



**LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL  
TERRITORY**

**SELECT COMMITTEE ON ESTIMATES 2008-2009**

**(Reference: Appropriation Bill 2008-2009)**

**Members:**

**MS M PORTER (The Chair)  
MRS V DUNNE (The Deputy Chair)  
MR M GENTLEMAN  
MS K MACDONALD  
MR B SMYTH**

**TRANSCRIPT OF EVIDENCE**

**CANBERRA**

**TUESDAY, 27 MAY 2008**

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

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

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

## APPEARANCES

<b>Chief Minister's Department .....</b>	<b>714, 770</b>
<b>Department of Territory and Municipal Services .....</b>	<b>770</b>
<b>Land Development Agency .....</b>	<b>714</b>

## **The committee met at 9.36 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

Land Development Agency

Mitchell, Mr Philip, Acting Chief Executive Officer

Chief Minister's Department

Cappie-Wood, Mr Andrew, Chief Executive

Dawes, Mr David, Deputy Chief Executive, Business and Projects Division

Cox, Mr Ian, Director, Business and Industry Development

Hunt, Ms Dita, Senior Manager, Business and Industry Development

Lasek, Mr Jeremy, Executive Director, Arts, Communications, Events and Protocol

**THE CHAIR:** Good morning, Chief Minister, Mr Dawes, Mr Mitchell and officials. Welcome to this Select Committee on Estimates 2008-2009. Everybody is familiar with the yellow card and understands the privilege implications contained within it? Yes? Thank you.

I remind visitors to the committee that you will only be given an opportunity to ask questions by leave of the committee, so the committee will ask questions first and then, if we have time, you will have an opportunity to ask questions. Would you like to make some opening remarks, Chief Minister?

**Mr Stanhope:** I have no specific remarks, thank you, Madam Chair.

**THE CHAIR:** We will go to Mr Gentleman first and then we will go to Mr Smyth.

**MR GENTLEMAN:** Thanks, chair. My question is about page 509 of budget paper 4. Under "priorities", the first dot point relates to the government's land supply strategy. It talks about a balance of release through englobo sales. Can you tell me what you see as the impact of englobo land releases on the ACT housing market?

**Mr Stanhope:** Thank you very much, Mr Gentleman. I will give a brief overview and ask Mr Mitchell and Mr Dawes to expand. As part of the government's response to issues in relation to affordable housing and land supply, some 16 months ago we undertook a major review of issues in relation to affordable housing, and most particularly the extent to which land supply was relevant to issues around the capacity to access affordable housing. Out of that review, as you are aware, came a major report and action plan in relation to affordable housing. It is a significant plan. It is Australia-leading. It deals, appropriately, significantly and obviously, with the issue of land supply and how to fast-track and enhance that.

One of the initiatives that was pursued in that was to identify initially ongoing, significant parcels of land that would be suitable for release direct to the market. So

we established an englobo release. The first of those was at west Macgregor, and it has had a very significant impact. I will ask Mr Dawes to go to some of the detail of what has been achieved at Macgregor with the first of the englobo releases. That has now been followed up with a second release, which is similarly significant. I think it is about a 700-block release in Casey—Casey 1.

It is the government's intention, as revealed in the land supply strategy that was released a month or so ago, to continue with englobo releases. The next such release is planned potentially for Casey 2 and Molonglo 2—both over the course of this coming financial year. That would involve potentially an additional 1,800 blocks of englobo release. Mr Dawes can give some indication of the experience to date, most particularly in relation to west Macgregor, and the extent to which the proponents, the developer, of the west Macgregor estate have attacked in a very aggressive way the needs of first homebuyers and people who have previously struggled to gain entry to the market.

**Mr Dawes:** On the land release in the current financial year, and as part of the affordable housing action plan, it was initially forecast to release 2,200 blocks of land to the market. That was a mix of englobo, LDA developments and joint ventures. With the announcement of the affordable housing, we increased that by 1,000 blocks, bringing it up to 3,200. I am very pleased to say that this year we will well and truly achieve that 3,200 and surpass it by an additional 270, bringing the total to 3,470 this financial year, which is about the highest on record since self-government. So I think that is positive.

One of the other things that is part and parcel of that is that we have been working to ensure that we have parcels of land sitting on the shelf so that we can respond to the market. If you look at what we will supply to the market this year, the mix I just mentioned—englobo, joint ventures and the LDA—will come to around 4,200. In addition, we have 750 blocks with which we will be able to accelerate that particular land supply, as and if required.

With the englobo that we sold to the Village Building Company at west Macgregor, they have certainly taken the bit between the teeth regarding the affordable housing initiative. They have responded very well; I think they have just concluded their third ballot out at west Macgregor. We will see house and land packages between \$240,000 and \$300,000. The last lot were between \$279,000 and \$310,000. Some were a little higher. They have all been sold, so we will see just over 300 house and land packages start to settle from August this year.

Not only has the Village Building Company taken the bit between the teeth; as they are developing the estate, they are building the homes. So we will have people living in those homes in August. When you look at what is happening in the market, towards the end of the year, moving into that December quarter, we will start to see prices coming back. So it will have an impact as we move forward. That is quite positive.

There was something else that the industry was requiring, not only for residential but for industrial and commercial land. The Chief Minister earlier in the month released the land release program for the 2008-09 to 2012-13 period. So it gives some surety and certainty to the industry to know what is coming onto the market, in all sectors of

the market. It has certainly been well received by the industry players because it means they can get on and plan their business and go from there.

**MR SMYTH:** Mr Dawes, you mentioned industrial land. Perhaps this is a question for Mr Mitchell. You would be aware, Mr Mitchell, of the proposed facility at Macarthur. Could you please inform the committee of what sites were initially selected as potentially being the site of the data centre and the power station.

**Mr Mitchell:** I do not think that is in Macarthur; I think that is in Hume.

**MR SESELJA:** No, it is not in Hume; it is in Tuggeranong.

**MR SMYTH:** It is actually in the district of Tuggeranong. I think it is commonly referred to as the base of—

**Mr Stanhope:** It is not in Macarthur, in other words.

**MR SESELJA:** It is not in Hume.

**MR SMYTH:** It is certainly not in Hume.

**Mr Stanhope:** And it is certainly not in Macarthur.

**MR PRATT:** Then where is it?

**MR SMYTH:** We will all talk about the district of Tuggeranong then, shall we, Chief Minister?

**Mr Stanhope:** We shall, yes. We will stop the scare campaign. We will stop pretending that—

**MR SMYTH:** Are you scared? What are you scared about, Chief Minister?

**MR PRATT:** So what is 600 metres from Macarthur?

**Mr Stanhope:** We will stop pretending that it is in Macarthur.

**MR PRATT:** So what is 600 metres from Macarthur?

**MR SESELJA:** Are your officials pretending that it is in Hume? That is how it has been discussed. There is a question on the table.

**MR SMYTH:** Mr Mitchell, what sites were looked at for the proposed power station?

**Mr Mitchell:** Four sites were identified as potential sites to meet the ActewAGL requirements for a Hume gas-fired power station. I could give you the details but they are numbers, blocks and sections. They are part block 7, section 21 Hume, part block 18, section 23 Hume, part block 1610 district of Tuggeranong, and there were two sites there which were referred to as blocks C and D.

The sites were selected in conjunction with ActewAGL, the Chief Minister's Department and LDA, using land use requirements identified by the project scope provided by ActewAGL. In other words, they provided what they wanted, what they needed, to build this sort of facility. The main ones were the 21 hectares of land to facilitate development of the gas-fired power station and associated data centre; the site needed to be relatively flat, close to existing ActewAGL infrastructure; there had to be an appropriate land use as defined in the territory plan; access to a major road network; and another one was possible utilisation of existing methane gas generation from the Mugga landfill.

The preferred site was, indeed, block 1610 district of Tuggeranong. The site was selected because it had an appropriate land use under the territory plan; it was close to existing ActewAGL infrastructure; its proximity to existing methane gas generation from Mugga landfill was an advantage; it was also free of a number of encumbrances which were identified with the other sites. And those other encumbrances related to things like the existence of leases which would require withdrawal and payment of compensation and things of that nature.

**MR SMYTH:** So no other sites, perhaps in a broadacre zone, were considered?

**Mr Mitchell:** No.

**MR SMYTH:** Were other sites looked at but not put forward to ActewAGL?

**Mr Mitchell:** No, I do not think so.

**MR SMYTH:** You do not think so or you know that they were not considered?

**Mr Mitchell:** No, I do not think so. I can check that, take that on notice, but I do not think there are any others.

**MR SMYTH:** I have an understanding that other sites in broadacre areas were considered but rejected. You are not aware of that?

**Mr Mitchell:** Not that I am aware, no.

**MR SESELJA:** We were told in an ActewAGL briefing that sites near the prison were considered.

**THE CHAIR:** Mr Seselja, have you asked could you ask a question?

**MR SESELJA:** Sorry, this is a supplementary.

**THE CHAIR:** Have you asked? You are only allowed to ask by leave.

**MR SESELJA:** I think it has been pretty common practice.

**THE CHAIR:** Yes, that is right; it has been, exactly.

**MS MacDONALD:** We can withdraw the leave if you are not prepared to ask.

**THE CHAIR:** I just want you to go through the chair, as I reminded you at the beginning of this meeting.

**MR SESELJA:** Okay. So who has a supp now?

**THE CHAIR:** Actually Mrs Dunne.

**MRS DUNNE:** Mr Mitchell, at one stage at the beginning of your statement you said something about looking for a site in Hume. Was that one of the criteria? You said that you were looking for a site to build a Hume power station and associated data centre or words to that effect. Was Hume one of the parameters that you had in mind?

**Mr Mitchell:** No.

**MRS DUNNE:** It may have been I misheard. I think Mr Seselja has a supplementary, Madam Chair.

**THE CHAIR:** Yes, he does, and then Dr Foskey.

**MR SESELJA:** Thank you. We had a briefing from ActewAGL where they spoke about sites closer to the prison that were considered and ruled out. Are you able to talk us through why those sites were ruled out?

**Mr Mitchell:** No, I am not. I can take that one on notice.

**MR SESELJA:** So you are not aware that there were those sites considered at all?

**Mr Mitchell:** No.

**MR SESELJA:** So that information that we were given is incorrect?

**Mr Mitchell:** I am saying I am not aware.

**DR FOSKEY:** When you listed some of the conditions that were put on the site that was considered suitable you did not mention, for instance, distance from the nearest houses. I was wondering whether that was an omission or whether it was one of the criteria that were looked at. I note that—I gather it was Bill Guy & Partners who were engaged to investigate and report—while a number of development constraints were identified, and I am sure you are as familiar with these as I am, there were no environmental issues identified such as potential health implications on nearby residential properties. Do you not think that, in light of the community response, that is something that should have been identified by the consultants and perhaps should have been part of the criteria used to choose the site?

**Mr Stanhope:** It is. It was implicit that the proponents would need to lodge and have approved a development application, and it is implicit that any development would require a preliminary assessment and that no development application for a development such as this or, indeed, any other development would be approved if it did not meet the environmental conditions inherent in a preliminary assessment.

It is not consistent with our statutory planning regime to suggest that the LDA, in identifying land, did not say to the person investigating the possible use of that land, “By the way, you will need to meet these particular environmental requirements,” or, “You will need to meet these particular emission requirements,” or, “You will need to meet these particular noise requirements.” It is implicit and has been explicit in all dealings between the ACT government and the proponents—and these are private sector proponents—that the private sector proponents would need an approved development application; and, as part of that process, of course, they would need to actually undertake a preliminary assessment.

It is the case, in relation to preliminary assessments, of course, that there has traditionally been some confusion over what a preliminary assessment is. But a preliminary assessment actually in the new planning legislation is now more appropriately described as an environmental impact assessment.

But the proponents—and this is at the heart of some of the misrepresentation of the process that we are engaged in here—have lodged a development application. The consultation period for that has not yet concluded. I believe it concludes today. That development application will now be given serious consideration by ACTPLA who have a statutory responsibility to undertake that assessment. In undertaking that assessment, they will give full regard to all of the issues that any proponent for any development in the ACT is required to provide.

They have lodged a development application. In lodging that development application, they have provided a ream of information and scientific assessment. There have been significant responses to the proposal—I understand in the order of 400 expressions of other points of view and opinions in relation to the appropriateness or adequacy of the information provided by the proponents.

A judgement will now be made by a statutory authority about the claims, the counterclaims, the adequacy of the information. If the information is not adequate or if the information is not of an order that allows the statutory authority to approve the development, it will not be approved. It may be that the proponents will adjust their application, withdraw their application, leave town, look for another site. But that is the process.

The process is a process that demands of a proponent certain information, requires them to achieve approval for the development application, requires preliminary assessment, requires a whole range of hoops to be gone through and hurdles to be jumped. If they are not then the development will not be approved. Of course, the proponent then has a range of options.

But the things that you suggest might have been explicitly demanded are incorporated within the process. That is what the process is; that is what the process demands; that is why there is an open consultation process; that is why there have been 400 submissions from interested Canberrans in relation to the implications of this particular proposal for them. We have an independent statutory process for assessing and, if at the end of that particular process, any Canberran is dissatisfied, any interested Canberran is dissatisfied, with the judgement or the decision of the statutory



authority, they may lodge an appeal or an objection and the matter may be independently reviewed.

We are going through an open public process consistent with the law of the ACT, which is rigorous in its demands of proponents and which is yet to conclude. Of course, it still has some time to run. One expects that ACTPLA will now give the matter, once the statutory processes have been satisfied, its serious consideration. But it is not right or fair to say that there is not an explicit requirement for a whole range of issues, including issues in relation to health and the environment, emissions and noise, which of course are environmental issues to be satisfied.

**DR FOSKEY:** But would it not be a pity if, due to a poor selection of site—that is, it is too close and impacts on neighbouring residents—as you suggested, one of the options to the proponent is to walk away? With a more suitable site, we might not have ever come across problems.

**Mr Stanhope:** Most certainly, and there are probably a whole range of developments or proposals that one could look to and say, “There may have been a more appropriate site,” or, “This site is not optimal for a range of reasons,” but we have a statutory framework. It is not for the government to second-guess the intention or an application by the private sector. That is not the business of government. The business of government is to provide a planning framework and structure which allows the most rigorous assessment of any proposal of any proponent.

This is not a government proposal; this is a private sector consortium that has brought a proposal to the table, has identified a piece of land which it believes or believed—

**DR FOSKEY:** Which the LDA offered.?

**Mr Stanhope:** Yes, but the point here is that a major consortium of national and international companies has come to the ACT government, inquired about the availability of a piece of land, looked at that piece of land and said, “We believe this piece of land is appropriate for our purposes.”

We have said to that proponent: “You might think that and the preparation of the development application for a proposal of this size, order and magnitude, with some of the obvious implications that this proposal represents, is a matter for your judgement. If you believe that you can pass this proposal through these planning hoops and this approval regime, that is your decision. But you need to understand that, if it does not pass through these planning hoops, it will not proceed.” That is a matter for the proponent.

The government does not go around second-guessing whether a particular site is an appropriate site for a nightclub or whether a particular site is appropriate—

**MRS DUNNE:** I think you have made the point.

**Mr Stanhope:** I will answer the question as I see fit. It is not for the government to decide whether an application for a nightclub in a certain site should proceed or not.

**MRS DUNNE:** Madam Chair, I really think he has answered the question.

**Mr Stanhope:** It is not for the government to decide whether a grog shop is appropriate for a fixed site. Those are matters for the proponent and our independent statutory planning regime.

**THE CHAIR:** Thank you, Chief Minister.

**MRS DUNNE:** Mr Mitchell, I want to go back to what you said about the site selection. You said that the site selection was conducted in consultation with a list of people, including the Chief Minister's Department. Who in the Chief Minister's Department was consulted over the site selection?

**Mr Dawes:** Can I just clarify? I think, as we said yesterday, the Chief Minister's Department was not involved in the site selection—that these options were put forward based on criteria that ActewAGL had and those particular sites. What we have also got to remember in all of this is that ActewAGL have quite a large number of consultants and experts involved. They went through and looked at the various sites that were proposed, and that is what they selected.

**MRS DUNNE:** Sorry, can I just—

**Mr Dawes:** We did not become involved in that project until after a site had been selected, and that was stated yesterday.

**MRS DUNNE:** That is what was stated yesterday, Mr Dawes. I asked the question because Mr Mitchell said something that seemed to be at odds with that. I just, in the nicest possible way, wanted to find out who was involved in the site selection, who was consulted in the site selection and when various agencies became aware of this as an issue. My question is: was anyone in CMD associated with the site selection? And, if so, who or what area of CMD?

**Mr Mitchell:** I apologise; I have given incorrect information there in reading from my notes.

**MRS DUNNE:** Okay; thanks.

**Mr Mitchell:** I apologise for that. No one from CMD was involved.

**MRS DUNNE:** Right.

**Mr Mitchell:** This was ActewAGL and their consultants talking to people from LDA.

**MRS DUNNE:** Thanks, Mr Mitchell. Can you just also tell me this: when was the LDA first contacted regarding the power station and the need for a block of land?

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

**MRS DUNNE:** Okay, thank you.

**THE CHAIR:** Mr Pratt, you have the next supplementary and then Mr Seselja has a supplementary.

**MR PRATT:** Thanks, Chair.

**THE CHAIR:** And you do as well? Then we might have exhausted all of the supplementaries on this particular subject.

**MR SMYTH:** Maybe not.

**MR PRATT:** Mr Mitchell, why did LDA look only at the commercial considerations, the ones that you listed in one of your earlier answers? Why did they not also look at the social and sustainable community considerations in the decision that was taken to approve the site so close to Macarthur?

**THE CHAIR:** That was answered just now, Mr Pratt.

**MR PRATT:** I am sorry?

**THE CHAIR:** In answer to Dr Foskey's question, I thought.

**MS MacDONALD:** That was answered.

**MR SESELJA:** I do not know that it was.

**MR PRATT:** I do not think so. I will rephrase the question. When you made that decision to allocate that particular site—which I presume is a fairly expensive decision to make and a decision that is difficult to reverse, because people have to take into consideration all sorts of planning and preparation factors—were you aware of the Ausplume model, ActewAGL plume data, that had come with their preliminary environmental impact assessment, which indicates that the gas-fired project would emit 245 micrograms per cubic metre, which is one-quarter of one per cent less than the Australian national standard? What did you think about that in relation to the decision to put this so close to a suburban area?

**Mr Mitchell:** Again, I think we were looking at trying to find some land that would meet the ActewAGL requirements for this sort of facility. We were not giving approval to the construction of a gas-fired power station. As the Chief Minister has indicated, any making available of land is just part of the process. The process also involves a development application, an EIS and a range of other things that would need to be gone through to determine whether or not this thing can be built in a safe way. They did not present to us anything which would indicate that it was not.

**MR PRATT:** So you did not see any of the preliminary environmental assessments that have now become quite public information?

**Mr Mitchell:** Personally I did not see them; I am not sure about others in the LDA. But I think the one you are referring to does indicate that it is within—

**MR GENTLEMAN:** Australian standards.

**Mr Mitchell:** that standard, does it not?

**MRS DUNNE:** Only just.

**MR PRATT:** Yes, by one-quarter of one per cent. It is on the margin of safety; it is right on the margin of safety. Did LDA not think at all that a project with an environmental factor right on the edge of safety might not need to be much more closely analysed and questioned in terms of a decision to locate it within 600 metres of a suburban area?

**Mr Mitchell:** I can only repeat that whether or not it ultimately goes ahead will depend on a range of other processes which are still happening, such as the development application and the EIS. They will determine whether or not it is safe and can be built there.

**MR PRATT:** But if a decision is made that this site is therefore not sustainable, what are the implications in terms of cost and time frame for relocating?

**Mr Mitchell:** That is a matter for the proponent.

**Mr Stanhope:** That is a matter for the proponent. That is a commercial judgement for the proponent.

**Mr Mitchell:** It is a commercial decision.

**MR STANHOPE:** That is a commercial decision of the proponents.

**MRS DUNNE:** And you do not mind if they walk away for want of a good site?

**MR PRATT:** So why are those factors not taken into consideration when a decision is taken to site a project of \$2 billion capacity—such a monumental decision, one which, Chief Minister, clearly you think is going to be a project very worthy of the ACT?

**Mr Stanhope:** Absolutely.

**MR PRATT:** Why are these factors not looked at closely when you make that final land site decision?

**Mr Stanhope:** That is a commercial decision for the proponents; that is not a decision for the government. That is not the government's decision; that is the proponent's decision. It is the proponents who have expertise in running, managing, building and developing data centres and power utilities, not the ACT government. That is the basis on which our system operates and the basis on which it appropriately operates.

**THE CHAIR:** Mr Pratt—

**Mr Mitchell:** Perhaps I could—

**THE CHAIR:** Sorry.

**MR PRATT:** Just one more.

**THE CHAIR:** No.

**Mr Stanhope:** Those are decisions for the proponent. It is a commercial decision.

**THE CHAIR:** Mr Mitchell, you had—

**Mr Mitchell:** I would perhaps just stress that it was ActewAGL that chose the site from a number of possibilities.

**MR PRATT:** Yes.

**THE CHAIR:** Okay, Mr Pratt.

**Mr Mitchell:** They were the ones who would be meeting any loss that might be involved if they did not proceed.

**Mr Stanhope:** There is no loss to the government.

**MR PRATT:** Chief Minister, the LDA's mission, according to page 509, is to contribute positively to the economic and social development of the territory by building vibrant and sustainable communities. Have you not therefore let down the community? Has LDA not, in fact, simply looked at only the commercial considerations and not met its mission requirement of taking a balanced decision on site selection?

**Mr Stanhope:** I do not fully understand your logic.

**MR PRATT:** Look at the mission.

**Mr Stanhope:** In which particular aspect of its mission has it allegedly failed, Mr Pratt?

**MR PRATT:** The question is: if LDA's mission is to look at all of the economic, social development and sustainable community factors, why, in this case, where a site selection decision has been taken, has LDA looked only at the commercial considerations—commercial considerations only?

**Mr Stanhope:** I am not sure on what basis you can make that claim.

**THE CHAIR:** Mr Seselja.

**MR SESELJA:** This might go a little bit further than that. Chief Minister and Mr Mitchell, are you saying to us that, in allocating land, the LDA, given its mission statement, makes no judgements whatsoever as to whether or not there may be an adverse impact on the community? For instance, if ActewAGL had decided that they thought it was a good idea to build a power plant at the lake, would that not have been

ruled out as being ridiculous and therefore an assessment made that it would not be in the community's interests for that to be pursued? Are you saying that no judgement whatsoever is made—that you only consider what the proponent is requesting in terms of land? Or do you actually make some judgement as to whether or not such a proposal would be suitable in all the circumstances?

**Mr Stanhope:** There would have to be an appropriate land use. Our planning regime divides the territory quite explicitly according to permissible land use. It would not be permissible to build a gas-fired power station and data centre on the edge of the lake. Your question is a nonsense.

**MR SESELJA:** Are you saying that no judgement is made—that no judgement is made as to the suitability?

**MRS DUNNE:** About the likelihood of success?

**Mr Stanhope:** If the proposal is consistent with the land use as defined under the territory plan then a proponent is quite at liberty to say: "I have a proposal which is consistent with the land use that is defined under the territory plan for this site. I would like to lodge a development application and have my development application considered according to the law." It is the basis on which planning actually is constructed and organised in the territory—that this site has an appropriate land use or a land use consistent with this particular proposal designated in the territory plan.

That is the basis on which this proposal proceeds. A proponent has come and said: "I have a proposal, a project, I would like to pursue through the rigorous planning procedures of the ACT government. Can you identify land which has a land use as defined under the territory plan which is consistent with this project?" The proponent says, "I understand or accept that I cannot build this beside the lake"—as suggested by you, Mr Seselja—"because the land use as provided in the territory plan"—the land beside the lake—

**MR SESELJA:** You are saying that no judgement is ever made—no judgement whatsoever?

**MRS DUNNE:** As to whether the project will succeed?

**MR SESELJA:** Particularly with the new territory plan, which had much broader land uses—

**Mr Stanhope:** The situation we have—

**MR SESELJA:** You are saying there will be no judgement made as to the impact?

**THE CHAIR:** Mr Seselja!

**Mr Stanhope:** The situation we have here, as distinct from the hypothetical situation that you provided, is that this particular land has a land use, defined under the territory plan, which is consistent with this particular proposal. A proponent exercising their commercial judgement has come to government and said: "I understand that this land

has a land use which is consistent with this use. I wish now to lodge a development application. Of course, in exercising my commercial judgement and my judgement about whether or not my project will be approved, I wish at least to have it tested.” That is the process. If this particular site had a land use that did not permit construction of the data centre and gas-fired generation then of course it would not have been made available. The advice would have been given quite simply and plainly: “Look, you can’t do that on this land.”

**MR SESELJA:** As a shareholder and as a community representative, do you make any judgements about the merit of this proposal?

**Mr Stanhope:** No. That is not for me to do. That is the Wollongong scenario, which I understand is now the Liberal Party’s new planning position.

**MR PRATT:** It is the opposite of the Wollongong scenario.

**MR SESELJA:** Do you have worries about your members taking bribes, Chief Minister? That is the only circumstance where that would apply.

**Mr Stanhope:** I have a worry that the alternative—

**MR SESELJA:** That is the only circumstance where that scenario would apply under our legislation.

**Mr Stanhope:** I have a worry that the alternative government of the—

**MR SESELJA:** You must have worries about your own side.

**THE CHAIR:** Mr Seselja!

**Mr Stanhope:** Do you want me to answer the question?

**MR SESELJA:** Sure.

**Mr Stanhope:** I have a worry that the alternative government of the Australian Capital Territory is here today now, in that question, advocating a return to a planning regime that allows ministerial fiat to determine whether or not a proposal should or should not proceed.

**MR SESELJA:** We are saying that elected representatives should make some judgements from time to time.

**Mr Stanhope:** The question asked of me just now, “Minister, do you believe that you should have the right to intervene in statutory processes to determine whether or not”—

**MRS DUNNE:** Madam Chair, that is outrageous verballing—

**MR SESELJA:** That is not what I said.

**Mr Stanhope:** That is what he said.

**MR SESELJA:** That is not what I said.

**MRS DUNNE:** and the record will show it.

**Mr Stanhope:** That is what Mr Seselja just said.

**MR SESELJA:** This is about allocation of land.

**MRS DUNNE:** You need to call him to order.

**THE CHAIR:** No, I believe that is what he said.

**MR SESELJA:** You are saying you make no judgements. You make no judgements whatsoever as to whether it is reasonable.

**Mr Stanhope:** If it is consistent with the territory plan then a proponent has the right to lodge the application. What you are saying is that you want the right to determine whether or not an application consistent with the territory plan should even be allowed to be lodged.

**MR SESELJA:** I am saying that elected representatives should make judgements in the interests of the community.

**Mr Stanhope:** I am saying that that is a very, very dangerous position. That is a position—

**MR SESELJA:** They should make judgements in the interests of the community.

**THE CHAIR:** We are going to Mr Smyth's—

**Mr Stanhope:** There you go, Mr Seselja; he is. He is advocating that ministers should make judgements in the interests of the community—

**MRS DUNNE:** This is not an answer to a question, Chief Minister. This is a riff.

**Mr Stanhope:** before the process has begun.

**MRS DUNNE:** Answer the question and move on to the next question.

**MR SESELJA:** For the allocation of the land, exactly.

**THE CHAIR:** We would like to go on to the next question. Mr Seselja keeps repeating it.

**MR SESELJA:** You do not think there should be any judgements made by your agencies when they give a direct grant of land. You are a shareholder—

**Mr Stanhope:** No, you just said the shareholders—in other words, the ministers



should make the judgements. So what we have here is the Liberal Party advocating—

**MR SESELJA:** No.

**MRS DUNNE:** No, you are twisting, and the record will show that you are twisting.

**Mr Stanhope:** a return to a planning regime where important decisions about land allocation and project approval are made by politicians.

**THE CHAIR:** Okay, we will go on to—

**Mr Stanhope:** That is not the basis on which—

**MR PRATT:** You have got an overwatch role, Chief Minister.

**THE CHAIR:** Mr Pratt!

**Mr Stanhope:** planning is actually conducted in the ACT, and it is not a proposal which the Labor Party—

**MR PRATT:** You have got an overwatch role.

**THE CHAIR:** Mr Pratt!

**Mr Stanhope:** intends to adopt; namely, that politicians be involved in site selection or that politicians be involved in project approval. We have deliberately within the territory—

**MRS DUNNE:** So you are not calling it in.

**Mr Stanhope:** to the great benefit of the Australian Capital Territory, constructed a planning regime—

**MRS DUNNE:** This project is not going to be called in by the ACT executive.

**THE CHAIR:** Mrs Dunne!

**Mr Stanhope:** that actually keeps politicians at arm's length from those basic issues of whether or not a particular development is consistent with the territory plan. What we have the Liberal Party arguing here today is that, despite the fact—

**MRS DUNNE:** Madam Chair, he is being tedious and repetitive. That is in contravention to the standing orders and it is an abuse of the committee.

**Mr Stanhope:** that the territory plan permits this particular use, the Liberal Party believe that there should be ministerial interference—

**THE CHAIR:** I will go on to Mr Smyth as soon as—

**MRS DUNNE:** Close him down.

**Mr Stanhope:** in the process; and that the territory plan, if it provides for a particular use, should be ignored. The planning processes are rigorous and there is no room—

**THE CHAIR:** We will go to Mr Smyth's question now.

**Mr Stanhope:** in the Labor Party's view, in my government's view—

**MRS DUNNE:** Mr Smyth, you have got the call.

**Mr Stanhope:** for politicians to be involved in those fundamental decisions in relation to land use or planning.

**THE CHAIR:** Thank you, Chief Minister. We will go to Mr Smyth.

**MR SMYTH:** Just on ministerial powers and the roles of politicians, Chief Minister, we have recently reviewed and changed the land and planning act. In it, there is a call-in power that a minister—a member of the parliament, a politician—exercises. Will you be ruling in or ruling out the use of the call-in power on this project?

**Mr Stanhope:** The legislation does provide, and has always provided, the capacity for a call-in. It is a ministerial discretion vested in the Minister for Planning.

**MR SMYTH:** So it allows politicians to make judgements?

**Mr Stanhope:** It is a discretion vested in the Minister for Planning.

**MR SMYTH:** So politicians can make judgements—

**Mr Stanhope:** Under the legislation they have always—

**MR SESELJA:** On behalf of the community.

**Mr Stanhope:** Under the legislation in certain circumstances—

**MR SMYTH:** Thanks, Chief Minister. That is fine.

**Mr Stanhope:** there has always been a capacity to utilise the call-in.

**MRS DUNNE:** I have a supplementary, Madam Chair.

**Mr Stanhope:** But it is a power vested in the Minister for Planning, and only the Minister for Planning can make that judgement.

**MR SMYTH:** Yes, thank you. Block 7—

**THE CHAIR:** Mrs Dunne?

**MR SMYTH:** I have just got a couple of supplementaries, by way of follow-up. Mr Mitchell, block 7 of 21 was rejected by the proponent. Are you aware of why they

did not want block 7 of 21? It is zoned industrial. I understand that some years ago an approval was given but never taken up for a power station in that vicinity. What is the intention of the LDA for block 7 of 21, Hume?

**Mr Mitchell:** Block 7, 21 Hume has been identified for release under the government land release strategy to meet increasing demand for industrial land.

**MR SMYTH:** But this project would meet industrial land use.

**Mr Mitchell:** It would, but there would be an opportunity cost there—quite a substantial one.

**MR SMYTH:** Could you explain the substantial opportunity cost?

**Mr Mitchell:** I think the value of the land for industrial land would be higher than its value for broadacre use, which is what it is currently being used as.

**MR SMYTH:** So we are looking to the profit there; we want to maximise the profit on that block of land?

**Mr Mitchell:** It is a relevant consideration.

**MR SMYTH:** Certainly, but that is the intention—to maximise the profit on block 7, 21 rather than allow it to be used for a power station and data centre?

**Mr Mitchell:** I think it was recognised by the government that there is a demand for industrial land and that it should be used for that purpose rather than moved across for another one-off sort of purpose.

**MR SMYTH:** Chief Minister, do you think it is appropriate to put profit before people in considerations of land release?

**Mr Stanhope:** I certainly do not, no.

**MR SMYTH:** You do not? So will you reverse this decision of the LDA and make this block available for the power station?

**Mr Stanhope:** There is absolutely no evidence that the government, the LDA or anybody has put profit before people. We have not done that.

**MR SMYTH:** Mr Mitchell just said opportunity costs, substantial opportunity costs, in not releasing this block of land for smaller-sized industrial use.

**Mr Stanhope:** Well, I think—

**MR SMYTH:** He just said that—substantial opportunity costs, Chief Minister.

**Mr Stanhope:** Yes, but your question supposes that this has been at the cost of people, and I do not believe that has been substantiated.

**MR SMYTH:** Well, the residents of Macarthur and—

**Mr Stanhope:** On what do you base that?

**MR SMYTH:** The residents of Macarthur and Fadden think it is being done at their cost.

**MRS DUNNE:** 400 objections to the PA.

**MR SMYTH:** But that is okay; it stands on the record. The government is in favour of profit over people. Mr Mitchell, under the broadacre zone, zone objective (c)—

**THE CHAIR:** Talk about verballing, Mr Smyth; I actually do not think that is what the Chief Minister—

**MS MacDONALD:** It was a cheap throwaway line, actually.

**MR SMYTH:** It says that you must ensure that—

**THE CHAIR:** Excuse me, Mr Smyth.

**MR SMYTH:** the development does not adversely impact or visually intrude on the landscape and environmental quality of the land.

**Mr Mitchell:** Sorry, Mr Smyth, could you repeat that?

**MR SMYTH:** Under the broadacre zone from the territory plan, zone objective (c) says that any development does not adversely impact or visually intrude on the landscape and environmental quality of the locality. Do you believe that this proposed development meets that guideline?

**Mr Mitchell:** It is not a matter for me, Mr Smyth. That would be what would be taken into account in assessing whether or not this plan complies with the territory plan and would satisfy the development application and the—

**MR SMYTH:** Surely, you cannot release a block of land for a use that would break the territory plan. In this case it says “does not adversely impact or visually intrude”. This is a substantial development. It is bigger than the existing federal parliament. Do you believe that it is not visually intruding on the landscape?

**Mr Mitchell:** Again, I think it is a matter for ACTPLA to assess.

**MR SESELJA:** The Chief Minister just said the land would only be released if it complies with the territory plan, so it has to be a relevant consideration.

**Mr Stanhope:** Relevant for ACTPLA in its consideration of the development application.

**MR SESELJA:** You said that it would be released only if it complies with the territory plan. Surely some assessment has to be made as to whether such a

development may comply with the territory plan. Otherwise, how can you know? If you are making no judgement, you would release in any circumstances because you are not making a judgement as to whether it complies with the territory plan.

**Mr Mitchell:** I do not make that decision. ACTPLA does when it is—

**MR SESELJA:** The Chief Minister just suggested, in his answer, that you do.

**THE CHAIR:** Mr Seselja.

**Mr Stanhope:** No, I did not. I did no such thing. I said that these are matters for the statutory process; these are matters for ACTPLA. I said no such thing.

**MR SESELJA:** That is not what you said. You said that it would only be released if it complies with the territory plan. That is why you never—

**Mr Stanhope:** No.

**MR SESELJA:** released the site near the lake—because it would not comply with the territory plan. You would be making a judgement as to whether it complies with the territory plan.

**Mr Stanhope:** No: whether or not it has land use as justified under the territory plan.

**THE CHAIR:** That is what he said.

**Mr Stanhope:** I said “land use”, and the land use at the lake is not broadacre.

**MR SESELJA:** So some judgements are made. It is a very confused logic that no judgements—

**MR GENTLEMAN:** You are the only one confused.

**MR SESELJA:** are made whatsoever but you are making a judgement about the territory plan. But now we are told, when we ask about a particular zone objective—

**Mr Stanhope:** It is not a judgement about the territory plan.

**MR SESELJA:** that no judgement is made.

**Mr Stanhope:** There is no judgement about the territory plan.

**MRS DUNNE:** Madam Chair, I have got a supplementary.

**Mr Stanhope:** The territory plan is clear. It says, in writing, “broadacre”.

**MR SMYTH:** I have just one last part of the supplementary.

**Mr Stanhope:** There is no judgement.

**MR SMYTH:** Mr Mitchell, once a decision is made on what blocks you would put forward to a proponent for their consideration, is that strictly between the LDA and the proponent or do you inform any part of the government about which blocks you are releasing?

**Mr Mitchell:** I guess it depends on the process by which the blocks are to be released.

**MR SMYTH:** In this process, once you decided on the short list of four sites, were ACTPLA, Chief Minister's, environment, health or any other government department with a potential interest in a major project informed and asked for their opinion?

**Mr Mitchell:** If it is to be a direct grant, as this one would be, we would look to what processes need to be satisfied to make that direct grant. If it were under the old legislation and there were a disallowable instrument with decisions to be made by the executive—similarly under the new legislation—that would go via a cabinet submission. It would be assessed in that way, and part of the cabinet submission would involve circulation to all the other relevant departments and agencies.

**MR SMYTH:** So this was done by way of cabinet decision in this particular case?

**Mr Mitchell:** I understand that there was a cabinet decision in relation to the overall structure of this, but again it is conditional upon a range of things happening.

**MR SMYTH:** Certainly, but cabinet approved the potential release of this block to the proponent?

**Mr Mitchell:** Yes.

**MR SMYTH:** Chief Minister, are you happy with the cabinet processes that led to the submission—that all issues were canvassed on the submission through the various arms of government, including health, environment and sport and rec?

**Mr Stanhope:** No, but I was certainly satisfied that the grant of land would not proceed if the certain conditions presently contained within the deed of option negotiated with the proponents were not satisfied.

**MR SMYTH:** So some of the ministers agreed with the process proceeding?

**Mr Stanhope:** Cabinet agreed with the process, yes.

**MR SMYTH:** I am just asking you. There was no dissent? You said you would not hide behind cabinet confidence. There was no dissent in the cabinet room over this decision?

**Mr Stanhope:** That is an absurd question. Cabinet agreed. You know the rules around cabinet.

**MR SMYTH:** I can get you a document from 2001 where you said that you would not hide behind cabinet in confidence.

**Mr Stanhope:** We do not. We do not hide behind cabinet in confidence.

**MR SMYTH:** Was there no dissent in cabinet over this? Was the decision unanimous?

**Mr Stanhope:** I do not answer questions about cabinet discussions—as does absolutely no government.

**MR SMYTH:** The Westminster principle is that you can choose to: you do not have to, but you can choose to.

**Mr Stanhope:** What cabinet agreed was that it was important that there be an approved development application as a condition precedent. In relation to that, there was an explicit requirement that, in the first place, the development application be lodged and approved and that there be a range of other commitments made by the proponents—that there be a preliminary assessment. We all know—those of us that understand the planning regime—that through those processes—quite rigorous statutory processes that apply to all developments in the ACT—in order to get an approved development application, there would need to be a range of conditions, particularly environmental.

To the extent that we talk about environmental conditions, we are talking about issues in relation to emissions and their impact and the need to meet Australian standards, including Australian health standards. As the proponents have said—and as the government should not need to say but has been saying repeatedly in relation to this process—the proponents deserve procedural fairness. The proponents deserve to have their application in relation to this matter treated fairly and objectively, consistent with the law of the Australian Capital Territory. The proponents understand that, if they are not able to satisfy the conditions that apply to a project such as this, the project should not and will not proceed. It is as simple as that.

**MR SMYTH:** I have just a final question to Mr Mitchell. When you said that block 7 of 21 was deemed not suitable because it was to be released for high-level industrial uses, who made that decision? Did ACTPLA ask that it not be released, did the government ask or did the proponent just say, “We do not want it, so we will leave it for you to release in another method”?

**Mr Stanhope:** Yes, that is what happened. The proponent chose not to accept this particular—

**MR SMYTH:** That is not what Mr Mitchell said earlier. It is in the government’s hands.

**Mr Mitchell:** I understand that it was ACTPLA that made the decision.

**MR SMYTH:** ACTPLA made the decision. Thank you.

**Mr Mitchell:** Sorry, Actew—ActewAGL.

**Mr Dawes:** ActewAGL.

**Mr Mitchell:** Sorry.

**Mr Stanhope:** The proponents decided that they did not want this particular site.

**Mr Dawes:** Just to clarify that, if I may. I think you will find that 7 of 21 was put on the table as an option for ActewAGL. As Mr Mitchell has already stated, there were four blocks of land. Seven of 21 was rejected by ActewAGL because they wanted to be closer to their current infrastructure, where there is access to water; there is also an electrical easement that abuts that particular site, which means that it is easy to connect to the grid. There was also the fact that it was located closer to the tip for the recycling of the methane gas there. That was the reason why they chose that particular site.

As I stated earlier, ActewAGL had a number of town planners and senior consultants working for them in their armoury there. They actually crawled all over the sites and that was the site that they came up with. Whatever happens from here, it is a commercial decision that they made.

**Mr Stanhope:** It needs to be understood that block 7, section 21, Hume, was not offered and then withdrawn by the government or any government agency. The site was offered and not accepted.

**THE CHAIR:** Mrs Dunne, you had a supplementary?

**MRS DUNNE:** I have two supplementaries. I go to the likely success of the project. We have got Mr Mitchell's organisation, the LDA, helping a proponent find a block of land. We have got Mr Dawes's organisation as the facilitator of developments of this and other sorts in the ACT. I am not quite sure who can answer this question, but does anyone make a judgement about the likely success of a particular project in a particular place? We have said that the land is consistent with the territory plan. But even if it is consistent with the territory plan, you can put it in a place where it will fail anyhow.

In putting together a proposal or helping a proponent—any proponent—does anyone put together a proposal for government and say that this may or may not succeed because of a variety of things? In this case, they would say, "There is the risk of pollution in close proximity to populations and schools; perhaps this is not a good site." Does anyone make that sort of judgement—in this case or generally? If not, what is the point of having a facilitation process between all of these agencies, because we are just setting ourselves up to fail?

**Mr Stanhope:** We are not setting ourselves up to fail. These are decisions that the proponents make. The proponents believed—and still believe—that this site is appropriate and that this site will meet all relevant Australian standards in relation to issues such as noise and emissions, the issues that you raise. That is their honest and firm belief, substantiated in large measure by scientific research and reports which they have commissioned and had developed and which have been peer reviewed. That is their position. There are a range of views. There is a competing view. There has been a significant expression of concern by residents, most particularly of Macarthur



and Fadden, that the site is not appropriate.

**MRS DUNNE:** That is not answering the question here. You are not answering the question, Chief Minister. My question was: does anyone make a judgement as to whether or not, on a particular block of land, a particular proposal is likely to succeed or not? On this one, you could do a SWOT analysis and say, “There are risks here. If we want this project to come to town, are we making them the best possible offer?” Does anyone make that judgement? Does Mr Mitchell’s organisation make that judgement, does Mr Dawes’s organisation make that judgement or does the cabinet make that judgement at any stage? Do you actually make the decision: “We really would like these people to come to town, and we want it to succeed. Where is it most likely to succeed?”

**Mr Stanhope:** The government has been fully supportive of this particular proposal and project, and remains so. Our support has been evident from the outset. We have negotiated with the proponents, particularly in relation to the potential grant to them of an appropriate piece of land, subject to all of the formal planning and other requirements being met. But the government does not make commercial, scientific or value judgements on the basis of proponents of projects, large or small.

The government would be prepared to provide advice, but, in the making of major commercial decisions by major commercial organisations, the government adopts the attitude that with issues around risk, particularly where they involve commercial risk, decisions are made by the proponent. It would be a risky business indeed for the government, all of sudden, to get into the game of advising major multinational specialist corporations about their commercial requirements. It would open us to a whole range of potential liability and conflict that would not be appropriate.

So the answer is no. The government provides advice on land use—appropriate land use—and whether or not a particular proposed use is consistent with a land use as designated under the territory plan. But the government does not involve itself in the making of commercial decisions on behalf of commercial organisations. It would open us up to all sorts of potential liability if we were to do so.

**MRS DUNNE:** My other supplementary is pretty much the same question I asked Mr Mitchell. Mr Dawes—I am quite happy for you to take this on notice—when did you or your unit first become aware of the proposal to build a power station and data centre?

**Mr Dawes:** I would have to take that on notice.

**MRS DUNNE:** Fine.

**Mr Dawes:** But let me just clarify something as well. We have obviously got an application in; it is going through a particular process. From a project facilitation point of view—it is important for Canberrans to have a pretty significant project for the territory—once that process is completed, we will look at where that ends and work with them to come to a satisfactory conclusion.

**MRS DUNNE:** Thanks.

**THE CHAIR:** It is time for morning tea.

**MR PRATT:** Could I just ask if Mr Mitchell could take something on notice as well. When did LDA get any information at all from ActewAGL about its plume data analysis?

**THE CHAIR:** Okay. We are going to morning tea. Chief Minister, I need to discuss whether we can do any more with LDA after morning tea. I do not know whether your staff need to go back. But in any case, very quickly after that we do have the executive.

**Meeting adjourned from 10.32 to 10.50 am.**

**THE CHAIR:** We are going on with LDA for about another 15 to 20 minutes and then we will go to ACT Executive and then Economic and Business Development.

**MR GENTLEMAN:** Chief Minister, on page 510 of budget paper 4, underneath the priorities for the LDA, it refers to the releases in Bonner, indicating that there are going to be showcasing and innovative approaches to sustainable communities. Can you go through some of those approaches that you have been presented with on sustainability?

**Mr Stanhope:** I will ask Mr Mitchell if he can respond to that question.

**Mr Mitchell:** All of the current LDA developments have a strong focus on sustainability, particularly in terms of water sensitive urban design, water reuse and onsite management. This is particularly important given the emphasis on the maintenance of the public domain areas and the integration of the development with adjacent reserve areas.

LDA is progressing water sensitive urban designs in a number of areas. Bonner is one; Woden East, which is a joint venture, is another; and new greenfields estates in Gungahlin such as Franklin, Forde as well as Bonner. The completed eco pond at Norgrove Park at Kingston Foreshore provides the treatment of stormwater runoff to improve the quality of water entering Lake Burley Griffin and allows watering of the park and other public domain areas around Kingston Foreshore. The EpiCentre Estate at Fyshwick also incorporates an artificial wetlands pond to ensure stormwater from the estate is treated prior to entering the Molonglo River system.

In terms of water reuse as well, current contractors for LDA estates must enter into arrangements with Actew for the sourcing of their water, and wherever possible watering of trees, open spaces and parks would be done using recycled water or alternatively the reuse of stormwater where this is appropriate and licensed by Environment ACT.

**MR GENTLEMAN:** Are we going to see a move away from the way we treated stormwater in the past, with the big, open concrete drains running through the middle of developments and suburbs in the city?

**Mr Mitchell:** Indeed, some of this water sensitive design that I spoke of certainly moves away from those large open drains and looks for more innovative uses—ponds and things. The eco pond at Norgrove Park at the Kingston Foreshore—it is one of the ones I mentioned as providing water treatment for runoff—is a prime example of that.

**Mr Stanhope:** I think it is relevant, in the context of Mr Gentleman's supplementary question, to acknowledge the new eco pond which, of course, is a case of retrofitting. It is very relevant in relation to Gungahlin—a major dam or pond is now being constructed just off Flemington Road on Sullivans Creek—and, most particularly, in relation to the proposed developments at Molonglo.

Mr Gentleman, you would have noticed that the budget provides, I think, \$10 million for the construction of the Weston pond, which is a very significant pond that will be constructed on Weston Creek adjacent to the parks depot at Weston Creek. It is a major pond, actually, which responds directly to issues on water quality and water control in new developments, having regard to our commitment to far more sensitive urban design.

I would like to think that progressively we will retrofit or seek to at least ameliorate some of the worst aspects of the big concrete creeks that we have crisscrossing Canberra. In the context of their efficiency and utility, they are incredibly efficient; it is just that they are incredibly ugly and very, very destructive of localised environment. So I would hope in time that we will progressively retrofit, as we have begun with the upper regions of Sullivans Creek.

**MRS DUNNE:** My new line of questioning is to the Chief Minister and it relates to what is known as the QEII site. When is the purchaser or the developer expected to pay for the site?

**Mr Mitchell:** Settlement occurred last Friday; so it has been fully paid for.

**MRS DUNNE:** Fully paid for, including the stamp duty?

**Mr Mitchell:** It has settled; so I would have assumed that they paid their stamp duty when they entered into the contract. They could not have registered the lease without paying stamp duty first.

**MRS DUNNE:** Have similar arrangements been provided to other developers for settling on land purchased in the territory? It seems to me an unusual process for settlement.

**Mr Mitchell:** I think the contract for the sale of this land was conditional on three things: there was provision of a clear, unencumbered site; the signing of an agreement to lease with a major commonwealth tenant, which was DEST; and approval of the development application for a building necessary to accommodate the tenant. So the sale was conditional upon those three things.

**MRS DUNNE:** But the purchase price was set some time ago and the settlement was at the end of last week, last Friday. When was the purchase price agreed upon? I am happy for you to take it on notice.

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

**Mr Mitchell:** Thank you.

**MRS DUNNE:** I wonder whether you could give some opinion about the rate at which the value of land has increased between when the purchase price was agreed upon and when it was settled and whether or not the territory is getting value for money.

**Mr Mitchell:** The assessment of value for money was done at the time the contract was entered into and, I think, was based on valuations, as we normally have. The territory did extremely well on the sale of this. The purchase price was substantially higher than the valuations.

**MRS DUNNE:** The purchase price was?

**Mr Mitchell:** I think the purchase price was \$39.6 million.

**MRS DUNNE:** And the valuation?

**Mr Mitchell:** I think it was of the order of \$19 million. I think around \$19 million was the highest valuation.

**Mr Stanhope:** Tremendous result.

**MR SESELJA:** Mr Mitchell, this does seem an unusual arrangement. Are there other circumstances where either developers or purchasers of land in the territory have the opportunity to not pay for a site until the development application is approved? Is that standard practice? Does that happen often in the industry?

**Mr Mitchell:** No, it is not standard practice, but I think the LDA, in particular, has looked at a range of ways it can sell land and add value to the sale process. I think it is more common than not that the purchaser would take the complete risk of the development application.

**MR SESELJA:** Why in these circumstances did this developer not have to take any of that risk which first homebuyers and others always have to take?

**Mr Mitchell:** Because it was factored into the purchase price. Our assessment at the time was that if we just sold the vacant block of dirt without any commitment or without any conditions the territory would have received substantially less.

**MR SESELJA:** We have heard the arguments about getting the commonwealth tenant, but this is part of it that we were not aware of before. The purchase price was essentially artificially inflated as a result of allowing this kind of condition in the contract?

**Mr Mitchell:** I would not use the expression “artificially inflated”; what I would say is that the territory got very full value, perhaps over what we had understood to be the

market value, by entering into this sort of arrangement in this instance.

**MR SESELJA:** Is this going to be something that is going to become a regular occurrence? Will potential first homebuyers be given this kind of concession?

**Mr Mitchell:** I think there is a different risk profile and a different return to the territory involved in these things. Whether the territory or the LDA would again use the process that was used for the sale of QEII is an open question. I think the LDA has shown that it is willing to accept some risk in exchange for a higher return to the territory, but whether we would do that again in exactly the same way would have to be assessed at the time.

**MR SESELJA:** Is there a reason why this site specifically was not advertised?

**Mr Mitchell:** My understanding was that it was advertised.

**MR SESELJA:** It was not specifically; it was an EOI; it was tied to a Gungahlin EOI which made no mention of the QEII site. Is there a reason why this prime commercial real estate was not advertised prior to sale?

**Mr Mitchell:** I think closer reading of the EOI indicated that it could apply to a range of sites, not limited to—

**MR SESELJA:** But QEII was not specifically identified?

**Mr Mitchell:** I do not think it was specifically identified, no, but there was reference to a range of sites that it could be applied to.

**MR SESELJA:** Is it a good process, when you have very valuable sites, very sought after, with pent-up demand, that you do not tell everyone in the industry about them specifically?

**Mr Mitchell:** I think normally we would advertise and advertise well the location of the property, yes.

**MR SMYTH:** On the ANU developments in City West, the government signed a deed of agreement with the ANU to access certain blocks. Can you tell us how many blocks the ANU has taken the government up on and how much they have paid for each of those blocks?

**Mr Mitchell:** No. I would have to take that on notice.

**MR SMYTH:** A fence has gone up around a block next to the high-rise car park in Childers Street. I assume it is on section 68. How much was paid for that block, do we know?

**Mr Mitchell:** We would have to that on notice, but there were three valuations on that particular site and we took the highest value.

**MR SMYTH:** So you do know the valuation?

**Mr Mitchell:** Yes, we do have the value. It is about \$12 million.

**MR SMYTH:** About \$12 million?

**Mr Mitchell:** Just over \$12 million.

**MR SMYTH:** How does \$12 million for that site compare with the site on Vernon Circle that went for \$92 million?

**Mr Dawes:** Actually, that is a good question. If you look at the site per square metre, if you look at section 63—that is the one I think you are referring to that we received \$92 million for—that equates to about \$720 a square metre, all the developments. If you look at QEII, QEII has achieved the highest per square metre rate of any block in the territory.

**MR SESELJA:** Does that take into account the discount for the site-holding costs that have been taken on by the government?

**Mr Stanhope:** Yes, it does, unfortunately for your particular campaign in relation to QEII. What Mr Dawes has just revealed is that the best return that the government achieved in the last 10 years is for QEII, at \$900 per square metre, against the much-vaunted section 63 which came in at just under \$200 a square metre less.

**MR SESELJA:** Yet Mr Mitchell says he would not follow that process again.

**Mr Stanhope:** No, he did not say that.

**MR SESELJA:** He implied it. He said that you would ordinarily advertise such a site; so he would not follow that process because it was not advertised.

**Mr Stanhope:** No, except it would be used and it will be used again in the future.

**MR SESELJA:** So they will be advertised in the future?

**Mr Stanhope:** If it actually returns the same sort of enormous dividend as Mr Dawes has just revealed QEII did.

**MR SESELJA:** How much were you offered 12 months before you sold?

**Mr Stanhope:** I might just say, in relation to QEII and estimates—the committee obviously knows this of course—just to confirm what an outstanding deal QEII was for the government and the Canberra community, the Property Council, on invitation, at last year's estimates appeared before estimates on 15 June 2007. Mr Hedley, in evidence to the committee last year, provided evidence on the Property Council's assessment of the value of the QEII site.

In the estimates, page 2 of the Property Council's evidence, Mr Hedley, in company with Mr Wheeler, provided a value of \$25 million as the value that they believed would have been achieved if the QEII site had gone to auction. As Mr Mitchell has

said, the government's valuation at the time was \$16 million.

**MR SESELJA:** How much were you offered prior to that day?

**Mr Stanhope:** So the valuation the government had was \$16 million. The president of the Property Council—

**THE CHAIR:** I think you said \$19 million.

**Mr Stanhope:** I think it was \$16 million, but we would have to check or confirm that valuation. My memory is that it was \$16 million but Mr Mitchell's memory is that it was \$19 million. In any event, Mr Tony Hedley and Mr Chris Wheeler, in evidence to last year's estimates committee, valued the block at \$25 million. A couple of months later, of course, the government signed an arrangement with Lang Corporation for \$39.6 million.

As Mr Dawes has just indicated, the per-square-metre return to the territory for QEII is \$900 a square metre, compared to the return for the contemporaneously released auction block at section 63 of \$721 a square metre. This represents a massive additional \$180 a square metre to the territory. It is an outstanding result by the LDA. I think I will nominate whoever it was at the LDA that managed the particular process for the Public Service Medal.

**MR SESELJA:** Current management are distancing themselves.

**MR SMYTH:** Mr Dawes, going back to block 2 of section 68, what was the square metre rate for that?

**Mr Dawes:** I would have to take that on notice, to be quite honest.

**MR SMYTH:** It is in the order of?

**Mr Dawes:** It is in the order of \$425.

**MR SMYTH:** About \$425. That was a car park. What arrangements have the LDA made to cover the displaced car parks?

**Mr Dawes:** There have been a number of discussions with the ANU. They have organised some temporary car parking on some of their other sites. Additional parking is being put in and around the School of Music. I could organise a map of the displaced car parking.

**MR SMYTH:** That would be good. As a consequence of all the blocks that have been sold to the ANU, can you also inform the committee of how many car parks have been lost and how many have been replaced?

**Mr Dawes:** With the displaced car parking, in all cases we have actually managed within that particular precinct.

**Mr Stanhope:** No, how many have been replaced?

**Mr Dawes:** I would have to take that on notice. I can come back with the numbers because we have actually worked that out with maps and so forth. On section 68, one of the key things that the territory insisted on was that the car parking would be generated not only on the size of that particular building but over and above. That particular site will have 614 car parks. It is a 28,400 square metre building, which would have generated about 284 car parks. So they have gone well and truly above in order to generate additional car parking.

**MR SMYTH:** What blocks are now being considered for release to the ANU? What have they requested?

**Mr Dawes:** I probably need to take that on notice because I have been away. We do have a meeting organised with the ANU to look at what they are going to do with the remaining sites. You will recall that it was a seven-year agreement.

**MR SMYTH:** Thank you.

**THE CHAIR:** Mr Seselja, did you have a substantive question on a different matter? I can go to Dr Foskey.

**MR SESELJA:** I am sure I did, but I have not put my bid in.

**THE CHAIR:** You have actually put your bid in.

**MR SESELJA:** I will turn to some more mundane matters. Marketing and advertising in the LDA: what are the marketing costs for 2008-09 and how do these compare to the estimated previous year outcomes?

**Mr Mitchell:** For 2007-08, total advertising and marketing was about \$1.8 million. That was a bit less than the year before, which was about \$2 million.

**MR SESELJA:** And what is it budgeted for in this coming financial year?

**Mr Mitchell:** I will have to take that on notice. I think it is budgeted to be about half a per cent of sales revenue, which is really quite modest by industry standards.

**MR SESELJA:** Just on specific marketing, I understand the LDA distributed an A3 brochure advertising the suburb of Forde. How widely was that distributed? How many suburbs was it distributed to? How much did that cost?

**Mr Mitchell:** I will have to take that on notice. That was the brochure for Forde, which is a joint venture?

**MR SESELJA:** Yes, it is the Forde joint venture. Who made the decision that the advertising in that brochure would refer to whole-of-government themes of investment in infrastructure and solving the housing affordability problem?

**Mr Mitchell:** I would have to check, but presumably that would have been taken within the joint venture by the joint venture management committee, comprising LDA



and its private sector participants.

**MR SESELJA:** No discussion with ministers in relation to those themes?

**Mr Mitchell:** I do not know.

**MR SESELJA:** Are you able to check for us?

**Mr Mitchell:** Certainly.

**MRS DUNNE:** I have a very quick question on this particular area.

**THE CHAIR:** Yes, and then we need to go to Dr Foskey.

**MRS DUNNE:** Mr Mitchell, how much affordable housing is there in Forde? You can take it on notice.

**Mr Mitchell:** Okay.

**THE CHAIR:** Dr Foskey?

**DR FOSKEY:** I would like to ask a couple of questions on sustainability issues. In relation to englobo developments, what mechanisms does the LDA have in place to ensure optimal solar orientation outcomes? I am not sure whether you were the recipients of a presentation by Derek Wrigley and John Sandiland—a very convincing case that the Forde development lacks consideration of solar access, which will make it very difficult for people there to use the feed-in laws that we are about to have, and to have passive solar advantage. I would like to know what mechanisms you have with developers in englobo developments to make sure that streets in particular—because we have got to start there—set out to enhance passive solar design.

**Mr Mitchell:** Again, this is mainly a planning issue because a number of these features are included in the requirements for new homes. I think all new homes must achieve a five-star rating, and part of that would include solar orientation. I know that, with a number of the blocks that are being developed, there are specific requirements in the successor to the lease and development conditions about solar orientation. The LDA is certainly conscious of these things and in its own estates and with its joint venture partners it is seeking to improve things like solar orientation and passive solar access.

**Dr Foskey:** But it is not a consideration when the preferred tenderer is selected. It is not one of the criteria in the contract, for instance. Is there a contract?

**Mr Dawes:** One of the things with englobo sales is that there is always a concept plan, and it does talk about solar orientation. But it does come back to the approval through ACTPLA.

**Dr Foskey:** So you do have a look at that concept plan?

**Mr Dawes:** Yes. If, for example, it was going to alter dramatically from the approved

concept plan, that particular developer would then need to factor that in, because obviously there are lengthy planning delays to renegotiate that concept plan. But as part and parcel of the new territory plan that was passed last month, that is very much on the radar of ACTPLA, and they are looking for solar orientation. I have been involved in a number of meetings, for example, on Casey 1. We have been assisting that particular developer, and that has been very much on the radar of ACTPLA to ensure that there is proper solar access.

You need to remember that there are some blocks that will always face west or south, or whatever the case may be. But one of the things we are trying to do is to ensure that there are as many north-facing blocks available as possible. With some new developments it is very difficult to get them all facing the way you would like because, at the end of the day, a block of land is square and you can only physically do what you can with that particular site. It is a matter of trying to maximise the solar access, which is fairly important.

With respect to some of the initiatives by the LDA in the suburb of Bonner, they are looking at doing demonstration-type housing there, to showcase to the industry what can be achieved. The board is certainly very conscious of informing the general public of what they can do and of some of the energy savings that can be made.

**DR FOSKEY:** And the builders also need informing.

**Mr Dawes:** Certainly.

**Mr Mitchell:** In the criteria for assessing a suitable joint venture participant—people we could enter into a joint venture with—sustainability and solar orientation are considerations that are taken into account.

**DR FOSKEY:** On page 11, I was very pleased to see that LDA has adopted a triple-bottom-line reporting framework, in which performance indicators are being developed relating to energy conservation, reductions in greenhouse gas emissions, water cycle management, waste and materials reuse, and improved urban design. I am interested in how that is going. Has the framework been put to use yet, and would you recommend it to other agencies who seem to be floundering in this regard?

**Mr Mitchell:** I will have to take that on notice.

**Dr Foskey:** If possible, could the reporting framework be tabled?

**MR SMYTH:** Mr Mitchell, the actual operating result for the year just finishing is estimated to be \$151 million. The budget estimate was \$66 million. How can that be so far out and how can we be confident of the \$59 million estimate for 2008-09 and declining estimates over the forward years?

**Mr Mitchell:** Mr Smyth, which year are we looking at to start with?

**MR SMYTH:** It is the very bottom line on page 511 of budget paper 4. The budget estimate for this year is \$66.142 million for the operating result. The actual outcome is estimated to be \$151.733 million, but then in the outyears, for the coming year it is

only \$59 million, then \$48 million, then \$47 million, then \$44 million.

**Mr Mitchell:** The very high results for this year reflect a number of extraordinary sales, some of which you have referred to in your questions. The site off Vernon Circle and also the QEII site released an extraordinary level of profit for the territory. So this year reflects those. Also, for example, there is the sale to the Chase joint venture of \$88 million. You start to stack in a few of these extraordinary sales—\$82 million, \$88 million, \$92 million, \$39 million—and that gives a very high result for this year. In the next year and in the outyears, although we will be selling as much land as we can to meet the government's land sales projections, there will not be these super sites that will release that sort of profit.

**MR SMYTH:** With the profits on the land release, as they are returned to the ACT government as a dividend, how is it determined how much is kept for the capital purposes of the LDA and how much is returned to the government?

**Mr Mitchell:** At this stage, we keep none. The whole amount of profit is returned. In terms of the LDA's total return to the territory, the figures are reflected in that statement of intent. For 2007-08, the dividend is around \$151 million. In addition, we pay an income tax equivalent of \$65 million. During this year, we will also have paid land acquisition costs, which go to TAMS and then to Treasury, of \$152 million. So all of our profit at this stage is distributed back to the government.

**THE CHAIR:** Thank you very much, Mr Mitchell and Mr Dawes. We will now go to ACT executive for about 15 minutes.

**MRS DUNNE:** Chief Minister, if confidential documents are leaked from ministerial offices, what investigations are normally put in train, and who conducts them?

**Mr Stanhope:** Where there is a leak from a department?

**MRS DUNNE:** No, out of ministerial offices.

**Mr Stanhope:** I am not sure I can—I am not aware of—

**THE CHAIR:** It is a hypothetical question.

**Mr Stanhope:** I must say that I am not aware of any. I am just trying to think of an instance where an investigation—

**MRS DUNNE:** Cast your mind back to budget week and the *Daily Telegraph* perhaps.

**Mr Stanhope:** I was just going to say that the only leak I can remember is when the Liberal Party hacked into Bill Wood's computer. I was just trying to remember what—

**MR SMYTH:** That is not true.

**MRS DUNNE:** That is not true. Madam Chair—

**Mr Stanhope:** I think there was a police investigation.

**MR SESELJA:** So you have forgotten about the one that was leaked—

**MRS DUNNE:** Madam Chair?

**Mr Stanhope:** I think the basic significance—I was just trying to think of cases where investigations have been launched. The one that I can remember is when the Liberal Party hacked into Bill Wood's computer.

**MRS DUNNE:** Madam Chair, the record shows that no-one did.

**Mr Stanhope:** I think the police were involved in that particular instance. I am not aware of any other investigation. As I say, I cannot remember any other investigation that has ever been launched in relation to a leak. I understand that there is a document—the document to which you refer. My understanding is that it is a document of no status. It is not a government document. I understand that it was thrown in the garbage. I have always assumed that the Liberal Party, scrabbling through garbage bins, found it, and that that is how it came into your possession.

**MR SESELJA:** Was it prepared in a ministerial office, Chief Minister?

**Mr Stanhope:** I have absolutely no idea where it was prepared. It is not a formal or official document. It has no status. I would not be surprised at the position or the suggestion that was put to me that, because it was a document of no particular status, it was thrown in the bin and that is where the Liberal Party found it. Now that they have given up hacking into computers, they go through the garbage.

**MRS DUNNE:** Is it the case, Chief Minister, that you confirmed to the *Daily Telegraph* and the *Canberra Times* that the document was prepared in your office? Did you not confirm to the *Daily Telegraph* and the *Canberra Times* that the document was prepared in your office?

**Mr Stanhope:** I have no idea where the document was prepared—whether it was in my office or—

**MRS DUNNE:** Did you not confirm to the *Canberra Times* that it was prepared in your office?

**THE CHAIR:** He is answering the question.

**Mr Stanhope:** No, I do not believe I did.

**THE CHAIR:** Mr Gentleman?

**MR GENTLEMAN:** Thanks, chair. My question is—

**MRS DUNNE:** Sorry, I have not finished mine yet.

**THE CHAIR:** He has given you the answer.

**MRS DUNNE:** That does not mean that I have finished my line of questioning.

**THE CHAIR:** I will put you on the list.

**MRS DUNNE:** Chief Minister, is it your understanding that the document was prepared in a ministerial office?

**Mr Stanhope:** I have no idea of who prepared it or where it was prepared.

**MR SESELJA:** But did you ask?

**Mr Stanhope:** No.

**MR SESELJA:** Why not?

**Mr Stanhope:** Because it is a document of no importance.

**MR SESELJA:** How do you know until you ask?

**THE CHAIR:** I do not think, Mr Seselja—

**Mr Stanhope:** I do not need to ask; I do not need to know. It is a document of no status and of no relevance.

**THE CHAIR:** Okay.

**MRS DUNNE:** Was it prepared by ministerial staff, using ministerial resources?

**Mr Stanhope:** I have answered that question, Madam Chair.

**THE CHAIR:** Yes, you have.

**MRS DUNNE:** You are saying that you did not bother to find out, to see whether your staff were using resources appropriately?

**THE CHAIR:** I will now go to Mr Gentleman.

**MR GENTLEMAN:** My question relates to budget paper 4, page 18, the statement of assets and liabilities on behalf of the territory. If you have a look under the non-current liabilities figure there, there is a minus 95 per cent on finance leases. I wonder if you could tell me whether this is just an expression of exploration and renewal of leases or whether there is some other anomaly there.

**Mr Stanhope:** Mr Cappie-Wood can respond to that question.

**Mr Cappie-Wood:** I understand that this figure relates to previous executive vehicles under operating leases. A move to a financial leasing arrangement has occurred. The budget papers reflect this through the different accounting treatment required for financial lease arrangements. There is just a change in accounting treatment of this as

we move to the financial leasing arrangements.

**THE CHAIR:** Mr Smyth?

**MR SMYTH:** Chief Minister, is it true that the ministerial staff have not been paid their back pay from the new agreement which was agreed in April last year?

**Mr Stanhope:** I must say that I do not know the answer to that question. Maybe there is somebody here that can assist you. I am advised that they have been paid.

**MR SMYTH:** When did that occur?

**Mr Cappie-Wood:** November.

**MR SMYTH:** Thank you.

**MRS DUNNE:** Chief Minister—

**THE CHAIR:** Just one moment. Dr Foskey.

**MRS DUNNE:** I have a supplementary as well.

**THE CHAIR:** All right.

**MRS DUNNE:** On this matter—I am happy for you to take it on notice—could you explain to the committee why it took so long for executive staff to be paid. My recollection is that non-executive staff were paid in May or June; that seems a very long delay—for other staff to wait to receive their back pay?

**Mr Stanhope:** I am more than happy to take that on notice.

**THE CHAIR:** Dr Foskey.

**DR FOSKEY:** I asked some questions on notice about funding arts groups to work in schools in relation to the 2007-08 appropriation. I asked you, but the questions were passed on to the minister for education. He advised me that the decisions in relation to the funding I was asking about were made by the executive. I followed this up with Minister Barr in estimates last week—whether, in making these decisions, the executive specifically considered the benefit or the cost of awarding the special-purpose funding to existing ACT-based multiyear-funded organisations. The projects in question were the group Kulture Break and the Bell Shakespeare Company, which is based in Sydney.

Minister Barr seemed to say that everything was considered properly, but was unable to answer the specifics. As the Minister for the Arts, you might be able to give me a better answer. When the Assembly made the decision to take this arts education initiative, did it consider awarding this special-purpose funding to existing ACT-based multiyear-funded organisations and did it consider the potential of the contract awarded to conflict with, duplicate or diminish the sustainability of services provided by organisations that are funded by artsACT? And did it seek any advice from

artsACT, the Cultural Council, its advisory committees and/or relevant parts of the education department in making this decision?

**Mr Stanhope:** I may have to take some parts of that question on notice, but I can provide some broad information in relation to both Bell and Kulture Break.

The ACT government has been receiving representations for some years from Bell Shakespeare. I have met with Bell Shakespeare and my officers have met with Bell Shakespeare on a number of occasions. Bell Shakespeare provides a service for schools. It is essentially a service that seeks to provide or enhance capacity in drama teachers or teachers within schools throughout Australia. It is a specialist service. Bell Shakespeare is acknowledged as the pre-eminent Shakespearean company in Australia. It has a particular expertise and a particular mission. It has been operating in the ACT for a number of years.

In its representations to me in relation to its willingness and capacity to expand its service within the ACT, Bell made a point to me which I found quite telling: because of the nature of arrangements that apply to the utilisation of Bell resources for the enhancement of Shakespeare, a situation had arisen in the ACT where 90 per cent of their work in the ACT was with the non-government sector; non-government schools, because of the level of independence and capacity to respond unilaterally to initiatives such as Bell, had engaged Bell. I think it might have even been that more than 90 per cent of Bell's work within the ACT is or was with the non-government sector.

I felt that that was unfortunate and looked for a way or a mechanism by which Bell Shakespeare's services might be equally applied to the government sector. That was done through a specific injection—I think it was \$20,000. There was an injection of \$20,000 to allow Bell Shakespeare to provide, in the government school sector, the services that it is currently providing in the non-government sector. It was my opinion and decision that a company that is regarded as the pre-eminent Shakespeare company in Australia and that was willing to work with schools to raise capacity was a worthwhile investment in drama, in arts and in our public school system.

And similarly with Kulture Break. My great attraction to Kulture Break, other than the fact that I think they are fantastic, is that Kulture Break have an appeal for boys and dance that other companies have been unable to achieve. My support for Kulture Break—and similarly my support for a funding package of, I think, \$25,000 for Kulture Break—was driven by a strong desire to one day go to a dance event and see that 50 per cent of participants were boys. I go to dance events now where 90 per cent of the participants are girls and you are lucky if 10 per cent of the participants are boys.

There is some fantastic work being done in schools now in relation to some of the dance festivals that our schools engage in—and engage in enthusiastically. But the fact remains that dance is, in a more formal sense, monopolised by girls. It is wonderful that girls are dancing or prepared to dance in the numbers that they are, but it has always been a concern to me that we quite obviously have not thought as laterally as we should about how to engage boys in dance. I do not believe that there is another company in the ACT that has the appeal or the particular skills or attributes of Kulture Break—

**DR FOSKEY:** Quantum Leap?

**Mr Stanhope:** I do not believe that our support for Kulture Break, particularly in the context of a desire to attract boys to dance, is a decision that causes me concern.

**DR FOSKEY:** You have stated elsewhere—in fact, at this estimates—that you like funding to be a bit hands off from the government. This is clearly a case where that was not so.

**Mr Stanhope:** No. Every budget decision that the government makes is very hands on.

**DR FOSKEY:** Arts funding?

**Mr Stanhope:** In terms of arts funding, in relation to decisions around artistic merit, yes, certainly, there is a distinct role for artsACT and the Cultural Council, to the extent—I accept the point you make, Dr Foskey, but I am explaining. As I said, I will take aspects of your question on notice. The issue in relation to Bell Shakespeare and Kulture Break, to the extent that there might be some notion of single selection in relation to those particular processes—they were payments of \$20,000 and \$25,000 to two organisations that I regard as possessing unique capacity and capability. I am pleased that both Kulture Break and Bell Shakespeare are now providing capacity building and support within our schools.

**DR FOSKEY:** I think your rationale is quite a good one, but if they come back for funding will they just come straight to you or will they be required to undertake another process?

**Mr Stanhope:** I have discussed this at length with Francis Owusu. Just two weeks ago, I met with Francis Owusu—I beg his pardon for the pronunciation—who is the chief executive of Kulture Break and indicated to him that the government would have a very specific requirement for a genuine assessment of results. I believe it is important that we monitor outcomes and that the support of Kulture Break actually does attract school children to dance, and I believe it will. Kulture Break is now teaching breakdancing for ACT schools. My great regret is that they do not have the capacity to teach in 24 schools or 48 schools, because of the funding level. Kulture Break are currently teaching dance in four schools. I have indicated to Francis—they have only been teaching for two to three months—that because of the attractiveness of the package which Kulture Break is providing, I understand, since the four lucky schools that were selected—

**DR FOSKEY:** Which are they?

**Mr Stanhope:** I do not know. The department of education decided on the schools that would first receive support from Kulture Break. There is a waiting list now of 15 to 20 schools. The level of interest in Kulture Break is such that I believe there are somewhere between 15 and 20 schools now on the waiting list for Kulture Break dance classes.



It was in that context that Francis came to see me to ask about the capacity for additional support to expand. I indicated to him that I could not do that and that the government would require some assessment of the success and the outcomes of teaching breakdance. I have met with Francis on a number of occasions and I have indicated to him that my great desire is to see boys dance. The most significant strategy that breakdance is engaged in is to teach years 5 and 6 and get equality of numbers of boys and girls at primary school. It is interesting, even with breakdance, that as soon as they get to high school it is the same old proportion. Francis has advised me that at primary school they are teaching breakdance and the other things they teach for years 5 and 6 and that there is an equality of boys and girls. As soon as they get to year 9 and year 10, once again it is 80 per cent or 90 per cent girls. There is a lot for us to learn, but I believe that in time it will be successful.

I understand the thrust of your questions, Dr Foskey, and I will take them on board.

**THE CHAIR:** Thank you very much. We will go to business and industry development, output class 2. Mr Gentleman?

**MR GENTLEMAN:** Chief Minister, in budget paper 4, page 36, under the output description, one of the descriptors is to deliver the skilled and business migration program. Can you give us an update on how the program is going?

**Mr Stanhope:** The program has been particularly successful. It has delivered some very good results. Because of the way in which the program is operating and the fact that it is providing directly very good results, it is also supporting the business community quite significantly in their efforts to engage skilled business migrants. I will ask Ms Hunt to respond in detail on the successes and the operation of the scheme.

**Ms Hunt:** In the last 12 months, around 1,200 people—skilled workers, business investors and their families—have been sponsored by the ACT government to live and work in the ACT. I can give you a more detailed breakdown of the various visa categories if you would like that.

In relation to individual program outcomes under the employer-sponsored program, the government has certified 168 applications from ACT employers in the last 12 months. These sponsored skilled workers have been accompanied by 211 dependants. A total salary certified under the program is \$10 million.

Under the skills sponsored visa scheme, which is the independent migration, the government sponsored 270 skilled migrants in 2007-08. These will be accompanied by 413 dependants and they will transfer \$41.5 million into the ACT for settlement purposes.

I have some details on that. The top four countries of origin are India, the UK, Korea and China. Visas have been granted by the department of immigration for 105 of those to date. Last year, to show the increase, the government sponsored 196 skilled migrants in that category; so the increase has been quite remarkable.

**MR GENTLEMAN:** Are visa applications more readily accepted for those that are

going through this program?

**Ms Hunt:** They are, yes. There is a priority process that the department of immigration gets for the actual issuing of the visas if they are supported by the regional certifying body, which the ACT government does.

**MR GENTLEMAN:** And have you been looking outside those four key countries?

**Ms Hunt:** Indeed. We have just come back, with the live in Canberra program, from South Africa, looking at sponsoring. That was a very successful program that happened in South Africa. We have had some very positive interest from them.

**DR FOSKEY:** I know I am very clever but this time I am just being a bit silly and asking an ordinary supp. I would like to know whether you have any awareness of how many migrants to Canberra—they might be scientists or doctors—who, due to the fact that their qualifications are not recognised, might be working as cleaners or in cafes and whether there is anything being done to expedite their ability to upgrade their qualifications to work in their professions.

**Ms Hunt:** In fact, the majority of those migrants that have arrived since the program restarted in 2005 have found jobs in their areas of expertise.

**DR FOSKEY:** But we do have people in Canberra in exactly the situation who are qualified to do much more, in fact, in areas where we have skills shortages. Is there a program that the government is sponsoring to assist those people to have their qualifications recognised, given our skills shortages? Is that part of the Skills Commission's report?

**Mr Cappie-Wood:** Yes. I will take that one if I may. On the issue of skill recognition, particularly recognition of prior learning, not only for people within the Canberra environment who are already here or might be coming here from within Australia or overseas, there is funding provided to the CIT for the recognition of that through the prior learning program. That particular initiative is designed to make sure that there is a recognition of skills, whether they are inherently learnt, on-the-job skills or are people coming into this country with overseas qualifications, with the capacity for those qualifications, particularly when they are in the trades and related areas, to be able to go through the recognition of prior learning process so that Australian equivalent qualifications can be identified.

**DR FOSKEY:** And does the multicultural affairs office also work in this program at all?

**Ms Hunt:** With the skilled migration program?

**DR FOSKEY:** Yes.

**Ms Hunt:** They are kept updated with the activities that we do and we have liaison with the multicultural office.

**MR SMYTH:** Chief Minister, in the context of the 2006-07 budget, you said, in the

BP *For the future*, on page 30, that the Costello review had recommended that the government abandon making a small number of grants and project-based assistance for individual enterprises. As a consequence of that advice, you slashed \$27.4 million from the business grants program in 2006-07 and the forward years. You have done a backflip this year in the 2008-09 budget by announcing \$3 million worth of grants for technology-based businesses and some small grants. What did the Howard Partners report of March 2008, *Innovation, creativity and leadership*, say that contradicted the Costello review and why did you release the Howard report to support your spending but keep the Costello review secret when it recommended cuts?

**Mr Stanhope:** The basis and the genesis of the 2006 budget are matters of quite clear record. The circumstance of the situation that was faced then and on which the government dealt with advice from Mr Costello and Mr Smith is now a matter of record and is reflected in the budget papers.

As a result of the decisions that the government took at the time, we actually moved the territory from a precarious financial position to one of strength and sustainability. The decisions that we took in the 2006 budget have allowed us, in this current budget, the budget being reviewed by this estimates, to make the funding decisions that we have had to, to respond to priorities and emerging priorities. That is the case and the situation. The government, through this budget, is responding to priority but responding in a sensible and sustainable way and within the capacity of our budget.

I am particularly pleased with the support that we have been able to provide through this budget for business and for economic development. We see it most particularly in a \$51 million package of support for skills. We see it in relation to a number of quite specific and targeted initiatives, whether it be continuing support for the Australian National University in terms of research, most particularly in this instance, on climate change adaptability; whether it be in significant recurrent support for the University of Canberra in relation to the generation of a number of new courses of study and support for ANZGOG; whether it be in targeted support for innovation and company development.

But in relation most specifically to Howard and the extent and the way in which this budget responds to the Howard innovation report, I would ask Mr Cox to give some detail of how the budget seeks to respond to the Howard report.

**Mr Cox:** I think the nub of the question is: what does the intended new program design look like compared to what might have been in the past? We are going through a program design phase at the moment. In the particular program area or the funding area within this budget, there is \$1 million provided for what is labelled support and innovation. That program will be roughly divided into two funding clumps: one will be a small grants-based program which will typically target very-early-stage, small, start-up type companies.

How that links back to the advice of the Howard report is that one of the recommendations of the Howard report was that there is a gap in that part of the business life cycle where companies can access small amounts of money, typically around \$5,000 to \$20,000, which can actually act as a sort of a turbo effect or an accelerator, to help with the early-stage development of those companies. The intent

is to try to accelerate their development to the point that they actually become more investment ready to transition to a more commercial-type set of arrangements.

The other half of the \$1 million is an ongoing discussion we are having with Epicorp, which is an organisation that sits up on Black Mountain and that has been operating in the ICT development space for some time. Epicorp, in its current format, is an organisation that will cease to exist on 30 June. We, along with the commonwealth, have been a co-funder of Epicorp and we are looking at an arrangement where Epicorp can programme, if you like, what they do very well, which is hands-on, commercialisation support, heavy lifting support for young firms.

We are having a conversation with them about how to devise or develop a program on that expertise that they have built up over the last 10 years. Epicorp are prepared to contribute significant amounts of money to that program as well. Again, we are going through a program conversation design phase at the moment.

**MR SMYTH:** A follow-up to the Chief Minister: did the Costello report get it wrong in 2006 or have you just changed your mind?

**Mr Stanhope:** No, the Costello review got it right. As a result of the review, the advice and the decisions that the government took, the ACT now has the strongest economic position that it has ever had; we now have a truly sustainable budget position. We have a position now that has allowed us in this budget to invest to the benefit of the business community and the entire Canberra community \$1.4 billion in capital and infrastructure as a result of hard decisions, tough decisions, politically problematic decisions that we had the courage and the will to take. Of course, in taking those decisions we did rely to a significant extent or effect on recommendations made to us by a review undertaken by Michael Costello and Greg Smith.

History and this particular budget reveal that the decisions we took were right and appropriate and they have provided us with a degree of comfort, capacity, to determine our future and, indeed, not just determine our future but to be ready for our future in a way that no other government has ever had. A budget bottom line such as that which has been delivered in this budget and in the previous two budgets is something we should all be proud of.

It is almost the strongest balance sheet in Australia. It is an economic position which is the envy of all of our neighbours. It has allowed us to invest as heavily as we are. It is really quite interesting to compare the level of investment that we as a government have made in, say, education and are about to make in health against that of our neighbours and other jurisdictions around Australia.

We have taken the hard decisions to put us in a position where we can meet and continue to meet the needs of this community in a sustainable way. These things are not done easily; they do not happen by accident. They happen as a result of tough decisions, with an eye to the future and mindful of our responsibility to our community, and that is what we have done. It is a fantastic budget position and outcome and I am proud of it.

**MR SMYTH:** So will you now release the Costello report to validate what you have just said?

**Mr Stanhope:** There is no need to. The budget speaks for itself: a \$1.4 billion investment in capital, the capacity to ready this community for the future, to ensure that our future is secure, to meet the most pressing needs of the community, now and emerging—health, education, community safety, public amenity and public infrastructure. It is a level of investment that was unimagined three years ago. It was certainly not even contemplated in the last decade, when we were struggling along with annual capital budgets of \$80 million a year.

Today, we have the confidence to budget for a capital program of a billion dollars, on top of a \$400 million capital program. Go back just one decade, just 10 years: the capital spent 10 years ago was \$80 million. Today, we are debating a budget that incorporates \$1.4 billion of infrastructure and capital expenditure. Compare the difference.

**MS MacDONALD:** I want to ask about the trade missions and the ACT Exporters Network. In the last couple of years you have focused on China and India, with different types of focuses. I understand there is going to be a trade mission to the US and Canada—in the next week, in fact. I am interested in knowing about the focus of the mission to the US. Who will you be seeing and which organisations will be accompanying you to the US and Canada?

**Mr Stanhope:** It is true that, over the last two years, the government has led trade missions to China and India as our major focus. They have been particularly successful. That was in acknowledgment of the existing ties that we have with China and recognition of what both China and India together represent. I forget the numbers but they are staggering. They have two-thirds of the world's population between them—is that right?

**MRS DUNNE:** About a third.

**MR SMYTH:** 1.3 and 1.1 billion out of six billion.

**Mr Stanhope:** They have one-third of the world's population but the two fastest growing economies in the world. China has just bumped or is in the process of bumping Japan off as Australia's leading trade partner. There are, of course, enormous opportunities and potential for Canberra businesses within both China and India. I must say we do need to return to China and India. I would anticipate that, next year or the year after, the government of the day will certainly engage in follow-up delegations to both of those places.

We are mindful, however—and this is the rationale for the decision in relation to the United States—that the United States remains the ACT's number one export market. We do have quite close ties between ACT businesses and most particularly Washington, having regard to our national capital guises. It was felt to be appropriate that, having visited the United States three years ago, there would be a follow-up mission. Much of our capacity to export is around services to government. Ours is a services economy and the majority of the services we provide are services in

education and services to government.

Washington, as the national capital of the United States, represents the largest single government services market in the world. We have ACT government services driven departments that are doing extremely well in the US market, in government service delivery systems, as well as in security and defence. But having regard to the toe-hold that some ACT businesses have in the US, and indeed in Canada, we always look to continue to expand. Mr Cox will be accompanying me, as the head of Business ACT, along with eight ACT businesses. Mr Cox can give some indication of the breadth of the delegation.

**Mr Cox:** When we go about planning these processes, we go through an EOI process with the business community. So we put out a brief and what comes back is an expression of interest from companies that roughly fit that brief. We then engage Austrade to do some fit-for-market, fit-for-export readiness type work with the companies, and what is then produced is a list of recommendations around companies. The current group of companies that are signed up for the mission which starts next week are: Aspen Medical, Simmersion, John Walker Crime Trends Analysis, Auraya, Mitchell Personnel Solutions, Beyond Business Connections, and a company called Cackleberry, which is a little bit left-of-field to what the mission sometimes produces.

**MS MacDONALD:** They are a children's clothing company, aren't they?

**Mr Cox:** That is correct. There is always one in every mission that looks a little bit different from the fit and the theme of the mission, and Cackleberry is the one this time around. However, Austrade have done quite a lot of due diligence on the company, its product, its fit for market. It is an internet-based business, so it fits the technology theme of the event as well. They are the companies. They are all being supported by an Austrade program which, to them, is worth around \$7,000 to \$10,000, depending on where the meetings are, how many meetings they achieve and so forth.

We are also doing a little bit of networking with a couple of companies in Washington that have Canberra heritage or a Canberra genesis: Ruleburst, Compucat and Noetic Solutions. They all operate in the defence-ICT-security type area, government services, government purchasing. So they will be part of the Washington leg. The first group that I mentioned are all part of the Washington-Richmond-Canberra leg.

We are going to three major destinations, including Washington for a couple of days, and Richmond, Virginia. The relationship there is based around a relationship we have developed with an organisation called the Virginia economic development program, which some of you may know about. We have a very strong set of meetings in Virginia based around the VEDP, who are very good at on-the-ground facilitation around export and also return investment.

In Washington, we have a relationship with an organisation called the Greater Washington Initiative, which provides complementary or reciprocal trade facilitation type services and support. In Canada, the officials are visiting an organisation called OCRI, the Ottawa Centre for Research and Innovation.

**MS MacDONALD:** What do they do?

**Mr Cox:** They do work around the commercialisation of research. So if you bear in mind the great opportunities in this market, coming from our research base, OCRI have got some significant expertise around commercialisation of research. So we are going to reactivate a relationship that did exist a few years ago with OCRI.

**MRS DUNNE:** Chief Minister, in the 2006 budget, there was talk about the government gradually withdrawing from venture capital arrangements. I presume that was on the basis of advice in the Costello report, but we cannot tell because we have not seen it. So why are we, in this budget, at page 67 of BP3, seeing a re-entry into the venture capital market? Is this a backflip, and are you trying to make it look like you are responding to community concerns?

**Mr Stanhope:** This is a reconfigured arrangement for the support of ACT businesses. It is an arrangement that was negotiated by Business ACT. I was briefed on it in a budget context, and I was more than happy to support it. I will ask Mr Cox to outline the nature of the support that it is proposed be provided, and the rationale for this particular initiative.

**Mr Cox:** With respect to CBDF, I do not have the budget paper in front of me, I am sorry, but I am assuming you are referring to the half-a-million dollars that have been allocated over two years.

**MRS DUNNE:** Yes.

**Mr Cox:** CBDF has been a joint venture arrangement between the ACT government and, in its earliest guise, FAI Insurance and the Hindmarsh Group, through a company called Australian Capital Ventures Ltd. That program has been in operation since about 1997. CBDF had most of its funds committed until about 12 months ago; it had investments of \$3 million from the ACT government and \$3 million from Hindmarsh. It is a joint venture; both parties contribute the same amount. Its total funds under investment were around \$5 million. There was little room to make ancillary or top-up investments to the nine or 10 companies that the organisation had.

CBDF and ACVL came to the government with a proposition for a co-funding arrangement. So as well as the \$500,000 over the two forward years that the government is contributing, the Hindmarsh Group and ACVL will also contribute half-a-million dollars. So there is another million dollars coming from both sources. With respect to the overall performance of the fund and the opportunity to reinvest in it, it was a good proposition.

**MRS DUNNE:** Thank you for that, Mr Cox. While that is interesting and useful information, I wanted to find out what has changed between 2006 and 2008 that would cause us to withdraw from the venture capital market, presumably on the advice of the Costello report, and now to re-enter it. It seems that what you have described, Mr Cox, is a fairly similar arrangement to that which existed in the past, so what has changed that meant we withdrew and now we have come back? Chief Minister?

**Mr Stanhope:** Well, circumstances change. Certainly the performance of the

company and the fact that the arrangement that was put to government was very much about capacity to leverage—it was a one for one.

**MRS DUNNE:** What was it one for one for?

**Mr Stanhope:** An undertaking that, if the government were able to provide some additional support, the original investors would similarly increase their support. Government often acts as a leader or provides a capacity for leverage. We do it in a range of areas. We do it with universities; we do it in a number of circumstances. These are always matters for judgement: “If you provide so much money, we will match it.” It is a very successful way of enhancing opportunities and providing support.

In the context of this particular proposal—the effluxion of time, the strength of our balance sheet, our capacity to invest, the preparedness for the proponents to come to government and say, “We will invest, but, in terms of our capacity to invest or maximise, we need or would welcome some matching funding”—John Hindmarsh made a very persuasive case, which at the end of the day I accepted.

**MRS DUNNE:** Just to follow up, wasn’t the previous arrangement that Mr Cox described with the Hindmarsh Group and the CBDF also a one-for-one arrangement?

**Mr Stanhope:** It was a pre-existing arrangement that—

**MRS DUNNE:** But it was a one-for-one arrangement?

**Mr Stanhope:** I do not know the initials, but it was—

**MRS DUNNE:** It was a one-for-one arrangement, Mr Cox?

**Mr Stanhope:** I do not know, but it was a pre-existing—

**MR SMYTH:** Mr Cox is confirming that it was.

**MRS DUNNE:** For the benefit of Hansard, Mr Cox is nodding.

**Mr Stanhope:** It was a pre-existing arrangement. In relation to this, it was an aspect of the case made to me by Mr Hindmarsh that persuaded me.

**MRS DUNNE:** Isn’t there the risk that, if you depart the list for two years—and in doing so say, “We are pulling back from venture capital”—and then suddenly go into the venture capital market again, you are sending very mixed messages to the business community, and it may appear to business that you have an inconsistent strategy?

**Mr Stanhope:** I do not think it is inconsistent at all. It sends a very positive message to businesses that at the end of the day our government is a facilitator and can provide support and assistance if it is interested in doing so.

**MRS DUNNE:** Depending on your mood.



**Mr Stanhope:** But at one level business has also got to respond. This is not just about the government being a convenient source of funding in areas where the private sector can similarly invest. This is a classic example. The Canberra business development fund is a private sector initiative. It is always appropriate for government to ensure that there is some tension within relationships so that there is no complacency around our respective roles. To the extent that the government does provide support, it should never be taken for granted and assumed. This is a very healthy relationship and a very good outcome.

**MRS DUNNE:** So your analysis is that departing the list and saying, “We are not going back there,” created a healthy tension in the relationship, rather than saying that we are acting inconsistently?

**Mr Stanhope:** Yes. It is always good—

**MRS DUNNE:** Keep them guessing?

**Mr Stanhope:** It is always good for the private sector to understand that there is a role for the private sector and there is a role for government and we should never take anything for granted. That applies to government as much as it does to business: governments should not assume things, nor should the private sector.

**THE CHAIR:** Mr Smyth, you have a supplementary.

**MR SMYTH:** Chief Minister, you said to the Assembly that the government will gradually withdraw from capital venture arrangements and that this was based on what the Costello review had said. What were the arguments in the Costello review that persuaded you to make that decision two years ago?

**Mr Stanhope:** One of the arguments—which did not need to be made; it was self-evident—was that the ACT’s budgetary position was on an unsustainable footing and we could not continue to maintain the level of government service that we were maintaining on the disjoint between our revenue effort and our expenditure effort. It is quite a simple equation. We were operating unsustainably. Our expenditure effort at the time was somewhere in the order of 130 per cent as against a revenue effort of just over 100 per cent. We are bringing it down. The budget is sustainable.

We have made significant savings. Embedded in this budget that we are debating today is just over \$100 million of savings as a result of the 2006 budget. I understand that there is \$104 million of embedded savings in the budget under scrutiny today. I would have to check that figure, but I believe it is \$104 million. It has been averaging \$100 million over these few years. That is embedded; it is there in the bottom line. It is the result of decisions taken.

This particular issue is one that the government, as a result of a strong economic position and the sustainability of the forward estimates—we have got average surpluses of \$61 million budgeted for in this budget, not taking account of increased receipts that have been revealed in the federal budget. We have a strong, sustainable budget and estimates. It is a great credit to the decisions that this government was prepared to take in 2006.

But because of the outstanding success of the decisions that were taken—the reorganisation, the realignment of priorities, the demand for efficiency—we now have the capacity to look again at some of these initiatives. This is one that we looked at again as a result of the success of the decisions that we took in 2006. But for 2006 and the budget we delivered then, we would not be discussing this initiative today. We would not have had the capacity. We would be in deficit. We are not in deficit; we are in surplus—and we are in GFS surplus.

**THE CHAIR:** Chief Minister, in budget paper 4, on page 36, the second last dot point under output 2.1 mentions supporting activities that promote the economic development of the broader capital region. How does this benefit the people of Canberra?

**Mr Stanhope:** It is very important in relation to not just economic development but development of all of our services and systems—whether it be in health, education or sport—that we look at ourselves as a region. We do it in many ways. We do it in relation to our healthcare planning; we do it in relation to our education planning, having regard to the number of cross-border students; we do it in relation to tourism; and we do it in relation to economic development issues generally.

We seek to do it in a number ways. In an organisational or administrative sense, the Capital Region Development Board is central to our engagement with the region. We engage with the region through the Capital Region Development Board and through the biannual leaders conference, which is jointly chaired by the relevant New South Wales minister and me. There is an attempt to continue to engage with the region. In terms of economic analysis and modelling that is pursued, I do not know the regional effect or impact in terms of our economy but I know it is work that Treasury has done. We do not have those numbers here, but there is significant work and modelling around the interdependence of Canberra and the region. We see it in many ways. It is relevant to decisions we take around the basic infrastructure that we need, whether it be roads or some of our social or community infrastructure.

It is always a matter of great interest that somewhere in the order of 60 per cent of people that live in Jerrabomberra work in the ACT and about the same percentage of children that live in Jerrabomberra are educated in the ACT. There are myriad linkages that are very relevant to our region. Actually, Mr Cappie-Wood tells me that 20,000 people now enter the ACT on a daily basis to work, which gives some idea of the significance of the interdependence of Canberra and the region and vice versa.

**THE CHAIR:** Mr Smyth, you have a supplementary?

**MR SMYTH:** Just to follow up on this notion of economic development, Chief Minister, you are on the record as saying on several occasions that, if the proposed data centre and power plant—

**THE CHAIR:** Mr Smyth, that is not a supplementary to my question.

**MR SMYTH:** It is. You have asked about economic development.

**MRS DUNNE:** It is; it is about regional support.

**THE CHAIR:** My question was about the capital region. That is not a supplementary.

**MR SMYTH:** Canberra is part of the capital region, and we now know that 20,000 people come across the border every morning because they cannot afford to live in the ACT.

**MS MacDONALD:** It has got nothing to do with a data centre.

**MR SMYTH:** Of course it does.

**THE CHAIR:** It is not a supplementary.

**MR SMYTH:** Of course it is. Are you saying that a proposed data centre is not economic development?

**THE CHAIR:** No, that is not what I am saying.

**MS MacDONALD:** She is saying that it is not supplementary to the question that she asked.

**THE CHAIR:** It is not supplementary to the question that I asked.

**MR SMYTH:** I will ask it as a separate question.

**THE CHAIR:** You can ask it separately. Dr Foskey?

**MR SMYTH:** If you want to go into defensive mode, that is fine.

**THE CHAIR:** It is just that we criticise other people for doing that in this forum.

**MR SMYTH:** This is where I worked out that I would ask that question, because it is about economic development.

**THE CHAIR:** I am sure you did work it out. Dr Foskey, your question.

**MR SMYTH:** I will ask a separate question then.

**THE CHAIR:** Yes, you can, as soon as Dr Foskey is finished.

**MR SMYTH:** So the rule has changed? Okay.

**THE CHAIR:** No. She was on the list next.

**MR GENTLEMAN:** It is exciting, isn't it?

**DR FOSKEY:** Yes, it is.

**THE CHAIR:** Dr Foskey.

**DR FOSKEY:** I am just missing so much this year not being on the estimates committee! I am wondering how the business innovation fund that is announced in this budget differs from the old innovation fund—the one that was abolished in 2006 with the functional review. And how is innovation defined in this budget?

**Mr Stanhope:** I will ask Mr Cox to respond to that.

**Mr Cox:** The previous program was known as the knowledge fund, I am sure you are aware.

**DR FOSKEY:** So that is where the knowledge fund went?

**Mr Cox:** It was variously funded at various stages of its life up to around \$4 million or \$5 million a year, so in terms of scale it is quite different. The program that will probably emerge from this program design process will have a total sort of pool cap of around \$500,000. So, in terms of scale, the size of the innovation funds granted will be much smaller. It is also designed to operate at, again, that very early stage, that sort of ideas to company stage in business formation, whereas the knowledge fund operated at a much more mature phase.

The knowledge fund had, I think, four application streams. There was one around industry development, one around collaboration and one around development grants for the company. So it operated in a different space and the program that is intended in this process is based on some thinking and advice that has come out of the innovation review that Dr Howard conducted, and it is again at that very early stage, company formation area, that—

**DR FOSKEY:** Sorry. I am having a little difficulty hearing you, Mr Cox. Did you say that there has just been an innovation review completed?

**Mr Cox:** That is the Howard Partners review, the—

**DR FOSKEY:** I see. But “innovation” is defined as?

**Mr Cox:** It is an interesting question that most innovation experts still debate as well. The working view definition that we are applying—if you like, I will tell you what it is not. It is not purely about science and research; it is not purely about commercialisation. It is around doing things differently that add value within a company context, essentially. So it is a broad definition that most other economic development agencies are now adopting and it captures the ability, I guess, to look at what happens in a firm at a much broader level and to look at assisting and supporting activities that are not just purely commercialisation of science and so forth.

**DR FOSKEY:** And who makes those decisions? Who decides that a project is worthy of funding through the innovation fund?

**Mr Cox:** We will go through a program design phase, which will be the criteria for entry. There will be requirements to articulate key information around the company. There will be a review panel process, I am suggesting—something similar to the old

knowledge fund—so it will not just be a group of internal public servants. We will involve other people from the business community around looking at a series of applications. We will go through, I imagine, a competitive application process. So there will be an expression of interest, there will be criteria, applicants will need to address criteria and a panel will look at the criteria and make recommendations for a batch of applications. That is a fairly classic business program design process, which will be the front end of where we are now.

**DR FOSKEY:** With the limit of \$500,000; is that right? Will you be putting an upward limit on the grants that you would—

**Mr Cox:** Again, to be decided, but I cannot imagine it will go, in terms of total size of grant, more than around \$20,000 per company, but typically in the range of five to 20, I would suspect.

**THE CHAIR:** Okay, Mr Smyth, your substantive question.

**MR SMYTH:** Based on economic development of the broader capital region and in line with the provision of programs to support strategic business and industry development in the ACT, Chief Minister, you have been quoted as saying that, if the project at the base of Macarthur ridge for a data centre and a power station does not satisfy all the requirements, it will not proceed. Why will you not look at moving it to a different site to help this important project go ahead in the ACT?

**MS MacDONALD:** I think that is what you call having a bet each way.

**Mr Stanhope:** I think it is quite clear what I meant. This is a very important project for the ACT, for the territory. It involves the potential investment of up to \$2 billion. It provides enormous opportunities, not just in the context of the data centre and the employment that it would generate; it enhances our reputation as an IT centre and a centre of excellence, with enormous opportunities across the board within that particular sector, and it does, in relation to some of its intended structure, provide a generating capacity for alternative and greener forms of energy, which I think is also very important.

What I have said, and it has been quite clear what I said and what I intended, is that, if the proposal that has currently been submitted for approval is not approved, for whatever reason, then of course it will not proceed. But what I meant by that, of course, was quite clearly that it will not proceed on this site in its current form—that would quite obviously have been what I intended—but it remains within the capacity of the proponents at any time to seek an alternative site or to seek to amend the development application.

At no stage have I said or suggested that, if it was not approved in its current form, it will not occur at all. The point I have made, and made repeatedly, is that I will continue, as will my officials, to work with the proponents to seek to facilitate a successful outcome for them and for the community in relation to their proposals. But at no time or stage have I ever suggested that, if the development application as submitted or lodged is not successful, that is it; that it is all over, red rover.

We do not operate like that. We work hard and close to support and facilitate entry of business to the territory and, as I have said, there is no way we will turn our back on this proposal or these proponents. We will continue to work with them.

Some of the nonsense that has been put about and spoken, and some of the posturing in relation to this, just denies reality. Of course, if, as part of the approval process of the development application, as part of the process of having a preliminary assessment assessed, ACTPLA were to say, "Well, we're not going to approve it on this basis," or, "If you maintain this application, this is what we will require of you," the proponents are going to say, "Well, we will have a think about that." For goodness sake. And that is the basis of the government's position on this.

**THE CHAIR:** Mrs Dunne has a supplementary and then Mr Gentleman has a supplementary.

**MRS DUNNE:** On this, Chief Minister, you are simply giving contradictory messages. This morning you were saying, hands off, that you did not have any role in this. At the moment you are saying that you will work with the proponents to get this proposal through in some form or other. What is it? Which is the case? Do we believe what you said before morning tea, that it was hands off, or—

**Mr Stanhope:** What I have said is—

**MRS DUNNE:** what are you saying now?

**Mr Stanhope:** Yes, it is hands off in relation to the approval process. But it is not hands off in relation to the facilitation process.

**MRS DUNNE:** I specifically asked about facilitation this morning, Chief Minister, and you said that you would have no role in the facilitation; it was not your job—

**Mr Stanhope:** No, no, no, that is not what I—

**MRS DUNNE:** to think about whether or not a particular project would succeed on a particular site.

**Mr Stanhope:** I did and that remains my position.

**MRS DUNNE:** And so, in your facilitating role, is that why you are going to a press conference at 2 o'clock this afternoon to announce changes to this proposal?

**Mr Stanhope:** Well, you will see, won't you?

**THE CHAIR:** Mr Gentleman.

**MR GENTLEMAN:** My supplementary, Chief Minister, is that there have been calls now for the—

**Mr Stanhope:** We do not turn our back on business—the government or the Labor Party. We do not turn our back on business like the Liberal Party do.

**MRS DUNNE:** Well, you are changing your mind every day whether you turn your back on—

**THE CHAIR:** Excuse me.

**MR GENTLEMAN:** There have been calls for an intervention on this program by the government. Chief Minister, what message do you think you would be giving to industry if you were to intervene at this stage of the process for this gas power plant?

**MRS DUNNE:** He is. He is going to a press conference at 2 o'clock.

**Mr Stanhope:** It is an appalling message, the message that if I were to intervene and to pre-empt a statutory process before it had been concluded is dreadful for the territory. For an alternative government, or any political party in this place, to ask a government or a specific minister to intervene, to not allow a statutory process to proceed, is probably illegal in the first place, but it is pre-emptive. The perception it creates is, I believe, just dreadful—that this is a town where political influence is brought to bear on statutory planning processes. That is just an untenable position.

I think it is remarkable that the Liberal Party's position, the position of the alternative government, is that, if there is a statutory process running but you do not like a particular proposal because you think that the politics are a bit problematic, the best thing to do is to jump in and circumvent and cut it off at the neck. The message that that sends to business is that this is a town in which under a Liberal government there will be political interference in planning decisions; if you have no trust in the system, change the system; move back to a position where political fiat or political favour is part and parcel of a statutory decision-making process.

It is a position I reject absolutely. The message that is sent by the Liberal Party's new position on—

**MRS DUNNE:** If you thought that, you would have done away with call-in powers.

**Mr Stanhope:** statutory planning is that, if you come under a little bit of political pressure, if some of your constituents do not like a particular proposal, do not let the proposal go through to the umpire. Just intervene, go wobbly at the knees, and circumvent the process. That is the Liberal Party position: wobble, interfere, intervene, pre-empt; do not listen to the evidence, do not allow procedural fairness or justice. That is the message now that is abroad in relation to the Liberal Party or the alternative government's position or attitude to how business should be done in the ACT.

It is a position that I reject absolutely. Mine is a position about ensuring—

**MRS DUNNE:** Well, do away with call-in powers.

**Mr Stanhope:** that major projects that will benefit the community are given an opportunity to be considered on their merits and then let the planning process, the statutory officials, those charged under the law with authority to make decisions,

make the decisions. That is my position. So we will work with business. We will continue to work with business to ensure that, to the extent that the community's interests are protected and represented, their proposals will be treated fairly according to the law.

**MR SMYTH:** So, Chief Minister—

**DR FOSKEY:** Can I just ask a new but important question?

**MR SMYTH:** do you agree with the alterations that ActewAGL are announcing this afternoon when you attend their press conference at 2 o'clock?

**Mr Stanhope:** My position is that I will work with business to ensure that the ACT is seen as a place that will welcome business, that does not turn its back on business, that does not go wobbly at the knees—

**MR SESELJA:** Sounds like a wobbly at 2 o'clock.

**Mr Stanhope:** the minute a little bit of political pressure or community pressure is applied; that you just wobble—

**DR FOSKEY:** I have got a supp to this, thanks.

**Mr Stanhope:** that you get the old jelly back and you just fold and roll over. That is—

**MR SESELJA:** So you agree with the amendments?

**Mr Stanhope:** That is not the—

**THE CHAIR:** Dr Foskey?

**DR FOSKEY:** Yes—

**Mr Stanhope:** That is not the Labor Party position; that is not the government's position. It is the Liberal Party position and the Liberal Party stands condemned for its anti-business—

**MRS DUNNE:** Why are you attending this today, ahead of the closing of the statutory timeframes for consultation? Why are you attending these announcements? What message does that send?

**Mr Stanhope:** I attend a lot of announcements and meetings. I attend meetings and announcements—

**MRS DUNNE:** You said you were not going to participate in the statutory timeframes but you were making this announcement and participating in this announcement.

**Mr Stanhope:** No. I said I am not. I said I am—



**MRS DUNNE:** Before these things happen?

**Mr Stanhope:** No. Do not verbal me. Do not try to cover your appalling embarrassment at your involvement and your government's anti-business involvement—

**MRS DUNNE:** The only person around here who is embarrassed is you.

**Mr Stanhope:** No. What we have seen is the most virulent, anti-business episode that I have ever witnessed in my time in the Assembly. No wonder the 250 Club actually jettisoned the Liberal Party and said now that it will only support candidates that are friendly to business, on the basis of the experience of the last month. I will get onto Jim Murphy. I think we will probably be the sole recipients of the business groups' funding in the upcoming election because the Liberal Party has completely burnt any credibility or credentials it had as a party with any sympathy or understanding for business in this town. Thank you, Madam Chair. It has been a pleasure for me and my officials to attend.

**DR FOSKEY:** Could I ask my question?

**THE CHAIR:** It is half past 12; I am sorry. Put it on notice.

**Mr Stanhope:** Dr Foskey is always so patient; I will take this last question.

**THE CHAIR:** Thank you for your understanding.

**DR FOSKEY:** Given that the ACT obviously does not have a huge amount of funds to offer business, I am wondering what we do have to offer when a viable, innovative, sustainable industry is looking for a place to set up. Obviously there are a number of offers from different states. What does the ACT have to attract such an industry to choose the ACT to set up in?

**Mr Stanhope:** They have a government that is committed to business, in the first place, and it has provided an environment where business knows that statutory planning processes will be observed and respected. It does not have the Liberal Party style where political interference will be the order of the day. But we have an environment, socially and economically and in terms of our infrastructure, that is second to none in Australia.

But in the context of physical inducement, which I think the question may go to, there is very little. Because of some outrageous bidding and counter-bidding that was a feature of earlier years, governments around Australia, with the exception of Queensland, have now signed an agreement—we have not signed an agreement that we will not—in which we have undertaken not to engage in bidding wars for business. We have agreed to report annually to each other on any inducements, whether it be in relation to support for initial infrastructure or whether it be support in relation to payroll tax exemptions, so that we can monitor the extent to which individual jurisdictions are providing those physical inducements, which were part and parcel of previous governmental arrangements in relation to business attraction.

Now, the situation which prevails around most of Australia is about jurisdictions selling what it is that they have to offer. And, of course, we have amazing strengths in terms of our environment, the nature of the city, the amenity, very high levels of education, the cultural creative life of the city—just the quality of life and living within Canberra, which of course is better and higher than that of any other place in Australia. These are our great attractors.

**DR FOSKEY:** How many industries do you know that have made their decisions about location on those grounds?

**Mr Stanhope:** Almost all of the businesses will tell you that one of the great appeals of Canberra, when they are looking for staff, is the quality of infrastructure, the quality of services, the quality of environment, the clarity of the air. Almost everything about the appeal of Canberra goes to our physical environment—the way the town looks, the air, the sky, the environment, the education, the health services, opportunities for children, sport, recreation, the culture and creativity. You ask any business around town; these are the great selling points of Canberra.

**THE CHAIR:** Thank you very much, Chief Minister. Thank you for giving us that little bit of extra time. Enjoy your business trip. I hope it is most beneficial to the ACT.

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

**THE CHAIR:** Thank you very much, Mr Dawes, Mr Cox, Mr Cappie-Wood and all the officials.

**The meeting adjourned from 12.33 to 2.33 pm.**

Appearances:

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

Department of Territory and Municipal Services

Zissler, Mr Mike, Chief Executive

Shepherd, Ms Simonne, General Manager, Australian Capital Tourism

Guthrie, Mr Neale, General Manager, Territory Venues and Events

Marriage, Ms Sue, Director, Sport and Recreation Services

Chief Minister's Department

Centenera, Ms Liesl, Director, Office of Industrial Relations

Hudson, Ms Cathy, Deputy Chief Executive, Governance Division

**THE CHAIR:** Welcome. You are all familiar with the yellow card and aware of the privilege implications within it?

**Mr Barr:** There is a strong sense of déjà vu kicking in at this point.

**THE CHAIR:** That is fine. Do you want to make any opening remarks, minister?

**Mr Barr:** I would take a moment of the committee's time, chair. Firstly, thank you for the opportunity to appear in the tourism, sport and recreation budget estimates. This is a significant budget for tourism, sport and recreation, most particularly in investment in infrastructure for sport and recreation. A number of those investments will also have significant tourism benefits for the city.

I would particularly like to highlight the additional investment in Stromlo forest park and the beginnings, I believe, of some significant changes at that venue to take it to the next level and most particularly to explore some of the commercial and accommodation options that are available on the site. Given the very strong community support for the facility, at both an elite and a grassroots level, it was very welcome news to be able to invest some more in Stromlo forest park.

In this budget, we have also commenced the first stage of the Lyneham sports precinct, including a \$3 million grant to Netball ACT and about \$5.6 million in associated works to progress the first stage of the Lyneham sporting precinct. This will, amongst other things, create a 3,000-seat arena, which fits very neatly into the current facilities within the territory and provides an option for a number of sporting teams that was not previously available.

I draw the committee's attention to the significant investment and work in developing opportunities for Canberra Stadium, Manuka Oval and Phillip Oval as part of this budget, as well as the investment in new sporting facilities in the Gungahlin region. That includes some additional funding for the Harrison district playing fields, noting the partnership that we hope to confirm and sort out finally with ACT Cricket in relation to their contribution to some of the facilities at Harrison; the money to establish the further work on the Gungahlin enclosed oval as part of the sport and

wellbeing precinct associated with the college; and the Throsby district playing fields and netball courts—again, further investment in a community that is growing, one that will need additional sport and recreation facilities.

Before I wrap up, I would like to highlight the additional funding for the event assistance program; the money to bring a Rugby League World Cup match to Canberra later this year; the support for the Rob de Castella invitational cross-country event to expand to become a festival of running; a \$300,000 investment in Australian Capital Tourism's e-strategy, rebuilding the visit Canberra website and some other strategic investments to improve the ACT's presence at the Australian Tourism Exchange; and the establishment of an affordable tourism information booth that will enable a stronger tourism presence at major events in the city.

In closing, I note the \$250,000 investment in the feasibility study for a new convention centre. I thank the committee for the opportunity to appear. I am happy to take questions.

**MR SESELJA:** Supplementary, chair.

**THE CHAIR:** We have not even asked a question yet.

**MR GENTLEMAN:** It is hard to do a supp without a question.

**THE CHAIR:** Yes, exactly.

**MR GENTLEMAN:** It is a good try though.

**MR STEFANIAK:** Let us have a question. We have got a supp already to his statement.

**THE CHAIR:** Very good try, Mr Stefaniak. Minister, I have a couple of initial questions on the back of what you have been saying. You mentioned some initiatives to do with Stromlo forest park. I think you mentioned some accommodation in line with that. Could you outline some of those initiatives in a bit more detail? I was not aware of them.

**Mr Barr:** The committee would be aware that the government has invested \$7.5 million initially in the Stromlo forest park facility. I think it would be fair to say that the park is exceeding community expectations as a facility. We have had nothing but positive feedback, as I say, from the elite end all the way through to your average recreational user. It is a facility that is meeting the needs of a large proportion of the community, who are very happy, and looking for the opportunity to expand the range of services and activities that we offer on site.

This budget provides \$2.78 million over the next three years. That is broken down into a \$1.7 million component for essential infrastructure upgrades. This includes access and safety improvements as well as event management and multipurpose landscape areas. This will allow for additional parking, event villages, team set-up areas, event camping and enhanced spectator viewing areas. The funding will also provide for an additional access road off Cotter Road, which will reduce congestion

and improve operational management for most major events.

There is a \$100,000 feasibility study provision to assess the scope for additional facilities on site to promote commercial growth. That extends from things like a bike hire shop, a bicycle shop and an on-site cafe through to a range of other event and function-type facilities—but also examining the possibility, for example, of a commercial chairlift to get people to the top. That has proved to be very popular at similar venues elsewhere in the world; we think that it is worthy of some further investigation. I hasten to add that this would be a commercial activity, not something that the government would run. But I believe there is scope for such a facility on the site; and, as a logical progression in enhancing the facilities there, that is something we are looking at.

We are looking at enhancing the recreation activities for children—introducing a baby BMX and sealed cycle track, focusing on learning basic bike skills and road safety. There is the examination of low-cost accommodation. The advantage and the opportunity here are to be able to have accommodation that would meet the needs of the venue at weekends and for major events but would also double up as a low-cost accommodation venue for our education tourism groups. We have a very successful education tourism program in the ACT—in the order of 130,000 a year. Securing a number of low-cost accommodation sites in the future is important to the ongoing growth of that program. So through this budget we have identified and funded at Stromlo forest park and also at Exhibition Park provision for the expansion of low-cost accommodation options. I am sure that on Friday, in the Planning portfolio, we can discuss other accommodation options that we are exploring.

**THE CHAIR:** You had a supplementary, Ms MacDonald.

**MS MacDONALD:** Yes.

**THE CHAIR:** And you have got a supplementary as well, Mr Stefaniak.

**MS MacDONALD:** Minister, the other day I had a complaint from a constituent about—it just comes to mind because you mentioned the baby BMX bikes. Where is that going?

**Mr Barr:** That will be part of the Stromlo site. I would need to get a map out to show you—

**MS MacDONALD:** That is all right. I do not need to—

**Mr Barr:** It will be on site.

**MS MacDONALD:** I am not intending to use it myself.

**Mr Barr:** Not even for a next generation?

**MS MacDONALD:** Maybe that is up to others to decide. I had a complaint about the removal of dirt tracks on Farrer Ridge recently—in fact, at the weekend. This probably comes under Mr Hargreaves's area.

**Mr Barr:** Indeed it does, I am advised.

**MR STEFANIAK:** Convenient.

**MS MacDONALD:** However, the issue is more about if those are not there. I can understand the liability issues, although the comment was made by the person who made the complaint to me that we are becoming too coddled as a society.

**THE CHAIR:** More broken bones in the younger generation.

**MS MacDONALD:** Yes. I suppose the question concerns BMX being one way of replacing something, so putting in place something that is properly—

**Mr Barr:** Certainly we would seek to enhance the range of off-road cycling experiences, from your average recreational users right through to your more experienced and perhaps more daring users. Through this investment and through the existing facilities, I think there is scope to offer that wide range. Certainly, we are very confident that, following the world championships, the ability to market this as “come and ride the world mountain-bike championship course” will appeal to the adventure sport demographic in a way that we have not been able to offer previously.

**THE CHAIR:** Mr Stefaniak.

**MR STEFANIAK:** Thanks for the opening, minister, and your comments in relation to EPIC and the park out there at Weston. Another wheels sporting event—page 303 in budget paper 4—is the motor sports fund, of \$8 million. Is that capital injection rollover the reallocation of the previous dragway funding?

**Mr Barr:** It is, yes.

**MR STEFANIAK:** I see the completion date of June 2009. What is that fund to be used for?

**Mr Barr:** We are currently in consultation with a number of interested parties in the motor sport community around allocation of that funding. I will be making some significant announcements in the very near future.

**MR STEFANIAK:** I am pleased in a way to see that it is \$8 million; in the last budget papers I think it was \$7.2 million. Have you put some more money back into that?

**Mr Barr:** I think it was \$7.8 million actually. There were a couple of hundred thousand dollars associated with some studies on—

**MR STEFANIAK:** But you have topped that up, have you?

**Mr Barr:** Yes. So the fund is \$8 million.

**MR STEFANIAK:** Why is there not any detail in the budget papers about this project

and why has there not been any announcement made in relation to the replacement project for the dragway?

**Mr Barr:** Well—

**MR STEFANIAK:** I take it that you are no longer proceeding with the dragway?

**Mr Barr:** No. I think there is a very clear indication that the dragway is not viable on section 51 or 52 in Majura. That is very clear.

**MR STEFANIAK:** We agree to disagree on that, minister.

**Mr Barr:** We can.

**MR STEFANIAK:** And you are not proceeding?

**Mr Barr:** Given the Liberal Party's attitude to major developments when there are environmental studies concerned, I find that—

**MR STEFANIAK:** Given the problems with your assessment and the situation with depreciation, minister, let us just agree to disagree on block 51.

**Mr Barr:** I find that response interesting, Mr Stefaniak.

**MR STEFANIAK:** I do not think you were ever serious about a dragway.

**Mr Barr:** I can indicate—

**MR STEFANIAK:** But let us talk about the future in terms of what you intend doing.

**Mr Barr:** Certainly. I can indicate very clearly that there is not a suitable site within the ACT for a dragway, so the government, in conjunction with the motor sports community, is exploring a range of other opportunities to invest in motor sport. There are a number of options for us to consider. We are currently in consultation with a number of the motor sport bodies within the ACT. I will be making some significant announcements in the very near future.

**MR STEFANIAK:** You said you had consulted with them. Whom have you met with and how often, say, in the last three months?

**Mr Barr:** I can get that detail for you, if I can turn to the appropriate page. I can advise Mr Stefaniak that meetings have been held with Graham Monty of the Fairbairn Park Control Council; Peter Thomas from the Canberra Kart Racing Club; Colin Trinder from the Australian Rally Commission; Peter Major from the Motorcycle Riders Association; Ash Rutledge from the Dual Sport Motorcycle Riders Association; David Yates from the Southern Districts Motor Sports Association; Rob Wall also from the Southern Districts Motor Sports Association; Chic Henry, Summernats; and Neal Bates, who I think we will describe as a significant Canberra motor sport identity.

**MR STEFANIAK:** As indeed are the other ones too.

**Mr Barr:** Indeed. So consultation is continuing. As I say, we will make some announcements on—

**MR STEFANIAK:** How many meetings have you had in the last three months?

**Mr Barr:** I understand there have been a number of meetings. There has been at least one meeting with each of those individuals and, with some, there may have been more. We will continue those discussions and make some announcements in due course.

**MR STEFANIAK:** Does that involve improvements to Fairbairn Park or greater utilisation of that site?

**Mr Barr:** That is something that we can consider as part of this process, yes.

**MR STEFANIAK:** Mention was made over the last 12 months, which was not terribly well received by the motor sport community, of relocating a dragway to Wakefield Park near Goulburn. Is that still on the cards or is that dead in the water? What is the status of that?

**Mr Barr:** There would not appear to be a huge amount of enthusiasm for that from elements of the motor sport fraternity. That was an approach to government from the owner, I think, of the adjacent lease to Wakefield Park. I indicated at the time that we were happy to consider that approach and then to undertake some consultation. It was fairly clear, though, from a number of people associated with the dragway, with CIDM, that they were not particularly interested in pursuing that. So on that basis we have not proceeded with that particular approach. That said, it was always very tentative; there was never any concrete proposal put forward.

**MR STEFANIAK:** So the \$8 million would be spent in the ACT?

**Mr Barr:** It will be spent within the ACT.

**MR STEFANIAK:** The whole \$8 million you are looking at?

**Mr Barr:** That is my intention, yes.

**MR SMYTH:** What was the total pot for the sports drought-proofing self-help scheme?

**Mr Barr:** That is the capital injection you are referring to?

**MR SMYTH:** Yes.

**Mr Barr:** There is an \$8 million allocation, as well as future provision for another \$8 million, taking the total to \$16 million. That does not include this year's \$3 million. So that would make a total of \$19 million.

**MR SMYTH:** Was all of this year's \$3 million spent?



**Mr Barr:** It has only just been allocated. Yes, the grant money has been distributed, I understand, but it would not all have been spent yet.

**MR SMYTH:** How many applications did you receive, how many were granted, how many missed out?

**Mr Barr:** We may have to take that on notice.

**THE CHAIR:** Take it on notice?

**Mr Barr:** We can take that on notice, yes.

**MR SMYTH:** I notice in the budget papers—and I am having a little look to see where the line is—a rollover amount of \$275,000.

**Mr Barr:** Which page are you on?

**MR SMYTH:** I am trying to find it here.

**THE CHAIR:** While you are doing that, can we go to Mr Gentleman's question and you can come back to it later?

**MR GENTLEMAN:** I note in budget paper 3, page 89, the government is reintroducing the sports loan subsidy scheme. Can you tell us how you see the sports industry benefiting from this scheme?

**Mr Barr:** This is an area where I believe it is important that we provide an opportunity for sports to be able to participate again in this scheme. We did, as part of the review of sports grants a couple of years ago, close off the scheme to new applicants for a period of time. Having undertaken the significant review in consultation with the sport and rec industry, we did see this as a priority area for reopening of the scheme.

What it will enable is sports to be able to undertake some capital works of their own, with the assistance of government in meeting the interest costs associated with some of that investment. So when you combine that with the significant capital injection for assisting sports to respond to the drought, what we have is a very attractive package for sports now to begin to reinvest in sporting facilities. That can be either a project entirely for one sport where the government simply assists with the interest or a joint venture, if you like, along the lines of what has occurred with netball where they have brought a considerable amount of money to the table themselves and the government has provided a matching grant and then some assistance with capital works.

There are a range of different ways that this scheme can assist sport and recreation organisations. But what it certainly will do is enable some of the sports, who perhaps do not have a huge amount of capital themselves or a capacity to generate a huge amount of capital, to be involved in some upgrades where the government can assist in meeting the interest costs.

**MR GENTLEMAN:** You mentioned netball in your answer. In your overview, you mentioned the first stage of the Lyneham sports precinct. Can you give us some more information about that? Will the courts at Lyneham be upgraded?

**Mr Barr:** Certainly. Through last year's sport and rec grants, we have provided a significant grant to netball to undertake a complete resurfacing of all of the outdoor courts. People who drive past regularly would have noticed that they are looking magnificent, as you drive past on Northbourne Avenue now. All of the outdoor courts were resurfaced as part of that grant.

This \$8.6 million is broken down into two components: a \$3 million grant to netball—I understand they are bringing something in the order of \$2 million to \$3 million themselves in money that they have raised through various fundraising activities and operations over a number of years—to construct an addition to the existing netball centre. That involves the creation of a show court, a 3,000-seat venue that will have retractable seating. What you get for normal events is three new courts of international standard, meeting all of the international broadcast requirements, and the capacity to be able to host major events and then the ability to bring the seating in to create a 3,000-seat show court.

We are also undertaking \$5.6 million worth of associated works around the site to address road access, parking, fix up the intersection on Northbourne Avenue. As people who drive past regularly on a Saturday morning would observe, that area gets very busy with so many participants in sports and recreation, both at—

**MRS DUNNE:** Can they fix up the car park as well?

**Mr Barr:** Yes, indeed, the car parks will be fully fixed up. That also will provide the opportunity to extend the road network and really deal with the eastern precinct.

I have had some very fruitful discussions with Tennis ACT in relation to their plans for the western precinct, and that will be the subject of some future considerations by government in terms of the complete Lyneham sporting precinct. I am very conscious that we have invested a considerable amount of time and money over a number of years in the master planning for this precinct and now is the time to get on with developing the facilities there. This is stage 1 of that development.

**MR SYMTH:** The \$8 million and the other \$8 million were for capital, but there were also the grants. On page 295, the sports drought-proofing self-help scheme had \$275,000 and you rolled the \$275,000 over. It is the fifth line down.

**Mr Barr:** Here we go, yes. I will explore that for a moment. It is a technical adjustment. We will confer and get back to you on that.

**MR SMYTH:** While you are looking, the next line down, the recreation strategy, you have also got \$50,000. It has been rolled over; it is also a technical adjustment. What does that mean?

**Mr Barr:** Sue is able to give additional information on that.

**Ms Marriage:** Sport and Recreation Services recognised, when it was going to host its recreation summit a couple of weeks ago, that there would be work that would need to be carried on past that to go through and do a recreation strategy. Some of the funding that was put aside for the recreation summit and subsequent works has been rolled over into the future year to be able to undertake that recreation strategy.

**MR SMYTH:** Was that always the intention or was the event delivered later than expected?

**Ms Marriage:** The event was delivered later than expected. It was anticipated to be in March, and therefore that work would have been completed in about May or June. The reasoning for extending the timing of promoting the event was purely that the recreation industry is a different industry from the sports industry. It took us a lot longer over that Christmas-New Year period to be able to promote the event out to the people that were working out there in the recreation field. We wanted to make sure that the event was successful in gaining diversity in all the people that needed to have input into that plan. Rather than putting an event on earlier and not having it as effective, we wanted to delay it by eight weeks and make sure that we got the people around the table that we needed.

**MR SMYTH:** All right. Going to other rollovers, on page 298, minister, there is another budget technical adjustment. About four lines from the bottom we have got Harrison district playing fields at \$3.6 million for this year rolled over to next year, but then I notice on page 299, about four or five lines down, in reference to the Harrison district playing fields rollover, there is half a million dollars rolled over. If you go to about seven lines from the bottom, there is another \$500,000 that appears to be spent this year. Then, when you go over to page 302, five lines from the bottom, in relation to Harrison district playing fields, there is an entirely different set of numbers: \$5.25 million, \$150,000 and then \$5.1 million in 2008-09. Can somebody give us a reconciliation of how that works?

**Mr Barr:** I can provide some advice and we can give the rest on notice. I understand that there is an additional allocation in this year's budget for Harrison.

**THE CHAIR:** I think you mentioned that in your overview.

**Mr Barr:** Yes. I can also advise that ACT Cricket have approached the government and, I understand, are 99 per cent sure, if not absolutely sure, that they have secured some funding from the New South Wales cricket association to contribute to upgrading the pavilion and, I understand, perhaps the pitches as well. They wanted them both to be turfed—effectively to contribute to that being a base for the Gungahlin Cricket Club. They have been some factors associated with the delay in that project. I will take it on notice and give you a full reconciliation.

**MR SMYTH:** Is the delay that ACT Cricket approached and said, “Can we wait a while until we do a little bit more work?”

**Mr Barr:** No. I understand—

**MR SMYTH:** Or was it just delayed and that is a fortuitous coincidence?

**Mr Barr:** That is a factor in our consideration, but I understand that it is not the major reason for the delays—the drought and water allocation that have been the significant reason for the—

**MR SMYTH:** You have always been wiser than the Chief Minister on watering plants in the drought.

**THE CHAIR:** I have a supplementary to this. I will go to you in a minute, Ms MacDonald. On page 289, accountability indicator “g” talks about the annual sportsground maintenance cost per hectare. You have been talking about the maintenance, the drought proofing and all those kinds of things. I notice that there is an increase in that target. Is that because we have more sports fields or more matches?

**Mr Barr:** I think it has more to do with water costs, but I will get Sue Marriage to expand on that.

**Ms Marriage:** That maintenance figure each year is made up of a—it is quite a complex calculation. It includes a certain percentage of the salaries of our sportsground staff, also the electricity, the water, the water supply charges and the mowing charges for each of those sportsgrounds. Ultimately, if any of those go up slightly, we have a pool of nearly 400 hectares of sportsgrounds. Multiply any number by 400 and all of a sudden you get a much larger figure.

**THE CHAIR:** A substantial increase.

**Ms Marriage:** In all of that, the water figure has increased, so therefore that hectare rate increases as well.

**THE CHAIR:** Thank you. Ms MacDonald?

**MS MacDONALD:** I noticed the pun: you have got a pool. I want to ask about Phillip Oval. I note you have additional funding to build a new pavilion. The old one was burnt down and had to be taken down. Can you update us as to where—I know there has been a lot of stuff done to Phillip Oval, but every time I drive past it looks to me as though there is a lot of dirt there.

**THE CHAIR:** They were watering it as I drove past at lunchtime.

**Mr Barr:** I can advise Ms MacDonald that the additional funding is for the construction of a new pavilion. The time lines—I might be able to make this available to the committee going back to when this work commenced—are these: the master plan was completed in July 2007; tenders were called for the first stage of reconstruction in August 2007; the tenders were let in October 2007; stage 1A of the reconstruction work, which essentially covered the playing surface and surrounds, commenced in November 2007; stage 1A work is complete and the grass will be sown by the end of this month—so within the next week or so. This year’s budget allocates the additional money to construct the pavilion, seating and other associated works.

**MS MacDONALD:** How many seats are you anticipating will go in the pavilion?

**Mr Barr:** That is a very good question; Sue might be able to assist.

**Ms Marriage:** The seating there will be fairly standard for an enclosed sportsground. It will be the minimum community seating; it is not going to be a large stadium as such. It will be there for people who are coming just to watch competitive activities on a Saturday morning. That ranges around the 200 or 300 mark.

**MS MacDONALD:** Are we still looking at it as a permanent alternative venue for AFL matches down the track?

**Mr Barr:** Not alternative to Manuka, but it would be for first-grade level AFL.

**MS MacDONALD:** Thank you.

**THE CHAIR:** Mr Smyth?

**MR SMYTH:** Minister, on the “where will we play” strategy and drought proofing the ovals, what advice is the department giving you on the likelihood of going to stage 4 restrictions in the next 12 months?

**Mr Barr:** In the next 12 months? Actew will make those decisions, but simply from listening to the radio this morning I understand that the trigger for stage 4 restrictions is that the dams are at 32 or 33 per cent. We are currently at 46 or just a tad under. My understanding is that Actew’s capacity now is to be able to almost entirely draw the city’s winter and autumn needs from the river without impacting at all on the dams. I have no advice at all from Actew or the department indicating that stage 4 is imminent in the next 12 months.

**MR SMYTH:** You said earlier that the \$8 million capital in this year has now been allocated?

**Mr Barr:** There is provision for it. Then we will go to an allocation process each year as part of a grant process—similar to the ones that we have already undertaken, although we would reserve the right, should future needs be there, to alter the way we allocate that funding. But the funding is allocated in the budget.

**MR SMYTH:** Yes, but has it been dispensed to the sports?

**Mr Barr:** No. The \$8 million has not, no.

**MR SMYTH:** How much has been?

**Mr Barr:** Some \$3 million has, \$2 million of which was in the second appropriation and then there was the additional \$1 million that I was able to secure from unspent funds within the department.

**MR SMYTH:** Which you did not have originally.

**Mr Barr:** Yes. I think you might have even congratulated me on that at the time.

**MR SMYTH:** I was wondering where you were going to get it from.

**Mr Barr:** Yes.

**MR SMYTH:** But you have spent that \$3 million?

**Mr Barr:** All but the small amount that has been rolled over, I understand, which answers your earlier question about the 275, yes. Sue Marriage has some more detail.

**Ms Marriage:** All of that \$3 million has been allocated. There were 18 projects that were to be funded. Four of those organisations are yet to provide their signed documentation for us to allocate those. We are working extremely hard to get that financial paperwork completed so that we can allocate that money out to them. It has been committed. It is signed and guaranteed that they have got it. They have just got to do their paperwork and return it to us. There was \$400,000 as long-term strategy. All of that has been identified as well—as to how that is going to be utilised. So in that response, the \$3 million has been allocated and identified for use.

**MR SMYTH:** How much of it has actually been spent?

**Ms Marriage:** I would have to take that on notice.

**MR SMYTH:** Can the committee have a list of the 18 projects?

**Ms Marriage:** Certainly.

**Mr Barr:** In fact, I can refer you to my media release.

**MR SMYTH:** I am sure you could, but we might want to include it in the report.

**Mr Barr:** Yes, certainly. Yes, it is publicly available.

**MR SMYTH:** I understand.

**MS MacDONALD:** And therefore can be included in there.

**MR SMYTH:** Has a decision been made on whether two synthetic fields will go?

**Mr Barr:** We provided funding through that grants round for a pilot project with Capital Football for Hawker enclosed oval.

**MR SMYTH:** So only one—

**Mr Barr:** As part of that first round, yes, although it depends a little on your definition of synthetic and what constitutes a field, because there are some—

**MR SMYTH:** You do not look like Ted Quinlan.

**Mr Barr:** The reason I make that observation is to say that there were some other

synthetic surfaces but they were not playing fields.

**MR SMYTH:** Things like what?

**Mr Barr:** Things like bowling greens, tennis courts and those sorts of things, which are synthetic but I would not argue that they are a playing field.

**MR SMYTH:** A field on which you play.

**Mr Barr:** I think the direction that you are heading—the project at Hawker is around a soccer pitch, so that is a very different thing from a tennis court.

**MR SMYTH:** How many facilities have got lights?

**Mr Barr:** Eleven, but we will double-check that figure for you.

**MR SMYTH:** When is the first of these projects expected to come on line?

**Mr Barr:** I understand that a number of them have already commenced. Some may even be complete. We will just get that—

**MR SMYTH:** We will be happy to get that on notice. Along with “where will we play”, you announced an audit of sports facilities. Where is that at?

**Mr Barr:** That has been completed.

**Ms Marriage:** I am sorry; I was taking notes of my last question. The Sports Turf Institute were commissioned to come along and look at all of the priority one sportsgrounds and identify a maintenance program for those. I can advise you that the Sports Turf Institute last week completed their audit of all the sportsgrounds. It is not just our government ones; it is the private grounds as well. And we are anticipating that we will get a report back from them in about the next eight weeks.

**MR SMYTH:** That did not include indoor facilities?

**Ms Marriage:** No, it did not. It was an assessment of the condition of the sportsgrounds that were going to be priority one under the emergency plan and identifying what their capacity would be to maintain them themselves under extra use and what would be a maintenance regime for those. In that respect, it is really an asset maintenance plan for us.

**MR SMYTH:** Is there an audit for all sporting facilities being done or intended?

**Ms Marriage:** Depending on the definition of audit, if we are talking about sportsgrounds, which was what the long-term strategy was all about, we have completed an audit of all the sportsgrounds that are available in the ACT. We have recognised that as part of the long-term strategy but we also cannot ignore the indoor facility needs, particularly because, if we went to a time of drought conditions, indoor facilities would be under pressure as well. So we are looking at that mix of indoor facilities as well. But there is no direct position at the moment on indoor facilities.

**MR SMYTH:** Minister, will you commit to undertaking an audit of all sporting facilities to find out their needs for backup maintenance and, indeed, gaps in the facilities that the ACT has for planning in the future?

**Mr Barr:** It is certainly part of future planning. We can have a look at those things. I am of course hesitant to commit money outside of the budget process.

**MR SMYTH:** You have done that before. It did not stop you earlier when you promised \$3 million and you only had \$2 million.

**Mr Barr:** I was able to secure additional funding but I did not do it before the estimates committee, in response to a question from you, Mr Smyth. So I will take advice. I always appreciate your input in these portfolio areas. I acknowledge your genuine interest in making my life difficult. I acknowledge that.

**MR SMYTH:** No, I am just here to look after sports groups.

**Mr Barr:** But I will take some advice on what costs might be associated with such a project. If it is something that is manageable in our existing budget, then that will be a worthwhile thing. If I have to seek additional funding—and of course you would understand that—that would require a bid through another budget process.

**MR SMYTH:** Can I just finish on the audit. ACT Sport is keen to see such an audit done and to have an economic impact statement done on the contribution to sport by industry in the ACT. I do not see any EIS funding in the budget either. Is there a likelihood of that?

**Mr Barr:** I understand that that work is scheduled for this coming financial year. We undertake such work periodically.

**MR SMYTH:** So where would the money for that be?

**Mr Barr:** That would be within the base funding.

**MR SMYTH:** How much?

**Mr Barr:** It would be within the allocation for sport and recreation, yes.

**MR SMYTH:** And how much will that cost?

**Mr Barr:** We would have to go to tender for such an evaluation; so it is difficult to say at this point.

**MR SMYTH:** How much do you expect it to cost?

**Mr Barr:** I would not be in a position to signal that without testing the market.

**MR SMYTH:** So where is it in the base? What line do we find it in the base?



**Mr Barr:** It would be within the allocation of funds for sport and recreation.

**THE CHAIR:** I have got a follow-on from that line of questioning about the maintenance of sporting fields. You may have answered this question in your numerous answers to Mr Smyth. I apologise if you in fact have already told him while I got distracted a couple of times. There is mention made on pages 71, 93 and 109 of upgrades for Canberra Stadium and Manuka Oval. Have you been talking about that investment while we have been—

**Mr Barr:** No, this is a new area of questioning. I am very pleased that you have asked said question because these are our premier sporting facilities and it is important that we undertake that investment. The budget allocates \$250,000 to allow for forward design for new and improved player facilities at Canberra Stadium. Through the capital upgrade program there is \$1.55 million to upgrade Canberra Stadium's public address system.

A further \$250,000 has been allocated towards upgrading the handrail, stairs, stairways, et cetera to comply with current building codes. There is \$250,000 for the emergency management system, extending the existing water main and a further \$225,000 to relocate emergency lighting and improve public thoroughfare lighting.

The budget also provides \$500,000 to undertake a feasibility study for the redevelopment of the Hawke and Menzies stands at Manuka Oval, both of which were constructed in the 1960s, as well as an upgrade on the Bradman stand. And this feasibility study will look at options for increasing the operational efficiency as well as the commercial viability of Manuka oval, most specifically increasing the availability of corporate facilities and increasing media facilities. The study will include an investigation into the potential economic and social benefits to the territory that may be realised from the further capital investment in the facility.

Finally in relation to Manuka Oval, the capital upgrade program also allocates \$150,000 to seal the bitumen perimeter roads surrounding the oval, as there are parts of that road that are currently dirt.

**THE CHAIR:** To clarify for Hansard, in case I said "budget paper 3", I meant to say budget paper 5. In this conversation we are having here, I am not entirely sure what I said, but it is indeed at pages 70, 93 and 109 of budget paper 5.

**MR SMYTH:** It goes back to the money for the audit as to the needs and facilities. Is there a guiding principle to the capital works that you have put in place in this year? How were they determined over other priorities, and how was it determined that they were the most effective use of the limited money that you have got? If you do not know what you have got and you have not done an audit on what is required, what gaps there are and what need there is in the future, is it just best-dressed wins? Is it ad hoc? Is there a strategy here that we cannot see?

**MRS DUNNE:** Did you and the Chief Minister have a talk about it and decide it was a good idea?

**MR SMYTH:** Did you just have a chat with the Chief Minister about it?

**Mr Barr:** Have you finished now? Yes, you have got it all out of the system there? Excellent!

**MRS DUNNE:** I am sure there are other options we could think of.

**Mr Barr:** I am sure that is all wonderful, yes, indeed. To respond to that question, Mr Smyth: you would be aware of the considerable amount of time and effort that was put into the Lyneham precinct master planning process. So it would come as no surprise to you that there is that allocation in this budget for phase one of that project in what was an identified priority area, and identified a number of budgets ago. There was clearly work done that led to that funding decision.

In relation to the capital infrastructure funding for Gungahlin, both the ACT Planning and Land Authority and sport and recreation services have been involved in detailed planning on the future sport and recreation needs in Gungahlin.

The funding for Phillip Oval, again, is following on from the master planning process that was undertaken both by ACTPLA and by sport and rec services in relation to the provision of funds there.

You would be aware that we undertook a major piece of work in identifying priority grounds as part of our drought-proofing strategy and the capital money that is available in this budget flows from that major piece of work.

In terms of the smaller allocations for capital upgrades, those are recommendations that have come internally from the department but they are addressing priority areas within the stadiums most particularly, recognising the asset management plans for those facilities. Then also we have provided some capital funding for further feasibility and design work on a number of projects in both of those facilities. So I think that largely accounts for the capital spend this year.

**MR SMYTH:** Will there be any further funding for capital works within sport and rec between now and October and, if so, where will that money come from?

**Mr Barr:** That is speculating and I am not in a position to speculate on further funding.

**MR SMYTH:** I see on page 32 of budget paper 5, under “Improving Urban Amenity”, there is allocation for future provision, down one column, of \$18.599 million. Under “Future Provision Capital Upgrades”, there is \$43 million. Are there other projects that you are working on at the moment that would be announced as a result of this budget?

**Mr Barr:** That is a matter for further consideration by cabinet. There are no projects that I am in a position to announce today. You would be aware that there is a provision made as part of a five-year infrastructure plan for the city. We will make further announcements if and when the particular opportunity arises.

**MR SMYTH:** The former opposition railed against what they called hollow logs and

slush funds. The then Opposition Leader, now Chief Minister, said that he would be obliged not to pass budgets where he did not have detail of contingency funds or future provisions. I ask again the question: do you have any other capital works contained in this budget that are listed in contingency funds or future provisions?

**Mr Barr:** I have answered that question.

**THE CHAIR:** Thank you. We will move on to the next question.

**MRS DUNNE:** Minister, at one stage there was a treasurer's advance for the mountain bike championship. There was \$100,000 but it is marked in the budget as \$241,000. What is the difference between the treasurer's advance as notified, from my recollection, to the Assembly and what is in the budget?

**Mr Barr:** I will ask Neale Guthrie to assist you with that.

**Mr Guthrie:** The \$100,000 that you were probably referring to is the Treasurer's advance in 2006-07, which was the initial funding for a cabinet-approved block of funding which came out in the 2007-08 budget, which was a total of 1.096, of which the first year of that allocation was \$100,000, which was initiated by the Treasurer's advance. The \$241,000 here is a separate Treasurer's advance which relates to the second appropriation.

**MRS DUNNE:** So that is \$340,000 in Treasurer's advances?

**Mr Guthrie:** The initial allocation in budget 2007-08 announced 1.096; the first \$100,000 of that was the Treasurer's advance that you are probably referring to. The Treasurer's advance referred to here is a separate allocation of \$241,000.

**MRS DUNNE:** And that relates to the—

**Mr Guthrie:** That relates to the mountain bike world cup. There are now two world mountain bike events: the world championships in 2009 and a world cup event in August this year, 2008.

**MRS DUNNE:** So they relate to two different events?

**Mr Guthrie:** Yes, they do.

**MRS DUNNE:** In what sense was the second event unanticipated?

**Mr Guthrie:** CORC, which bid for the 2009 world championships—

**Mr Barr:** Canberra Off-Road Cyclists.

**Mr Guthrie:** They bid for the 2009 championships, which they were granted, and the funding was allocated in the last budget. Subsequent to that, without them knowing, the International Cycling Union, the peak body for cycling in the world, approached CORC to see if they were interested in hosting a round of the world cup in 2008 and thus generated the next process of establishing the event.

**MRS DUNNE:** Thank you.

**THE CHAIR:** Mr Smyth.

**MR SMYTH:** On page 295, the second line of rollovers is the Canberra Olympic pool option study. You had \$200,000 and you have rolled over \$200,000. Why was that study not completed?

**Mr Barr:** I am advised that priority was given to replacing the dome in the first instance and that that work is scheduled to commence once the Lakeside Leisure Centre work is complete. But that work needs to be completed in the city in time for the Pacific School Games, which kick off at the end of November this year.

**MR SMYTH:** And the study will be done after that?

**Mr Barr:** Yes, the study will be conducted after that.

**MR SMYTH:** Why is the study dependent on the outcome of a capital work upgrade? Why can it not be done concurrently?

**Ms Marriage:** It was not completely dependent on the capital work upgrade. Initial meetings had been held between us, ACTPLA and the NCA. This was prior to the commonwealth election. Since that date, NCA have naturally had some difficulties in being able to come forward, have those meetings and continue talking about the Civic pool, because they have had a few internal rumblings.

**MRS DUNNE:** Because they are under siege.

**Ms Marriage:** At this point in time we are looking to put together a steering committee and putting up to the minister some paperwork that indicates how we are going to move forward from then.

**Mr Barr:** It would also be worth noting that the piece of land that the pool sits on is ACT land but does sit within the parliamentary triangle and so is also the subject of some consideration by the joint standing committee on the national capital.

**MR SMYTH:** But that will be fixed soon when you get all the papers back?

**Mr Barr:** One would hope that those issues are resolved and that we are able to embark on a further detailed examination of future options for a major aquatic centre on that site.

**MR SMYTH:** You mentioned the Lakeside Leisure Centre down at Tuggeranong. Do you have any further updates in relation to cost or costs against the territory as a result of the gym being developed next door? I think that the last time we spoke about this you took it on notice and negotiations were underway.

**Mr Barr:** I understand that we will be able to provide some initial information.

**Ms Marriage:** Under the contract for the Lakeside Leisure Centre, it was identified that, should this circumstance come up, the Lakeside Leisure Centre management, which is Belgravia Leisure, needed to come forward and identify what their quantum of costs or loss of profit would be for that period of time. We have engaged a consultant, Smart Connection Company, which has expertise in leisure centres, to go over the information that is going to be provided to us by Belgravia. It has been working with Belgravia to ascertain how it is going to provide us with that information and how it is going to assess it.

That work is progressing at this point in time. In one respect, it is going to be a compensation claim because of the work that is being done next door, plus the closing of our facility in the next two or three weeks to do refurbishment work, so it is quite a complex calculation. We want to make sure that the moneys that they are seeking forward are not just a loss of business purely because of them not dealing correctly with their management structures or management activities but are direct, accountable costs due to the refurbishment and/or the development next door.

**MR SMYTH:** All right.

**THE CHAIR:** We might go on to 2.2.

**MR SMYTH:** Is that the school sport group or is that tourism? I have some more on sport and recreation.

**THE CHAIR:** Tourism and events. We have till half past three.

**MR SMYTH:** The Brumbies fence—what is happening in relation to the proposed fence around Griffith Oval?

**Mr Barr:** I understand that the planning authority has given conditional approval for the fence but that the conditions—

**MRS DUNNE:** Is it still a picket fence?

**Mr Barr:** Yes, I understand that it is still a picket fence.

**MRS DUNNE:** And it is white?

**Mr Barr:** I understand that it could be blue, should that be the desired colour.

**MRS DUNNE:** I think it should be white.

**Mr Barr:** I am advised that the conditions that the planning authority has put on the fence are that it has six open access points to enable recreational uses—

**MR SMYTH:** And they are gates, I take it?

**Mr Barr:** No. I think there are—

**MR SMYTH:** No gates?

**Mr Barr:** No gates, yes. On that basis—

**MR GENTLEMAN:** Not a gated community.

**Mr Barr:** Indeed. On that basis, we were seeking some further advice from the Brumbies on their desire to proceed with such an option, given that that would only address some of the issues that they had brought to the government's attention in relation to their training facility. That would restrict vehicular access to the facility but it probably would not address the issue of dog droppings, glass bottles or a range of other things that have found their way onto the training field from time to time.

**MR SMYTH:** Does that throw the whole project into doubt?

**Mr Barr:** It certainly makes the original objective of the project to secure the training facility, to make it more secure from that range of issues, more difficult—to achieve such an outcome. We are going back to the Brumbies and saying, “These are the conditions on which the planning authority has approved such a fence,” and seeking some advice from them as to whether they would like to proceed on those terms. I imagine that they will need to give some consideration to that. Whilst, as I say, it does address some of the issues that they were confronting around the training facility, I do not think it addresses all of it.

**MR SMYTH:** You said “conditions” You mentioned a condition of six gates—gates plural. Are there other issues?

**Mr Barr:** My understanding is that there are to be no gates—that these are six openings.

**MR SMYTH:** Sorry, six openings. Is that all the conditions?

**Mr Barr:** The height of the fence as well, I am advised.

**MR SMYTH:** When you say the height, what was asked for and what has been approved?

**Mr Barr:** I think we asked for 1.2 metres and it is one metre.

**MR SMYTH:** What reason has been given for those changes?

**Mr Barr:** From the planning authority?

**MR SMYTH:** Yes. Well, sports minister, what inquiries have you made over those conditions? How often do you talk to the planning minister?

**Mr Barr:** I do not, as planning minister or sports minister, interfere. If you ever wanted an example of how we have a fiercely independent planning authority—

**MR SMYTH:** Are you saying that you do not talk to yourself anymore?

**Mr Barr:** I am saying that I do not make decisions on development applications, and nor should I. We have a statutory independent planning authority—

**MRS DUNNE:** Except when you call them in.

**Mr Barr:** They have indicated and made a determination on this matter. I would point out that in this instance they have shown the ultimate in statutory independence by imposing conditions on a government project that was sponsored by their minister, admittedly with a different portfolio responsibility.

**MR SMYTH:** Did the Brumbies ask for it to be called in to approve their original—

**Mr Barr:** No, the Brumbies have not asked for a call in. I would say that there is no way that this project would qualify for a call in, as it does not raise a major policy issue. It is not an issue of territorial significance so I can categorically rule out using call-in powers over a bigger fence in Griffith.

**MR SMYTH:** What is the difference? The enclosed oval at Chisholm that the Tuggeranong Vikings built has gates on it. It is properly enclosed. Why can Griffith not have the same gates? It is a white picket fence about a metre tall.

**Mr Barr:** That is a matter you would have to raise with the planning authority.

**MR SMYTH:** I will talk to him on Friday then.

**THE CHAIR:** Okay, it being half past three, we are going onto the next output class now, minister, which is 2.2, tourism and events. Thank you, Ms Marriage.

**MR SMYTH:** How long are you going to allocate for tourism and events?

**THE CHAIR:** We will go to afternoon tea at 4 o'clock and then we will come back to it.

**MR SMYTH:** Until what time? I do not have too many—

**THE CHAIR:** Well, how long do you want for industrial relations?

**MR SMYTH:** I do not have a great number of questions for IR. Do you?

**THE CHAIR:** No, so half an hour for IR should be enough?

**MR SMYTH:** So you will go to IR at 5.30?

**THE CHAIR:** Yes, that would be the plan.

**MR SMYTH:** Okay.

**THE CHAIR:** Unless we run out of tourism and events questions before that and unless Mrs Dunne has lots of IR questions.

**MRS DUNNE:** Maybe.

**THE CHAIR:** So we may need to leave three-quarters of an hour. Mrs Dunne appears to have lots of IR questions.

**MR SMYTH:** I do not think so.

**THE CHAIR:** Good afternoon, Ms Shepherd and Mr Byles. Mr Gentleman, do you have a question? You did flag that you had a question in this area.

**MR GENTLEMAN:** I do. In budget paper 4, page 290, under 2.2, item e, the number of visitors to Floriade, there is a note about interstate and international visitors. There is a lower number than the outcome for last year. Was that number configured before you thought about the Floriade NightFest activities or will they be separate to this number?

**Mr Barr:** There is a range of factors associated with the target for 2008-09. We are conscious of the need with an event of Floriade's age, turning nearly 21, to reinvigorate aspects of the event. One of the findings in the research on last year was a decline in overnight stays—a major increase in day visitors, but a bit of a decline in the overnight stays—so that is one of the reasons that we have sought to provide a new event within an event, if you like, through Floriade NightFest. That will provide night-time activities and encourage visitors to stay overnight. We also expect it will be quite popular with locals as well.

As you see from the breakdown of the figures for Floriade, those are very strong and the majority of people through the gates are from interstate or overseas. It is about 53 or 54 per cent. There is still a very strong local following for the event and there is often confusion between the figures that we report in the budget papers as opposed to the total number of visitors through the gate and then also some confusion, or some differing views, around whether you should report the total number through the turnstiles versus the actual number of visitors in noting that some people visit more than once. So we report on all of those different figures.

I think we need to be conscious in the planning for this year's event to work with our event and our attraction partners; the opportunity through this year's theme to partner with the national institutions is clearly there. For example, the National Film and Sound Archive will clearly want to play a prominent role in an event that is themed around Australian film. But it is not the only national institution that will be part of the Floriade trail this year and we look forward to some changes to the event.

The committee will be aware we provided additional funding for Floriade in last year's budget and that was an ongoing amount, so there is an expanded capacity as well as the opportunity through NightFest to pitch at a slightly different market. We are very optimistic. The initial feedback and the initial ticket sales for NightFest are encouraging, given there has been really only the media launch within the ACT. It has not been the subject of a major marketing push quite yet. We look forward to delivering an outstanding event this year.

**MR GENTLEMAN:** Thank you.



**THE CHAIR:** I have a supplementary and Mr Smyth also has a supplementary on this area. I notice on page 71 of budget paper 5 the allocation for the feasibility study to investigate options for the permanent Floriade site. I am wondering why we particularly need a permanent site.

**Mr Barr:** Sure. This is an area in which I note there has been some history in feasibility studies.

**MRS DUNNE:** There certainly has.

**Mr Barr:** I am aware of some provision being made, I understand, in the 2000-01 budget and in the 2004 budget for studies. Those studies were undertaken. The 2000-01 one, I understand, looked at sites like Weston Park and the Yarralumla brickworks, amongst others, and they were deemed to be unsuitable. The Yarralumla Residents Association, I understand, mounted a very strong argument that it would not be appropriate for an event the size of Floriade to be held either in Weston Park or around the Yarralumla brickworks.

The 2004 study looked in some detail at a significant ACT government investment, in partnership with the commonwealth, around Commonwealth Park itself—something in the order of a \$12 million infrastructure investment to be split between the two governments. I think it would be fair to say that there was not a huge amount of commonwealth interest in stumping up that money under the Howard government. So I think through this particular feasibility study we have the opportunity to look particularly at two areas. One is already part of a major piece of work from the Planning and Land Authority and that relates to the Eastlake area and then the second possibility for some further examination is around the international arboretum site.

If you look at events of this nature elsewhere in the world, they are held over multiple sites, so it may well be that we could look at two or three different sites, with each offering a different set of experiences. With the boat harbour going in at Kingston foreshore; the idea of catching a ferry from one part of Floriade to another across the lake is a reasonably attractive prospect. So these are the sorts of things that will be examined in this particular feasibility study, noting that we will not be revisiting some of the sites that have previously been ruled out.

**THE CHAIR:** Okay. Thank you very much, minister. Mr Smyth, you had a supplementary?

**MR SMYTH:** Yes, just to follow up on that. The parking area that is normally used for the Floriade visitors is being sealed and will be in constant use once it is sealed. What is your strategy for parking at the upcoming event?

**Mr Barr:** This is the subject of considerable discussion at the moment with the relevant agencies. We will make an announcement on our approach to Floriade parking in the near future. But rest assured, Mr Smyth, that it is something that we are looking at. There are a number of options available to government.

There are, of course, a number of alternative parking sites within walking distance and

also the possibility—and I suspect that we will take up this option—of providing an additional entrance to Floriade close to one of the other parking areas, so that we are able to, if you like, split the areas that we are sending people to, to park, between the existing site where people have traditionally parked and some of the others that are available; on Constitution Avenue, for example.

**MR SMYTH:** So how much parking is available on Constitution Avenue? The area around the pool is full most of the time.

**Mr Barr:** In the car park at the other end of the CIT, more towards the church end of Constitution Avenue, near Anzac Park West, there are around 300 spaces available there; you can then walk under the underpass under Parkes Way.

**MR SMYTH:** And these are regularly empty?

**Mr Barr:** Well, there is no tenant in that building, as you would be aware, the particular issue there being \$50 million spent on a building that was too small for the needs of the AFP—another fine Howard government decision there.

**MR SMYTH:** But the question is: are those car parks empty?

**Mr Barr:** Yes, they are. My understanding is that officers from the Department of Territory and Municipal Services have conducted a survey over a number of weekdays and identified a number of surplus car parks. We can also investigate park and ride opportunities or partnerships with, say, the Canberra Centre, for example, where there are, I understand, somewhere between 1,000 and 1,500 empty spaces available each day. There has always been a mixture of parking for Floriade, depending on the level of convenience, I suppose, and how far people are prepared to walk.

**MR SMYTH:** You might have to take it on notice, but can you detail for the committee the 1,000 to 1,500 empty parks each day and where they are?

**Mr Barr:** Certainly we can provide that information, yes.

**MR SMYTH:** Is there money in this budget to facilitate the arrangements for parking for Floriade for this year?

**Mr Barr:** There is provision within the overall budget for Territory and Municipal Services, particularly associated with the work that is currently underway on those car parks.

**MR SMYTH:** On Commonwealth Avenue?

**Mr Barr:** On Commonwealth Avenue.

**MR SMYTH:** So you anticipate using them for Floriade?

**Mr Barr:** Yes, that is a possibility.

**MR SMYTH:** So where will those that park there regularly now go for the period of Floriade?

**Mr Barr:** There is the creation of a number of additional parking opportunities as you extend that work all the way down to—

**MR SMYTH:** How many?

**Mr Barr:** I will have to take that on notice. I do not have the number of car parks in my head that have been created, but we are undertaking a detailed examination of these issues.

**MR SMYTH:** I refer to page 67 of budget paper 5. I think perhaps it is my favourite feasibility study: the temporary car parks within Commonwealth Avenue western loops, which of course are within walking distance of Floriade.

**MRS DUNNE:** I am not talking to you any more. That was my question.

**THE CHAIR:** Was that your question, Mrs Dunne?

**MRS DUNNE:** He took my question.

**MR SMYTH:** I showed you this.

**Mr Barr:** Sorry, can you repeat that question? I want to refer back to a question you asked.

**MR SMYTH:** Why do you not refer back and we will go to this next?

**Mr Barr:** Okay. You asked me to take on notice the 1,000 to 1,500. That was a reference to available car parks in the Canberra Centre. What I can take on notice is the number of surplus car parks in other parts of the city.

**MR SMYTH:** Do you expect people to park in the car park at Canberra Centre for Floriade or do you expect the people who currently park on Commonwealth Avenue to park in the Canberra Centre while you are using it for Floriade?

**Mr Barr:** No, what I am indicating is that a recent survey identified between 1,000 and 1,500 surplus car parks in the Canberra Centre. That is the statement I made. I have made no further statements in relation to where—

**MR SMYTH:** Except you did not say Canberra Centre before.

**Mr Barr:** I did.

**THE CHAIR:** Yes, he did.

**MR SMYTH:** Did you? I thought you said “in Canberra”.

**THE CHAIR:** No, in the Canberra Centre.

**MR SMYTH:** At the top of page 67, budget paper 5, it states that there are temporary car parks with the Commonwealth Avenue western loops.

**Mr Barr:** You are asking the wrong minister.

**MR SMYTH:** No. I am asking you: is this one of the intended potential car parks that will be used for Floriade? You said there were some within walking distance of Floriade.

**Mr Barr:** For Floriade, no, because this is a feasibility study.

**MR SMYTH:** That is what I am asking. These will not be available for Floriade?

**Mr Barr:** No.

**MR SMYTH:** This is the last one on Floriade. The proposal for the NightFest, is that an attempt to overcome the parking shortage or is it an attempt to extend the—

**Mr Barr:** That is an attempt to extend the appeal of the event, as I indicated previously, to provide a further incentive for interstate visitors to stay overnight and to expand the range of experiences. I think it has been some time, if at all, since Floriade has been lit up and available at night time for the public to view.

**MRS DUNNE:** It was the year before last. I went to an event there.

**Mr Barr:** It might have been a corporate event, but this is a five-night one. You do not have to be that cynical, Vicki. I know you are anti fun but Christ almighty!

**MRS DUNNE:** Careful. Mind the language.

**THE CHAIR:** Do you want to withdraw that remark?

**Mr Barr:** If I have offended Mrs Dunne, I withdraw it.

**MRS DUNNE:** It is not whether I am offended; it is unparliamentary; do not use it, please.

**Mr Barr:** It is unparliamentary?

**MRS DUNNE:** Yes, the same standing orders apply.

**Mr Barr:** Very good.

**MRS DUNNE:** Minister, what can you tell us about the World Cup rugby league match and can you inform the Chief Minister that it is rugby league this time, not rugby union?

**Mr Barr:** You are always the comedian.

**MRS DUNNE:** You said I was not in favour of fun. It appears that is inconsistent, Minister.

**Mr Barr:** This involves a match on 26 October between France and Scotland. We will also be hosting a welcome function for the two participating teams. The rugby league World Cup will be held in October and November of this year. The event involves teams from 10 countries. There are a total of 18 matches, 12 pool and six finals, over a four-week period. And the 10 countries involved are Australia, New Zealand, England, France, Papua New Guinea, Fiji, Tonga, Samoa, Ireland and Scotland.

**MRS DUNNE:** And this presumably is a pool match because you can tell us who the participants are?

**Mr Barr:** Yes, this is a pool match between France and Scotland.

**MRS DUNNE:** What sort of publication and promotion of this will there be?

**Mr Barr:** Mr Guthrie will be able to assist.

**Mr Guthrie:** The promotion of events is the responsibility of the Australian Rugby League who are hosting the World Cup in Australia. We have certainly had quite extensive amount of discussions now about what promotion will centre on the Canberra match. It will be a regular television, radio, print promotion. The focus for rugby league so far this year has been on their centenary rugby league celebrations and they have just recently launched their rugby league World Cup promotion around the heroes theme for rugby league.

That will start to gain momentum as we move into the end of the NRL season and the 20 days between the grand final of the NRL and the opening of the rugby league World Cup. There will be pretty well saturation and promotion across all of the mediums, which will include our match. We are also looking at side promotions through a whole range of mediums, including promoting sales, hospitality and tickets, et cetera at the local match.

**MRS DUNNE:** And so what is the \$28,000 for?

**Mr Guthrie:** There is \$20,000 to support the securing of the rugby league match for Canberra and there is \$8,000 allocated towards the welcome functions for the two teams that we will be hosting.

**MRS DUNNE:** Sorry, what does the \$20,000 do?

**Mr Guthrie:** The \$20,000 goes towards the ARL's costs for staging the match here in the ACT.

**MRS DUNNE:** And what proportion of the ARL's costs is this \$20,000?

**Mr Guthrie:** I am not aware of how much money the ARL will be spending. I know that we have a separate hiring agreement for their use of Canberra Stadium, which

will see revenue come to Canberra Stadium.

**MRS DUNNE:** So, the revenue for the match?

**Mr Guthrie:** Part of the—

**MRS DUNNE:** They will be the corporate suites and—

**Mr Guthrie:** That is correct. There is a separate—

**MRS DUNNE:** Their concessions and things?

**Mr Guthrie:** That is correct. There is a separate hiring agreement between the ARL and territory venues and events for the hire of the venue, which goes across a range of revenue splits and costs that—

**MRS DUNNE:** So, how do we come up with the figure of \$20,000?

**Mr Guthrie:** That was a negotiated amount between me and the ARL.

**THE CHAIR:** On page 290 of BP 4, under the accountability indicators, back to Stromlo Park, the 2007-2008 target was three. The estimated outcome is seven and then seven again. Is that because of increased use? Could you explain the figures to me?

**Mr Barr:** Yes. Mr Guthrie can give some detail of the nature of the events that were held. Yes, that indicates that we have increased the number of major events being held at the venue.

**Mr Guthrie:** I am just trying to find the page.

**THE CHAIR:** Page 290, accountability indicators, budget paper 4.

**Mr Guthrie:** We are referring to the events. In 2007-08 the number three was a forecast of what we thought we would get and then we had a jump in the types of events. Major events we are talking about here, not community events. There was a jump in that first year as we started to speak with the various running, cycling communities on the site and those are the events that we have been able to secure to date.

**THE CHAIR:** It is quite a large jump, though, is it not, from three to seven? It has more than doubled.

**Mr Barr:** It certainly indicates the growing reputation of the venue for hosting major events, running, cycling and equestrian.

**Mr Guthrie:** That is right. Those events reflect national championships or world championship-type events.

**MR GENTLEMAN:** In fact, Tim Gable has referred to it as a possible Queenstown.

**Mr Barr:** We would never quibble with Tim's assessment.

**THE CHAIR:** Is that Queenstown, Tasmania?

**Mr Barr:** New Zealand.

**MR GENTLEMAN:** Having said that, minister, have you had a look at the operation of some of these venues in other countries to see what we can do here in the ACT?

**Mr Barr:** Personally, no, but Mr Guthrie has attended a number, and I am sure he will be able to enlighten the committee on his experiences.

**Mr Guthrie:** I have attended the last two world championships in Rotorua and in Fort William in Scotland and observed the operation of that event in those towns, and that is why I feel confident about the attendance at a world championship level of an event of this stature. It certainly is a significant event and I am very confident will be a great success for the ACT. And I have certainly provided a report back to the minister on the lessons that we have learnt and those lessons will now be put into the planning that comes across all of our three venues as we go into our master planning process in the next 12 months.

**MRS DUNNE:** Who is responsible for the day-to-day maintenance of Stromlo?

**Mr Guthrie:** We have responsibility for management of Stromlo forest park.

**MRS DUNNE:** One of the things that I have noticed, and people have commented to me about it, is the watering of the running track. Presumably, the water mainly comes from on site. How much of it comes from on site?

**Mr Guthrie:** One hundred per cent.

**MRS DUNNE:** Why do you persist with watering it in the middle of the day, often when it is windy?

**Mr Guthrie:** I cannot answer that in detail, but I know that the general principle is that we will water overnight if it is just general watering. If our curator has applied some sort of chemical, spray or some sort of treatment on the running track—remembering that our running track is being maintained as a sports turf track; it is being maintained as a golf course fairway—it needs to be watered.

In addition, we are starting to learn that there is quite a wind that moves through there. We are monitoring the wind through our weather station. My supposition is that he may be watering through the day because that is when we have got a low wind, so we will get a better application of the water.

**MRS DUNNE:** It was pointed out to me, and I have noticed it myself, that often, at 2 o'clock or 3 o'clock in the afternoon, when it appears to be quite breezy, there is watering going on. But I will take your word for it that you are monitoring it.

**MR SMYTH:** Minister, the actual output class on page 283 shows, for tourism events, \$27,303,000. Can we have a breakdown of the components of that—how much goes to tourism, how much goes to events?

**Mr Barr:** Certainly, yes.

**MR SMYTH:** I notice that this year there is an increase in funding of \$1.8 million. I also notice that half a million dollars is due to depreciation, so the net increase is \$1.3 million. What will that be spent on?

**Mr Barr:** I can refer you to a range of initiatives in budget paper 3 and to the detail on page 292 of the budget papers. The significant investments in this financial year are the e-strategy and the rebuild of visitcanberra.com.au. You would note on page 290 that the website is attracting 660,000 hits, and that is expected to grow. There is no doubt that this is an area that is in need of increased investment.

You would be aware, Mr Smyth, that, as part of a reallocation of funding that was previously spent on the Rally of Canberra, we allocated a proportion of that in an ongoing sense to our e-strategy. This provides the major funding for updating the website and its functionality.

Some of the advantages that this will deliver include increased online bookings, so that there is a revenue source for Australian Capital Tourism, and being able to take bookings on the website. We will also be able to provide content in different languages. As this is our 24/7 presence in the market, it is working for us all over the world when our people are having their recreation and rest.

This is a growth area. I think other states and territories are investing heavily in their web presence. Most particularly, in our capacity to be able to market events and activities, it is much more cost effective if you have an outstanding database so that you can hit a lot of inboxes with promotional material.

I would argue that, as we are witnessing a diversification of the way people consume media, you need only look at the peak viewing figures that major television programs reach around the nation now compared to five or 10 years ago. Solely relying on television to deliver an audiovisual message over time is becoming less and less powerful a promotional vehicle. More and more people are accessing information online. So that is a significant investment in this budget.

I would also highlight the additional programs in relation to our enhanced presence at the Australian Tourism Exchange. That represents a 30 to 35 per cent increase in funding for our ATE presence. Our presence has been of a very high quality, but it would be fair to say it has been considerably smaller than some of the other state tourism authorities.

I recall my very first experience at ATE where Queensland had a barn of their own; some of the tourism regions in Queensland had either a similar sized or a larger presence than the ACT. Given that it is the major tourism trade show for the international market and also that it provides an important presence in terms of being front and centre to some of the major domestic plays, it is a worthwhile investment.



I would also draw your attention to the additional funding that is available in the events assistance program, and the reallocation of some other funding from the Rally of Canberra money, most particularly support for the Canberra Convention Bureau. The ACT government contribution to CCB increases to \$1 million for the 2008-09 financial year. That is a significant increase from \$700,000, which was the ACT government contribution a couple of years ago.

They are a few of the highlights in terms of increased investment in tourism. That is where some of that money will be going.

**MR SMYTH:** Isn't this partial restoration of the \$4½ million that was cut in the 2006-07 budget confirmation that those cuts were ill-considered and detrimental to tourism? How do you explain this backflip to tourism? They have had to suffer two years of cuts and you are now going to partially restore the funding.

**Mr Barr:** I would not characterise the funding decisions in the way that you have. You and I will disagree on that. You have an interesting view of the economics of the tourism industry.

**MRS DUNNE:** You are being responsive to the community, are you?

**Mr Barr:** You have an interesting view of the economics of the industry which we have discussed in a number of different fora over the years. I would indicate, as I think I have on numerous occasions, that part of the changes and the savings that were made in the 2006-07 budget were around reorganising the administrative base of Australian Capital Tourism.

About a quarter, or thereabouts, of those savings were achieved by reintegrating tourism back within the Department of Territory and Municipal Services. So we saved money in HR, finance and ministerial support, for example. That was a contribution to the overall \$4 million in savings in 2006-07, and it did necessitate some difficult internal budget allocation decisions for Australian Capital Tourism; there is no doubt about that.

The point that I would make in response, Mr Smyth, is that, as part of a significant restructuring of the ACT budget, and putting it on a more sustainable footing, a contribution in the order of \$4 million from tourism to what was part of a more than \$300 million change in terms of the overall territory budget was a fairly modest contribution.

**MR SMYTH:** Not modest to the tourism budget at the time.

**Mr Barr:** The tourism budget has been somewhere between \$8 million and \$20 million during the time that you have been in the Assembly. Some of my conversations with David Marshall would indicate that, at the time he was in charge of what was then Canberra Tourism and Events, his budget was about \$8 million or \$9 million. So for Australian Capital Tourism and Territory Venues and Events to have a \$27 million budget, recognising there have been—

**MR SMYTH:** Roll-ins and rollouts, yes.

**Mr Barr:** Yes, and there have obviously been some changes. I am not seeking to suggest that there has not been inflation over that time and that that is not a factor in the overall allocation. We have sought to make some difficult decisions in relation to how we expend our money in tourism. Again, I highlight the fact that we reallocated three-quarters of a million dollars in that budget away from the Rally of Canberra. That was an event that really was not providing any tourism boost to the city. We reallocated that to activities that are much higher priorities. I refer, for example, to the investment in the Canberra Convention Bureau. No-one is contesting that that was not a very good decision.

**MR SMYTH:** I never said it was not.

**Mr Barr:** The increase in that funding from \$700,000 to a million dollars, on top of a \$30 million capital investment in the convention facility, is a very clear signal to the convention industry and to all of the players in that area that we are serious about increasing our market share. I put on the record here that I have a great deal of confidence in CCB and in Robyn Hendry and her team. I think they do an outstanding job, and I think you and I agree on this point.

The fundamental philosophical question that you have raised, Mr Smyth, is around whether it is at all possible to reprioritise expenditure within a portfolio area. I have to admit to a certain amount of mirth at the position of the Liberal Party. It is the party that has claimed over many years in Australian politics to be responsible economic managers, who argue on one hand about the need for budget surpluses and responsible outcomes, yet on the other hand seek to oppose any specific measures that might achieve such outcomes.

**MR SMYTH:** Short-term measures that affect some of your revenue-raising—

**Mr Barr:** In the context of the overall ACT budget and the amount of funding that is available for tourism, and given the number of people, our per capita spend on tourism is significantly more than many other jurisdictions.

**MR SMYTH:** We both know the fallacy of that argument.

**Mr Barr:** But Mr Smyth—

**MR SMYTH:** What is happening with staff? At 30 June 2006—

**THE CHAIR:** Mr Smyth, there will be no more questions because, when the minister has finished answering your last question, we are going to afternoon tea.

**MR SMYTH:** I will take it up after afternoon tea.

**THE CHAIR:** Yes, you certainly may.

**Mr Barr:** Certainly, we can resume after that point.

**THE CHAIR:** Yes, but you can finish your answer.

**Mr Barr:** I do need to close by observing that we have—and I have been very up-front about this from the time that I have been tourism minister—made some difficult decisions in the 2006-07 budget to reorganise the way we deliver tourism programs, and that tourism, like every other area of the ACT government, made a contribution to the structural changes that were completed as part of the 2006-07 budget process.

That led to significant savings and to a more sustainable footing for the ACT budget. But, in reallocating funding priorities within the portfolio, we have been able to prioritise areas that are in need of additional support. I make no apologies at all for being able, as tourism minister, to deliver a refocused tourism body, to deliver administrative efficiencies and to focus the money we spend on tourism on those important areas in which we need to invest.

I do not, for example, subscribe to the theory that the next million dollars you would spend in tourism would be on re-establishing a statutory authority. That would be a crazy waste of a million dollars. I know that is still Liberal Party policy. If you were to ask anyone in the tourism industry where the next million dollars in tourism should be spent, I doubt that a new statutory authority would be at the top of their list.

**THE CHAIR:** We will go to afternoon tea for 15 minutes.

**Meeting adjourned from to 4.05 to 4.20 pm.**

**THE CHAIR:** Mrs Dunne?

**MRS DUNNE:** I want to ask about the science festival. What is the scope of the \$50,000 for assistance for the science festival?

**Mr Barr:** This essentially provides a more transparent way of accounting for what has previously been in-kind support provided to the science festival. Various departments—Chief Minister's, and Territory and Municipal Services through the property group—have previously provided the science festival with in-kind support, in paying for accommodation and for some utilities, I understand, to the value of about \$50,000 a year.

**MRS DUNNE:** So this is not a new initiative; this is just a rebadging?

**Mr Barr:** This essentially provides the science festival with some greater certainty in that they now have an allocation to look after their accommodation, but they will end up paying that back in terms of—

**MRS DUNNE:** I see the benefit of making the accounting transparent, but in effect this is not new money for the science festival?

**Mr Barr:** Only inasmuch as there might be the possibility at the margin for the science festival to manage their costs around—

**MRS DUNNE:** In what sense is this an initiative?

**Mr Barr:** It resolves the outstanding issue for the science festival. It is new money; it has to be appropriated.

**MRS DUNNE:** The thing is there was always money there. It is coming from a different source.

**Mr Barr:** The previous arrangements involved rent being waived and bills being picked up. I understand the point you are making.

**MRS DUNNE:** Who is the only economic rationalist in the building?

**Mr Barr:** You would have to agree, Mrs Dunne, that this is a more transparent way—

**MRS DUNNE:** I agree, but I am asking you in what sense this is new money. Is it extra money for the science festival?

**Mr Barr:** It is.

**MRS DUNNE:** You are saying that it is marginally more; they may be able to make their money go further. That is about it?

**Mr Barr:** Yes, that is about it.

**MRS DUNNE:** Okay; another initiative that is not an initiative.

**MR SMYTH:** Minister, because we no longer have separate reporting on tourism, what is the staffing level at the end of 2007 and the staffing level at 30 June 2008?

**Mr Barr:** For Tourism? Forty FTE.

**MR SMYTH:** Forty FTE?

**Mr Barr:** Yes, for both. There has been no change in FTE staffing since 2006-07, when there was a reduction.

**MR SMYTH:** Minister, as you would be aware, I have got a number of FOIs from you. One of them concerning the balloon fiesta has an email in it. On 18 February at 3.11, Ms Shepherd sent an email to Mr Lasek that said: “My concern is that our minister is about to go out on a limb with nothing in writing.” Minister, why did you go out on a limb and why was there nothing in writing?

**Mr Barr:** Mr Smyth, I think the appropriate venue for such questions would be the annual report hearings, and I understand that another committee is also considering these matters. I have nothing further to add today to what I have said on this matter before a very similar group of people.

**MR SMYTH:** Well, you might choose not to answer, minister, and I note what you have said, but I will ask my question. Minister, how did it arise that we got to this

situation where the day before you launched the new fiesta you were going out on a limb?

**Mr Barr:** I was not going out on a limb.

**MR SMYTH:** So Ms Shepherd was wrong?

**Mr Barr:** I was not going out on a limb.

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

**MR SMYTH:** So Ms Shepherd was wrong.

**Mr Barr:** I was not going out a limb.

**THE CHAIR:** We can just keep on saying the same thing—

**MR SMYTH:** Well, we could.

**THE CHAIR:** like a broken record, but I think the minister has answered your question three times in fact.

**MR SMYTH:** Ms Shepherd, why were you concerned that your minister was about to go out on a limb?

**Mr Barr:** Madam Chair, questions have to be directed to—

**THE CHAIR:** Yes, exactly. Mr Gentleman?

**MR GENTLEMAN:** Thank you. My—

**MR SMYTH:** No. Sorry, no, Madam Chair—

**MR GENTLEMAN:** question is—

**MR SMYTH:** that is inappropriate. I have asked a question to which I expect an answer. If you want to shut it down, just shut the hearings down now, because I am going to continue. I would like an answer from Ms Shepherd on why she sent an email that says, “My concern is—

**Mr Barr:** Yes, well I can answer—

**MR SMYTH:** that our minister is about to go out on a limb.”

**Mr Barr:** I have—

**MR SMYTH:** If you are not concerned with that, that is to your shame.

**Mr Barr:** I have answered your question, Mr Smyth.

**MR SMYTH:** And I have asked that you would allow Ms Shepherd to answer—

**Mr Barr:** I have answered the question.

**MR SMYTH:** Why won't you let Ms Shepherd answer the question?

**Mr Barr:** I have answered the question; that is why.

**MR SMYTH:** No, and I have asked you: why won't you let Ms Shepherd answer the question about her concern—

**Mr Barr:** Because I have answered the question.

**MR SMYTH:** But you have not, minister.

**Mr Barr:** Yes, I have, Mr Smyth.

**MR SMYTH:** No, no, you certainly have not.

**MRS DUNNE:** You have gone on the record as saying you refuse to answer questions.

**Mr Barr:** No. I have gone on the record and indicated that I have already responded to these questions in the annual report hearings—

**MRS DUNNE:** No, minister—

**Mr Barr:** and I would ask the chair to perhaps ask Mr Smyth which page of the budget papers he is referring to in this line of questioning.

**MR SMYTH:** And the advice given the committee this morning by the clerk of committees is that budget estimates are always wide ranging and many questions can be asked.

**Mr Barr:** You have asked your questions—

**MR SMYTH:** I am asking you a question as to why—

**Mr Barr:** and I have responded.

**MR SMYTH:** you went forward with an event where you were ill prepared?

**Mr Barr:** We were not ill prepared.

**MR SMYTH:** Well, you had nothing in writing; you were out on a limb.

**Mr Barr:** No, we delivered an event, very successfully.

**MR SMYTH:** So you had something in writing?

**Mr Barr:** We delivered an event.

**MR SMYTH:** Did you have a document in writing, minister?

**Mr Barr:** We delivered an event.

**MRS DUNNE:** Madam Chair, we had the discussion on this matter last week, if my memory serves me correctly, with the same minister wearing a different hat. His saying, “I have answered that question elsewhere” is not a “get out of jail free” card for this hearing. To say “I have answered the question in another hearing” or “I have answered the question in the Assembly” does not satisfy—

**MR GENTLEMAN:** He answered the question here this afternoon, not in another forum.

**MRS DUNNE:** the capacity—

**MR SMYTH:** No, he has avoided the question.

**MRS DUNNE:** the capacity of this committee to inquire into a subject.

**THE CHAIR:** Well, I think—

**MRS DUNNE:** We had a ruling and advice on this from the clerk of the committee last Thursday, on recollection, madam chair, and as a result of that ruling you agreed to resubmit questions. So we are in the same situation where the minister thinks that he can avoid answering questions by saying that he has answered them elsewhere. This is a separate inquiry.

**THE CHAIR:** Not on this particular item. The discussion that we had in a private meeting that I do not suggest that we should talk about in this forum—

**MR SMYTH:** No. The Chief Minister was quite happy to answer questions on the event. So—

**Mr Barr:** Well, it is because the—

**MR SMYTH:** The Chief Minister said yesterday the event was good value for money. Minister, do you still contend that?

**Mr Barr:** Certainly.

**MR SMYTH:** So how much money was spent by your department on this event and how did you judge that to be good value?

**Mr Barr:** \$50,000.

**MR SMYTH:** And that is the total moneys that your department, through tourism, spent on this event?

**Mr Barr:** Indeed.

**MR SMYTH:** And that includes in kind?

**Mr Barr:** No, that would not include in kind.

**MR SMYTH:** All right. What is the total cost of the event to you and your department?

**Mr Barr:** \$50,000 was provided to the event for promotion. There was in-kind support provided in relation to the launch of the event. I understand that an amount of \$636 was spent on the launch and there would have been two or three staff from Australian Capital Tourism who were present at the launch, so you can cost their attendance for—what—about a half-hour event.

**MR SMYTH:** Good; trivialise it. That is fine.

**Mr Barr:** They would have been at the launch of the balloon event, regardless of the operator, so there was no difference.

**MR SMYTH:** And the actual event itself, the nine-day event: how many staff were involved between the launch and the event and during the event? How many staff were involved, how many hours did they—

**Mr Barr:** From Australian Capital Tourism?

**MR SMYTH:** How many hours did they contribute?

**Mr Barr:** We would have to take that on notice, but there was not a significant contribution because the event was not run by Australian Capital Tourism.

**MR SMYTH:** Do you have an all-up budget for the event?

**Mr Barr:** Yes.

**MR SMYTH:** Can you table that budget?

**Mr Barr:** I can, yes.

**MR SMYTH:** Well, that is a start.

**Mr Barr:** I can table that budget and I will table for the benefit of the committee the comparative budget that was put forward by the alternative organisers. The committee would be interested to know, when talking about the context of value for money, that one needs to compare the particular allocations within the two budgets, so—

**MR GENTLEMAN:** What is the difference, minister?

**Mr Barr:** Well, for example, Mr Gentleman, the amount for officials and event management from the previous organisers was for a sum total of about \$90,000. The



event management fees for the national balloon spectacular included \$10,000 for flight direction services for Balloon Aloft and \$10,000 for the event manager, so \$90,000 versus \$20,000 for event management. So that does seem to me to be a fairly substantial difference in terms of the costs associated there.

When you look at the other aspects of the two comparative budgets, you are talking about one with expenditure proposed of \$493,200 versus—

**MR SMYTH:** For what period?

**Mr Barr:** For a nine-day event, versus \$167,000 for—

**MR SMYTH:** And what does that \$493,000 include?

**Mr Barr:** \$15,000 in staff costs and wages, \$200 in postage, \$5,000 for staff travel and accommodation, \$5,000 for committee expenses, \$95,000 in advertising, \$20,000 in sponsorship packages, \$10,000 in sponsor servicing, \$5,000 under the title “special events”, \$20,000 in promotions, \$20,000 in media, \$15,000 in promotional merchandise, \$3,000 in security, \$20,000 towards spectator costs, \$2,000 in emergency services, \$20,000 in service support, \$50,000 in equipment hire, \$20,000 in venue development, \$25,000 in insurance, \$90,000 for officials and event management, \$5,000 for communications, \$5,000 for functions, \$12,000 for accommodation and meals, \$1,000 for accreditation and passes, and an amount of \$30,000 in the column “other”.

**MR GENTLEMAN:** How long was this event going to go for?

**Mr Barr:** That was for a nine-day event.

**MR GENTLEMAN:** Did the staff not live here in Canberra or were they going to bring the staff from interstate?

**Mr Barr:** It would appear that this would involve the bringing in of its staff from Melbourne, given that the event manager, I understand, is Melbourne based and—

**MR SMYTH:** But staff were brought in for the Balloon Aloft event, were they not, minister?

**Mr Barr:** and the promoter is Sydney based.

**MR GENTLEMAN:** Okay.

**MR SMYTH:** But, minister, did not staff and balloonists come from interstate for the other event?

**Mr Barr:** Balloonists would have come from interstate as well, yes.

**MR SMYTH:** Correct. How many sponsors did you have for the event?

**Mr Barr:** Kaz group, Hotel Heritage, Southern Cross Ten, the *Canberra Times*, ABC

radio, ActewAGL and Canberra CBD Ltd, as well as Balloon Aloft.

**MR SMYTH:** Can you provide a list of the details of their sponsorship, whether or not it was cash and in kind and, if so, how much was cash?

**Mr Barr:** Certainly, yes, I can do that. Southern Cross Ten provided \$10,000 in kind, *Canberra Times* \$10,000 in kind. The ABC are difficult to cost, but they provided publicity and promotions, and certainly that information can be available.

**MR SMYTH:** Who provided the officials for the events, for instance the launch marshals?

**Mr Barr:** I would have to take that on notice.

**MR SMYTH:** The refuelling marshals?

**Mr Barr:** I would have to take that on notice. This was not an event run by Australian Capital Tourism, so all the—

**MR SMYTH:** The Chief Minister indicated yesterday it was a tourism event.

**Mr Barr:** But not run by Australian Capital Tourism. It was run within his area, within the Chief Minister's, and by an event manager, Out There Productions.

**MR SMYTH:** All right. Who paid for the insurance and how much was it?

**Mr Barr:** I would have to take that on notice. Mr Smyth, you are asking the wrong minister. It is not my department that has been responsible for the running of the event.

**MR SMYTH:** That is okay—just checking. The Chief Minister seemed to think you were in charge. What decisions did you make in relation to the event, minister?

**Mr Barr:** I made a decision to go with an alternative provider, in conjunction with the Chief Minister, as my departments were not providing the totality of the ACT government contribution.

**MR SMYTH:** Right. If it is not your event, why did you launch the event?

**Mr Barr:** Because I am the minister for tourism.

**MR SMYTH:** So it is a tourism event but the tourism department did not run it?

**Mr Barr:** Yes, that is not unusual, for other government agencies to be involved in the running of an event. It was an ACT government event. I am the tourism minister, but the event was not run by Australian Capital Tourism.

**MR SMYTH:** Right. The—

**MR GENTLEMAN:** Are you surprised he did not get the Minister for Health to launch it, or something—

**MR SMYTH:** Well, you possibly could. You could have the minister for education to teach kids about ballooning. Minister, in regard to the numbers and the assessment on the numbers, were you responsible for carrying out the assessment of who visited?

**Mr Barr:** Personally, no—

**MR SMYTH:** Was your department responsible?

**Mr Barr:** but I understand that Australian Capital Tourism had some involvement in that, yes.

**MR SMYTH:** All right. Could whoever was responsible detail the figures and how those figures were achieved?

**Mr Barr:** My advice is that that report has not been finalised, but when it is I am happy to make that available.

**MR SMYTH:** The Chief Minister was able to give us numbers yesterday.

**Mr Barr:** He was, yes. He was able to give some preliminary data, but I understand that is from a draft report that has not been finalised.

**MR SMYTH:** Were the visitors to the torch relay included in the balloon fiesta numbers?

**Mr Barr:** I am not in a position to answer that question. I would have to take that on notice.

**MR SMYTH:** Does Ms Shepherd know whether they were included?

**Mr Barr:** We will take that question on notice.

**MR SMYTH:** Does Ms Shepherd know—

**Mr Barr:** I have indicated we will take the question on notice.

**MR SMYTH:** You seem very tardy to let your staff answer the questions, minister.

**Mr Barr:** I am the responsible minister, Mr Smyth. I am taking—

**MR SMYTH:** She is sitting next to you. You could ask her were the Chinese numbers included in those figures.

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

**MR SMYTH:** Were any benefits that you are aware of provided to any commercial enterprises that were involved in the event?

**Mr Barr:** I am not aware of any but I will take that on notice.

**MR SMYTH:** All right. Who organised and provided the entertainment?

**Mr Barr:** Again I will take that on notice.

**MR SMYTH:** Who organised and provided the things like cold rooms, barbecues, power generators, site sheds, toilets, portable lighting, emergency services, road blocks and control measures?

**Mr Barr:** I will have to take all of that detail on notice.

**MR SMYTH:** It is a tourism event but you seem to know very little about it, minister.

**Mr Barr:** It is not an event run by Australian Capital Tourism.

**MR SMYTH:** Right. Will tourism be funding the event in the coming year?

**Mr Barr:** No.

**MR SMYTH:** Tourism will not be funding the event in the coming year?

**Mr Barr:** No, tourism will not be funding the event.

**MR SMYTH:** Why not?

**Mr Barr:** Because an allocation has been made within the ACT festivals fund for the event to be run by Chief Minister's Department.

**MR SMYTH:** Canberra Balloon Fiesta Incorporated received triennial funding.

**Mr Barr:** They did but then they rejected that offer, so it was subsequently withdrawn.

**MR SMYTH:** So there is no funding in the outyears even though they have been through a process to give them funding for three years?

**Mr Barr:** No. The future funding for a balloon event for the ACT has been provided for within the ACT festival fund and the event will be run by the Chief Minister's Department.

**MR SMYTH:** So you have washed your hands entirely of the event and transferred it to the Chief Minister's Department?

**Mr Barr:** The event is being run by the Chief Minister's Department, yes.

**MR SMYTH:** All right. The Chief Minister, in his 2000-01 budget replies when he was Leader of the Opposition, spoke about government not involving itself in things that private enterprise already was running. How do you justify the decision you have taken to fund it in-house now, and indeed transfer it to Chief Minister's, against the statements of the Chief Minister?

**Mr Barr:** If you look at the history of the event, Mr Smyth, you would be aware that I think for three-quarters of the time that it has operated in the ACT it has been run within ACT government, so it is simply a return to that. Of course it is a partnership. The ACT government provides funding and an allocation has been made, but the delivery in terms of the balloons was outsourced to a private provider.

**MR SMYTH:** All right. The see yourself in Canberra campaign has been running for some years now. What evaluation of its effectiveness has been done?

**Mr Barr:** I understand that, in the process of rejuvenating that campaign that we launched last year, an evaluation was undertaken. Ms Shepherd might be in a position to expand a little further on—

**MR SMYTH:** So Ms Shepherd is now allowed to speak?

**Mr Barr:** Mr Smyth, really!

**THE CHAIR:** Mr Smyth!

**MR SMYTH:** Well, it just needs to be on the record that you have shut down what you want to shut down but you—

**THE CHAIR:** Mr Smyth!

**Mr Barr:** I will answer questions, Mr Smyth, and where I feel that it would be of assistance to the committee to expand on an answer I will invite an official to do so. That has been my practice in all of the appearances—

**MR SMYTH:** But I have to say it would have been to the assistance of the committee had Ms Shepherd been allowed to answer earlier.

**Mr Barr:** I have answered those questions, Mr Smyth, and I will now get Ms Shepherd to outline some of the information that you seek in relation to the see yourself in Canberra marketing.

**Ms Shepherd:** As you have indicated, Mr Smyth, the brand campaign has been running for some years. The refresh of that campaign—that is really the creative surrounding that—was launched just prior to my arrival at Australian Capital Tourism in July last year. There was testing done through a number of research agencies on the previous executions of that campaign. Basically, the agencies' brief was to tweak the executions for the refresh brand as per that consumer research, those consumer research outcomes. Those kinds of things are also measured through the preference and awareness, which are indicated in the budget papers. Those kinds of things are measured in that way as well.

**MR SMYTH:** Did the report make any conclusions on the effectiveness and the return to the people of Canberra for the investment that the government has put into the see yourself in Canberra campaign?

**Ms Shepherd:** We measure through the awareness and preference, the tracking. In

terms of a hard dollar ROI, I would have to take that on notice; it was prior to my arrival in the ACT—as to whether that assessment was carried out in part of that process.

**MR SMYTH:** You mentioned two words then: awareness and—

**Mr Barr:** Preference.

**Ms Shepherd:** Preference.

**MR SMYTH:** What about completion? We are all aware that there are cars out there, but when we go out to buy a car we complete the sale. What completion rate was there after the awareness and preference?

**Ms Shepherd:** It is very difficult for any state and territory. Brand campaigns continue, and we rely on the preference and awareness figures to track how our brand is travelling in the market effectively. I do not think you will find a state or territory, or indeed an international tourism body, that can give a hard dollar figure on ROI, but some preliminary figures show—and these are very rough estimates—that for every dollar we spend we have a \$50 return on our expenditure. That is total; that is not just about our brand.

**MR SMYTH:** Can you explain that? For every dollar the government invests in the campaign—when you say there is a \$50 return, what is that \$50 return and can you break it down into components?

**Ms Shepherd:** I cannot break it down into components because the tourism satellite account figures give us overall economic benefit figures, and the new figures are not yet out so those figures are somewhat dated. The 2003-04 figures are our last TSA accounts. The new figures are due out this year. We understand from the CRC that it will probably be midyear, but we do not have a confirmed date on that yet. They detail both direct and indirect expenditure. It is also worth noting that there will be some changes to the methodology. We would have to provide further detail to you on that—as to how the CRC calculate that with ABS, the Australian Bureau of Statistics.

**MR SMYTH:** All right. Can you expand on what a \$50 return is? Does that mean that there is just \$50 raw expenditure into tourism? So tourism is worth \$1 billion and we spend \$20 million—

**Ms Shepherd:** Effectively. As I said, it is a very rough ballpark calculation. There is no hard and fast dollar ROI that the states and territories have. It is certainly not broken down in that manner.

**MR SMYTH:** All right. Did the report conclude that the see yourself in Canberra campaign was successful?

**Ms Shepherd:** I believe it did. Again, I would be happy to provide further detail—take that on notice. However, you will note that there was a refreshment of that campaign as opposed to a total change in the execution and the strategy around it.

**MR SMYTH:** Sure.

**Ms Shepherd:** Which indicates that that report did find that that brand was something that had resonated with consumers. And it was also being measured effectively through our awareness and preference that there was response in the market to those brand campaigns.

**MR SMYTH:** Can that entire report be made available?

**Ms Shepherd:** I will be happy to check what format that was in. Whatever it was issued in the last time that it was released to industry—we would be happy to undertake that same format again.

**THE CHAIR:** Okay.

**MR SMYTH:** I am happy to keep going if no-one else has a question.

**MR GENTLEMAN:** I have a question.

**MR SMYTH:** Minister, are the March quarter tourism figures available yet?

**Mr Barr:** No.

**Ms Shepherd:** No. We are only up to December—for the year ending December.

**MR SMYTH:** Normally they are available 30 days after the end of the quarter. Is there a reason why they have been delayed this time?

**Ms Shepherd:** Not that I am aware of.

**Mr Barr:** Not that we are aware of, no. We do not do the figures. You can take that up with Tourism Research Australia.

**MR SMYTH:** Right. We have had this stoush before; we might as well have it again now and clear the air. Minister, we are still way behind on the visitations that we received much earlier in this decade, in 2001-02—

**Mr Barr:** Around the Olympics?

**MR SMYTH:** 2002-03 and 2003-04. I think the Olympics had finished by 2004.

**Mr Barr:** Yes, I think they had by 2004.

**MR SMYTH:** When do you expect—

**Mr Barr:** We had the rugby world cup then, didn't we?

**MS MacDONALD:** No; 2003 was the rugby world cup.

**MR SMYTH:** When do you expect the figures to recover and get back to the 2003-04

levels?

**Mr Barr:** I think—I believe you might have even had the good grace to have agreed with me when last we sparred on radio in relation to this—that in fact we have seen a particularly strong performance in—

**MR SMYTH:** It had to be somebody else.

**Mr Barr:** It must have been.

**MR SMYTH:** They have actually trended back up.

**Mr Barr:** They have.

**MR SMYTH:** But they are not yet at the level—

**Mr Barr:** I noted your somewhat begrudging acceptance of that reality. We are in a challenging domestic market; there is no doubting that. We have been bucking the trend. Some of our other jurisdictions have not been performing as well as we have—both domestic and international in recent times. It is a bit of crystal ball gazing to the extent that I could say that in one particular year or another we will achieve the level that we did associated with the Olympics or the rugby world cup.

What I can say, though, is that we continue to perform very well as a jurisdiction. We face some capacity constraints in the accommodation sector. That has been alleviated a little with the opening of Hotel Realm and the new Acton facility, but there are still some challenges at the lower end of the market as we have witnessed a number of two and three-star accommodation providers disappear from the market for the land to go to a higher economic use.

That is why we have made provision in this budget for additional accommodation at the lower end of the market at both Stromlo and EPIC. I do not believe, though, that that is the only possibility in terms of further land release for the accommodation sector. We have been approached by a number of international hotel chains looking for sites for higher end properties—a number in the city and a number in and around the parliamentary triangle, where there is some interest, it would be fair to say.

There are some challenges for us, but we have been able to respond and grow our share, most particularly in business tourism. Prior to the afternoon tea break, we discussed the \$30 million investment in the convention centre. The additional funding for CCB has been very positively received. I am reliably informed by the team at CCB that they are progressing well and that we are doing better in business tourism. I understand that the most recent data demonstrates—admittedly, the nine months when the convention centre was closed means that we are able to bounce back off a slightly lower base for the most recent data. But in the longer term the prospects are encouraging in business tourism.

We have always had a very strong education sector. From time to time, given the sample size, that has the capacity to distort the figures a little, but I still think we perform very well in educational tourism. Visiting friends and relatives—we always



call on Canberrans. They are great ambassadors for our city. We see a pretty resilient market there.

The challenge for us will be, as it always is, in the leisure tourism segment. The focus on events is important—to offer some new product, a new experience. We cannot just rely on people wanting to come back time and time again to the national institutions; we need some new events and some new opportunities there.

As part of the reallocation of funding from the Rally of Canberra money, we have devoted some resources to major event acquisition strategy. We are finalising our five-year strategic plan. The industry consultations are underway there. There will be the opportunity for some further industry input before I make a major policy announcement later in the year in relation to the five-year strategy for tourism in the ACT.

There is the event acquisition strategy and the additional funding that we provided in this year's budget for the events assistance program. That is at the smaller end of the spectrum, but it is still important to drive what I describe as mass participation events—things like the Canberra Cup and others, which bring a lot of people to town, particularly at times when federal parliament is not sitting, times that would otherwise be quieter periods for us—and have an enhanced capacity to support events like that.

The additional funding in the budget, plus the freeing up of \$50,000 that was previously allocated to a balloon event that will now be funded through Chief Minister's, will provide additional opportunity to support new events and to perhaps even enhance our support of and take some of our existing events to the next level through that program. Against what is a difficult backdrop for domestic tourism—there is no doubting that petrol prices, the recent increases in fuel surcharges for the major airlines and interest rate rises have all had an impact.

**MR SMYTH:** My next question.

**Mr Barr:** Eight interest rate rises have significantly impacted on people's discretionary income, and tourism is a highly discretionary expenditure area. We are competing against a range of other—

**MR SMYTH:** Which again highlights the flaw in cutting funding when we are competing.

**Mr Barr:** We are competing against a range of other leisure choices.

**MR SMYTH:** All of which have increased.

**Mr Barr:** Although, that said, I suspect that we might be reaching the point where people's houses are filled with as many plasma screen, LCD or other televisions that they can possibly fit and that the massive increase in expenditure on audiovisual and IT equipment might be starting to track down. That might—

**MR SMYTH:** A new generation of equipment is about to be launched.

**Mr Barr:** That is always the case and we are early adaptors to these technologies.

I think the other area that we have discussed in this forum at some length is unused recreation leave. That continues to be a significant area of concern. When there are more than 70 million days of unused recreation leave accrued and you have the remnants of an industrial relations system that really worked badly against the tourism industry and badly against people taking their full entitlement of recreation leave, it is no wonder that the domestic tourism industry is struggling.

Our expectation, with a new IR system in place by 2010, provided it survives the flip-flopping of the opposition through the Senate process, is that we will see a significant dent made in that particular area. We would like to see and we would encourage more people to use their full recreation leave entitlements. That has important benefits for the tourism industry. I think that is undeniable. If you could get people to access and use some of the 70 million days of unused recreation leave, think how much of an injection that would be into domestic tourism.

**THE CHAIR:** It might help our health budget, too, while you are about it.

**Mr Barr:** It could have those benefits.

**MR GENTLEMAN:** What is the flexibility like in the event funding structure? I understand the world rally championship is looking for a biennial location on the east coast to run an event in conjunction with New Zealand.

**Mr Barr:** Indeed. I acknowledge your passionate support for the rally and for further development of motor sports in the ACT. With all proposals for new events for the territory, we would need to undertake a rigorous assessment in terms of its benefits for the economy and for the tourism sector.

The criteria that we will apply for the funding of major events will be set out in the event acquisition strategy that we release in the near future. That will set the parameters. I am not in a position to rule in or out support for any single event, other than to say that the criteria that should apply are its ability to drive tourism into the ACT and for that to be the purpose of someone's visit. They need to be coming to Canberra for the event, not that they just happened to be in Canberra and went to the event or that it is an event for locals. Events that we would seek to fund through the event acquisition strategy would be ones that would generate significant visitation for the territory.

**MR SMYTH:** It was put to me at the export AGM that, in terms of events—and the sports community saw a lot of crossover between tourism and sporting in regard to events—one of the big problems, both for tourism event providers and sport event providers, was the fact that, particularly at the various stadiums that the government run here, Manuka or Canberra, and because of the underfunding of government events and of the Stadium Authority, they were entering into traditional areas where community groups, both in tourism and sport, would normally have been able to pick up funding for their events. There is a squeeze; they are being squeezed out of that market.

Do you have a comment or an opinion on that? Has this issue been raised with you and what will the government do to assist those groups that are finding it difficult to get sponsorship for their funding, given they do not have the Chief Minister's Department that can send out staff to round up sponsorship for their events, to be more viable in the future?

**Mr Barr:** I would point to the expanded assistance program through this year's budget. I cannot say I have had these concerns raised in quite the context that you have. There have been a couple of groups who have indicated that an earlier indication from government about our capacity to partner with them to deliver a major event would be useful.

For example, we are at the moment undertaking, as you would expect, some considerable negotiations in a range of the sports and activities for the centenary of Canberra. And it is clear that, in order to secure major events for 2013, we need to be actively undertaking that work now. You would be aware that there is an increased allocation within the Chief Minister's for that to occur.

An area that I point to is the government's early assistance in the infrastructure and support for netball. That will enable netball, I understand, to bid for the world youth netball championships. That could be accommodated in the expanded netball centre.

There are many sports who are interested in partnering with government to deliver major events. The Pacific school games involve a number of sports and multi agencies—it is education, it is sport, it is tourism. We have shown a capacity to be able to respond.

But I think the difficulty can be when a request comes outside of the budget cycle. One of the issues that we would have to consider in terms of the event acquisition strategy is: what is our capacity to move quickly? Noting your earlier comments today about wanting to know exactly where every last cent is being spent, if I came back with an event acquisition strategy that proposed a certain amount of money and said, "We will leave some of this unallocated to be able to move quickly to secure an event," I am sure I would get your generous support.

**MR SMYTH:** There are certainly areas where you can build in that capacity, and we all understand the conventions and some of the lead times of four, five or six years.

**Mr Barr:** Indeed. We have got to retain a degree of flexibility.

**MR SMYTH:** Where appropriate.

**Mr Barr:** Yes, where appropriate. There is always a call from existing events that are supported that want to move and expand. There are any number of events that you could, as part of an overall event strategy, look to expand, and that is why we are funding in the detail that we have.

I also think it is important to look at what new events we can bring in. But you just cannot pluck them out of the air; there has to be a detailed assessment, similar to the process that we have undertaken in securing a range of events for the city—the rugby

league World Cup et cetera. Some cost about \$28,000, which is relatively easy to finance and there are others, such as Mr Gentleman has identified, that I imagine would be in the slightly more expensive category.

**MR SMYTH:** Just to confirm, you have taken on notice that when you have got the final report on the balloon spectacular you will make a copy available?

**Mr Barr:** You are talking about the visitor survey? Yes.

**THE CHAIR:** We are going to industrial relations, output 1.3, industrial relations policy, page 38.

**MR GENTLEMAN:** Minister, I just wanted to go to the implementation of the work safety legislation which has gone through. Can you tell me how much has been allocated for that and the implementation timeframe?

**Mr Barr:** Certainly. \$1.47 million has been allocated to provide for the full and effective implementation of the legislation. This is a partnership between the Office of Industrial Relations and the Office of Regulatory Services. This money will be spent promoting and raising awareness of the new legislation to revise and develop priority regulations and codes of practice, to offer training and development and to provide for increased regulatory activities. The budget funding for the implementation includes the appointment of three additional inspectors and an education officer.

I will be releasing an exposure draft of the work safety bill in the very near future and that will then be available for a period of consultation with stakeholders in our community. Following that consultation, I will then take the bill back to cabinet for a final decision on its final form and ultimate introduction to the Assembly.

**THE CHAIR:** I have a supplementary. On page 38, under the accountability indicators, paragraph f says “participate in national initiatives to harmonise occupational health and safety laws”. Is this part of that?

**Mr Barr:** Yes. I attended the Ministerial Council on Workplace Relations in Brisbane on Friday afternoon.

**MRS DUNNE:** That must have been a jolly event.

**Mr Barr:** It was certainly jollier than it was under the former government.

**MRS DUNNE:** I was just giving you that lead-in so you could make that comment.

**Mr Barr:** Thank you very much. I appreciate the opportunity to be able to make that important point. The Workplace Relations Ministerial Council is meeting quarterly to progress both the introduction of a new national industrial relations system, the award modernisation process and, as per the agreement of the Council of Australian Governments, a harmonisation project on occupational health and safety.

The ACT is in a position to sign up to an intergovernmental agreement with the commonwealth, and expectations are that all other jurisdictions will be in a similar

position in the next few weeks. We will then undertake a major process of consistency, harmonisation and development of a new OH&S system for Australia.

**MR STEFANIAK:** I notice, in answer to Mr Gentleman, you said there is extra money for three inspectors.

**Mr Barr:** Three inspectors and an education officer.

**MR STEFANIAK:** And an education officer. What is the budgeted number of work safety inspector employees, either in the office of ORS or elsewhere within the ACT government, for this current financial year? Also, what are you budgeting for for 2008-09?

**Mr Barr:** I will have to take that question on notice as I am not the minister responsible for the Office of Regulatory Services; that is Minister Corbell.

**MR STEFANIAK:** But how many work safety inspectors do you actually have?

**Mr Barr:** Again, I will take it on notice as it is Minister Corbell's portfolio. I am responsible for the policy areas within the Office of Industrial Relations, but the Office of Regulatory Services sits within the Attorney-General's portfolio.

**MR STEFANIAK:** So you cannot answer that?

**Mr Barr:** Not immediately, no, but we can take it on notice.

**MR STEFANIAK:** I would appreciate it if you could take that on notice because that is of great concern to a lot of people in the area.

**Mr Barr:** I will get Mr Corbell to respond or I can respond or redirect matters.

**MR STEFANIAK:** Could you also indicate—you may or may not know this, I do not know—how much has been provided in the budget for work safety compliance inspection and enforcement activities for 2008-09?

**Mr Barr:** I will take that on notice and Mr Corbell can answer.

**MR GENTLEMAN:** My recollection is that we did ask these questions.

**MS MacDONALD:** Yes, these questions were asked when Minister Corbell came before us last week.

**MR STEFANIAK:** I recall him saying there are two extra inspectors, which seems different from three.

**MS MacDONALD:** I thought it might be an opportunity for the minister to talk about the way that WorkCover, ORS and the Industrial Relations Office will actually work together to provide for effective, cohesive operations. That might be the way to put it?

**Mr Barr:** Yes. As I indicated in response to Mr Stefaniak's question, the policy

responsibility rests with me as Minister for Industrial Relations, but the day-to-day operational activities of the Office of Regulatory Services are part of a pulling together of a range of like functions that sit with the Department of Justice and Community Safety under Mr Corbell.

We do, of course, have a number of areas of close consultation and where there is a clear need for a close working relationship in terms of how you would put, if you like, the theory into practice through the OHS Commissioner and the additional funding that was provided to the commissioner as part of the second appropriation last year. There is additional funding available now for the activities of the commissioner, most particularly, in promoting work safety. There has been collaboration on a number of projects.

I might be able to get Ms Centenera or Ms Hudson to give you some detail on their collaboration at an officer level. Whilst we recognise the split in ministerial responsibility between policy and compliance, it is still important there is a very close working relationship and it is something that we are very conscious of.

**MS MACDONALD:** Sorry, Ms Centenera, it was not my intention to get you to speak.

**Ms Centenera:** ORS and the Office of Industrial Relations have already been working together on a number of projects. We worked together on the Dangerous Substances Act review. They were part of the public consultation, but they also provided a submission, and we had conversations apart from their submission to input into possible aspects of the act that they wanted clarified. We have also worked together on the general regulation that came into force yesterday. We have been running seminars and briefs together with the office of the OHS commissioner, because we appreciated that that was an important topic for the community. We have been working together closely on that.

We worked very closely together on the allocation of extra money for the implementation of the work safety bill, and we continue to work together closely on aspects of the work safety bill. We meet monthly to go through a whole range of issues, because in relation to national fora like the heads of workers compensation authorities and the heads of work safety authorities, often there is a mix of regulatory and policy activities that we need to discuss. We are working together very closely and making sure that we are not working in silos and that one area of activity informs another.

**MS MACDONALD:** For Mr Stefaniak's information, I wrote a note when Minister Corbell was here the other day and I asked him a question about this. My note refers to seven OH&S inspectors and funding for three additional educational staff.

**MR STEFANIAK:** Thank you.

**THE CHAIR:** Mrs Dunne, did you have your supplementary question answered?

**MRS DUNNE:** I think my supplementary is mainly answered, but if I could ask Ms Centenera whether there are areas which need more work to create

communication between the two functions. You are still in the bedding-down stages really, are you not?

**Ms Centenera:** I think we can safely say we are past the bedding-down stage in terms of those regular communications. When the new OHS council was appointed, the Executive Director of the Office of Regulatory Services became a ministerial appointee, and the OHS commissioner is a member of council. All three of us are there with the employer and employee reps and other ministerial appointees in terms of discussion about work safety and workers compensation issues. Apart from the regular monthly meeting, there is a regular dialogue between the two offices. We speak several times a day. We are very conscious of our roles; they have the regulatory side and we have the policy side. We are very conscious of the fact that the sides have to meet, otherwise, we will not achieve our deliverables and we will not succeed in producing good safety outcomes for the ACT.

**THE CHAIR:** Mr Stefaniak.

**MR STEFANIAK:** Thanks very much. You mentioned earlier the review of consumer fireworks. I understand, minister, you tweaked the scheme back to, I think, only three days, or two days, on which they can be sold.

**Mr Barr:** Three days for sale, two days for—

**MR STEFANIAK:** What are the two days for? To let them off? Given the level of community angst, I think they would agree to that decision. Are you aiming to ban the sale of shop-bought fireworks outright, as happens I think in every other jurisdiction except possibly the Northern Territory?

**Mr Barr:** Mr Stefaniak, in answer to your question—

**MRS DUNNE:** He reckons that I am opposed to it.

**MR STEFANIAK:** Sorry, yes.

**Mr Barr:** If you two are quite finished.

**MS MACDONALD:** They are having a little argument; a little tete-a-tete.

**Mr Barr:** It is the good life, I must say. Mr Stefaniak, the outcome of that consultation, as I think you would be aware from my public statements, was to show a community fairly evenly divided on the issue of fireworks. That will perhaps come as no surprise to any of us who have received correspondence on both sides of this particular issue, who have attended some of the public meetings and who have fielded talkback radio calls, et cetera.

It was clear that there was not community consensus on the way forward. I think the examination of the issues did show a range of concerns about the capacity of the Office of Regulatory Services and the police to be able to effectively enforce under the previous regulations the fact that you are effectively making fireworks available seven days in advance of the Queen's Birthday long weekend. It was perhaps no

surprise that fireworks were being let off not just on the three designated nights but for five or six days leading up to that and several days afterwards.

It was clear through the consultations, which included the fireworks industry, that a clear way of controlling fireworks being let off in advance of the designated time on the long weekend was to restrict the sale period and bring that much closer to the actual weekend. That is why we have moved to reduce the sale period and for it now to commence on the Friday of the Queen's Birthday long weekend, and for it only to be Friday, Saturday and Sunday. There was a strong case put that the sale days should include a weekday. I think there was a temptation to say that, in fact, they only be available on the Saturday and Sunday.

The situation in the Northern Territory for Territory Day is that the fireworks are effectively available in the morning. You purchase them in the morning and you let them off that night. I think there was a pretty strong case put that, whilst we needed to tighten and reduce the period in the lead-up, one weekday was appropriate for sales. We have now restricted the sale period to be Friday, Saturday and Sunday of the Queen's Birthday long weekend.

**MR STEFANIAK:** Three as opposed to one in the Northern Territory?

**Mr Barr:** Yes. The legal times to discharge the fireworks are the Saturday and the Sunday nights only. The legal times have been reduced. It was previously 5 pm to 10 pm; it is now 5 pm to 9 pm. One of the reasons for that change is that at this time of year it is fairly dark at 5 o'clock, but another was that there was considerable evidence of a last-minute flurry, if you like, at around 10 o'clock and which probably fell a couple of minutes on the other side of the 10 o'clock in terms of its intensity. There was a strong view put also that if you are able to bring that forward, recognising that you are not going to stop every firework from being discharged and that no system of regulation is going to be 100 per cent effective, it will significantly mitigate the impact that was previously experienced under the former system.

It will also enable the Office of Regulatory Services and police to concentrate their resources around those three sale days to ensure that the regulations are being complied with in terms of the permits and sale to ACT residents, proof of age, et cetera. That will significantly reduce the call on ORS and will enable them to focus on those three days. This is why we took their advice and the advice of ACT Policing in terms of this outcome. It was what was recommended to us as part of that consultation.

**MR STEFANIAK:** A couple more questions on that. Given that restriction—you have indicated why you have done that—what percentage of fireworks sales in the ACT is the sale of over-the-counter, shop-bought fireworks for the Queen's Birthday weekend in terms of our total fireworks sale, in terms of the industry—

**Mr Barr:** I would have to take that on notice.

**MR STEFANIAK:** If you could take that on notice.

**Mr Barr:** What we did ascertain from industry was that the bulk of sales, about



80 per cent or thereabouts I understand, were on those last three days. We are not anticipating a significant reduction in the amount of fireworks that will be let off. It will be a more concentrated period, clearly. The evidence has been that the vast majority of Canberrans who participate in the activity do so according to the regulations and do let off their fireworks in the legal times. But, of course, there are always people who flout the rules and who do so throughout the year, but many of the concerns that were raised by residents and by various stakeholders during the consultation related to fireworks that were clearly not purchased as part of a Queen's Birthday long weekend activity.

**MR STEFANIAK:** Those are the ones we hear all year round in the suburbs on occasions?

**Mr Barr:** Yes, and they were not fireworks that were sold legally; they were not ones you could purchase as part of these activities. They were, in fact, quite significantly different. They were much louder and were not what was legally allowed to be sold.

**MR STEFANIAK:** What are you doing about that?

**Mr Barr:** That is largely a matter for the police; it is not one that the Office of Industrial Relations—

**MR STEFANIAK:** No, but in terms of just checking up to make sure that they are not sold under the counter.

**Mr Barr:** It is a very, very emotive issue, and people will have very passionate views either way. No government could say that it would be able to eliminate the use of fireworks. Fireworks are used and they are illegal in other jurisdictions. They are used to blow up letterboxes; they are let off in New South Wales, Victoria and Queensland—all over the country. But they are not the fireworks that are utilised as part of our Queen's Birthday weekend or the Territory Day celebrations in the Northern Territory.

**MR STEFANIAK:** I will just clarify the answer to my earlier question, because it is the last in this area. What I would like you to do is provide the percentage of fireworks sold for the Queen's Birthday weekend as opposed to fireworks sold during the course of the year for displays and major events. I just wonder what that percentage is.

**Mr Barr:** I am sure we can—

**MR STEFANIAK:** Whether it is a big component for the industry or whether it is a tiny component.

**Mr Barr:** I am sure we can get that information.

**MR STEFANIAK:** Thank you. Thanks, Madam Chair.

**THE CHAIR:** Okay. Mrs Dunne has a supplementary.

**MRS DUNNE:** What was the rationale, minister, in limiting the time in which fireworks could be let off so that we now have a Queen's Birthday celebration when it is illegal to let off fireworks on the day of the celebration?

**Mr Barr:** With regard to the Monday, we considered a range of options through the consultation, and a variety of views were put. It would be fair to say that, on balance, the desire was for a reduced number of nights. I seriously contemplated one, but there was a strong community view that if there was bad weather, if it rained, then you then have to substitute another night. So it was determined through the consultation, the community indicator, a preference for the Saturday and the Sunday. I think the major reason for that was around families and the fact that if you go to the Monday night then the Tuesday is a school day or a work day, whereas, if you have the next day off, I think that would be—

**MRS DUNNE:** So we have got cracker night for the Queen's Birthday but we do not have it on the Queen's Birthday. It is ironic.

**Mr Barr:** The Queen's Birthday is not actually on that day anyway. The republican in me, Mrs Dunne, says that we could—

**MR SMYTH:** You will go to work that Monday then?

**Mr Barr:** Generally, I work most weekends, Mr Smyth, so I do not think it would be much different. Whether I will be here at 9 am or 8.30 or whatever is another matter.

**MR SMYTH:** I will see you in the car park then.

**Mr Barr:** All right; we will call it a date.

**MR SMYTH:** Well, we will not go that far.

**THE CHAIR:** Mrs Dunne, do you have a substantive question? No? We will go Mr Gentleman.

**MR GENTLEMAN:** I have one on industrial relations. Budget paper 4, page 38, says that you will be doing a review of the workers compensation scheme. There were some direct changes to Comcare coverage of employees brought through—last year, I think—that removed coverage from employees driving to work and during travel time. The direct quote to me was that, if you had a Telecom worker working in a pit on cables in Canberra, for example, he was covered whilst he was in the pit, but if he got out of the pit to eat a sandwich for morning tea he was not covered any further. Has this impacted on employees in the ACT? If so, are you looking at those changes?

**Mr Barr:** Yes. I think it would be fair to say that yes, it has impacted. The new federal government has commenced a review of Comcare. At the ministerial council meeting I asked if that review would extend to journey claim and was advised by the Deputy Prime Minister that, yes, it would. That is a good outcome. We await the review of the scheme.

On the broader issue that you raised around workers compensation, you would be

aware that in the 2006-07 budget we allocated \$400,000 over three years to undertake a comprehensive review of the ACT scheme. In the first year, the government engaged a consultant to report on the scheme's performance. That consultation was undertaken in late 2006 and through the first half of 2007. A final report was provided to government in August last year. I referred that report to the OHS Council. They indicated their priorities in relation to the 51 recommendations from that report. The government is currently considering the OHS Council's advice.

In due course, we will be able to provide some advice on the legislative options that we intend to pursue. I can advise that the Office of Industrial Relations is in the process of engaging an actuary to report on the financial state of the scheme, which will identify more clearly some of the factors that were driving the scheme's costs. This actuarial report will comprise the second stage of the review; that is due to be completed this calendar year.

**MRS DUNNE:** You said that you would come forward with legislative changes in due course. What does that mean? When is "due course"?

**Mr Barr:** It means that the government will consider the recommendations of the OHS Council and cabinet will make a decision as to whether the Minister for Industrial Relations will bring in a bill to reform workers compensation.

**MRS DUNNE:** Has the report or the review of the workers compensation scheme been made public or has it just gone from the government to the board?

**Mr Barr:** The consultant report is public.

**MRS DUNNE:** Thank you.

**DR FOSKEY:** I have just got a quick question.

**THE CHAIR:** Is this a supp? Mrs Dunne is waiting.

**DR FOSKEY:** Mrs Dunne just asked one.

**THE CHAIR:** That was a supplementary.

**DR FOSKEY:** Okay. I am just letting you know. It is a quickie, I am sure.

**THE CHAIR:** I have got you on the list.

**DR FOSKEY:** Thank you.

**THE CHAIR:** I have a little list. Mrs Dunne.

**MRS DUNNE:** On page 34 of BP 4, the total cost of the budget is \$2.72 million and the estimated outcome for 2007-08 is \$3.2 million, which is an increase of 18 per cent. Then there is another increase of another 17 per cent in the 2008-09 budgeted outcome. What was the additional expenditure in 2007-08, and what is the further increase this year? Over the time, there has been roughly a 40 per cent increase in the

budget.

**Mr Barr:** My understanding would be that the initiatives around the workers compensation review, the additional funding that was made available in this year's budget in relation to the implementation of the new OH&S Act—so those additional funding—

**MRS DUNNE:** So it is those things? That is the four extra employees.

**Mr Barr:** I understand there is also an initiative called the safety first program.

**MRS DUNNE:** What is the safety first program?

**Ms Centenera:** It is a program aimed at increasing better OHS outcomes for the public service. The Office of Industrial Relations generally does private sector IR and OHS, but in terms of the public service it also does strategic advice and whole-of-government policies in relation to work safety and workers compensation, injury management and prevention. It received approximately 0.5 million over two years, so that would also contribute to the higher budget.

**THE CHAIR:** Mr Stefaniak.

**MR STEFANIAK:** Minister, you recently announced that the trades and labour family day which was trialled last year in November is now going to be extended to 2010. My understanding is that the reason you initially moved that to November was simply that, under the former federal government's IR rules, there were problems with the additional March day. That seems to have gone out of the window federally now, so why have you now extended that until 2010?

**Mr Barr:** I would suggest that you avail yourself of a bit of understanding about the federal legislative process to indicate that the proposed introduction of a new workplace relations system for Australia is 1 January 2010. The Senate, under coalition control at this time, did pass the transition bill, but the new workplace relations system will not be in place until 2010.

We do not have our own IR system in the ACT; we operate under the federal system. That means that, until a piece of legislation that substantially repeals Work Choices is passed, the legislative imposition on the ACT that the union picnic day cannot be celebrated remains in place—until that is removed. On that basis, under the Holidays Act, I have proclaimed the 2008 and 2009 Family and Community Day. You would note from the budget papers that there is a small budget allocation for two years.

We will consider future options pending the nature of the new national industrial relations system. It would be my hope that we will be able to have a union picnic day, as we did for 70-odd years prior to the introduction of Work Choices. I do not consider that unreasonable.

**MR STEFANIAK:** Would you consider going back to the traditional March day, which seemed to affect a number of businesses but did not cause the dislocation to business that the November day does? What is your position?

**Mr Barr:** Indeed, yes. I understand the fact that the only response available to the ACT government was to declare an additional public holiday. That meant that some people who did not get a union picnic day in March would get an extra day in November. That is certainly the case.

**MR STEFANIAK:** It is a four-day long weekend, too, which is a problem for business.

**Mr Barr:** Whilst I acknowledge that business did not support an additional day, in the consultation they did indicate strongly to government that if we were to choose another day we should choose one that had low productivity. They indicated that Melbourne Cup day was such a day. I understand that that was not a unanimous view of the business community; it is very difficult to get a unanimous view with such a large number of stakeholders.

But to answer your question, given that Canberra Day has now moved from what was the celebration on the third Monday to the second, I do not believe that it would be possible to return to the first Monday for a union picnic day. Unions ACT agree with that assessment and have indicated their support for Melbourne Cup day. If the federal industrial environment allowed for it, you could then have the union picnic day as it was previously celebrated and the entitlement that existed for the people under their awards. If the federal system allows for that, you could then have a union picnic day on Melbourne Cup day or a day that Unions ACT and the union affiliates to Unions ACT recommend. That would be a sensible outcome beyond 2010.

The question is whether the new federal system will allow for that. If it does not, we will have to address the issue that a large number of workers in the ACT who are in the private sector had an entitlement to a day off that has been taken from them. I acknowledge the difficulties we have in that the only instrument that we have available to us to restore that to them is the declaration of a public holiday and that that extends the benefit of a day off to a group of people who were not previously entitled to union picnic day or who might have an alternative arrangement, such as in the public service, where there is commissioner's day during the Christmas shutdown.

I understand that it is not the ideal solution, but it was the best possible solution available. If you happened to have lost the entitlement to that day off, you would be pretty miffed if your government did not do something to seek to address the fact that you had had one of your days off stripped from you.

**THE CHAIR:** Dr Foskey.

**DR FOSKEY:** My question is a simple one. When can we expect your government to provide its response to the community sector task force report which was completed in March 2006?

**Mr Barr:** You will see that, through this budget, the government has funded the introduction of a portable long service leave scheme for the community sector. The detail—most particularly around definitions and who will be included and who will not be within the community sector—is a piece of work that is significant. The

Department of Disability, Housing and Community Services are engaged in that as the lead agency. The Office of Industrial Relations will continue to provide particular advice where necessary, but the introduction of such a scheme is now a funded budget item.

There are a number of issues that need to be worked through with the community sector around definitions and, as I say, who will be included and who will not be. That detail and that consultation need to occur, and will, in the first year. Dr Foskey, you will note from the budget allocation that the anticipated start date for the scheme is in the next financial year.

**DR FOSKEY:** The community sector itself is waiting with bated breath for the government response. While it is obviously very pleased that the portable long service leave has been instituted, there are a whole range of matters raised and they are very keen to see the government's response—

**THE CHAIR:** Dr Foskey, I think this is a question for tomorrow.

**DR FOSKEY:** It was done under IR.

**Mr Barr:** I can advise you, Dr Foskey, that the Chief Minister did write to each member of the community sector task force indicating the government's position and the way the government intended to progress this piece of work. I have outlined to you that in the budget we have provided the funds to establish a portable long service leave scheme for the community sector.

**DR FOSKEY:** Are we able to know the contents—vaguely at least—of the letter?

**Mr Barr:** I do not have it in front of me, but I am sure we can get the committee a copy of the letter

**DR FOSKEY:** Thank you very much.

**THE CHAIR:** Mr Stefaniak, you have a question?

**MR STEFANIAK:** In relation to trainees and apprentices, how many trainees and apprentices did the ACT government employ during this current financial year, and what areas were they employed in? Do you actually set targets for the numbers of trainees and apprentices employed each year? If so, what are the targets for the next financial year?

**Mr Barr:** I am advised that it is about 150. I will get that figure double-checked and if it varies significantly we will provide—

**MR STEFANIAK:** Could you tell me what areas too?

**Mr Barr:** They are across—yes.

**Ms Hudson:** There is a specific initiative in InTACT for 28 trainees, and they will be working with ACT colleges to progress that. There are also a number of areas across

departments where departments are initiating their own responses. I understand that includes TAMS and health. There is also the Indigenous traineeship program which is being piloted this year, which is for 15.

**MR STEFANIAK:** Organisations like Actew also take in apprentices, I understand?

**Ms Hudson:** Yes. I would have to give you the numbers on apprenticeships separately.

**MR STEFANIAK:** If you could, especially on apprenticeships, because there is a lot of criticism that the government no longer takes in apprentices in many areas. That does not help much with the skills shortage in terms of training people up. I know UnionsACT had a concern in relation to that.

Minister, I thought I heard you on the radio not long ago indicating that you were looking at giving employees at major department stores such as Westfield Belconnen the day off on Boxing Day, as a holiday. A number of employees and people running businesses there have also lobbied me about that. I must say, having talked to both sides, that there is not a unanimous view. Is that something that has been progressed?

**Mr Barr:** Earlier in the year I raised two issues: Boxing Day trading and the late-night shopping night. I have had meetings on both issues with Westfield, the Canberra Centre and the Shop, Distributive and Allied Employees Association. I have written to Centro, who operate the Tuggeranong Hyperdome. I have had some discussions with some smaller retailers, most particularly John Hanna, in relation specifically to late-night trading.

Westfield and Centro have indicated strong support for moving late-night trading from Friday to Thursday. I am still waiting to hear formally back from QIC, who own the Canberra Centre. They have indicated—although not necessarily at the centre management level; I met with some of their other officials in relation to some other matters—that they are open to considering such a proposal. There is support from Emmanuel Notaris at CBC and from John Hanna and a number of other smaller retailers.

In discussions with the SDA and Mr Hanna, they were both adamant that it must be a direct swap from Friday to Thursday and that they would not support both Thursday and Friday. There is a pretty strong view that late-night trading is a little bit of a relic of the regulated shopping hour era, when shops closed at midday on Saturday and you had no opportunity to shop on Saturday afternoon or Sunday. So it would be fair to say that the takings for late-night shopping have been declining over time, and on a Friday night it competes with a range of other activities. So I think there is an economic case at the retail end.

Retail workers have indicated two principal concerns. There is the need for a direct swap. They do not want to be called on to work on Thursday and Friday nights. They do not think there is a huge amount of trust, given the deregulated hours. So they would be requiring in future awards, perhaps as part of the award modernisation process, that if this change were to occur it would require a direct swap and a clear indication in awards that it was for one night in the week, and that night would be

Thursday.

In my discussions on this issue with Chris Peters, he has indicated that mandating the night of the week has been an issue with some chamber members in the past. So it is a somewhat fraught process, even though there does appear to be a degree of community support. I think WIN did a poll, when I first raised the issue, which indicated about 60 per cent support for the change. So I get the sense that there is a degree of support for further discussion, but in the end the mechanism to achieve such an outcome, because I have indicated firmly that the government will not be re-regulating shopping hours, is through an industrial agreement between the SDA and the major retailers.

The position of David Jones and Myer is crucial to that outcome, as they tend to drive the hours. So whilst we have a deregulated system, the way that it works in practice is that those major retailers pretty much set the hours for everyone else. A huge amount of concern has been raised with me at an individual retail worker level, and this is where Boxing Day comes into it: although it is not mandatory for casual staff, for example, to work on Boxing Day, those staff who are employed at either manager or deputy manager level, and even within departments in some of the major department stores, are effectively required to work on Boxing Day. That has a significant impact on the capacity of families to enjoy Christmas, with Boxing Day sales starting at 7.00 am on Boxing Day—

**MR STEFANIAK:** Those are the issues that people complain about to me.

**Mr Barr:** Indeed. So I have a great degree of sympathy for that. I have posed the question: why is it that we feel the need to shop on Boxing Day?

**MRS DUNNE:** I am still washing up on Boxing Day!

**Mr Barr:** Yes. Boxing Day is about recovering from the big Christmas lunch and watching the start of the Boxing Day test or the Sydney to Hobart. I find it interesting to consider why society has taken the path that we feel the need to go bursting through the doors at the major sales at 7.00 am on Boxing Day.

I am asking the major retailers to reconsider their position on Boxing Day trading. I note and respect the fact that they voluntarily close on Good Friday, on Christmas Day and for half of Anzac Day. So the question I pose to them, and I will continue to pose, is why they feel they must trade on Boxing Day, to ask them to reconsider that and to have greater consideration for the family time of their staff. I do not think it is a big ask to enable retail workers to have two days off in a row over Christmas. I do not think it would have a significant economic impact. My understanding would be that the money you were going to spend on Boxing Day would be happily spent on the 27th or the 28th.

In the first instance, it is appropriate to put that argument and that moral case to industry. I would be reluctant to go down the path of government re-regulating shopping hours, but I think we as a society need to ask that question. I do not pursue this as some sort of partisan issue. I acknowledge that Senator Gary Humphries has raised this in the past. I gather from some of the nods I am getting from committee



members that this is not a party political issue; this is one that is around in our society. I would be very happy, Mr Stefaniak, if you and others would like to join me in making a plea to our retailers to consider their position on this matter.

**MRS DUNNE:** BP4, page 34, refers to the territory's consultative bodies and the role of the policy area to coordinate. What are those consultative bodies that are referred to in that second dot point?

**Mr Barr:** The OH&S Council would be one.

**Ms Centenera:** With respect to participating on national policy bodies, the ACT government has a member on the Safety, Rehabilitation and Compensation Commission, so that is in relation to Comcare. There is a high-level officers group that meets quite a bit in relation to industrial relations in terms of other national policy issues. There is also the Australian Safety and Compensation Council, which looks at work safety and workers compensation issues at a national level.

**MRS DUNNE:** So what is the cost of our participation on those bodies? You can take it on notice.

**Mr Barr:** In an average year or in a year when there is a new federal government?

**MRS DUNNE:** You could compare and contrast, if you like, but could we have a breakdown? There are three or four bodies that you talked about.

**Mr Barr:** Certainly. I can certainly signal to the committee that there is increased activity in a number of these areas at the moment. IR ministers are considering a replacement body for the ASCC and there is considerable reform occurring in this area at a national level.

**MRS DUNNE:** Could you also provide to the committee the terms of reference and structures of those bodies?

**Mr Barr:** Yes.

**THE CHAIR:** Thank you very much, minister, Ms Centenera and Ms Hudson.

**The committee adjourned at 5.52 pm.**