was \$63.114 million. The estimated profit outcome for 2007-08 is

\$73.386 million. That is an increase of \$10.72 million, or 16 per cent. How do you estimate that? What is that made up of?

Mr Wallace: In this year's budget there is probably about a \$10 million decrease in our water revenue due to the stage 3 restrictions. For the 2007-08 budget we have assumed total recovery of water revenue from the regulator, as per his decision. So this does not include any impacts due to stage 4 water restrictions. That is probably the main impact. There are other effects here and there, but that is probably the main area. We are assuming a total recovery of our water revenue.

Mr Costello: And if we do not, if we were to go to level 4, the impact on our revenue would be around about \$40 million.

Mr Wallace: For just Actew, it is approximately \$40 million.

Mr Costello: Then, of course, there would be a loss of revenue for the water abstraction charge.

MR STEFANIAK: Is the water abstraction charge included in that?

Mr Costello: In that \$40 million, no. It is an extra \$10 million.

MR STEFANIAK: I am sorry. I mean in that \$10 million increase. Is the water abstraction charge included in that?

Mr Costello: No. That is our profits.

MR STEFANIAK: That is your profits?

Mr Wallace: The water abstraction charge is just a pass through.

Mr Costello: Remember, most of our profits do not come from water. We averaged, in the last five years, \$8 million profit from water. More than half our profits in the next year will, I think, come from the joint venture.

THE CHAIR: Dr Foskey.

DR FOSKEY: Thanks, chair. I have two questions in all. The first of those is: has Actew or other parts of the government monitored the impact on the level of water use of increases in charges—for instance, the water abstraction charge—when that increases, and of per litre increases in order to know whether that is actually a measure for increasing efficiency of water use or whether it is primarily a means of adding to profits?

Mr Costello: Well, I think the question of the elasticity of demand for price is an extremely complex one. We have got some studies done—which I have made available to the opposition—by the University of Canberra. We are currently, as part of the next round of water pricing, preparing for the five-year review, a decision on which will be taken in the middle of next year by the regulator. An important part of that under the terms of reference set by the government will be the impact on demand

of water pricing.

It is very difficult to answer your question because most of that period we are talking about has been a period where there have been restrictions. To divide out the impact of restrictions and pricing is not so easy; you have not got a clear basis for comparison. What we do know, however, is this: at the beginning of 2006, we had 67 per cent in our dams. By law, we had no entitlement to impose restrictions. What we did have, however, at that time, effectively, was stage 1 restrictions, the old stage 1 restrictions. Effectively, the permanent water conservation measures brought in by the government are pretty much the old stage 1 restrictions. But we also had the impact of the WAC, and what we do know is that, even though those permanent water conservation measures are relatively mild, during that period, comparing like with like, we had a reduction in consumption of over 10 per cent. I would be surprised, therefore, if price did not have an impact.

What is going to be the crucial judgment by the regulator next time around is this: at what point, at what price level, is inelasticity of demand overcome by price, and is it a different price level for different groups? Is it one price level for domestic use, that is, you have a certain amount of water provided at a very reasonable price for everybody and then you have a big jump so that if you use any more than that, you notice it. There may be different prices—I am just talking about the economic theory here—that have that impact for domestic use and business use or large-scale user use. For someone who is running an office, it may have to jump up quite a lot before it has an impact on that behaviour. So I think, rather than speculate, all we know is that in general theory price has an impact on people's behaviour. At what level that price has to be set is another thing.

I might say that, just in case you are wondering whether we are putting these proposals forward to the regulator in order to increase Actew profits, that is not so. Our profits are set according to a formula which relates to our investment, our operating costs and an extremely modest risk element, which is about the level of the risk-free rate of return. Our profits are lower than the risk-free rate of return. If we put our money in a bank for water, we would earn substantially more than we earn on this business. So how to adjust price to affect demand is exercising the minds of a lot of people around Australia, a lot of economists, and it is going to be for decision in the end by the independent regulator under the terms of reference laid down by the government.

DR FOSKEY: Could you make those papers you mentioned available to me, Mr Costello?

Mr Costello: What is that?

DR FOSKEY: The papers from Queensland that you mentioned.

Mr Costello: Sure. I am happy to.

DR FOSKEY: My second question, after which I shall bow out, is that I note that the Water2WATER consultation period finished last Friday. Could you inform the committee of the form that those consultations took and the steps that you envisage

from here, in particular with some timelines on those steps?

Ms Stolt: Just to clarify, your first question was in relation to the activities that we have been undertaking?

DR FOSKEY: Yes, the form the consultation took.

Ms Stolt: It was a three-month consultation period, which started on 22 March and ended on Friday. Actew coordinated the consultation on behalf of the ACT government. Some of the activities that we have been undertaking throughout this time have been via the project office. We have had a phone number where people can call and put in their queries, and we respond to those. Similarly, we have had email and website. They are ways for people to get in direct contact with the project.

We have then tried to seek more direct feedback as to the issues and concerns within the community. We have done that in the three community forums that we put on. One was in Woden, one in Ainslie and one in Queanbeyan. We have then gone out and briefed community groups. We basically sent out an invitation to local community groups in Canberra and we went out and made a presentation to those that accepted. That, again, obviously gives them the opportunity to ask any questions.

The other part was, in a more formal way, to gather, I suppose, a more representative view from the community. We did that via a random phone survey. That phone survey was then also made available on the website so that people who were not selected in the random sample could still have an opportunity to have a say. That survey has also been mimicked, I suppose, when we have been out in the public with a travelling information display. We have had a display that has been roaming around the shopping centres, and we have been gathering feedback on these feedback forms as well. That is, in essence, the key activities, unless you have any others?

Mr Costello: The Chief Minister made clear from the start that he did not want to consider just the option of water purification and enlarging the Cotter Dam. He wanted to consider all options and reconsider those that were in the original set of proposals we put forward in, if you like, future water options part 1. That included a very wide range of possibilities. We have done that and, indeed, a large part of the work and effort we have been putting in has been on those other options. But I might just recall that those other options were extensively discussed in a six-month community consultation process once before. They are not new to the Canberra community. They are quite fresh in the mind over the last two or three years. They will all be put before the government as part of the next steps.

What are the next steps? The next steps are to complete our work, which we should have done by the third week of July. We will have completed the peer review of all the technical reports by then, both internally and externally. All our material will have been before the expert reference group, which is separate to us. We just supply any information they request. They get information from many sources, not just us. It is for me to put that to our board some time in the middle of next month and then, when our board has made its decision, to make its recommendations to the government. Then it is in the hands of the government. I should leave it, obviously, to the government to tell you what happens next.

DR FOSKEY: Really, I would say the consultation has been hijacked, in terms of media exposure anyway, by the recycling scheme. I do not think the community has really been engaging in much of the conversation about other options, except to do the knee jerk thing. To what extent, for instance, would you be prepared to look at enlarging the Cotter Dam while putting on hold the water recycling option?

Mr Costello: That is one of the options.

DR FOSKEY: Yes. What is clear to me is that a lot more work needs to be done regarding acceptance of recycling because the barrage of emails has accelerated over time.

Mr Costello: Well, may I say that the level of noise does not always reflect the opinions.

DR FOSKEY: I would say a politician knows that, Mr Costello.

Mr Costello: I know. All I am saying is that, from our point of view, overwhelmingly the coverage, if you like, the strong public voices have been negative and the strong public voices in favour of it have basically been ignored. They have been. That is a fact of life. We are going to put a whole range of different options to the government. We will have a recommendation, which the board has not decided on yet.

I might say that a very important part of that will be the Tantangara option that I have talked about before. As I think Mr Stefaniak noted in a press release a couple of days ago and I have been talking about now for several weeks, the Prime Minister announced several months ago that if things did not improve in flows in the Murray-Darling, then the irrigation licence holders would have no allocation of water at all in order to preserve that water for the towns and cities down the Murray-Darling for urban and town water supply but that, as a consequence of that, those cities and towns that receive water under that plan would have to go to level 4 restrictions.

Now, this is a terrible shock for most of those towns, because many of them are irrigation towns and they are green and verdant territory in the worst droughts. So to go from absolutely no water restrictions to level 4 in a blow, in one step, was a big shock for them. Would that apply to us? Not in the next 12 months, because our water situation, according to the federal government and the other state governments involved, is not sufficiently serious to warrant us getting access to any of that water in the next 12 months. If we had another terrible 12 months, and we were down to 15 per cent in our dams—I am hypothesising here only—then we would be eligible for that water and then we would have to go to those draconian measures. But since our dams are now at 32.3 per cent as of yesterday morning, we will not be in that position in the next several months—in the next month or two anyway.

MR STEFANIAK: As part of your advice to government and looking at the worst case scenario—hopefully the dam levels will increase with a bit more rain—I think you indicated that, whilst we will be right for 2007-08, there is a big question mark after that.

Mr Costello: Absolutely.

MR STEFANIAK: Even if you go ahead with the recycling option, that is about three years, and five years for the Cotter to fill. What contingencies would you be advising if there is very little rain and we start running out of water in the next 12 months?

Mr Costello: Mr Stefaniak, you are correct. That is exactly the situation. The water purification process will not have an impact on that because it is two or three years down the track even if we began straight away. But as I have been saying now for a couple of months, while that two to three-year period was geared up, the situation would be dealt with by this national plan that the Prime Minister is talking about, that is, water from the large dams in the Snowy Mountains. The Tantangara Dam will undoubtedly get snowmelt. It does every year. Even in 2006—

MR STEFANIAK: It is a reasonable season so far this year.

Mr Costello: But even last year, which was a disastrous season, it got over 200 gegalitres of water. So if we were in a disastrous situation next year, in a very, very bad situation because we have had no rain, we would have access to that water. We would have to negotiate how much, but 20, 30 or 40 gegalitres would be released over a sustained period down the Murrumbidgee and we would be able to pump it up through our systems into direct use or across to Googong during the winter.

MR STEFANIAK: It seems, thank God, that everyone now realises we need a new dam and it was probably highly unfortunate, in hindsight, that the Assembly, on the available material, passed that motion back in 2002. Clearly, probably since late 2003 onwards, there has been a realisation that we need a new dam. In terms of the longer term solution—maybe this is a question for the Chief Minister—would you consider what some experts are saying, and that is that we probably need both Cotter and Tennent for the long term, and I am probably talking about a 20 or 30-year period, or at least a series of weirs, which might be another variation on the Tennent option, as well as Cotter?

Mr Costello: We have not completed our report yet. On our analysis, the next best dam is clearly, unquestionably the enlarged Cotter. We think that there may be a number of other ways, but we will not know yet for some months, probably until the end of the year, to supplement that dramatically. We may need the Tennent in 20 or 30 years. The Tennent is not something we would rule out, but at the moment there is no way I would even contemplate building the Tennent, simply because of the fact that for the last six to seven years there has been virtually no inflow.

Remember, there has been a dramatic reduction in inflows into the Cotter system. It has reduced to 40 per cent of what it was, and it was always much better than the Naas or Googong. The Naas Valley, which always had much lower inflows anyway, has reduced by 70 per cent. It is starting from a lower base, but it has fallen even more dramatically. To go ahead and build a dam, a \$300 million project, based on those inflows at the moment would be, to me, an extremely courageous decision. I think that is the famous expression.

We do know that, even with these reduced inflows, the enhanced Cotter Dam is a good idea. But we are not saying—it is up to the government to make the decision—and we have never said, “Take Tennent off the table for the long term.”

Mr Stanhope: Mr Stefaniak, you just mentioned the possibility of interim weirs. It needs to be remembered that the previous report provided by Actew to the ACT government proposed the possibility of a pipeline from Angle Crossing to Googong or into Burra Creek flowing into Googong. Of course, that is a live option or a recommendation which the government is comfortable with. It arose out of the last report and is consistent with what you just said. It would indeed capture the water from the Gudgenby River in the way that the Tennent Dam would. That is a proposal that is still very much alive and about which there has been significant consultation—

MR STEFANIAK: I am glad to hear it.

Mr Stanhope: and is something that we would proceed with. Indeed, Actew has never suggested that it would not, in a sequence, commit to that option just as, through that report, we have the Cotter-Googong bulk transfer and submersible pumps in the Murrumbidgee at the Cotter, both of which are consistent with work that has been done and options that have been put and accepted. The Angle Crossing at Googong is a live option.

MR STEFANIAK: I wonder—

Mr Costello: Mr Stefaniak, you might recall that, in *Future water options 1*, the final report recommended—and the government accepted—to keep alive as future options an enhanced Cotter, Tennent and the Tantangara option. In a way, the problem we have is not lack of storage capacity but lack of inflow and variety of sources. The problem we have is that the Googong Dam is a lousy catchment. It is not as lousy—if I might say so—as the Naas catchment, but it is pretty bad, particularly over the last seven years.

We are able to take water from the Murrumbidgee. At this stage, we went for the lower Cotter option, because it is much cheaper and much quicker. Angle Crossing will take two or three years; we are doing that at the moment. We can further take water from the Murrumbidgee, always within our cap. We can further double that amount by having an Angle Crossing capability which takes water direct across to Googong. The problem is not so much our storage capacity; it is that the catchments have not been terrific—certainly, the Googong catchment, which is our biggest dam. As you know, it is 120 gegalitres compared to about 90 for the other system currently.

So we are looking at that. That is why we are also looking at the Tantangara option as a long-term option as well as a short-term one—that is, buying the water rights from down the river, from New South Wales or Victoria. Those water licences mean that, even in years when there is reasonable rainfall but it is a bit low, you can store that water in Tantangara, which is a sort of outsourced dam to you. You can store it in Tantangara and have it released to you when you wish.

The next stage might be an enlarged Cotter, but the next might be a sort of virtual dam—well, it is not virtual; it is a real one, Tantangara Dam, which is a large dam, as

you know. What normally happens is that the inflow goes into there, and they release all that water quite quickly. It goes down quite quickly over a couple of months—down to about six or eight per cent. Instead of that, they just keep our water rights in there—20, 40 or whatever gigalitres a year. They keep it in there, and if we want it we let it flow down the Murrumbidgee and let it flow across—take it across, or use it, instead of it being pumped down through the system into the other dams.

Now, you have to pay for that. You have to pay for the storage of water, which is an outrage. And you have to pay for the loss of generation capacity, which is not an outrage. In those years when you do not need it—your Googong is full and your other systems are full—you can release a certain amount of that water for electricity generation. There could be a hedging arrangement with the Snowy on that. And of course you can sell that water down the river—the licence—to others and recover the money. It is a permanent right that you are buying.

MR STEFANIAK: This is more for the Chief Minister. It is about the water abstraction charge. I note that the Queanbeyan council is going to go ahead with its court case. Chief Minister, do you have any contingency plans in case that is successful? Will that affect in any way the supply of water in the ACT—and, probably more logically, will it affect and impact on the bottom line of the budget?

Mr Stanhope: It would certainly affect the budget, but at this stage it is not clear that Queanbeyan will initiate that action. At this stage, they are still awaiting advice that the commonwealth will fund their action. There is, to coin a phrase, a lot of—

MR STEFANIAK: I thought they were going to do that.

Mr Stanhope: No. I do not think the commonwealth has yet agreed to fund that. I think that Queanbeyan's determination to pursue this matter depends on the depth of somebody else's pocket. And I think, to coin a phrase, that there is a lot of water to flow under this particular bridge before legal action is commenced against the ACT government by the Queanbeyan City Council in relation to either the water abstraction charge or the utility charge.

From last Friday—I was under some misapprehension about this—I think that the nature of the latest objection from Queanbeyan is to the extent that Actew will, as one would expect, pass on to consumers its contribution to the utilities charge. I think that it is not the water abstraction charge that is most upsetting Queanbeyan at this stage; it is the fact that the utilities charge will be passed on.

I have received no correspondence from Queanbeyan that I am aware of in relation to the aspect, or the detail, of their proposed legal challenge. Maybe the Attorney-General is in receipt of those—or the government solicitor; I am not sure. But at this stage it is premature to suggest that legal action has been commenced or will be commenced. Were it to be, of course, we would have a range of preliminary issues to deal with, such as obtaining some security on costs and some assurance that our costs would be met when we prevailed in this action, which I presume they propose to take to the High Court.

But let me tell you this, Mr Stefaniak: we have made no contingency plans. I am not

at all concerned about the prospect of this action other than to note the fact that it is a nuisance, and probably a costly nuisance. At the end of the day, were we to prevail, which I expect we would—and that is the tenor of my advice—we would be recovering costs from the Queanbeyan City Council.

MR STEFANIAK: We will have to wait and see then. I saw today in the paper mention of an initiative which will help us save water in relation to some government buildings. I am pleased to see that. Have you, however, done an audit of all government buildings? And what further steps are you going to take in terms of ensuring that government buildings lead by example—that we do not continue to hear of things like toilets or urinals flushing throughout the night at schools and things like that?

Mr Stanhope: Those are matters for TAMS. If questions of Actew have concluded, perhaps we could—

THE CHAIR: We have one more question. Ms Porter wants to ask a question.

MS PORTER: I have a substantive question, but I want to quickly ask about the progress with negotiations about the Googong Dam. Could I just slip that one in as well, please? My substantive question was about page 443 of budget paper 4. It mentions achieving a reduction of per capita consumption of mains water of 12 per cent by 2013 and 25 per cent by 2023. I wondered what progress there might be towards doing that and what kinds of strategies you thought you would have in place to do that.

Mr Costello: We are a participant in that—and a supporter of that, obviously. It is a government set of targets. We include those numbers in our modelling; we assume that those targets are met. As I think I mentioned before, we found that in 2006 the permanent water conservation measures—and perhaps the impact of pricing, the WAC—appeared to have reduced consumption during that year by some 10 per cent or more, which is pretty close to the first part of the target. The other day I expressed the opinion—but it is only my opinion, and there may be other ways of doing things—that it was highly likely that price and carefully set pricing would play a part in controlling demand for the other 12 per cent.

On the question of Googong, we are involved in the discussions because we believe that the ownership of that asset lies with Actew, given the history of the way it worked out. The government has, naturally, led the negotiations on this. I am happy to speak about it if the Chief Minister would like me to or he might like to take that.

Mr Stanhope: In all of these issues there is a real crossover between Actew as the utility, the government as the policy setter and TAMS as the organisation responsible for providing advice to the government on the policy. I am not sure that these questions might not be better directed to departmental officials rather than to Actew.

THE CHAIR: Yes, we will do that. Any more questions?

MS PORTER: Sorry, minister. That is fine.

Mr Stanhope: These are really policy issues for the government, for which TAMS is responsible.

MR STEFANIAK: I have got a couple more in relation to the Water2WATER project. You may have answered part of this; I do not think you actually gave us a cost when you were here last. I want to go to the idea that another option in terms of the use of recycled water would be a second network of pipes to where the water would go—namely, sporting grounds, outside areas, parks and so on. Have you costed that?

Mr Costello: Yes. All that will be included as one of the options for the government to consider in our report.

MR STEFANIAK: What would the costs be? We have been given figures in relation to the Water2WATER recycling option—I think \$150 million plus \$100 million a year, though you might correct me on that. But we certainly have not had any figures in relation to the option of a secondary system of pipes to sporting grounds, parks et cetera.

Mr Bickford: As Mr Costello said, that is part of the report that we are preparing for the government and we have not finalised all that information as yet. Certainly, putting in place an additional pipeline system to parks around the ACT is one of the proposals that we have looked at. We do not have the final numbers yet, but it is substantially more costly than the water purification plant, mostly because of the large number of kilometres of pipe work that we would have to put in place, the large amount of excavation that would have to be done to put those in place, the additional pumping costs and the additional storage. If you just think about trying to put in a brand new network across the ACT, then obviously it is an expensive thing to do. It certainly will turn out to be far more expensive than the water purification plant.

MR STEFANIAK: Can you give us some idea? When you say “far more”, is it 50 per cent more expensive or double the cost?

Mr Bickford: Probably about double the cost.

MR STEFANIAK: About double the cost to put new infrastructure in.

Mr Costello: One of the reasons is this: we do not have the normal customers for large-scale recycled water, which are normally industry or irrigated agriculture. That means that the high demand for this comes for only three or four months a year. For the rest of the year, there is not a heavy demand for it. But you have to have a very massive capacity for that period of December through to February, March—three to four times what you need during the rest of the year. So you have to build this tremendous capacity which is not used for most of the time. That is true of other systems too, but I am just making the point that that is why you need a very large system—much larger than it might sound when you are just using the ordinary numbers.

THE CHAIR: Ms Porter, you have a supplementary.

MS PORTER: Yes. I think it was in this room that we heard the other day that there is a risk involved in having those dual systems of pipes.

Mr Bickford: Yes, certainly there is. That has been proven in other towns that have put these systems in place. The main risk is through cross-connection—by plumbers who do it unintentionally, by home owners who do not know the difference or by people who are using their systems and who do not know the difference. If the pipes are laid in a manner and location similar to those of the normal potable water pipes, it is possible to cross-connect so that you have the non-potable water running through the potable water pipes. They have seen this, for example, in Rouse Hill in Sydney, where they have probably Australia's largest dual reticulation network. These things happen from time to time. So there is an additional large burden placed on the operators of those systems to continually audit and educate people to try and stop those cross-connections occurring.

THE CHAIR: Dr Foskey.

DR FOSKEY: Just a supp, thank you. I guess there will always be risk with a major water scheme of the sort that is being proposed in Water2WATER, but I am wondering if we can overcome some of those risks, and also cost problems, in the design process—for example, if every new suburb that is designed has this dual water reticulation system in place as the infrastructure is laid. Is that something that you would recommend should happen from this moment on?

Mr Bickford: Certainly one of the things that are being looked at in new developments is to put in different types of water infrastructure and additional water infrastructure. The government has a target to reduce water use in new suburbs by 40 per cent compared to traditional suburbs. That leads to a fair amount of innovation and to opportunities to look at those sorts of systems. One of the things you still find, however, is that the costs of those additional systems are very expensive. They have to be borne by the home owner. That is all taken into consideration when you are developing new suburbs. They are a consideration in new suburbs these days.

THE CHAIR: Any further questions for Actew?

MR STEFANIAK: How are we going in terms of assisting the sporting fields? It is great having rain now, but, quite clearly, if that does not continue we are going to have a very dry summer. I think I have heard the Chief Minister indicate that he is very keen to ensure that the lower Molonglo is used for that. Just what has been put in place to date? What do you propose to do to help save as many of our sporting fields as possible?

Mr Costello: In tier 1, there will be potable water used on a certain number of playing fields. Exactly how many will depend on a proposal to be put forward to us by the sporting bodies. They are coordinating and pulling that together. But it is not just a toss of the coin for us. We have to meet the sort of tolerance amount we have allowed for—if you like, level 4, tier 1, which during winter is only about another 10 or 12 megalitres a day. If we were to go to the full stage 4, there would be a further pull back of that, and it would be a matter for judgement. I think some of the very major venues might still be allowed, but that is a matter for judgement down the track.

What we are looking at is the idea of trucking water from lower Molonglo—putting large tanks close to the sporting fields, filling them up and closing off the potable water reticulation in certain parts to protect it. There are ways of doing that pretty satisfactorily. We will want to keep checking them, for the reason we have just talked about, but there would not be cross-connections. We would then use the water from those pipes.

There are huge amounts of water involved. To make a real difference, we may need up to 50 or 70 trailer trucks, working day and night over a sustained period. We are looking at just that now. In about two weeks, we should have completed our costings and the logistics for this. But there is a certain point at which the weight of water involved is so enormous that you cannot go any further—unless you have half of Australia's trucks in the city. But we do think that we will be able to make a significant difference.

MR STEFANIAK: That would certainly help. If cities like Goulburn can use quite a few trucks in getting non-potable water for all the buildings there and some of their grounds, we should be able to manage it.

Mr Costello: These are vastly bigger amounts. I might say that we are also looking at doing that for things like the car-wash industry. We have talked to them about doing that. We would have to take water there—most likely from the Fyshwick plant, not the lower Molonglo, because the Fyshwick plant water is of even higher quality than the lower Molonglo and the health department would prefer that we use that. There are very substantial projects in train. The government is urging us—I think that is the politest way I could put it—to make sure that this is done, and done quickly. And we will do it.

MR STEFANIAK: I have one other question along that line. It is about not so much potable water but the use of rainwater. Is Actew involved, or is the government doing anything, to ensure that all new buildings, especially, have significant water storage capacity? That does occur in other Australian cities. Indeed, I understand that the Belconnen pool uses a lot of rainwater. It can fill its tanks in about 20 minutes of good rain; that helps to save water. What are you doing to ensure that future building codes ensure that there is significant water storage at the facilities that utilise rainwater? Also, what are you doing in terms of encouraging existing building owners to put in rainwater tanks or some significant local water storage facility?

Mr Costello: We cannot require anything of anybody; that is a matter for government policy, and the government has a policy on that. But I would just make the observation about the amounts of water involved. A very large domestic tank is about 10,000 litres. I am not even sure that you are allowed to build one that big, but anyway that is a large domestic tank. That is about \$8 worth of water. It shows you how little these tanks—even though they look big—contain compared to your normal use. I know that people say, “If everyone had a tank, we'd be fine.” It is a bit more complicated than that.

MR STEFANIAK: Some of it is an underground facility, too. For example, the Belconnen pool has—

Mr Costello: You are looking at big, big money if you are going to start doing that. If you are talking about commercial enterprises, it is a different thing, but again it is big money for them. If, by doing these other things, we can guarantee high-quality water through one system of pipes—and that is what we are aiming to do—these things will not be necessary. And it will certainly be a lot cheaper.

MR STEFANIAK: How many—

Mr Stanhope: We can come back to that after the changeover from Actew. The department—

MR STEFANIAK: Sure. I was not quite sure if that was—

Mr Stanhope: Yes—the question in relation to water tanks. There is a policy, particularly in relation to new dwellings, though I would have to take some advice in relation to commercial dwellings. That is why I would prefer to await the department. Certainly, Jeff Konstantinou showed great foresight when he put in three 100,000-litre tanks underground. He had the capacity to do that. And the airport is now very seriously addressing the issue around the re-use of water, the storage of water and the use of water at Brindabella park and the airport. If we wait for the department, we could get more detail on the steps that we are going to take.

MR STEFANIAK: That is fine, Chief Minister.

Mr Stanhope: There is a policy in relation to new buildings. There is a rebate available for those who purchase a water tank. But, as Mr Costello indicates, there are also some very interesting issues around the cost per unit of water and the cost of a tank. Nevertheless, accepting that, it is the government's policy to encourage the installation and use of water tanks.

MR STEFANIAK: Finally, Mr Costello, going back to your recycling proposal, how many written submissions have you got? In a short period of time, you have had a number of consultation meetings, but how many written submissions have you got?

Mr Costello: Can I take that on notice? I do not know off the top of my head.

MR STEFANIAK: Also, how many of them have a scientific or economic slant? There are obviously some interesting issues around how much it is going to cost and the health hazards.

Mr Costello: I do not have that answer at my fingertips, but I will supply it to you, if I may, Mr Stefaniak.

MR STEFANIAK: Thank you.

DR FOSKEY: To the committee?

Mr Costello: Yes, to the committee—of course.

THE CHAIR: I thank officials from Actew. We will now move on to environment, water and climate change within the Department of Territory and Municipal Services.

I welcome Mr Zissler and the officials of the Department of Territory and Municipal Services. I will just 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 on this output class?

Mr Stanhope: No, I have no specific comment to make, other than to thank the committee for its interest in this very important area and to note that Mr Zissler and his staff stand ready and very willing to assist the committee in any way that they are able.

THE CHAIR: Minister, you have announced that the government will be releasing its climate change strategy soon. Can you advise the committee what the ACT government is doing already to address climate change?

Mr Stanhope: This is an important issue and one that is, of course, occupying much of our time. There are aspects of this that you might wish to pursue further in the context of the detail, but we have been quite rigorous and very focused in seeking, where we can, to reasonably address issues around greenhouse gas emissions within the territory, and have introduced a number of arrangements. The most significant, I think, of those is the greenhouse gas abatement scheme, whereby the ACT government joined with New South Wales in its greenhouse gas abatement scheme in 2005. That is the single most significant direct initiative that has been undertaken in the ACT to reduce greenhouse gas emissions associated with the production and use of electricity, and through that to encourage activities that would offset the production of greenhouse gas emissions within the territory.

The greenhouse gas abatement scheme, which is an uncomfortable title, is a mandatory scheme for all electricity retailers that operate within the ACT. It requires all of them to acquire an increasing component of electricity each year from accredited clean and greener generation sources. The retailers, under this scheme, are allocated an annual target, which is expressed in terms of the number of certificates

that they have to surrender to the scheme regulator. The scheme regulator is currently the Independent Competition and Regulatory Commission. The gas abatement scheme is, as I said, the single most effective greenhouse gas abatement measure that is currently being undertaken by the territory. It is a precursor to how an interjurisdictional emissions trading scheme could work, and I think it is a model for what a future national emissions trading scheme might look like.

In 2005 the scheme, in its first year of operation in the Australian Capital Territory, achieved greenhouse gas emission abatements of 316,000 tonnes. To put that into perspective, just in that single year that was the equivalent of taking 73,000 cars off the road. Just in the last two years, through that one scheme, we have achieved a reduction of over half a million tonnes in greenhouse emissions. That is the most significant of the steps that we have taken. Indeed, it is the most significant step that has been taken since we, as a jurisdiction, began to take an interest in the reduction of greenhouse gas emissions in the Australian Capital Territory.

Other measures that we have taken are measures that are reflected through our planning regime. We have mandated four-star energy ratings for all new buildings. In 2005, the Australian Building Codes Board agreed to introduce a mandatory five-star rating for single residential buildings under the Building Code of Australia, and we adopted that in 2006. We actively encourage the energy wise program which we introduced in 2004, which provides home energy audits and rebates for energy efficiency improvements. We have a home energy advisory service that provides advice to residents and small businesses on energy efficiency measures which I think has been very effective and has responded to over 5,500 requests for direct advice.

We have adopted energy-efficient subdivision guidelines. We have embraced water-sensitive urban design, and I think we see the fruits of that around Canberra. We have required that house energy ratings be advertised at the time of sale of a residential dwelling, which is a very important initiative in sensitising people to the energy requirements of particular houses that might be for sale. We have mandatory water-efficient fixtures such as showerheads to reduce the use of water and power. We do, of course, recognise that commercial buildings—not that we are a great property owner within the territory—are a major source of greenhouse emissions in the ACT and we are seeking to ensure that property owners within the ACT, including ourselves, do seek to achieve higher energy efficiency and sustainability standards. We do that, of course, through the Building Code of Australia for new commercial buildings, and we seek to do it through our own leadership.

Also, in relation to our own electricity use—that is, the ACT government's electricity use—we mandate as a requirement the highest percentage of green energy of any government in Australia. It is now at 23 per cent. That requirement saves or reduces greenhouse emissions within the territory by over 30,000 tonnes a year. That is quite significant and, once again, shows the leadership which is being shown within the ACT. We also have a government building energy audit program, which was established in 2004. In that year we allocated \$150,000. We provide a government energy report every year.

In relation to ACT government fleet ownership, we have mandated that 10 per cent of the ACT fleet will be alternative energy or fuel efficient by 2008. Indeed, I think we

have already achieved that. That is the highest percentage of fuel efficient or alternative fuel cars of any fleet in Australia. I think it is important that governments show that form of leadership. Indeed, last year we were the first government to move essentially, except for operational purposes, to a four-cylinder fleet requirement. That, I believe, is again a very significant initiative and something which I would hope other governments and other major fleet owners would seek to emulate.

Within the next few weeks, I will be releasing the government's next instalment through the climate change strategy of measures which we, as a government, can take to facilitate change within this community and, indeed, to continue to change our own behaviour and our own operations.

MR STEFANIAK: Budget paper 4, at page 293, is a little bit confusing. For accountability indicators k, l and m, note 5 indicates that measures for the preparation and implementation of the ACT climate change strategy had been discontinued and replaced with implementation of a target number for specific joint ACT-commonwealth funded sustainability programs, yet you have provided \$1 million for implementation of your climate change strategy at page 314, supported by discussion, albeit scant, of the implementation of the strategy in BP3 at page 208. Why have you written up getting rid of a number of targets and a number of KPIs in one part of the report and put some money into your climate change strategy elsewhere?

Mr Stanhope: I must say that I will require assistance to answer that, Mr Stefaniak; I am not aware. I understand the point of the question, Mr Stefaniak. I simply don't understand the point of the note.

MR STEFANIAK: I understand you do have a strategy and you are going to release it, but if you had a look at page 293 you would question that.

Mr Stanhope: We might have to come back to that. I am sure there is an explanation, Mr Stefaniak.

MR STEFANIAK: Come back to me on that one.

MS PORTER: On page 283, under output 1.3, which relates to sustainability, note 2 says that energy and water policy was transferred following changes to administrative arrangements. I believe the action was necessary. I just wonder how this is going to facilitate more appropriate outcomes in the area of water and energy for the environment.

Mr Stanhope: That is a decision that I took through a small administrative arrangements change earlier this year. This matter was raised by Dr Foskey a couple of times in question time in the chamber around the focus in relation to climate, water, energy and sustainability. I concede that arrangements that I had put in place in the administrative arrangements a year earlier did create some confusion around responsibility for issues such as climate change and sustainability, particularly in public understanding or perceptions around responsibility for different aspects of water and energy, with the Chief Minister's Department retaining responsibility for water and energy policy while the Department of Territory and Municipal Services

had essentially the operational responsibility for development of, say, the climate change strategy, for sustainability and for issues around water. In order to overcome that confusion to create some more critical mass, one of the other issues we faced, as we always do in the ACT—and I think it is sometimes not understood just how small a jurisdiction the ACT is—was around size, capacity and critical mass.

For instance, I think the water and energy policy section within the Chief Minister's Department comprised three staff, and it really was difficult for such a small unit to be across all of the issues that they faced in these areas. I have now combined again all issues around water and energy policy and operational issues and administrative issues in relation to those subjects within the Department of Territory and Administrative Services but responsible to me. That was the background. I concede that the experience of last year led me to the conclusion that the arrangement I had put in place a year earlier did not optimise our capacity to respond to this most important issue. I have sought simply to refine and improve the ACT government's capacity to respond to these issues.

MS PORTER: I note also that there is substantial estimated additional expenditure over last year in the same output class. It seems to me that an additional \$2.6 million has been budgeted for over the estimated expenditure period. Could you let me know what those additional funds are going to be used for?

Mr Stanhope: I will defer for explanation to the department. Mr Zissler, could you expand on that?

Mr Zissler: Note 1 above explains that, I believe.

Mr Stanhope: I think it is accounting in relation to depreciation and authorisation.

Mr Zissler: It is the accounting standard. I am happy to give you a more detailed response.

MS PORTER: Could you? Accounting is not one of my fields of expertise. Thank you. Is this the time to ask a question about Googong Dam or do I save it for another stage?

Mr Stanhope: I did take a question on notice from Mr Stefaniak for Mr Zissler's department in relation to an audit of government buildings.

MS PORTER: I just wondered where the ownership issue was up to.

Mr Stanhope: Right. Ms Porter asked a question in relation to negotiations re the ownership or transfer of the Googong Dam and wanted an update.

Mr McNulty: We have had some quite extensive negotiations with the commonwealth about the ownership of the Googong Dam. I think the discussions are at a point now where we are getting down to the detail of the terms that might be in any lease and other agreements that will facilitate that transfer. I am confident that in the near future that issue will be resolved.

MS PORTER: Thank you. That's good.

MRS BURKE: I would like to follow up on a question that Mr Stefaniak asked in relation to the sustainability programs. We are going to get some explanation on that, and we thank you for that. However, in budget paper 4 at page 293, going back to those indicators, item n of the sustainability policies and programs refers to the number of significant joint ACT-commonwealth funded sustainability programs as three. The footnotes do not tell us a lot. Can you perhaps tell us what they are, their costs and timings, and the success measures?

Mr McNulty: I believe two of them are the national action plan for water quality salinity and the National Heritage Trust. I think the other may be the COAG climate change program.

MRS BURKE: That would be something the Chief Minister would know about, COAG.

Mr McNulty: Sorry, the national water fund is the other program. That is the \$17 million.

MRS BURKE: Are you aware of these programs, Chief Minister?

Mr Stanhope: I am.

MRS BURKE: Can you tell me a little bit about them?

Mr Stanhope: Mr Zissler and his officials will be happy to give you any detail that you require.

MRS BURKE: Who is running whom here? Sorry, I just thought you would know.

Mr Stanhope: Estimates is an opportunity to ask officials. That's what estimates is. If you want to ask me questions, ask them in the Assembly.

MRS BURKE: No, we also have an opportunity to ask you here.

MR STEFANIAK: It is a bit of both.

THE CHAIR: Let's not have a conversation over who is asking the questions.

Mr Stanhope: My officials are here to answer detailed questions on policy matters and operational issues.

MRS BURKE: But you should know as minister.

Mr Stanhope: If you don't want to ask them questions and want to ask me, let's defer to the Assembly and question time.

MRS BURKE: I want to know what you know and understand about this as well in conjunction with your department. All right, Mr McNulty.

Mr McNulty: The NHT program is a program designed to improve natural resource management outcomes. It is a joint commonwealth-territory program. It is administered by a joint steering committee on which I represent the territory. It allocates funds to community-based projects largely, and some projects that the territory operates also. The national action plan for water quality and salinity is a similar type of program, administered through the same joint steering committee, which is obviously based on water quality issues and, in other parts of Australia, salinity issues, which are not such a problem in the ACT. The national water fund project is a project to retrofit wetlands and more water sensitive urban design of the stormwater systems around Canberra.

MRS BURKE: Have you got some examples of that?

Mr McNulty: The best example is the David Street wetlands, so similar things to that. The feasibility work for those projects is being carried out at the moment. The intention is to store in wetlands water which can be used for irrigation to replace the use of potable water.

MRS BURKE: Is that, for example, like the City West design? I have probably got the wrong area, I am sorry.

DR FOSKEY: Do you mean the city edge?

MRS BURKE: No, in town where refurbishment of an area was done to include garden beds that would do that sort of thing. Is that the type of project?

Mr McNulty: It's a little different to that. It is looking at stormwater channels, many of which around the territory are lined with concrete. It is replacing lined concrete channels with more natural channels to slow down the flow of stormwater, store it and reuse it rather than just letting it flow into the lakes.

MRS BURKE: How would we do that? How are we going to be using it?

Mr McNulty: Irrigation is a good example—irrigation of sportsgrounds and irrigation of other public areas. Rather than using potable water, we would use this stored stormwater.

Mr Stanhope: The ACT government has entered into a memorandum of understanding with the National Water Commission to seek to trap, store and reuse three gigalitres of water by 2015 through rehabilitation of existing stormwater drains and watercourses throughout the territory. The work is currently being developed. No decisions have been made, though at this stage it is quite likely that the first of these projects will involve the construction of major dams and wetlands adjacent to Flemington Road at a cost of around \$4 million, which would allow us to irrigate or meet 80 per cent of the needs of the Canberra Racecourse, EPIC, Yowani Country Club and the other major user in the area, the Canberra Paceway.

MR STEFANIAK: Of what capacity would those dams be?

Mr Stanhope: It is anticipated that when the project is completed there will be three gigalitres of storage capacity available, which is more than the entire use of potable water for irrigation purposes throughout the territory at the moment. But these decisions haven't yet been made. The feasibility and planning work is currently underway. This is a \$17 million project, \$7 million of which will be provided by the ACT government and \$10 million will be provided by the commonwealth through the National Water Commission.

MRS BURKE: How far along is that whole project?

Mr Stanhope: It is well advanced. At this stage, the project is divided into two. The first part of the project at this stage is subject to government decision, but the recommendation that most likely will be made to government is that it commit to a Sullivans Creek catchment project such as that which I have just described. The second part of the project requires far more detailed assessment and study, assessment which at this stage is being undertaken on behalf of the government by the CSIRO. We will investigate the capacity of, at this stage, Ginninderra Creek, Yarralumla Creek and Weston Creek to be part of this particular reclamation project.

MRS BURKE: Do you envisage any sort of time line for the final product?

Mr Stanhope: Between now and 2010, with the first construction almost certainly to occur on Sullivans Creek before the end of this year.

DR FOSKEY: I would like to go back to the climate change strategy. I note that item k of the sustainability and accountability indicators on page 293 indicates that the ACT climate change strategy was prepared in 2006-07. Are we going to see it before the end of the financial year?

Mr Stanhope: What, within the next week?

DR FOSKEY: Yes.

Mr Stanhope: No.

DR FOSKEY: Okay. I have been promised it for a fair while. It is hard to talk about the \$1 million that has been put aside in its absence, but you said before that the greenhouse gas abatement scheme was a major part of the government's—

Mr Stanhope: To date.

DR FOSKEY: Yes. Is the government aware of the persuasive critiques which indicate that the greenhouse gas abatement scheme actually doesn't really reduce greenhouse gases as much as governments would like to think it does and that, because the emissions in that scheme are based on a per capita benchmark, the emissions will continue to rise even when everybody involved fully complies with the GGAS?

Mr Stanhope: I am not in receipt of that advice, Dr Foskey, but I am more than happy to ask those that might have details around those accountability measures to

respond to that.

DR FOSKEY: I would love to make it available.

Mr Stanhope: I ask Mr Ottesen to respond, Dr Foskey.

Mr Ottesen: Yes, we are aware of the criticism that has been made by some people about the programs. As you recall, our program mirrors that of New South Wales, and it is an attempt to try to incorporate or create a market for greenhouse emission abatement certificates. We are in close consultation with the New South Wales government and they are looking at mechanisms to correct calculations because of these so-called inadequacies. We are looking at it, but we are looking at the longer term as well and the view is that ultimately with an emissions trading scheme the current system would cease. So this is a step towards emissions trading.

DR FOSKEY: Given our understanding of its inadequacies, I am wondering why the government doesn't actually propose that the benchmarks of the scheme be lowered from 2007, instead of staying at a set level till, currently, 2012.

Mr Stanhope: Mr Ottesen would prefer to take that on notice. Our hope, of course, is that by 2012, with commonwealth leadership, there will be a national emissions trading scheme. I think that is now the commonwealth's intention, that that is now the current government's intention.

DR FOSKEY: So we could be actually lowering until then. Finally on this line of questioning, has a climate change strategy as yet unknown to us been developed by the Office of Sustainability in consultation with all the relevant departments, including the environment, so that it contains things such as recommendations as to how to conserve biodiversity due to the impact of climate change on ecosystems?

Mr Ottesen: As you would be aware, this strategy has been developed both in consultation with the community and across government. We have had a committee set up across government to ensure that there is input across agencies. We followed the normal procedures whereby drafts are circulated through the existing government process to ensure that all agencies have input. There are many actions in there which will influence and require input and activity by all agencies. That would include areas on emission abatement and on adaptation, which are both very important areas. So there are actions under each of those. Protection of our biodiversity and the conservation estate is also addressed.

DR FOSKEY: When will we see it, Mr Stanhope?

Mr Stanhope: I can't promise a date, but the draft strategy has already been considered by cabinet. It will be considered again by cabinet today. At this stage, there has been quite significant and robust discussion within the cabinet, as one would hope, in relation to the draft strategy. It is already being considered by cabinet. Cabinet asked for some additional work to be undertaken and it will be considered by cabinet again. So it's at that stage.

The draft is at, essentially, its final stage. It has been actively considered by cabinet

and officials are responding to additional requests being made of them by cabinet in relation to the strategy. It may be that cabinet will conclude its consideration today. It may be that members of my cabinet, taking a very active and deep interest in the strategy because of its importance, might again request that further work be undertaken. But it's in that time frame. So we are basically at the line; we are just not quite across it. I would imagine that it will be able to be released within the next few weeks.

DR FOSKEY: You said that before, Mr Stanhope.

Mr Stanhope: I did. It went to cabinet last week and my colleagues impressed me with the depth of their interest and their requirement or desire for further information and further consideration of a number of matters and, indeed, consideration of some additional issues. It's at cabinet, but I am not going to pre-empt whether cabinet will sign off today. Perhaps it won't. But if it does, then I would imagine that it will have to be printed et cetera, and we will need a few weeks for that. So it is in that time frame, Dr Foskey. Let me say its release is imminent.

DR FOSKEY: Would you say that the whole discussion has been a learning process for your ministers, an educational process about climate change?

Mr Stanhope: Most certainly, as is almost every issue that comes before cabinet. Each of us concentrates very much on our portfolios. Of course, one of the challenges always, particularly in a small government with only five ministers, is that on everything that comes to cabinet often we are confronted, through the cabinet process, with issues in relation to which we have no day-to-day contact and no depth of understanding as a result, and cabinet is a rigorous process. It is a tough process, and Mr Stefaniak would attest to that. Of course it's a learning experience. I learn constantly, through the cabinet process, in relation to matters that my colleagues bring before cabinet.

THE CHAIR: We will take a break and return at about 10.50 am still with the environment and climate change.

Meeting adjourned from 10.29 to 10.46 am.

THE CHAIR: Thank you, members, and welcome back. We are still dealing with environment, water and climate change in the Department of Territory and Municipal Services. Chief Minister, in an answer to my question earlier on you mentioned clean and green energy solutions for the ACT. What is the ACT government doing locally to promote renewable energy?

Mr Stanhope: I might ask Mr Ottesen to assist me with this. I think the two most significant initiatives are those that I did go into in some detail previously. The engagement by the ACT with the New South Wales greenhouse gas abatement scheme is essentially around mandating renewable sources of energy by our electricity retailers. In the context of the ACT government—in advance of decisions that we will announce in relation to the climate change strategy, which will be released imminently—there is the decision to purchase 23 per cent of the ACT government's electricity requirements from green sources. In the context of direct initiatives being

pursued by the ACT government, those would be the two most significant. But there is—in the suite of other initiatives which we pursue across the board—a determination to pursue that.

In relation to issues around alternative forms of energy—solar power or a greater focus on gas, or those other forms of power that are not as greenhouse gas-emitting, say, as electricity—it would be of some benefit to the committee if Mr Ottesen were to talk through how there is an interconnection between the range of initiatives which we have pursued in the past.

Having said that, there will be greater detail provided in the climate change strategy, which I will be releasing imminently, in relation to initiatives highlighted, for instance, through funding provided for in this budget in relation to the establishment of a new technology showcase. We will initially undertake a feasibility study to see how we might proceed with that. It would be useful for Mr Ottesen, who is developing and who will be responsible for that feasibility study and then the ultimate implementation, to address that.

We have also, in this budget, allocated \$1 million simply into a trust for use by ACT government-owned building occupants. It would be useful for Mr Ottesen to perhaps talk about that direct budget-funded initiative as well. In addition to that, this budget provides \$1 million a year over at least each of the next four years to fund initiatives that will be outlined in greater detail in the budget.

In addition, as I have indicated, the government will, in the climate change strategy, adopt and begin the implementation. We will do some additional feasibility work on a proposal that you have championed over the last two years in relation to the adoption of a feed-in capacity by individual residents. Greater detail in relation to that will also be provided within the whole strategy. If Mr Ottesen could go to the budget initiatives and provide an overall view on initiatives that we have pursued it would be useful.

Mr Ottesen: I add that we have now altered the ACT energy wise program, which has been underway for a number of years, to allow a rebate for solar hot water systems where an auditor who has gone through and audited a house identifies that as a priority activity that could be undertaken to generate energy efficiency in that particular house.

In terms of the budget, there is a demonstration project with funding from this year's budget to test and promote microgeneration technology. It is happening in many places around the world. It is one of those things that people often feel a bit uncomfortable about—photovoltaics or wind turbines and those sorts of things. I am talking about small wind turbines; not about the large 60-metre towers that you see out in the countryside. They are now becoming very popular in Europe. The government has put aside some money.

First we will do a feasibility to look at what sort of buildings—we are looking at government buildings, maybe a school, an office building of some sort, maybe a public building—where we can install those. There will be the opportunity for us to get an understanding of what is involved and show the public what these things sitting on a building look like—there is a bit of touch and feel there. It is very important that

people develop confidence through awareness by seeing these things in operation. That is an important one.

One million dollars has been set aside to set up a loan fund—an energy-efficiency fund. We have done considerable work on auditing government buildings. We know that there are efficiencies to be gained there. But often agencies do not necessarily have the money up front to invest in that work. That is not necessarily a large amount of money.

We want to say to agencies, “You can come forward and seek to borrow money from that fund but it must be based upon an audit, a proper audit, and a payback period”—so a proper business case. Usually within three years we would expect that money to be paid back. We see this fund as continuing for some period. We are in the process of writing the guidelines that will go with that. We hope to have details of that sorted soon. This is something that will continue for a number of years.

Finally there is the feed-in tariff policy. This is part of the climate change strategy. This is another policy which has become well used in other jurisdictions. It is a way to encourage those people who want to invest in renewable technologies for their houses or their buildings. Photovoltaics is the one that most people think about. It is an attempt to give them a bonus—in other words a higher price—for the energy that they produce and sell back into the grid. So it is a price higher than the price that they would pay to buy energy out of the grid. It has been done in a number of countries around the world. As I said, it is an attempt to try to reduce the amortisation period for investing in such technologies. The commonwealth’s new \$8,000 rebate will also assist in the uptake of that technology.

MR STEFANIAK: I have a supplementary on that, Mr Ottesen. Chief Minister, Australia has more sunshine than anywhere else in the world; Canberra has more sunshine than anywhere else in the country. Because of our cool climate, that is apparently excellent in terms of solar energy. What are you doing, if anything, in terms of looking at a more major project whereby we could harness the sun power in Canberra and perhaps have a significant amount of our electricity supplied by solar energy? I am thinking in terms of utilising the expertise of the ANU and Canberra University, and the CSIRO. There are a number of possible projects that we could take up. Surely there is more we can do and utilise the skills of people we have at our universities and the CSIRO in terms of supplying a significant amount of our needs through a major solar-powered proposal.

Mr Stanhope: I do not dispute that, Mr Stefaniak. We need to continue to pursue opportunities available as a result of emerging technology and emerging sophistication of solar energy and solar power, and the extent to which we can utilise those. The two initiatives that Mr Ottesen just went to are really very much at the forefront of what we as a jurisdiction might do in relation to a feed-in capacity.

Mr Gentleman has been very active over the last two years in developing proposals. He has been discussing with me, with the Office of Sustainability and with the ACT government agencies generally the development of the policy. As I have indicated previously, I do not want to pre-empt the climate change strategy because it has not yet been finally concluded by cabinet; cabinet has not yet agreed to the strategy. It is

very complex. It is a very broad and a very detailed strategy and it requires effort.

Mr Gentleman's proposal—which I have previously indicated that the government will seek to adopt but we need to do some additional work on it—is entirely around harnessing solar energy. It is around individual householders having the capacity to feed back into the grid power that is generated by them individually. It is a policy that I have previously announced we will embrace. Similarly, as Mr Ottesen has just explained, we need a better understanding of how we might utilise alternative sources of power. We need to do the cost-benefits; we need to know what technology we can best use.

In this budget we have established a \$1 million fund to allow us to take that next step to showcase; to do some feasibility in the context of ACT government-owned buildings, whether it be office buildings, whether it be schools or whether it be this building. This is one of the buildings we own. Perhaps there is an opportunity for either the Assembly or CMAG to provide something of a very visible showcase of alternative energies or technologies.

As I have just indicated, Mr Ottesen will undertake a feasibility study with those very experts that you are talking about with a view to giving us some better understanding. Some of the technology that I know South Australia has embraced, which, as Mr Ottesen has just indicated, has been utilised around the world, is small wind-powered generators. There are none here in the ACT; I do not know of one. We need to experiment with that technology. We need to understand the costs and the benefits. Irrespective of that analysis, we need to look at the leadership that the territory can provide in relation to alternative technologies.

Mr Ottesen has gone to where we are up to with that. As always, we will continue to explore the range of rebates that we as a government can reasonably make available in relation to solar technologies, solar hot water systems and solar power. These are very much at the heart of the climate change strategy, which we will be releasing shortly.

MR STEFANIAK: I note the initiative and some of the ideas. That is good on an individual basis. It was suggested to me by an expert from the ANU that, if you had basically a 70-kilometre by about 50-kilometre grid of solar panels somewhere in Australia, that would capture and supply us with all our solar needs. I was wondering whether we could do something smaller along those lines in the ACT—maybe a football-sized field of solar panels; we could utilise the expertise of our scientists and engineers—as part of that \$1 million. That is a reasonable initiative in the budget, which we can build on a lot more. We can be at the forefront and supply our own needs if we come up with the right solution.

Are you in contact with people from the ANU? Are you in contact with the CSIRO? Are you in contact with the scientists and engineers who come up with these ideas, which often do not cost very much but just need a kick-start?

Mr Ottesen: Yes, we are in contact with them. I am on the ANU's advisory board for the ARC solar energy systems research team. I know the people involved. I meet with them regularly. Therefore, I am very well aware of the technology and the potentials that they have, but also the constraints or the obstacles that exist to the

commercialisation of those technologies.

The other thing is that the potential for utilisation of these technologies is based upon many factors. Some big investments have to be made. In the ACT—because we basically buy most energy—we use the market and our buying power to influence the sorts of energies that we would like to bring in and promote renewable that way. Hence the government's policies on buying its electricity contract and the GGAS scheme are all examples of ways to try to stimulate the markets and therefore influence the supply of energy from generators from other parts of Australia. Because we are part of a south-east Australian grid.

DR FOSKEY: Before you were speaking—in response to a question I think from Mary—about the \$1 million renewable energy technology fund. Will this fund be available to people who are implementing innovative renewable energy technology projects? Or is it totally targeted to government to instigate its own projects?

Mr Stanhope: Yes.

DR FOSKEY: The latter?

Mr Stanhope: Yes. At this stage it is very much government-focused to allow us, in relation to the buildings that we own, to ensure that we are showing leadership in relation to our own behaviours.

DR FOSKEY: Thank you for that. I note that preparation of the sustainability legislation has dropped off the priority and the accountability list. Does that mean that any intention to reduce the sustainability legislation has been totally dropped?

Mr Stanhope: It is not the government's priority at this stage. But I maintain a commitment to it. I believe that it is something, as resources permit, that we will again consider. At this stage I am very much focused—and have been for the last year—on ensuring that officials of the Office of Sustainability and Mr Ottesen are very much focused and devoted to the climate change strategy. We have a finite level of resources available. I believe it was stretching us too thinly. It has not been abandoned, but it is not a priority.

DR FOSKEY: It was an election commitment, I think.

Mr Stanhope: Yes, it was.

DR FOSKEY: Does the Commissioner for the Environment now report to you or to Mr Hargreaves?

Mr Stanhope: No; to me.

DR FOSKEY: Is the Commissioner for the Environment here today?

Mr Stanhope: He is not here today.

DR FOSKEY: The Commissioner for the Environment is not amongst the list of

participants here. Can we return to that?

Mr Stanhope: We will have to arrange an appropriate time. The issue is that the commissioner is out of Canberra this week. But I am more than happy to arrange for an appearance at a mutually convenient time. I think that would be appropriate.

DR FOSKEY: I assume that I will not be able to ask questions in his absence.

Mr Stanhope: I would prefer that you did not.

DR FOSKEY: I would appreciate that, Mr Stanhope.

THE CHAIR: Mrs Burke?

MRS BURKE: This involves Environment ACT. I note that we have officials from Environment ACT, Chief Minister.

Mr Stanhope: Yes, certainly.

MRS BURKE: By way of background, if those officials are here they may want to come forward. It may be more appropriate that they answer this; I am not sure. You may be able to help. I understand that both Telstra and the local Macarthur-Fadden residents have indicated that they support the erection of the Telstra 3G tower on Fadden-Macarthur ridge. That is approximately half a kilometre north of Karralika. Telstra believes it would be well placed there to serve the needs of the residents, and believes that this particular location is the least obtrusive in terms of residential and local environmental issues.

However, I understand that the ACT government has indicated to the residents of Fadden-Macarthur that Environment ACT have indicated that they do not support the erection of the tower in that location. As we know, ACTPLA have received an application from Telstra to locate the tower 200 metres south of the Fadden water tower, within 100 metres of houses and in an area where a significant number of trees will have to be cut down. That is by way of background. Why is Environment ACT against the location of the tower north of Karralika; that is, in a more appropriate, less obtrusive area, which is already serviced by an all-weather road?

Mr Stanhope: At this stage there is nobody here who is aware of an Environment ACT position of opposition to the tower. In the context of your background, the reference to trees gives us some insight. There is nobody here today that has any knowledge of Environment ACT expressing a position of opposition. I do not know whether it would be some other area of government or of the department. It has not been drawn to my attention. We have no knowledge of TAMS, let alone Environment ACT—

MRS BURKE: Would you be able to find out for us and let the committee know? It has been drawn to my attention.

Mr Stanhope: Most certainly, yes. It has not been brought to my attention. I have no knowledge of it at all. I have knowledge of the tower and of the issue, but not of

departmental opposition.

MRS BURKE: Yes, of course. We talked about it earlier in the week. If there is such advice, would you be able to get that advice and table it for the committee?

Mr Stanhope: Most certainly, Mrs Burke.

MRS BURKE: Thank you. Very quickly, why did ActewAGL reject Telstra's application to erect the 3G tower on Actew land in the vicinity of the Fadden water tank? You might need to now take that on notice.

Mr Stanhope: I will take that on notice.

MR STEFANIAK: I know that 1.3, sustainability, deals with recycling and, indeed, no waste. I assume this is probably the correct place to ask this question.

Mr Stanhope: No, that is John Hargreaves and TAMS.

MR STEFANIAK: So any questions in relation to Revolve should go to him?

Mr Stanhope: Go to John Hargreaves.

MR STEFANIAK: I will do that, Chief Minister. I have another question. In relation to water in the lower catchment area, a number of trees were replanted. This ensured good quality water for some time after the fires. But that program, I understand, was stopped. It would be very desirable, in terms of ensuring good water quality, if further trees could be planted in the lower catchment area. Why is that on hold? Are there any plans to plant more trees there to ensure good quality water?

Mr Stanhope: I defer to officials. I am not sure who is up to date on the strategy. This is in relation to the lower Cotter catchment?

MR STEFANIAK: Yes.

Mr Stanhope: Just by way of some background—I will have to go to members of the department for more specific information—there was, as I think you are aware, a decision announced almost two years ago in relation to the future of the catchment and its rehabilitation. The issue then focused very much on the appropriateness of seeking to re-establish a commercial pine operation within the lower catchment.

There was a range of views in relation to that. At the end of the day, the view that predominated and the view which the government accepted was that we would not seek to re-establish commercial forestry operations. There is a view—and it is a view that persists, so there is some dispute around this—that commercial forestry operations, particularly of softwood or radiata, are anathema to the maintenance of a high quality catchment. The decision we took was that the major and number one priority in relation to catchment restoration or use would be water quality. To that extent, decisions that we took in relation to commercial pine plantations took second rank to water quality.

In addition to that, the experience we gained post the fire in relation to the capacity for natural revegetation did not entirely match some of our expectations at the time of the fire. The lower Cotter particularly, which had been heavily cropped for many years—for decades; in some places for more than 60 years—exceeded initial expectations. The degree of revegetation with natural species really is far greater than was initially imagined. There is now a very strong and growing belief that because of the level of revegetation in some areas they will not require any replanting of trees at all. We continue to monitor that. There is still work being undertaken in relation to the management of the catchment.

The two issues at the heart of your question—I need to take some advice on some of the detail—are decisions that were taken in relation to commercial forest operations. There is a growing understanding, through observation of the fact, that nature herself is repairing to a significant extent the damage the fire did. I defer to Mr McNulty in relation to the overall strategy now being adopted by the government in relation to the management and rehabilitation of the lower Cotter and of the catchment generally.

Mr McNulty: The government is preparing a strategic management plan for the lower Cotter catchment which will, through a series of implementation plans, drive the actions in the catchment over the next few years. That strategy is being developed by a group of stakeholders involved in the catchment. Public submissions were called for and we have taken into consideration the finalisation of the strategy. It is anticipated that the strategy will be adopted by the government in the near future.

In the meantime, however, Actew are doing a lot of work focusing on constructing and reinstating sediment control dams, improving drainage of fire trails and roads and closing unwanted roads. Parks, conservation and lands and TAMS have focused on seeding bare ground with native and pasture grass seed, planting native trees and shrubs, controlling pine wildlings and blackberry and facilitating community engagement.

We have also been successful in obtaining, under the national action plan for salinity and water quality, funding of almost \$1 million over two years for a soil and vegetation management project, and that project is just kicking off now. So I guess some interim work has been carried out while the strategy was prepared, and then the strategy and its implementation plan will drive the work over the next few years in regard to the rehabilitation of the catchment.

MR STEFANIAK: Thank you.

THE CHAIR: Ms Porter, you had a supplementary question?

MS PORTER: Yes, chair. Minister, you would be aware that there has been a lot of work being done by Greening Australia in the lower Cotter. I believe it has been done because I have been up there planting trees and cutting down pine wildlings and stuff like that. How is the ACT government working in conjunction with Greening Australia to enable this work to happen?

Mr McNulty: Those projects are mandatory with the NHT program which the government facilitates through the process I outlined earlier with the joint steering

committee. Funding is arranged through that committee and the government makes sure that all that work is consistent with the plans for the catchment.

MS PORTER: How much of that work is Greening Australia work compared with what the department does? Is it a fraction of it or—

Mr McNulty: It would be a relatively small component.

MS PORTER: Yes. It involves lots of—

Mr Stanhope: But Greening Australia is a very significant partner in the work that the ACT government does in replanting, regreening and revegetating the ACT.

MS PORTER: It is very good because it involves many, many members of the community getting involved.

Mr Stanhope: Yes.

Mr McNulty: It does.

MS PORTER: I think that is what the beauty of it is in many ways. Thank you.

THE CHAIR: Dr Foskey.

Mr McNulty: May I just add to that, if possible?

MS PORTER: Yes, of course.

Mr McNulty: Greening Australia apparently has an ambitious goal to engage 5,000 volunteers in planting and maintaining over 100,000 trees in the lower Cotter catchment. Community interest is also evidenced by the activities and involvement of a number of other groups, such as the friends of Blundell's Flat and the national parks association. Greening Australia is one of a number of community groups engaged in rehabilitating the catchment.

MS PORTER: Thank you very much, Mr McNulty.

DR FOSKEY: Thank you, chair. In last year's budget the environment portfolio was transferred to Mr Hargreaves. This year—

Mr Stanhope: I am sorry, Dr Foskey. Could you just start again? I beg your pardon.

DR FOSKEY: I am just interested in why last year's budget transferred the environment portfolio to Mr Hargreaves and this year it went back to you, Mr Stanhope. Why this journey, and are there any budgetary implications?

Mr Stanhope: As I indicated earlier, Dr Foskey, I did take some very broad decisions last year in relation to the administrative arrangements order which, for the sake of efficiencies, administratively transferred environment and sustainability, as it was broadly then known, from the Chief Minister's Department to the Department of

Territory and Municipal Services. It is essentially a territorial and municipal function. Through that administrative arrangement—indeed, through last year’s budget—I sought synergies and efficiencies in administration, and we have achieved very significant and fundamentally important efficiencies across the broad ACT government.

As a result of other administrative arrangements that I made—namely, the transferral of other responsibilities to me and the synergies that I sought to achieve through the collocation of territory and municipal services within the Department of Territory and Municipal Services—I allocated workloads. I did at that stage try very hard to maintain—and I must say this was something of an experiment—a notion where, to the extent possible, a single minister had overarching administrative responsibility for a single department.

I must say that I believe that ambition was perhaps too great in the context of a very small cabinet. It is incredibly difficult in the ACT, with five ministers, to create a structure which allows the creation of departments with obvious synergies or relationships and then to create a situation in which a single minister is responsible for an overall department. Every government, I think, has tried this. This has been the ambition of every government since 1989, and I think my attempt last year was a gallant effort to achieve that. I believe it is a fine aspiration, but I no longer believe it is achievable.

To some extent, the administrative arrangement changes that I made in April this year are quite small, but they are a reflection, perhaps, of a final acceptance by me as Chief Minister that it is simply not possible, in relation to distribution of workloads and responding to individual ministers’ interests and strengths, to create within the ACT in a five-person ministry an arrangement whereby each minister is responsible for a single department. I no longer believe it is possible. Last year I had a bit of a throw, even then with some exceptions, but I no longer accept it as an achievable model within this Australian Capital Territory. To some extent I sought a structure that I thought would be in our best interests, but because of the size of the cabinet I no longer believe it is achievable. It is as simple as that.

Following from that, there are additional elements, of course, and one of those is that I believe that the biggest issue today facing the government—and if it is the biggest issue facing the government, it is the biggest issue facing the community—is water. Who would deny that the biggest issue facing this community in the medium to longer term is climate change? As Chief Minister and head of this government, I have accepted responsibility for those two issues.

THE CHAIR: Are there further questions on the environment and climate change?

MR MULCAHY: I have one.

THE CHAIR: Yes.

MR MULCAHY: Chief Minister, I want to raise the issue of Albert Hall in terms of heritage. Can we deal with that under 1.5 or not?

THE CHAIR: Environmental regulation?

MR MULCAHY: It has got heritage within the output.

Mr Stanhope: Yes.

THE CHAIR: Yes.

MR MULCAHY: Chief Minister, I am just wondering for how long Heritage ACT has been aware of the deteriorating condition of Albert Hall. I am wondering, in fact, if this deterioration has impacted on the heritage value of the site. Just by way of background, I recall Mr Quinlan sitting there some years ago talking about setting aside funds to do work on Albert Hall. It obviously still has not materialised and this is an issue of major concern now in my electorate.

Mr Stanhope: We are very aware of the heritage significance of the Albert Hall, Mr Mulcahy. I think we are very sensitive to it. The Albert Hall and its management, as a result of its heritage status, present some unique challenges to the territory. We accept that. For 11 years now the Albert Hall has been privately managed under contract; indeed, I think in all that time it has been privately managed by the same provider. That arrangement provides for the payment of an annual fee to the territory and it requires that the contractor undertake minor repairs to the fabric to ensure that it can be utilised. I think there is some subsidy to ensure that there will be some capacity for community use.

I cannot quite remember, but I think over this last year the Albert Hall was utilised by the community on 25 occasions out of 352 days. I think that goes to the heart of the issue which all governments have struggled with in relation to the Albert Hall. There is a strong desire that this most iconic heritage building be preserved and remain a building that reflects its place within the heritage, the history and the development of the Australian Capital Territory. But it represents a very significant challenge in terms of its upkeep and its maintenance vis-a-vis its utility.

Accepting that for 11 years now it has been privately managed under a tender process, through the latest contractual round in relation to its future maintenance and operation, we sought to ensure that it remains a living building and a living part of our community. Through that process we were exploring the capacity for a private sector operator to accept the cost of the necessary support and upgrade. I am not aware of any concern that the heritage standing of the Albert Hall has been in any way affected. I certainly accept, and the government has accepted for some time, that there is a need for some significant maintenance, to the tune of at least \$1 million, if not slightly more.

To meet those costs we have been looking, as a government should, for a private sector operator seeking to utilise the Albert Hall for commercial purposes. I am not sure that that is going to be a result of this latest round and, to that extent, whilst it was my hope as recently as six months ago that we could, through a public tender process, attract a commercial operator that would invest in the Albert Hall, thereby removing that requirement from government, from the public purse, I am becoming less and less convinced that that is going to transpire, in which case the government

will have no option but to fund that restoration work and perhaps even to find an alternative management structure.

I have concerns about that. I have concerns about the ACT government accepting full responsibility for the restoration of a building which the community, in recent years, have not utilised. I love the Albert Hall. I think it is one of our great buildings but we, as a community, have not utilised the Albert Hall. I think it was utilised on 25 occasions in the last year. In other words—

MRS BURKE: It is because it is so run down.

Mr Stanhope: It is. It is a chicken and egg circumstance.

MRS BURKE: People will not go there.

Mr Stanhope: There is no doubt about it. But the nature of the town has changed. We now go to our clubs for the sorts of services that the Albert Hall previously provided. It is what we do.

So there are issues for the government. We are grappling with these. It is a matter that is under active consideration within government. The government is now revisiting the prospect that it will be the government that pays for the refurbishment of the Albert Hall. It will be the government, perhaps, that is left to manage it. I need some fairly close advice on the cost implications of that for the government. I am not sure that this government or any government should be in the business of running a commercial venue, as it is envisaged by many that we might, in relation to the Albert Hall.

MR MULCAHY: Is it reasonable, then, Chief Minister, to assume that, given that the territory looks like it might have to foot the bill to get this thing back to a reasonable standard, you are not likely to expect the successful operator really to recover those costs for you and the successful operator would be more running it as a commercial enterprise of a restored facility? The reason that is important, obviously, is that if the operator has to recover all these costs, I cannot see how community groups are going to be able to afford to access the facility. The 25 is probably, as Mrs Burke has mentioned, partly because it is run down. Also, I gather the costs have gone up because of public liability. It seems to me that the government may have to sink the money and then make it available on reasonable terms, rather than trying to get all these costs recovered.

Mr Stanhope: Frankly, Mr Mulcahy, that is the discussion that I am currently having. The government is certainly reconsidering the options potentially available in relation to the maintenance, restoration and future use and management of the Albert Hall. We are revisiting it certainly as a result of listening to community views. There was a very strong view expressed through a recent public meeting that the Albert Hall should not be privately managed, that we should not have gone to tender. I guess implicit in the view that has been put is that the government should not, for the last 11 years, since 1996, have been utilising the private sector for that use. That is a view that is now being expressed and I think that is a view that certainly needs to be fleshed out and perhaps, at some level, challenged in relation to what the community's expectations of

the government management of the Albert Hall might be.

What are the implications to the government of getting into the business of managing the Albert Hall? What is the underlying philosophical position here, that this an iconic building that can only be managed by government? Why? What is it that government would bring to the management of Albert Hall that the private sector would not bring to the management of the Albert Hall?

I think, Mr Mulcahy, that the point you make about the cost a private sector operator of the Albert Hall as a community facility would have to charge to cover his costs or the costs of the investment is valid. Through this tender process we have sought a potential way through. One goes to the private sector from time to time for inspiration and for the identification of opportunities. You are a major advocate of this, Mr Mulcahy. Private business does private business better than public business does private business.

MR MULCAHY: The deal has to stack up, and obviously that is the concern.

Mr Stanhope: Of course it does.

MRS BURKE: What is the time line, Chief Minister?

Mr Stanhope: These are issues that we are now revisiting, and we will reassess them. I have also asked for broad advice on the issues. If the government were to invest and resume responsibility for management, who in government would manage it? Would it be the Cultural Facilities Corporation? Would it be the convention bureau? Would it be EPIC?

MRS BURKE: What are the time lines, Chief Minister?

Mr Stanhope: Would it be that part of TAMS that manages the Canberra Stadium? Interestingly, when one begins to reflect on this—

MR STEFANIAK: It would not be sport and rec, Jon. I got rid of it 11 years ago.

Mr Stanhope: We do have some expertise, but I think the Albert Hall is in a slightly different category.

MR MULCAHY: Just one last thing on this, Chief Minister. Could you tell us what the practical significance will be of the nomination of Albert Hall to the National Heritage List? What sort of time scale are we are looking at with that particular process?

Mr Stanhope: I think it is significant symbolically in relation to the message it sends to both this community and to the commonwealth in relation to our joint management responsibilities.

MR MULCAHY: Are there any financial implications in terms of their funding?

Mr Stanhope: No, I am not aware that it has any financial implications, but it

certainly has implications in relation to the way in which decisions will be made particularly in the future in relation to Albert Hall and its precinct. I think we need to be clear as a government that we express through, say, a nomination to the Australian Heritage Register the significance of this building to the people of Canberra. As always, you know, there are two aspects to Canberra—Canberra the national capital and Canberra the home of 336,000 people, all of whom are enormously proud and protective of the Albert Hall.

MRS BURKE: So what are the time lines, again, Chief Minister, for this process?

Mr Stanhope: I do not know the time lines. I would be happy to provide some advice to the committee in relation to the nature of the process and the anticipated time lines for consideration of the proposal that the Albert Hall be listed or registered.

MRS BURKE: Thank you.

THE CHAIR: Thank you, Chief Minister. Thank you to the officials from territory and municipal services. We will now move on to indigenous affairs and the Department of Disability, Housing and Community Services in output class 3.2.

Good morning, officials. You are all well aware of the conditions on the card that we have read before? Thank you very much. Minister, would you like to make any comments at the start of this hearing?

Mr Stanhope: I have no opening comments to make, thank you, Mr Chair.

THE CHAIR: Thank you.

Mr Stanhope: But as always, of course, officials from the department are very willing to assist the committee in any which they are able.

THE CHAIR: Do you have any questions, Mr Stefaniak?

MR STEFANIAK: Thanks very much, chair. Chief Minister, I refer to a very topical issue in relation to indigenous affairs, and that is the Prime Minister's announcement on Friday and specifically your comments. In an interview with Noel Pearson, Mark Colvin asked:

... ACT Chief Minister Jon Stanhope says these are racist measures, He says he's absolutely disgusted that anyone would support them, including Reconciliation Australia.

Noel Pearson, in his response said:

Oh, I don't know what planet Jon Stanhope lives on. And I don't know that he knows the circumstances of any Indigenous community that we're talking about. But how anybody could put the protection of children as a second priority to anything else, I can't understand that.

Every child that is being subjected to neglect and abuse is calling out for us to take decisive action, not in six months, not in two years time, not when Jon

Stanhope can deliver Nirvana in our times, rather they require relief now.

Why did you make those comments, Chief Minister, when the Prime Minister and Mr Brough came up with this initiative, which Kevin Rudd, your leader in the federal scene, supports and which Morris Iemma, your counterpart in New South Wales, supports? Why on earth did you make the comments that it was racist? What makes you better equipped to deal with these matters than Noel Pearson, who has immense expertise in this area? Indeed, isn't your comment somewhat racist in itself because these are little children who have suffered immense abuse?

Mr Stanhope: I made the comments I made because I believe them to be true. Mr Chairman, could you actually refer me to the page in the budget papers that we are discussing at the moment?

THE CHAIR: Well, it is under community and homeless services.

MRS BURKE: It is a broad gamut. You know that, Chief Minister.

MR STEFANIAK: It is a broad gamut, Chief Minister.

THE CHAIR: But we should really keep our questions relating to the budget. That is the purpose of the committee. Dr Foskey.

DR FOSKEY: The projected funding in the budget of \$200,000 a year for the indigenous representative body is supposed to meet the needs of infrastructure, remuneration, essential costs and the enabling of a body to perform a representative function. How was this figure arrived at and who was consulted in devising it?

Mr Stanhope: Thank you, Dr Foskey. This particular proposal, as you know, also received some funding support in last year's budget, and I will ask Mr Manikis in a moment perhaps to go to some of the details of the funding last year and the increase in funding for the representative elective body that is incorporated in this year's budget. This has been a project that has been in development for some time now. It has been very broadly consulted. We have engaged consultants or facilitators to assist us in that. There have been broad efforts at consulting with the Canberra community. To some extent it is through that very detailed consultation process that we find that this particular project has a reasonably long past.

There has been broad discussion around a range of models that might be utilised in the ACT to ensure this very significant and, I believe, reasonable level of self-determination for indigenous people within the Australian Capital Territory. I think at the heart of much of the debate we are having nationally in relation to indigenous affairs is an acknowledgement that consultation has been rendered far more difficult by the abolition of ATSIC. I think you are probably aware, Dr Foskey, that this particular initiative for an indigenous elected body in the Australian Capital Territory is very much a response to the fact that ATSIC and ATSIC regional councils were abolished three years ago and that there is not now a cohesive or acknowledged indigenous representative organisation anywhere in Australia, let alone in each of the regions.

So that is the background. It was a determination by this government and this community that we should respect the right of indigenous people to be involved in decisions that affect their lives so fundamentally and that indigenous people do have a right to a degree of self-determination. We, as a government, have been negotiating closely with indigenous people within the Australian Capital Territory in order to ensure that an indigenous representative body in the Australian Capital Territory has the capacity to relate to government, to represent and, indeed, to allow us to conduct elections so that all indigenous people in the territory can be involved in the direct election of their representatives.

That does require funding, and the additional funding provided in this year's budget, combined with the funding provided last year, will, we hope, within this financial year allow the establishment of this body, which we believe will fulfil a genuine role within the territory. But Mr Manikis has details around the funding and the nature of some of the consultation that was undertaken.

Mr Manikis: As the Chief Minister has stated, the funding that we have had in the past has largely gone towards consultation. There has been quite a comprehensive consultation undertaken with the community—north, south and in the centre. We have made sure that it is geographically spread in terms of the reach that we have been attempting to effect. Through our consultants we have had quite a sound response to the proposal and, in terms of the outcome of where we are heading, quite an engaging with this model.

The model—there are some options that we will be putting to government shortly. The funding this year—what we are looking at, because we are implementing the model this year, is to actually get the model up and running. There are two positions that we are looking at this year. One will be research-policy support for the elected body. The other one will be admin-secretariat support direct to the elected body. There are about 2,500 eligible electors or voters out there, and we are looking to reach every single one of those people. It will not be a compulsory election, but we will need to put in place quite a robust promotion strategy in order to let these people know when they can vote, where they can vote and all the rest of it that goes with that. We are really keen to get as high a take-up rate as possible at the election, because we believe that this is a very important initiative. It is about the voice.

DR FOSKEY: Will the AEC conduct that election?

Mr Manikis: It is. We have been working very closely with the ACT Electoral Commission. Yes, they will be. Of course, it is a user-pays system; funds will come out of this amount to pay for their service. We have also been working very closely with our government solicitor's office over the last year or so, putting together the model. So that is where the money will be spent. But I must say that the key part is the promotion part in getting every single eligible person in this 2,500 group to know that the election is on, the date and where to turn up to vote and encouraging everyone to vote.

DR FOSKEY: And you envisage that that will occur in this financial year?

Mr Manikis: It will occur in this financial year—very confident.

THE CHAIR: Ms Porter, you have a supplementary?

MS PORTER: Yes, thank you. On page 194 of budget paper 4, with regard to the participation of Aboriginal and Torres Strait Islander people, we were just talking about consulting with, participation of and how difficult that is without having an elected body. It mentions there the aim of involving children, young people and families in the further planning and delivery of community services to indigenous people in the ACT. I was wondering if we could have a little bit more detail on how we hope to achieve that.

Mr Manikis: That is page 194, is it?

MS PORTER: It is. It is one of the outputs there.

THE CHAIR: Priorities.

MS PORTER: Priorities, sorry. It is about the third dot point down.

Mr Stanhope: Thank you, Ms Porter. In relation to indigenous affairs, there is a direct responsibility invested in relevant ministers—for instance, in Minister Gallagher in relation to health and child protection issues, and in Minister Barr in relation to education et cetera. I just make that point to indicate that members of the committee might wish to pursue some of these issues with the more responsible minister. I have an overarching interest and responsibility for indigenous affairs. We are more than happy to respond. Mr Hehir and Ms Sheehan can respond to this particular question in some detail now—and Mr Harwood. But it may be that some particular issues or aspects will need to be fleshed out when other ministers, particularly the Minister for Health, are here. In this instance I will ask Mr Harwood to respond to your question.

Mr Harwood: We are undertaking a number of significant projects that will involve Aboriginal and Torres Strait Islander people in the planning and development of services. We are planning three youth forums to get children and young people who have been involved in the care and protection and juvenile justice systems to gather and to discuss the issues as they see them. We are hoping to gather that information and hear the voice of the children and young people that are involved in the system. We hope to hold about three forums. One of those forums will be in Wreck Bay. From those forums we hope to gather information directly from the young people.

Connected to that, we are hoping to have an indigenous out-of-home-care conference in August this year. We will be having the indigenous community come to that—as well as service providers that provide services directed at Aboriginal and Torres Strait Islander people. Following that forum, the last project we have on the plate is a cultural gathering. At that gathering we will again involve the indigenous community as well as service providers and government agencies.

It is through those mechanisms that we hope—particularly in the next financial year, 2007-08—to gain the input of Aboriginal and Torres Strait Islander people and feed that information into policy and practice.

MS PORTER: Thank you. Minister, as you were saying, each of the departments would have some kind of responsibility in indigenous affairs or in forwarding the planning for such services. Is there a whole-of-government plan that we have to tie all these up together?

Mr Stanhope: Very much so. One of the issues that we are all aware of in relation to indigenous affairs is the importance of issues not being solo—for there to be integration, for all agencies to cooperate in relation to ensuring that we do provide the range of services that we are aware that the most disadvantaged segment of our community would wish to be able to access.

In that context, I do have, in Ms Sandra Lambert, an overarching senior officer commitment to ensuring integration across the service. There is an indigenous task force chaired by Ms Sandra Lambert, the head of the Department of Disability, Housing and Community Services, responsible for the office of indigenous affairs within the department of community services. It is a committee that comprises Ms Sandra Lambert, Mr Mark Cormack and Dr Michele Bruniges. They meet regularly to provide whole-of-government agency leadership at the highest level.

This is a committee of three of the government's most senior chief executives. It sets directions for the government in relation to priorities around indigenous issues. It is responsible—and I have tasked them very directly—for improving performance in the delivery of mainstream services, including better coordination of service delivery across government. And it annually reviews each of our individual ACT agency plans on the performance of indigenous-specific programs.

In relation to, say, a child experiencing some issues in relation to his or her education, there are of course a multiplicity of factors that could bear on a child's performance at school or even a child's capacity to remain, contribute or participate in not just education but across the board. In relation to the specific question you asked around integration of services, it goes very much to the integrating and delivery of community services.

At the time I agreed to support the development and creation of child and family centres within the ACT, I must say that uppermost in my mind was the need to ensure that we had an integrated approach to children and families that were experiencing some difficulty or dysfunction. The child and family centres now at Gungahlin and Tuggeranong, to be replicated in Belconnen, are very much at the forefront of ensuring that we do integrate service delivery in relation to children and families. It is through the support of families—developing capacity, developing family skills and being able to genuinely intervene at the earliest possible stage—that we can seek to address some of the enormous disadvantage—

MRS BURKE: Just like the Prime Minister is doing.

MR STEFANIAK: Just like the PM has done.

Mr Stanhope: We will see.

MRS BURKE: You are talking about segregation, with separate programs.

MR STEFANIAK: Yes, we will see. At least he is doing something.

THE CHAIR: Order!

Mr Stanhope: They are very much at the heart of the initiatives that we are pursuing here in the territory. I will ask Mr Hehir to go to some of the philosophy in relation to the family and child centres.

Mr Hehir: The child and family centres operate in terms of a model of bringing people into a friendly atmosphere where they can access a range of services, including therapy services and also education programs that work there. They also have an outreach model where they work with some young mothers who feel more comfortable accessing services from home. We also run services with that. We also have quite a number of programs which are about assisting young mothers to become more confident in their parenting—the giggle and grow program. We are also about to start working with some specific indigenous parents through a program where we are working with FACSIA in terms of an outreach program, again bringing them forward. We have quite a number of programs that are working with that.

In addition to that, we get feedback from some indigenous groups. The Greens network, for example, provides us with information on housing and homelessness services and how we can better match that. We have quite a number of areas there that we are working with. At the recent opening of the Gungahlin and Tuggeranong child and family centres, the work that had been done with the particular Koori preschool was there where they came along and participated in the opening ceremony. I understand that they are regular participants there.

So it does go to the model of both allowing a friendly atmosphere where people can come in and access services, and become more confident in their parenting, and being an outreach program, working with some parents who feel that they prefer a one-on-one approach rather than that. It also does work in terms of early intervention, by identifying some families where the children are more at risk and specifically working with them to try and address those issues.

MS PORTER: This will be children from any family at all?

Mr Hehir: Absolutely, yes.

THE CHAIR: Mrs Burke.

MRS BURKE: Just on the back of that, what stand-alone programs was the Chief Minister alluding to? I think you said in your statement that you would be paying particular attention to programs for indigenous communities.

Mr Stanhope: I am not sure of the context you are referring to.

MRS BURKE: The context is that we are talking about integration, yet you have talked about some stand-alone projects or programs. I wondered if you could—

Mr Stanhope: I do not recall that. I am not sure what you are referring to.

MRS BURKE: Mr Harwood or you outlined them at the beginning of this. I have to say that it flies in the face of the context of what you were saying today: what we seem to be doing here in the ACT is not racist if we are separating some programs—which it would be culturally correct to do—yet what the Northern Territory is doing is racist. I just do not understand where you are coming from.

Mr Stanhope: Perhaps Mr Harwood could refer to the indigenous-specific programs or support provided in the ACT.

Mr Harwood: Yes. In the last budget the government committed funds towards establishing an integrated service delivery model for Aboriginal and Torres Strait Islander families. Again, that is another early intervention approach. It is integrated across three government agencies: the Department of Disability, Housing and Community Services, the Department of Education and Training and ACT Health. Our area is actually driving that work. We established a cross-agency working group. The idea of that particular project is around identifying families early in the system. They might have come to our attention through a notification of care and protection. Care and protection might do their assessment and see that there is no need for further involvement in that area. That family might then be referred to our project as a way of diverting them from entering further into the statutory systems.

During the year, we have developed government structures around that project and developed a project management plan. We have also done a range of assessment tools to work with those families. Hopefully, in the next week or so we should start engaging with those families on a one-on-one basis. Initially we will try to work with six families, but the key of the project is to develop a service delivery model that is appropriate for Aboriginal and Torres Strait Islander families.

MRS BURKE: Given that it is across three agencies, would you agree or disagree—and perhaps this needs to be through the Chief Minister—that the level of assistance is complicated and is not anymore a one-stop shop? That is some of the feedback I get: that it is very complicated for people to tap into some of these—probably good—programs and initiatives. Have we not made it harder for our indigenous community to really get the support and help it needs by making this spread across three agencies?

Mr Stanhope: No. In relation to education programs, for instance, I expect that we would all agree that it should be a program that is provided by the department of education. If it is a health-related program, it is a program that one would expect and imagine would be provided by the department of health or community services. I now have some further advice, Mrs Burke, which I am happy to share, in relation to specific indigenous programs that you asked for.

MRS BURKE: To save time, do you want to table that?

Mr Stanhope: No, I am happy to provide this information.

MRS BURKE: Thank you.

Mr Stanhope: At this stage, indigenous-specific program funding is provided for indigenous student support and the indigenous family support service in north Canberra. We have an indigenous early childhood support scheme. We provide support for indigenous foster care. We have an Aboriginal and Torres Strait Islander peoples hearing health program. We have an Aboriginal midwifery access program. We have an indigenous employment opportunities program. We fund the Aboriginal Justice Centre. We support circle sentencing at the Magistrates Court. We have an ATSI dental health program. We have an ATSI child and youth services unit. We have ATSI youth support accommodation. We have an ATSI indigenous trainee program. We have and provide support for an ACT indigenous elected representative body. We support with discrete funding an integrated indigenous program. And we provide funding to the ATSI cultural centre. They are examples—

MRS BURKE: They are fantastic. So that is not racist, then?

Mr Stanhope: Absolutely not.

MRS BURKE: But it is elsewhere? That is absurd.

Mr Stanhope: They are indigenous-specific programs that are provided in the ACT.

MRS BURKE: And very good ones they are, too—certainly not racist.

THE CHAIR: Mr Smyth.

MR SMYTH: Chief Minister, there have been calls for a bipartisan approach to addressing Aboriginal issues. When Mr Rudd made that call on Friday, he said that the Prime Minister's indigenous communities campaign was not racist. He said about you, "I think Jon's wrong; I just think he's wrong." Will you be taking on board what Mr Rudd has said and apologising to the PM for accusing him of being a racist?

Mr Stanhope: I did not accuse the Prime Minister of being racist. I suggested that elements of the project could be inherently racist if implemented as initially indicated. I stand by that.

MRS BURKE: Not indigenous-specific? That is what we are doing here then?

MR SMYTH: Which elements are inherently racist?

Mr Stanhope: I do not agree with everything that Mr Rudd does and says, and I do not agree that everything that the Prime Minister does and says. Similarly, they do not agree with everything that I say and do.

MRS BURKE: What elements would they be that you referred to then?

THE CHAIR: I think it is probably appropriate that we stick to the current budget that is in front of us.

Mr Stanhope: If there are—

MRS BURKE: It is relevant.

MR SMYTH: It has an impact on the budget and the way we judge what the Chief Minister does.

MRS BURKE: He has just read out a raft of programs with funding attached.

Mr Stanhope: I am extremely busy, Mr Chair. If there are no further questions—

MR SMYTH: If he cannot answer which elements were racist, that is interesting.

MR STEFANIAK: Do you regret making those stupid comments, Jon?

THE CHAIR: Order!

Mr Stanhope: If there are no further questions, I would like to thank the committee for its attention today.

MR SMYTH: No, there are plenty of questions.

MRS BURKE: There are plenty of questions.

Mr Stanhope: I thank the committee for its attention.

MR SMYTH: Chief Minister, you have just talked about an integrated model.

Mr Stanhope: Thank you.

DR FOSKEY: I have more questions.

MR SMYTH: So you are refusing to answer questions?

Mr Stanhope: Dr Foskey has a question.

THE CHAIR: Dr Foskey.

MR SMYTH: No, no. I have not finished my question. You have just talked about an integrated model.

THE CHAIR: We cannot hear with your colleagues talking over the top of you.

MR SMYTH: You have just talked about an integrated model, or your officials have talked about an integrated model of delivery.

Mr Stanhope: Dr Foskey.

MR SMYTH: You do not say who asks questions, Chief Minister.

MRS BURKE: We are asking you.

MR SMYTH: Isn't that what the government did when it abolished ATSIC—it went to an integrated model of delivery? In establishing what has been called the son of ATSIC, are you flying in the face of what is now seen as a more sensible approach to Aboriginal services?

Mr Stanhope: I certainly do not see the abolition of ATSIC as a sensible approach to the delivery of Aboriginal services, so I disagree. I am on the record as saying that I believe that the abolition of ATSIC was wrong, and I maintain that position. In the Australian Capital Territory we are seeking to address what I believe to have been a wrong-headed decision in the abolition of ATSIC through the establishment of an indigenous selected representative group.

MR STEFANIAK: It seemed to fail in the Northern Territory.

THE CHAIR: Dr Foskey.

MR SMYTH: Can you outline what funds have been given to Yarramundi Reach over the last couple of years? Have the grants been acquitted, and what has been achieved?

Mr Manikis: It is \$120,000 a year for the facility to be managed. It is managed by a group, the Birrigai association. Can I just say that over the last three years there has been a level of activity. I must say that it has not been to the level that we would expect in terms of its cultural programs, but that is being built on and we are looking to address that. However, the facility has been used, and it has been used quite extensively in terms of a meeting place. Conferencing and circle sentencing take place there, and some services are delivered from there as well. It has been quite a successful model. However, we will be doing much better on the cultural side. What we are aiming to do is to see if we can create a facility that is quite dynamic in the cultural sense and to bring the broader community to that facility.

It is early days. These things do not happen overnight and it is hard work. It takes the cooperation of both the Aboriginal and Torres Strait Islander community as well as the broader community and elements of the broader community to achieve something like that. But I think it has the potential—certainly with the location and the will that is there, and the imagination and creativity of many in the indigenous community—to create something that will be quite spectacular in the not too distant future.

MR SMYTH: Have all the grants been acquitted appropriately?

Mr Manikis: Yes, they have.

MR SMYTH: And have they been found to have met their requirements?

Mr Manikis: As far as I am aware, yes.

MR SMYTH: You contradicted yourself when you said that it has not gone as fast as you would like, it has been quite successful, there is potential and “we are working on

it". Where is it exactly at? Is it delivering what it was intended to deliver, or are we getting less than what we paid for?

Mr Manikis: I think we are getting what we paid for, but we are definitely looking to bolster up the cultural side of it.

MR SMYTH: And how will that occur?

Mr Manikis: That will occur over the next two or three years in terms of freeing up the management group that is in there from the day-to-day repairs or maintenance and what have you, having that group concentrate on the program of cultural activity and engagement with school groups and others in the community, and having a very robust and creative cultural program put in place.

MR SMYTH: So who will run the day-to-day maintenance?

Mr Manikis: We have some experts in-house in the department's asset management area that look after 11,500 homes and they are very well placed to provide that and take away the distraction from the main game, which we see as putting in place the cultural program.

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

MRS BURKE: If Mr Smyth—

MR SMYTH: Chief Minister, I have been told that the awarding of the contract has been quite divisive in the indigenous community in the ACT.

Mr Stanhope: Who told you that, Mr Smyth?

MR SMYTH: Does the contract favour one group over another or one set of individuals over another, and are you happy with its progress?

Mr Stanhope: Yes, I am. It is difficult and complex, as are many issues, of course, involving consultation with a broadly-based indigenous community. But I am more than satisfied with the progress that we have made and the attempts that we make to ensure that there is still consultation and consideration of all points of view.

MR SMYTH: So you meet regularly with all the diverse membership of the local Ngunnawal people?

Mr Stanhope: I meet regularly. I am meeting next week with Mrs Ruth Bell and her family. I am meeting the week after with Mrs Matilda House. I have met in the recent past with Ms Agnes Shea. I meet regularly with a broad cross-section of Ngunnawal and non-Ngunnawal indigenous people within the territory and they raise a range of views, not always consistent.

THE CHAIR: Dr Foskey.

MRS BURKE: There is no favouritism, of course. I have a supplementary to that.

THE CHAIR: I thought you gave that away. Dr Foskey has been waiting very patiently.

MRS BURKE: No, I didn't. I let Mr Smyth continue. My question is still important for the committee. Chief Minister, it would be very helpful if you could provide to the committee a schedule of events that have occurred at the Yarramundi Reach for the last three years.

Mr Stanhope: I am not sure that, indeed, it would be appropriate for the government to ask an indigenous-run organisation to—

MRS BURKE: You are funding them, though. It is government funded so it is to be expected that you should table what is going on down there, surely?

Mr Stanhope: The government is not responsible for the management of the Yarramundi Reach centre.

MRS BURKE: So they are not accountable to you?

Mr Stanhope: It is an independent board accountable to its membership.

MRS BURKE: You fund them but they are not accountable to you? So are they accountable to you?

Mr Stanhope: They have an accountability for their funding.

MRS BURKE: Yes, of course.

Mr Stanhope: But the ACT government does not monitor. We don't monitor Winnunga Nimmityjah, we don't monitor Gugan Gulwan and we don't monitor the cultural centre. The government doesn't run these facilities.

MRS BURKE: Well, you would know what activities, though? You would surely know what activities are going on down there. Mr Manikis outlined briefly some of the things that were happening. If you could just table that, that would be useful.

DR FOSKEY: Mr Stanhope, last year the Assembly was told that there would be consultation with families and individual students on every aspect of the implications of school closure. How many indigenous families and students were consulted?

Mr Stanhope: I really think, Mr Chair, that is a question that should be directed to Mr Barr in his role as minister for education. I could take it on notice, Dr Foskey. I would have to ask Mr Barr to provide me with the information.

DR FOSKEY: Okay, then. I will move to another—

Mr Stanhope: I am happy to do so. I will probably need some instruction. Is it the wish of the committee that I take that on notice or is it possible that Mr Barr can give an answer—or has he already appeared?

THE CHAIR: Is Mr Barr coming back?

MRS BURKE: He is coming back.

MS PORTER: He is coming back, I think.

THE CHAIR: We will give it to Mr Barr when he returns.

DR FOSKEY: Okay. I have one more question. One of the proposals in respect of the 2020 process came from Narrabundah primary school, and I believe it is one that you might be interested in. The proposal was that it be made a school with a greater emphasis on providing education to Canberra's indigenous children, beyond primary school even. There was a very comprehensive proposal put in, in consultation with the indigenous community as well as that school community. I am wondering if you are giving that some further thought, given that indigenous students were very disadvantageously affected by the school closures in that five of the seven primary schools that have closed had indigenous enrolments of over five per cent.

THE CHAIR: Well, again, Dr Foskey, it appears to be a question for the minister for education.

Mr Stanhope: It is. I will ask him for some detail, though.

MR SMYTH: As the protector and guardian of the indigenous portfolio and policy, surely—

DR FOSKEY: Look, I have not had satisfaction from Mr Barr on these kinds of questions and it seems appropriate to put them to the Minister for Indigenous Affairs.

MR SMYTH: Hear, hear!

Mr Stanhope: I am happy to give some response but I will have to take some aspects of the question on notice. It is an issue that I am deeply interested in. In my discussions with indigenous people around education there is always an expression of a view around the extent to which there should be more focus on indigenous-specific educational opportunity and the extent to which we should rely on existing programs and existing skills. In that context, members would be aware, of course, that we have a number of Koori preschools. Narrabundah has, as a result of its demographic, traditionally had a very strong focus on indigenous issues and the specific needs of indigenous students within its school.

There is a view in some sections of the indigenous community, in consultations that we have held in recent years around perhaps the potential for an indigenous-specific primary school, and perhaps even a school that would extend into the middle years. Driving some of that forward is a recognition that for indigenous students the transition from primary to high school is often a difficult one. And whilst within the ACT we have made significant inroads in relation to outcomes by indigenous students in years 3 and 5 and, indeed, in year 7, there continues to be a significant drop away between year 5 and year 7 in our assessment of outcomes by indigenous students

within the ACT government school system.

It is in the context of that that there is continuing consideration being given to how to best manage the transition from primary school to high school, and it is in that context that the indigenous people that I speak to from time to time continue to raise the notion of an indigenous-specific school. Conversely, a significant number of indigenous parents do not support separate schools for indigenous students. There is a range of views on the subject and there are a significant number of parents who support the opportunities that are currently made available and the support which the department of education currently provides to indigenous students. So, as always with everything, more could, of course, be done and, in an ideal world, of course we would love to be doing more.

Having regard to the continuing debate and having regard to my determination that we continue to seek to improve outcomes for indigenous children, this is one of the issues that I have specifically requested Sandra Lambert and the task force give me advice on—issues around how to continue to enhance educational outcomes and opportunities. I am no great supporter of or advocate for targets in a range of areas of government programming but I have recently asked for advice on whether or not the ACT should be setting itself rigorous targets in relation to outcomes for indigenous students.

It is interesting to compare now the extent to which indigenous students, particularly in primary schools, meet or exceed national benchmarks in relation to literacy and numeracy. We lead the nation by far, as we should and as we do. But I am concerned about the level at which students, particularly in high school, are still significantly below national benchmarks for high school and, indeed, national averages in college, outcomes in year 12 certificates and admission to university. I sought advice just recently on whether or not as a next step we should be setting tough targets, and through tough targets focusing on the need continually to improve outcomes for Aboriginal and Torres Strait Islander students in our schools.

DR FOSKEY: Can I just ask a supplementary to that? You said Narrabundah has a higher proportion of indigenous—

Mr Stanhope: A high proportion, yes.

DR FOSKEY: Yes. It is one of the areas of Canberra that does. As property values increase in Narrabundah, can your government give a guarantee that as government houses become empty they will not be sold in a way that disadvantages the support community that indigenous people have developed in that suburb over time, because that is one of the incremental impacts of the sale of government housing in higher property value areas?

Mr Stanhope: I will ask Mr Hehir to answer that. Perhaps in his capacity both as officer responsible for housing as well as for the indigenous affairs, he can provide some insight into the government's policies in this area.

Mr Hehir: The sale of public housing properties is generally undertaken on a property by property assessment. In terms of the sound financial management of the

properties, if the property condition report is such that it will cost a significant amount to bring it back up to standard, we are more than likely to sell it rather than keep it.

In terms of overall housing stock within Narrabundah, we do not have a specific aim of reducing that level. We do have within our revised assessment processes a specific criterion for indigenous people facing discrimination being able to access our highest priority housing list. It is a sad fact that they do find discrimination in being housed. So we have incorporated that into our highest priority category for housing. The result of that—these are the last figures I saw—is that four to five per cent of our allocations from our priority housing people are going to indigenous families or individuals. So it is unlikely that we would be removing or reducing the overall level of support within that.

As I said, we have got no specific plans within the main part of Narrabundah to reduce the overall level of housing stock. But certainly, on a house-by-house basis, we will make that individual assessment. Options that we would look at would also include looking at different forms of housing on blocks. If it actually works out that we have got a couple of blocks together, we would probably look at doing a redevelopment to make it three or four housing properties on those blocks. So in terms of the overall process, I do not think it is a suburb in respect of which we have identified a requirement to reduce property numbers.

DR FOSKEY: Individual assessment is what concerns me because a lot of those government properties are, by anybody's standard, very run down.

Mr Hehir: In that case we would have a look at options. That would include, as I said, the option of putting two blocks together and maybe getting three or four dwellings on those blocks. It will not necessarily be about keeping exactly the same dwelling. But we do not want to provide substandard accommodation. If the accommodation is not up to standard, we do want to move on it. Overall, our accommodation has a quite high level of compliance against the standards but there are some properties that would be expensive to bring up to current standards and we would look at disposal. But, overall, we have no intention to reduce stock numbers significantly in the main part of Narrabundah.

MRS BURKE: Just on that: what about increasing, then? You talked about replacing one for two. Is that a possibility or is there not a high need for this sort of allocation at the moment?

Mr Hehir: It certainly is a possibility to replace one with two if you get the appropriate set of block configuration. But in terms of whether that would lead to an overall net increase, it is unlikely. We are more likely to do it where we sell a couple of blocks and then amalgamate two other blocks. So we would actually pay for the physical replacement of the houses. In terms of that, the net effect is likely to be pretty close to zero.

THE CHAIR: Mr Smyth.

MR SMYTH: The government no longer breaks the output class down into multicultural, status of women and indigenous affairs. Chief Minister, how many staff

will work on indigenous affairs inside this output class and what is the dollar allocation to support them?

Mr Manikis: I don't have the dollar allocation at this point in time but I can take that on notice, if that is okay?

Mr Stanhope: Yes.

Mr Manikis: In terms of the number of staff, certainly from the central policy unit there are three senior staff at the moment and that will increase in the next financial year to five with the elected body coming on stream. But as has been mentioned here before, right across all agencies there are resources—indigenous staff resources—dedicated to the delivery of services. So I am not sure how many there are across the whole of the ACT government—and it does vary—but I can get something for you.

MR SMYTH: Yes. You will take that on notice?

Mr Manikis: I will take that on notice.

MR SMYTH: All right. Chief Minister, Noel Pearson also said last week that he did not know what you knew of the circumstances of any indigenous community that was being referred to. Could you outline for the committee what you know about indigenous circumstances in the Northern Territory?

Mr Stanhope: I know some of the detail of the circumstances of indigenous people in the Northern Territory, Mr Smyth. But I do not have their budget papers in front of me, I have to say.

THE CHAIR: Indeed. Are there any further questions on—

MR STEFANIAK: Nor did you have the federal budget papers when you were talking about education and other areas, Chief Minister.

MR CHAIR: Thanks very much Chief Minister and officials.

MR SMYTH: No, I have further questions. I am quite happy to ask more questions. Chief Minister, in regard to—

THE CHAIR: Do they relate to this budget paper, Mr Smyth?

MR SMYTH: They are relating to indigenous issues. The policy line says “provision of support and policy development and, in particular, Aboriginal and Torres Strait Islander Affairs”.

MS PORTER: In the ACT, one would imagine.

MR SMYTH: It actually doesn't say in the ACT, Ms Porter—you should check your facts. They were in the context of delivery.

THE CHAIR: For Mr Smyth's edification, the words “Budget 2007, Australian

Capital Territory” appear on the front of the budget paper.

MR SMYTH: I am looking at output class 3.2. But if the Chief Minister wants to bolt, that is his problem.

THE CHAIR: Thank you Chief Minister and officials.

MS PORTER: Thank you.

MR SMYTH: So you are not willing to answer further questions, Chief Minister?

Mr Stanhope: Not on the Northern Territory budget.

MR SMYTH: “Chief Minister bolts from estimates”.

THE CHAIR: We will see you again tomorrow morning in your capacity as Treasurer and then again—

MR SMYTH: “Chief Minister bolts with his tail between his legs from estimates”.

Mr Stanhope: “Estimates committee runs out of questions on indigenous affairs in the ACT”.

MR SMYTH: No, I have got plenty more questions here, Chief Minister.

MRS BURKE: You just do not want to stay, do you?

MR SMYTH: You just do not want to stay and answer the questions.

MR STEFANIAK: Make a comment about your Human Rights Act, Jonno.

Mr Stanhope: I am in your hands. I am staying. Okay, give me a question.

MRS BURKE: Mr Smyth just asked you a question.

Mr Stanhope: He asked me a question but I am not answering questions about the Northern Territory budget.

MR SMYTH: When you were commenting on it last week I assumed you were doing so in your capacity as indigenous affairs minister.

THE CHAIR: Mr Smyth, do you have a question on the current—

MR SMYTH: Well, all right. As Minister for Indigenous Affairs—

Mr Stanhope: Look, Mr Chair, I am incredibly busy. This is just puerile. This is the usual puerile nonsense from the standing puerile member.

MR STEFANIAK: Well, maybe in future you might think before you make stupid statements.

THE CHAIR: Order, members! Thank you minister and officials. We will see you again tomorrow morning as Treasurer.

Mr Stanhope: It is a pleasure, Mr Chairman.

Committee adjourned from 12.17 to 2.30 pm.

Appearance:

Conservation Council of the South East Region and Canberra
Harrup, Ms Trish, Director

THE CHAIR: Good afternoon, Ms Harrup, and welcome to the 2007 estimates hearings. Thank you very much for coming in this afternoon. I will read the card to you before we begin. 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 give 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.

Again, Ms Harrup, welcome to the committee. You have not as yet put in a submission on the inquiry into the budget but you will do that verbally today, I suppose.

Ms Harrup: Thank you and thank you to the members of the committee for the opportunity to appear today. I have got a prepared statement which I will read through now.

My name is Trish Harrup and I am Director of the Conservation Council of the South East Region and Canberra. The conservation council is Canberra's peak non-government environment organisation, representing the interests of over 30 community and conservation organisations in the ACT and region as well as the broader environmental interests of citizens of the ACT. The council's mission is to achieve the highest quality environment for Canberra and the surrounding region.

When I addressed the select committee on estimates last year I expressed concern that the 2006-07 budget and associated functional review would have significant and adverse impacts on the protection and management of the natural environment of the ACT, with adverse effects on environmental policy development and environmental regulation. The conservation council raised several key concerns. I will repeat those here and then discuss whether they have been subsequently addressed.

We were concerned that there would be no identifiable minister for the environment; no identifiable agency for the environment, merely a branch within the division of

recreation and land management; no identifiable agency head; a single costing against a single outcome—output 1.5, environment, sustainability, heritage and forestry services—for \$41.786 million; and no identifiable link between accountability indicators and costings. I am pleased to be able to report that some of those issues have been addressed. We now have a Minister for the Environment, Water and Climate Change and we now have an identifiable agency, environment and recreation, and an identifiable agency head. However, concern remains about the lack of information provided within the budget papers with regard to costings and also the accountability indicators.

Last year we had a single costing against a single output: 1.5, environment, sustainability, heritage and forestry services. This year we have three outputs: sustainability, \$30.5 million; land management, \$70.3 million; environmental regulation, \$9.2 million. Firstly, I will comment on the size of the total environment budget. In total we are spending \$110.5 million of a \$3 billion budget, roughly 3.6 per cent. Land management, at \$70 million, is to manage more than 50 per cent of the land area of the ACT. So there is an incredibly large job to be done with 3.6 per cent of the budget. Resources have always been stretched, but the job is growing larger. As there are more people in Canberra, their potential to impact on the natural environment grows.

There are a number of threats to our natural environment—local, national and global—that are having an increasing impact on our natural environment. These include weeds, feral animals, extended drought, scarcity of water for urban areas, growing consumption, and climate change. Also, there is growing awareness and concern for the environment and therefore the demands that the populace put on their governments with regard to the environment. They want their leaders to provide a high-quality environment for them to enjoy, to protect and conserve biodiversity for future generations, to deliver programs that enable people to reduce their ecological footprint and to act on climate change. It is our view that more money is required to meet these demands. The conservation council has long advocated that a levy be placed on rates to provide additional dollars for the environment. A five per cent levy on rates and land taxes would provide over \$10 million for that purpose.

With regard to our concern re accountability indicators and costings, the 2007-08 budget clearly has not alleviated that concern. There are some initiatives mentioned that we welcome—for example, riparian mapping, threatened species surveys and improved management of grassy woodland reserves—but there is no indication as to the actual amount of resources that will go towards those initiatives. I will also touch on a few of the key areas of concern. On climate change, at the last estimates committee we said:

... on the issue that is widely acknowledged as posing the greatest threat to our future, human-induced climate change, this budget does not deliver a cent towards any new policy measures or programs to curb emissions.

I am pleased to say that the 2007-08 budget goes some way towards redressing this problem. We welcome specifically the \$1 million for an energy efficiency fund to fund energy efficiency initiatives in government departments and the commitment to legislation to measure transport fuel sales. Both these measures we have been asking

government to implement and we are pleased to see they have been adopted. We welcome the 10 per cent renewable energy target by 2010, but our concern is that a 15 per cent by 2020 target is too low. We believe that 25 per cent by 2020 is achievable and would provide real stimulation to the renewable energy sector in Australia. We are pleased the government has committed \$1 million per annum for four years to implement climate change actions. We look forward to a climate change strategy containing targets for cuts in emissions and support for the community to move away from fossil fuels.

On transport, we welcome that there will be 18 new CNG buses, which will help to address the shortage of buses, but overall the sustainable transport budget is not really moving us forward. There is an additional \$1.25 million, which will see some increases in bus services, but I understand that that is far less than what was cut in last year's budget. I believe last year's cut was greater than \$2 million. Similarly, the cycle connections to Stromlo Forest park and the airport are welcome, but there are still many opportunities for cycling that have been left sitting on the shelf.

An important part of the climate change response will be addressing transport. Currently transport contributes about 25 per cent of the total greenhouse emissions for the ACT. We recommend that the ACT government put together a package on transport that includes a significant increase in the bus service during both peak and off-peak times, considerations of how to transition the ACT to a low carbon transport system, and a community education officer based in the conservation council to help achieve behaviour change similar to that which has been carried out in the area of climate change in the past.

On water, the spending for 2007-08 in implementing think water, act water is \$2.2 million. The estimates committee report of June 2005 recommended that greater consideration be given to additional resources to implement water conservation measures, think water, act water, noting that funding for this program was cut in 2004 and 2005 as part of the government's budget savings identified by Treasury. I have been looking at the annual figures for the spend on the think water, act water strategy. It would appear that there were substantial cuts in 2005-06 and 2006-07, leading to a total spend so far of about \$6 million. With this year's commitment, that will come up to \$8.3 million.

During the 2004 election campaign, the ALP released a document, *Our environment*, in which they claimed Labor has invested \$10 million in the think water, act water strategy. It would appear that we are falling short of that \$10 million by the tune of at least \$2 million. I think that that is something that this committee should consider, given the continued drought and the stress that water shortages are causing in our community.

On management of the nature conservation estate, as we know resources are very stretched. There are not enough on-ground resources; in particular, rangers to manage our reserves and parks. More funding is needed to implement the actions arising from the excellent work done by the environment department on woodlands, grasslands and now riparian communities and action plans for the protection of those threatened communities.

On the Office of the Commissioner for the Environment, there is still no increase. There is still no funding to meet the recommendations of the review of the office undertaken in 2003-04. It is our view that the commissioner position should be funded to be full time, with office resources increased by at least one more full-time equivalent.

That is all I have in the prepared statement. I am more than happy to take any questions from people.

THE CHAIR: Thanks, Ms Harrup. Are there any questions for Ms Harrup?

MR STEFANIAK: Yes. You mentioned a five per cent levy. We will come to what you suggested it be on. What would you see that going to?

Ms Harrup: We see that as being additional to the current spend on the environment. As I said, at the moment that is about 3.6 per cent of the budget. We believe that the volume of work that needs to be done on environmental conservation, protection and education is increasing significantly. We are not seeing that matched by an increased budget. I understand that there are many calls on the ACT budget in terms of health, education and municipal services, so we would look to finding another revenue stream to help build additional resources.

MR STEFANIAK: You are saying on top of the current rates and land taxes?

Ms Harrup: Yes.

MR STEFANIAK: Do you realise that the property council, amongst others, say that we have one of the most draconian land tax regimes in the country and it is a real disincentive for people to invest here? Wouldn't it better somewhere else, maybe on motor vehicle registrations, if you actually have to go down the path of a levy?

Ms Harrup: I don't know whether you would be able to achieve the same sort of revenue generation by applying that to motor vehicle taxes, although we would welcome looking at that as well. I think there have been some commitments over time to at least varying the charges on motor vehicles to achieve an environmental outcome. However, going back to the levy, this is really important. It shouldn't be ancillary to anything that a government does. The natural environment is something that Canberrans value highly and also the threat of climate change is something which Canberrans are seriously concerned about and want to see action.

MR STEFANIAK: I am not saying that you don't necessarily need more money. I am just saying that if it is that important, surely it is something that a government should do in its normal budget, rather than hitting one sector.

Ms Harrup: I would really welcome a commitment from a party in the ACT that they would substantially improve the funding to the environment portfolio.

THE CHAIR: Do you think Canberrans are ready for such an incentive for the environment, a tax like that for more expenditure?

Ms Harrup: I think certainly Canberrans value the environment and would like to see it better protected. I don't know whether we would go out and ask them if they are ready for any change in rates and taxes at the moment; so why we would do that, particularly on the environment—

MR STEFANIAK: You are basically saying that it would be very handy if there was more money for the environment in the budget.

Ms Harrup: There needs to be more money and that certainly has been apparent in recent years because the money that we are not spending now is going to cause greater problems in the future. Weeds are an example. Failing to deal with weeds now means we will have a larger spend in the future to deal with weeds. It also impacts on the productivity of agricultural lands and other things.

MR STEFANIAK: I am interested in something we heard earlier today—I think we might have had discussions with the council in about April of last year—in terms of the rejuvenation of the catchment areas. I had a look in February at the lower Cotter catchment and there had been quite a number trees replanted, but the program had stopped. Do you have any views as a council in relation to what needs to be done to rejuvenate the catchments, especially in terms of planting additional trees, or are you quite satisfied with what has occurred to date?

Ms Harrup: There was a draft strategy for the lower Cotter released. We were very pleased with that. We have provided some comments, but on the whole we supported it. We haven't seen the final. We would certainly like to see that final strategy for the lower Cotter released for the public. Very good work is going on in that area. Substantial funding is coming through from NHT funds and also I believe from insurance and from the water authority. I actually am of the view that there is probably at this stage sufficient funding and good planning, although we certainly would like to see that final document.

MR STEFANIAK: For the record, what does “NHT” stand for?

Ms Harrup: Sorry, natural heritage trust, which is a joint commonwealth-ACT government-funded program.

DR FOSKEY: It was particularly useful to have an assessment of last year's budget and the follow-up. I wonder if you could run through the programs that the conservation council have, particularly where they receive ACT government support, and how they contribute to the ACT government's environmental aims.

Ms Harrup: The conservation council receives money from the ACT government as part of a service funding agreement. That is to support our overall delivery of services as the peak environment body. In addition to that, there is no specific program funding apart from some grants which we pick up through either the ACT heritage grants program or the environment grants program. On that I note that there was no specific figure in the budget for either of those grants programs. In the past that used to appear in the budget, and we would welcome that being reported in subsequent budgets so that we can track over time how much money is being made available for community projects.

On those we have picked up, they are relatively small grants programs. They are capped at \$15,000 and usually substantially less is provided. Again I would like to make the comment that it is incredibly difficult to deliver a project for \$15,000 or less that really is going to deliver substantive change. In the area of the heritage grants, I believe the government needs to seriously look at sometimes funding projects of a more substantial nature, rather than capping at \$15,000. We have looked at some things we would like to do in that area but we couldn't possibly deliver them on \$15,000.

MRS BURKE: What would be the cost?

Ms Harrup: Some of them would require some substantial work by experts in natural heritage, indigenous heritage and cultural heritage. To go out and purchase that on the market I believe would cost for the entire project perhaps twice as much as what is currently available.

DR FOSKEY: To follow up on that in relation to the government's climate change strategy, which I suppose you don't know any more about than I do, do you think there is scope in an effective climate change strategy to have a community-delivered component. I am thinking of the COOOL communities project which, I think, was federally funded and stopped. Can you see that there is a way that an organisation like the conservation council could be involving the community, that there is a slot for you in an effective climate change strategy?

Ms Harrup: For the benefit of the committee, the COOOL communities program was funded by the commonwealth government for a period of about four years. It had a COOOL communities facilitator in each of the states and territories. They were housed with the conservation councils. Their job was to work with householders to encourage behaviour change to reduce greenhouse gas emissions. It was a very effective program. It is always intensive to work at that face-to-face engagement level, but it was reducing household emissions in the ACT with the households we worked with to the tune of about five tonnes per household, which is very substantial.

I think the time would be even more right now for that style of project, given that we have had a huge shift in community awareness and concern for climate change. We would be delighted to deliver that sort of program in the ACT. We have built up substantial knowledge and resources in that area. We have the materials to train home energy auditors. In fact, we trained the first auditors who are now delivering the audits for the ACT government's HEAT program. We have all the materials for delivering workshops, for doing a variety of things that help householders to reduce their greenhouse emissions. I certainly believe that the \$4 million committed to climate change over the next four years needs to have a mix of things, but certainly some of that should be community education and community behaviour change, and there is a wealth of evidence to show that that is better delivered from within the community sector than delivered by a government department.

MS PORTER: I want to go back to the idea of the levy. I was wondering if you thought that it would be a way of educating the public if we actually had an identifiable levy on all households, whichever way we could do it, and I guess this is

the only way we have got to do it at the moment.

MR STEFANIAK: We do on cars and there are more cars than households.

THE CHAIR: The question was for Ms Harrup from Ms Porter.

MR STEFANIAK: Sorry.

MS PORTER: Could it be used as an education tool? More than just to raise money, could it be used in some way to educate people about the environment and the importance of contributing towards that?

Ms Harrup: I think that using the levy and combining it with an awareness and education program would be a really interesting thing to explore. My sense from working with the community is that the time is probably more right than it ever has been in the recent past anyway to engage people in the idea of environmental stewardship and that we do have to contribute money now and act now to prevent worse consequences in the future. We have seen that played out, certainly with the Stern report, which shows the economic benefits of acting now rather than later on climate change. But it is also something that the community, I think, intuitively understands that we need to act now to prevent worse environmental problems in the future. If people are being expected to pay an extra five per cent on their levies, then they have a right to know why that money has been asked of them and where it will go. On the matter of cars, if there are more cars than houses in the ACT, perhaps we could levy that, but five per cent on rates and land taxes would generate about \$10 million, and those are the kind of funds we are talking about.

MR STEFANIAK: A five per cent levy on cars, I suggest, would probably generate \$30 million or \$40 million, because there was one before. You would probably get more money that way.

Ms Harrup: A five per cent levy on cars sounds good.

MR STEFANIAK: Anyway, you want more money. We understand that.

MRS BURKE: What is your view on the GreenChoice option for electricity? What is the council's view on that?

Ms Harrup: GreenPower is a certified program whereby retailers who want to sell their product under GreenPower have to meet certain criteria. Essentially, in summary, they have to be proven renewable energy resources. We support and endorse that program. I do note that some retailers sell what purports to be a green product but is not actually certified as GreenPower. We encourage householders and businesses to purchase GreenChoice electricity. We think it's an important part of the response in demonstrating that householders are willing to be part of the solution. However, above and beyond that, we need governments to act as well. Hence, our support for a renewable energy target.

THE CHAIR: Are there any more questions for Ms Harrup?

DR FOSKEY: No. I am really glad you came in because we lacked an environmental perspective and we really needed that.

THE CHAIR: Yes, it is very important.

MRS BURKE: Sorry, I do have one more thing. As to opportunities for cycling, what more would you like to see? What would they be?

Ms Harrup: Certainly Pedal Power, who are one of our member groups, have produced quite a substantial volume of work on what needs to be done, and that includes putting links in the current cycle network in Canberra. They have a document I could make sure you get a copy of if you are interested which shows how money needs to be spent to link up the current cycle network. Certainly there are some areas where improved signage would help people who are new to using the cycle paths. There are some areas where we believe lighting needs to be put in. I believe some substantial work is required around the Russell roundabout. I'm not sure where that has gone, either.

MRS BURKE: Do you have any idea of the indicative cost of all of that?

Ms Harrup: I am fairly certain that Pedal Power have costed it, so I can get you that. I also know that there was a report done for the department of urban services within the last 12 months, I think, a substantial engineering report, which I believe has provided them with most of the information they need to know on what needs to be done to improve our cycle network. We just need money in the budgets for them to carry it out, but I can get you copies of those, if that's useful.

THE CHAIR: It would be good if you could.

DR FOSKEY: Could I ask one or two more questions? I must say that one of the really bad black holes in the cycle path is from the Narrabundah-Griffith area to Woden. Hindmarsh Drive is just a killer and anywhere else is very bad.

THE CHAIR: Do you mean the gradient?

DR FOSKEY: Some people love to cycle uphill, but I don't. A part of the sustainable transport plan implementation was the travel smart survey, which sounded quite exciting. Does the conservation council get notified of how such things go? When the government sets up an initiative that is promoting things that you have been asking them to do on behalf of the community, do you get regular updates on those? If you do, have you heard anything about what has happened to the travel smart program?

Ms Harrup: The travel smart program is a really important one because it aims to give householders or its target market all the information that people need to really change their transport behaviour. It has been used with great effect in Perth and also some other cities. In the ACT it has been a bit slow, but there are some good projects.

The conservation council and Pedal Power do a six monthly report card on the ACT government's implementation of its sustainable transport plan—we will be doing another one this month—and in that we seek updates on the programs. My

understanding is that there is to be a substantial travel smart program as part of the Russell work area.

DR FOSKEY: That's good.

Ms Harrup: And it was just being launched last time we reported. Hence, in the next month I will be able to report on how that project seems to be going. But it is one that we hope the government will stay involved with and perhaps ramp up a bit higher, given that we are facing some transport problems in the ACT, because it is one that is able to produce substantial changes in behaviour.

THE CHAIR: Thanks very much for coming in. We will get any questions on notice to you as soon as we can. We will meet again, members, tomorrow morning at 9.30 with the Treasurer.

Ms Harrup: Thank you for caring for the environment enough to invite me here.

The committee adjourned at 2.58 pm.