



**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
FRIDAY, 30 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

ACT Planning and Land Authority	1134
Department of Disability Housing and Community Services	1082

The committee met at 8.34 am.

Appearances:

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

Department of Disability Housing and Community Services

Lambert, Ms Sandra, Deputy Chief Executive

Hehir, Mr Martin, Deputy Chief Executive

Hubbard, Mr Ian, Director Finance, Finance & Budget

Sheehan, Ms Maureen, Executive Director, Housing and Community Services

Matthews, Mr David, Director, Housing ACT

Collett, Mr David, Director, Asset Management

Manikis, Mr Nic, Director, Multicultural Affairs

THE CHAIR: Good morning minister, good morning Ms Lambert and officials. Welcome to this second-last hearing of the Select Committee on Estimates 2008-2009. You are all familiar with the yellow card and the privilege implications contained within it?

Mr Hargreaves: Yes.

THE CHAIR: I move:

That the statement be incorporated in *Hansard*.

The statement read as follows—

The committee has authorised the recording, broadcasting and rebroadcasting of these proceedings in accordance with the rules contained in the Resolution agreed by the Assembly on 7 March 2002 concerning the broadcasting of Assembly and committee proceedings. Before the committee commences taking evidence, let me place on record that all witnesses are protected by parliamentary privilege with respect to submissions made to the committee in evidence given before it.

Parliamentary privilege means special rights and immunities attach to parliament, its members and others, necessary to the discharge of functions of the Assembly without obstruction and without fear of prosecution.

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

THE CHAIR: Minister, would you like to make some opening remarks?

Mr Hargreaves: Thank you, Madam Chair, and good morning, members of the committee and visitors. This year I have continued to implement the ACT government's reform program to establish a fairer, more responsive public housing system. We have consolidated our improvements in supporting our applicants into safe, secure, affordable public housing. We have expanded our stock and we have improved its quality through our maintenance and planned upgrade program.

Housing ACT has continued to achieve the benefits associated with the implementation of the new public rental housing assistance program—PRHAP—which commenced on 1 October 2006. Changes included a reduction in the qualifying income criteria, tightening of the ACT residency requirements and major changes to the priority allocation system, moving to a needs-based allocation system which recognises complex needs in the assessment and allocation processes.

In 2006-07, Housing ACT purchased 25 properties for families. This was made possible by the government's first tranche of a three-year \$30 million commitment to increase public housing stock. A further 27 properties are expected to be purchased in 2007-08 from this funding. Additional ACT government funding of \$4.3 million from the home loan portfolio was spent on acquiring 14 two-bedroom properties. In 2007-08, the ACT capital program is expected to be \$53.548 million, which will provide funds to construct 26 new properties and purchase 98 homes, and provide \$6.6 million for upgrades and improvements. In 2008-09, the capital program is expected to be \$82.903 million, which will provide an estimated 64 constructed properties, 145 purchased homes and approximately \$9 million in upgrades and improvements.

Housing is committed to high-quality property management of its 11,635 properties. In 2006-07, \$26.777 million was expended on the total facilities management contract and almost \$16 million of this was spent on planned works and upgrades to the Housing ACT portfolio.

Changes in service delivery have improved our responsiveness to the needs of our clients and our tenants. They have also further integrated public housing into the wider human services system. Reforms to the public housing allocation system have resulted in significantly reduced waiting times for those most in need and the public housing waiting list now also accurately reflects the number of people who need public housing.

Families with one or more children are highly represented in public housing, with almost 6,300 dependants under 16 years of age living in public housing, representing about 27 per cent of the total number of people housed in public housing. The government provided funding of \$110,000 in 2008-09 to undertake an analysis of the needs of children and young people living in public housing to ensure that the public housing provided to the family appropriately meets the needs and circumstances of the children.

As at 18 May 2008, there were 1,311 people on the Housing ACT wait list, which has been reduced down from 2,500 in June 2006 and over 3,000 in June 2005. The waiting time for allocation for people on a priority needs waiting list has also been significantly reduced, with applicants being housed within 63 days on average, which

is down from nine to 12 months under the previous allocation system.

The majority of new tenants in public housing—87.3 per cent now—are those in greatest need; that is, people experiencing homelessness who were in housing that was inappropriate to their needs, who were in housing that was adversely affecting their health or placing their life and safety at risk, or that had very high rental housing costs. Nationally, only 42.8 per cent of new allocations are to tenants in greatest need. This successful rollout of the new priority allocation system has contributed greatly to this result.

Two key initiatives which have been progressed in 2007-08 have been the expansion of the sale to tenant program in which the government will assist tenants with a sustainable income over \$80,000, calculated over two consecutive years, to move into home ownership or into the private rental market. A shared equity scheme announced as part of the government's affordable housing action plan will allow tenants who cannot borrow the full value of their home to buy a share of their home in partnership with the government.

The second major reform relates to tenants who have significantly more bedrooms than they require. Housing stock is currently under-utilised by over 30 per cent. This is the equivalent of about 500 empty houses. Following consultation with residents, guidelines have been adopted for a right-sizing program, which will encourage people to move to properties which better meet their needs, taking into account each person's specific circumstances, such as age, location and family and community commitments.

Housing ACT works closely with community partners to identify and respond to client need. This occurs in the allocation and assessment processes through mechanisms such as pre-allocation case conferences and also ongoing support to assist people to maintain their tenancies and live independently in the community.

Housing ACT works with organisations such as the Conflict Resolution Service to facilitate mediation and other means of dispute resolution in cases where specialist intervention is required, especially in cases of disruptive or antisocial behaviour. Housing ACT has a comprehensive policy on managing disruptive behaviours that covers neighbourhood disputes and accusations of illegal or antisocial behaviour. The policy acknowledges that Housing ACT tenants and their neighbours are entitled to the quiet enjoyment of their dwellings and that tenants are responsible for meeting their tenancy obligations.

Housing ACT is not static on this issue and continues to discuss its approach to disruptive behaviours with community support agencies and tenants, including the major tenant participation forum, the Joint Champions Group. Wherever possible, Housing ACT will try to sustain all tenancies through engagement and brokering the necessary supports to assist the tenant to change their behaviour. Where this is not successful, and in the most serious cases of disruptive behaviours, Housing ACT will seek an eviction order from the Residential Tenancies Tribunal. It is important to remember that the overwhelming majority of Housing ACT tenants contribute positively to the community, and a small minority partake in antisocial and disruptive behaviour which impact on their neighbourhoods.

A further example of Housing ACT's commitment to responding to new and emerging needs in the community is the establishment of the refugee transitional housing program in 2007-08. This program builds on the existing transitional housing program by utilising long-term vacant or hard-to-let ACT properties to provide short-term accommodation for refugees newly arrived in the ACT. Housing ACT is working in partnership with Centacare to provide this housing option.

Madam Chair, I think I have been able to give you a reasonable overview of the achievements that Housing ACT has been able to deliver in the last three years, and particularly in the last 12 months, and we will be able to continue to deliver those into the future with the funds that are provided in this budget.

THE CHAIR: I think so, minister. Mr Gentleman, you have the first question.

MR GENTLEMAN: Thank you, chair. Good morning, minister and officials. Minister, you are aware of my interest in sustainability.

Mr Hargreaves: Indeed.

MR GENTLEMAN: Can you tell me how Housing ACT properties will be made more energy efficient with the new funding that has been made available?

Mr Hargreaves: Thank you very much, Mr Gentleman. I will ask the officials to address that question.

Mr Hehir: I might ask Mr Collett to give the detail around this answer, but certainly it is something that Housing ACT has always taken quite seriously. Our purchase program requires a minimum of three stars in terms of overall efficiency and, where appropriate, we would seek to increase that to four stars with some minor modifications where possible. Certainly, our preference is to purchase in that high end. Notwithstanding that purchasing policy, we do have over 11½ thousand properties, and quite a number of those properties are in the older bracket where energy efficiency was not necessarily a prime motivator in their design and construction. So it has been very helpful for us to have over \$20 million identified for improvements in energy efficiency. I will ask Mr Collett to provide the detail of that program.

Mr Collett: We have been working for some time, through our upgrade program, on improving water efficiency in our dwellings. We have also been working with the essential services committee and with the YWCA on a WES program which looks at high-energy using tenants and provides them with both education and building modifications to help them reduce their energy usage. That has given us a very good position to address the initiatives that the government announced in terms of providing additional funding, both for water and for energy efficiencies, and we have been able to roll out a program to do that.

You can imagine that having a 10-year program allows us to have efficiencies in terms of our purchasing of appliances, to have a planned program that is effective in the way that it is rolled out and to have the benefits of a long-term program that makes differences and can be supported by more education facilities. Specifically, we have been able to roll out a range of water saving devices such as douse valves which have

the same effect as a water limiting valve on the shower head but do it for the whole system and which are hard-plumbed into the system so that it requires less maintenance and, to be honest, is less tamper proof than something that is fitted to the showerhead.

We have also been able to fit dual-flush cisterns. To give you some idea of the rate at which we have been able to roll that out, between January 2008 and 18 March, we have been able to expend \$200,000 on water efficiency improvements and we have been able to upgrade 400 properties in that way.

MR GENTLEMAN: That is a good sign.

Mr Collett: Martin has already indicated the issues on the purchase of houses. We frequently spot-purchase; it is often more cost effective for us to do that and we can also find accommodation that is in the right location for our tenants. It maintains our mix of public housing tenants across the metropolitan area of the ACT.

We have been able to achieve consistently a three-star energy rating which was common when properties were built in the 1980s but which no longer meet standards and certainly would represent a drain on energy use, both for our tenants and for the wider community.

This program allows us, amongst other things, to upgrade the insulation to properties that we have purchased, bringing them from three stars certainly to four stars and frequently to five-star energy rating.

MR GENTLEMAN: That is a good start. It has been argued that up to 30 per cent of the cost of energy for some of the older homes is in electrically stored hot water. Have you had a look at rolling out solar hot water at all for housing properties?

Mr Collett: We have and we will have a trial program of solar hot water services this year to make a decision about what role solar hot water units will play. Certainly the reduction in CO₂ and the reduction in costs to the tenants are most significant for solar hot water heaters. Unfortunately, as is often the case with these things, the capital cost is the highest as well.

If you take it back to a benefit to our tenants or a benefit to the environment on a per dollar basis, at the moment it looks like we would be making more efficiencies from moving to five-star gas heating or to a new product that is available on the market, which my staff visited at Rheem's factory in Bowral just last week, which is based on a heat pump system. It is similar to the technology that is involved in air-conditioning which is highly efficient and it acts as a heat pump to heat the hot water. This is also five-star energy rated.

What we have been able to do is take advantage of the New South Wales Treasury purchasing program and we have been able to tap into some of the efficiencies of scale that New South Wales housing authority and New South Wales government departments achieve in their purchase of fittings. With the confidence of the \$20 million over 10 years, we have been able to negotiate directly with the suppliers to get very good pricing for the supply of those products, further enhancing the

efficiency of the project.

MR GENTLEMAN: That is very good news.

THE CHAIR: Mrs Dunne has a supplementary and then Dr Foskey.

MRS DUNNE: I have a question for Mr Collett. Can you provide the committee with the tech specs for the douse, how the douse valve works and the hot water system that you are looking at? Can you tell us what hot water systems you are looking at or your officers were looking at last week?

Mr Collett: It is a Rheem-based—

MRS DUNNE: What is the technology?

Mr Collett: It is based on a heat pump system.

MRS DUNNE: Can you provide the committee with some information—

Mr Collett: Yes. I do not have brochures for them here, but I can certainly provide them.

MRS DUNNE: Thank you very much.

Mr Hargreaves: We will try to get the brochures, but if we do not within the deadline that we normally try to achieve—

MRS DUNNE: I understand.

Mr Hargreaves: So if it is okay with the committee we will attempt to meet the deadline. If we do not meet the deadline we will directly liaise with Mrs Dunne's office. Is that all right?

MRS DUNNE: There is an extra \$20 million over 10 years. You got half a million dollars in this financial year out of the second appropriation. How much of that have you spent?

Mr Collett: I am not sure that all the accounts have come in but all the money has been spent.

MRS DUNNE: All the money has been spent already?

Mr Collett: Yes.

MRS DUNNE: So you could roll that money out quicker than the way it has been doled out? You are getting \$2 million a year.

Mr Collett: No. It came, as you said, in the second appropriation; so it left us with—

MRS DUNNE: But you had half a million dollars to roll out between when the

second appropriation was passed and now, and you have spent it already?

Mr Collett: Yes. And you asked whether we, therefore, could have spent money quicker and I was trying to answer that question, if you can be a bit patient. Sorry, I just meant—

MRS DUNNE: Sorry, I thought you misunderstood the question.

Mr Collett: No, it is clear. The point I was trying to make was that because the money came in the second appropriation it came in the latter half of last calendar year, leaving us with six months to get the program up and running. In discussion with Treasury we determined that, given the shorter period of time and given that we were starting, although we had done some preparatory work, \$500,000 this year would be appropriate and the funds available in the next two years have been increased to bring us back up to that average figure. So our spend would be more than \$2 million this year; from memory, it is \$2.3 million to make up that money.

MRS DUNNE: But so far you have spent the half a million dollars?

Mr Collett: Yes. And \$200,000 in the water efficiencies.

MRS DUNNE: Minister, it was put to the committee by the conservation council when they were here that, because of the importance of this work, you might roll that money out faster than over a 10-year period. Would you consider taking that proposition back to your colleagues, in terms of the social benefit it provides?

Mr Hargreaves: I understand the point that you make and I understand the point the conversation council makes. In the context of this particular budget, I cannot do much about it. I will, however, undertake to forward, in the next budget round, a request for an acceleration of the allocation. But remember the amounts of moneys that are put into the outyears are apportioned according to its relativity with other projects into the future.

We would need actually to make, in the cabinet sense, a judgement about which other things going into the future could not be done because it is a defined figure. But I will undertake to do that, to take it forward, against the background, though, from advice from the department as to what time restrictions about rollout can happen in terms of our own administrative things, our tender processes and all the rest of it. But I will have a look at it. I am quite happy to do that for you.

DR FOSKEY: I wonder whether you could give me and the committee, and they are two separate things, details of the number of public housing properties that have been retrofitted, forward plans with numbers and if you could outline the process. How is a house or a dwelling chosen, given that there are a rather large number out there that are energy and water inefficient? How are they chosen and is there a way that people can actually request that their dwellings be brought to the front of the list? I have had letters from people giving these kinds of issues about their electricity bills and so on, and it would seem to me—

Mr Hargreaves: Good question. Yes, done.

Mr Collett: We, as I said, have worked with the Y and with the essential services committee on the WES program. That has given us a good understanding of where stress is occurring for our tenants. We have prioritised the work on the basis of the age of the property, the amount of insulation that is there.

We have also tried to maximise the effectiveness of the program by rolling it out, to the extent that that is possible, through our upgrade program. Obviously it is more cost effective to install these new fittings when we are carrying out wet area upgrades or when there is a failure in one of the appliances that we would be replacing. And that enables us to apply this money to the differential cost between the high-efficiency fittings and what we would have been paying for the maintenance of our stock.

There is also provision for the call centre at Spotless, whom we have involved in this program and provided with special information, to take calls from tenants who feel that their energy costs are too high and, building on the WES program, we have been able to go out and see whether there are also household management techniques that need to be put in place to support the rollout of the high-efficiency fittings.

A significant amount of energy is lost in older properties through a ceiling, windows and doorframes, the gaps under doors. All can be significant in terms of reducing the comfort of the home and increasing the cost.

The actual selection of the fittings is slightly more complex and is often done in consultation with the tenant. It often depends on whether gas is supplied to the property or not. That not only affects our cost in terms of the installation of the fitting, running supply—

DR FOSKEY: You do not pay for gas to be fitted, do you? I remember when I was in a government house the government was not prepared to get the gas from the street to the house. Has that changed?

Mr Collett: I would have to check the advice that you have given. My understanding is that we provide the plumbing costs associated with reticulating the gas through the premises. But in any case, the location of the fitting and plumbing it up to the water is also a cost that needs to be borne in mind. If the hot water unit is the only gas fitting in the property, then the tenants are often concerned about the supply charge associated with gas supply, which would come on top of the usage charge for the gas.

Other issues that are considered would be the location of the hot water service. In some of our properties we have got water services that are internal to the house. That represents a continuing risk of flooding; so part of the program would be to move the hot water unit to the external face of the building.

There are a range of considerations that would go into the selection of the appliance but it would usually be based on a level of consultation with the tenants about what the impact was going to be on them, both in terms of the operation of their house and of the costs.

DR FOSKEY: Can people request an upgrade?

Mr Collett: They can make a call to Spotless's call centre and give advice that they think that their energy use is too high and we will do an assessment then to see whether the—

DR FOSKEY: Do they know they can do that?

Mr Collett: We have made that information available through the joint champions, through our newsletters, but usually it comes through people ringing in, expressing concern about their utilities bills.

Ms Lambert: You do raise an interesting point, and it is a tension for us. I can see your point about people wishing to reduce their costs versus us being very mindful of getting the best benefit we possibly can from the public dollar. I am happy to take that on board as a policy issue to have a look at. I can understand how there would be an issue for some people. We are working very hard with people around managing their money as well. It will not be something we can do overnight, but I am certainly happy to take that away as a policy issue to have a look at.

DR FOSKEY: That is great; thank you.

Mr Hehir: Can I just add something to that? When we work with the WEST program, we do quite a bit of work with tenants who have high-cost bills. That is both the physical side of it and also their practices within the house. That is often a substantial part of the issue that needs to be addressed. So it is certainly there. As Mr Collett said, we have provided advice in our newsletter around managing some of that, as well as referring tenants to other areas where they can learn how to manage their energy consumption.

Ms Lambert: I still think we have a way to go, though, in terms of having people identify a need in this area. We will certainly have a look at that.

THE CHAIR: Mrs Dunne has another supplementary.

MRS DUNNE: On the subject of identifying people, you talked about people who have high-cost bills. But, minister, I have written to you about people who have health problems—asthma, that sort of thing—who are living in houses where there are considerable amounts of mould and condensation, which indicate that the houses are not properly insulated. What is being done to address the health needs of people through this program?

Mr Collett: The issue of mould and dampness inside the house is one that we need to examine on a house-by-house basis. I am aware of all of the correspondence that has flowed through that. When those complaints or issues are raised by tenants, by tenants' representatives or by you, we inspect the property and do all works necessary both to identify the source of the problem and also to take remedial action to get rid of the mould and address any residual problems such as dampness in the carpet or what have you.

Unfortunately, plumbing problems are some of the most difficult to determine. Like

every property owner with a large portfolio, we are sometimes confounded by leaks in the plumbing behind tiling in a shower base. That is one of the ones I remember seeing correspondence about. A fairly professional and thorough examination of that at first concluded that it was a leak in the shower base, which is probably the most common of our faults in that wet area. We subsequently found that there was a leak in the water supply pipe between the tap and the outlet, which meant that it was only when the tap was turned on and the water was flowing that there was a leak.

You can imagine that an intermittent problem like that can produce some challenges for the plumbers to find. That was one where we had to return to the property on a number of occasions over a number of months in order to determine what the nature of the problem was. That is an extreme case of where we have a fault with the building.

Unfortunately, it is also the case that on occasions our tenants' own living practices make a significant contribution to the mould. Martin has talked about household management and the steps that we take in order to provide information to help our tenants manage that better. As you would all know from your own homes, if you do not open the windows when the shower is on or if you run a clothes dryer internally when a room is not properly vented, particularly in Canberra's colder months, it is easy to build up condensation inside the house, and that can lead to mould.

We investigate all of those through Spotless. We take all of the remedial action that is necessary. We do not stop with the fault. If there has been damage to gyprock or carpeting or seeping through into other rooms, we will take the actions that are necessary.

MRS DUNNE: Thank you.

THE CHAIR: Mrs Dunne, you have a substantive question?

MRS DUNNE: Thank you, yes. To completely change the subject, minister, I was wondering whether we could talk about the caretaker's cottage at Weston. I hear this morning that final eviction notices have been issued. I wanted to know what steps the department had taken to lead us to the situation where the caretaker is to be evicted, I think, tomorrow.

Mr Hargreaves: The answer is that this is not an issue for the Department of Disability, Housing and Community Services. At the moment, responsibility for this particular issue rests with ACTPLA. I have not got anything to say on the issue this morning.

THE CHAIR: The minister is appearing before us this afternoon so you can raise it then.

MRS DUNNE: You said "at the moment", minister. In whose portfolio does the property rest?

Mr Hargreaves: At the moment, as we sit here and speak, ACTPLA have responsibility for carriage of the issue.

MRS DUNNE: Sorry, I did not ask that. I asked in whose portfolio the property rests.

Mr Hargreaves: Mr Barr.

MRS DUNNE: So ACTPLA now owns properties?

Mr Hargreaves: I am not updated every minute on this, but at the moment my understanding is that the carriage of the issue is with ACTPLA and that the property, on vacant possession, will transfer to the Department of Territory and Municipal Services over the weekend at some point; I do not know when that will be.

MRS DUNNE: Has it always been in the possession of ACTPLA or is this a recent event?

Mr Hargreaves: I do not know.

Ms Lambert: My advice is that it has never been part of the commissioner's portfolio.

Mr Hargreaves: It has never been part of the Department of Disability, Housing and Community Services portfolio—never.

MRS DUNNE: And this—

Mr Hargreaves: Originally it was a caretaker's cottage for the sewerage plant. This was prior to self-government. I believe that the responsibility for the cottage has been one of those issues that have been bubbling along since self-government and that nobody has particularly addressed until recent times. I do not have, and have never had, any involvement in the management of it, as the Minister for Territory and Municipal Services, as the Minister for Urban Services or as the Minister for Housing—ever.

MRS DUNNE: Okay.

Mr Hargreaves: And not as the Minister for Emergency Services either. I understand that the carriage of the issue is with Minister Barr. The information that I have received is that it will transfer to the Property Group on vacant possession sometime over the weekend. That is the extent of my knowledge.

MRS DUNNE: If I were to put a question on notice, could you advise who today has responsibility—

Mr Hargreaves: I would give you the same answer as I have given you now: I do not know.

MRS DUNNE: Sorry, can I finish the question? Could you advise me to which minister I should submit a question on notice about—

Mr Hargreaves: I have done that. I have said that you should address your issues to Mr Barr.

MRS BURKE: I have a supp.

DR FOSKEY: I have a supp as well.

MR SMYTH: As do I.

THE CHAIR: I am not quite sure what supplementary question you can ask.

DR FOSKEY: I know which one I can ask.

THE CHAIR: I am not going to stop you asking the question. I am just clarifying where we could possibly go given that the minister does not have any—

MRS BURKE: It is about the residents there. What plans will there be if it does come about that these people are evicted? I understand that they are not eligible for public housing. Can you comment?

Mr Hargreaves: I certainly can on that. To the limited extent that I do not know their eligibility in terms of their financial status—I have no idea what their financial status is—I do know that they have been approached by officers from Housing ACT with the offer to walk them through the system. I made the same offer myself at the Weston Creek Community Council meet-the-minister function the other day. I understand that they have not taken up the offer to receive any paperwork from Housing ACT. I can report that Mr Farrell indicated to me that he felt that he was not eligible for public housing. That is the extent of my knowledge on it.

Ms Lambert: We had previously—

MRS BURKE: Would you make an exception?

Ms Lambert: We had previously provided them with paperwork prior to that community cabinet.

MRS BURKE: Would you make an exception—because this is an extraordinary circumstance—if they were slightly over the threshold? Would there be any room to move? They have got nowhere to live, clearly.

Mr Hargreaves: There are two facts. One is that we have a system which is based on need for people. Secondly, we have not had an approach. I am not going to make any commitments or comments at all without having received an approach. We have a system. We have a process. It is a fair process. People will need to satisfy the criteria within that process.

THE CHAIR: Dr Foskey.

DR FOSKEY: Mine has been covered, thank you.

MR SMYTH: I had a supp too.

THE CHAIR: This is the last supp, because we need to move on.

MR SMYTH: I was Minister for Housing when this issue came to light back in the early 2000s. I asked Housing to do a report on the whole situation. I understand that an officer was assigned to do that and that that work had been going on for at least three months. I am not sure what happened in the change of government. Is there somebody within Housing with some corporate knowledge who can dig out that report?

Mr Hargreaves: Not here at the moment. I will seek to have that discovered. But I think it would be interesting and it would be helpful to me—quite seriously; I am genuine about this—if you could let me know what your reaction to that report was.

MR SMYTH: I do not have a memory of ever seeing the report. This came to light sometime in 2001, I think.

Mr Hargreaves: Okay. To be quite honest—

MR SMYTH: I would have to go and dig out some files.

Mr Hargreaves: I would have to tell the committee this in absolute terms: the property is not and will not be part of the Housing portfolio.

MRS BURKE: So you are saying it will not be—

Mr Hargreaves: That property will not remain—

MRS BURKE: It is going to remain and it is not going to be demolished?

Mr Hargreaves: No. You will have to take up the future of the property with Mr Barr. My understanding is that it will be retained. It will have to be retained at the moment because it is subject to a heritage application.

MRS BURKE: That is right, yes.

Mr Hargreaves: What it will not be in the future is part of Housing ACT public housing or community housing stock.

THE CHAIR: Thank you for clarifying that.

MRS BURKE: But there was a thought that that might have happened, was there not, and that has now been—

Mr Hargreaves: I am saying it right here and right now, and categorically. The only reason I am saying it so clearly is so that there can be no misunderstanding by anybody in the community. It has never been, and it will not be, part of public or community housing stock.

THE CHAIR: Thank you, minister. I will go on to another subject area. During your introductory remarks you talked about children being a focus.

Mr Hargreaves: Yes.

THE CHAIR: It is my understanding that sole parents with dependent children are currently being assessed against the same income eligibility criteria as applicant couples with the same number of dependent children.

Mr Hargreaves: Yes.

THE CHAIR: I would have thought that single parents would have extra demands on them. My daughter is in this situation, for instance, so I understand the pressures on a sole parent with small children. Is there anything we can do? In budget paper 3, at page 97, it says that \$110,000 is to be spent on improving housing outcomes for children living in public housing. Do these things intersect, and could you talk about those two things?

Mr Hargreaves: I will get Mr Hehir to expand on it. One of the things we have been doing over the years is to look at the paradigm of a time allocation system versus a needs allocation system. Along the journey, we have discovered things that successive governments have not picked up. I am not being critical of anybody along the way, because unless you take this questioning journey you do not actually find out.

One of the things that we determined, in looking at the needs of people, either with the allocation system or those who are already housed within the system, is that they differ. We have issues around children in our public housing system, particularly in the multi-unit complexes. They will have specific needs which are a lot different, and their actual home environment is going to be a lot different than for those people living out in the suburbs. So we have got the money here, and I will ask for some expansion on what that \$110,000 is for.

We have also recognised, and it was not hitherto the case, that single parents with children have been judged for their eligibility for income testing purposes as single people, whereas a couple with children have been regarded as a family—as two people, and as a family. So the thresholds were lower for the single person. We found, in fact, that a single parent with two children had a lower threshold than a family with two children, yet the family may very well have two incomes. That was clearly working to the disadvantage of the single parent. Our attitude has now changed and we regard the unit as a family unit. So those single parents who are now waiting and are in need will have a completely different and higher threshold to receive support from us.

I think that is a significant initiative. I am not pointing fingers at anybody; I think we have all, collectively, missed the fact that there was an inequity, and we have now identified that inequity and fixed it. I will ask Mr Hehir to respond.

Mr Hehir: We became aware of this issue when some of our community organisations indicated that single women with children were facing tighter eligibility. My first reaction when I heard this was that that was odd and that they should not be. However, as the minister indicated, once you start looking at how policy is being interpreted, the intent of what we were trying to do was not necessarily being picked

up in practice, and that was based on a technical interpretation, which was correct, of the policy by officers.

Having looked at it, we did a bit of analysis around what was the impact being faced. We also went back to first principles and asked, “Is there a fundamental difference in the need that would justify tighter eligibility criteria for a single mother or single father than for a couple with children?” It did not take very long to see that their need would be greater rather than less; therefore, as a minimum, we should provide them with the same eligibility and testing in terms of their income as we would for a couple with children.

We have effectively allowed that they have an extra person in the household for income testing purposes. They have the same housing need. For example, a single parent with one child still needs two bedrooms as a minimum, just as a couple with a child does. So when we looked at it in terms of their need, their ability to get accommodation in the private market and the overall impact, we identified that there was an issue, and that issue has been addressed and picked up. It was certainly a matter of quite consistent practice over a number of years.

Ms Lambert: In relation to the \$110,000, you will recall, Madam Chair, when you launched *Children’s experience of homelessness*, that we did a report which got things from the child’s perspective. What we are interested in doing with this money as well is working from the children’s perspective. It is something which is quite common practice in the UK—to get children’s ideas on design and things they would like to see change in their home environment when they are in public housing, or, as in the case of England, in local area housing. So we are interested in engaging with children in the way that we have done there, in a very structured way, to get some advice as we did through the *Children’s experience of homelessness* report.

THE CHAIR: That was a really insightful experience, I thought. The children were very insightful in the way they presented their information.

Ms Lambert: That is right. There has been a lot of examination of families but never from the children’s point of view. Some of the findings in that report are quite amazing, really. One of them, for instance, is that children do not perceive they are homeless when they are still with their mum or their dad. Their perception is not place based; it is based around the people they are with. So that is a very important insight for us to deal with as we work with the SAAP refuge system.

MR SMYTH: Minister, in the operating statement on page 343 of budget paper 4, I notice, with your other revenue this year, the expectation is that it will drop by 25 per cent of the current year’s other revenue. But in the outyears it then plummets from \$11.7 million to \$3½ million over the three outyears. Why is that?

Mr Hargreaves: Can I introduce Ian Hubbard to you, who is our guru.

Mr Hubbard: What you see in other revenue typically is a whole bunch of different ingredients that come through. Some of the most significant ones, of course, are profit on sale, recoveries from insurances, recoveries from tenant-responsible maintenance, and property transfers when properties come in from other parts. That can only be

predicted pretty closely from one year to the next. They are significant changes and we cannot really predict too many years out what those results are going to be. We cannot really predict how much property we are going to transfer between, say, us and CSHA. That is a \$10 million movement. The more typical other revenue for us, based on the last 10 years of housing, is more like \$3.5 million for other revenue.

MR SMYTH: So that is a long-term average?

Mr Hubbard: Yes, that is our long-term average. When we are doing our budgeting into the future, that is where we go. It is very hard to predict from one year to the next when big movements happen, especially around insurances.

Mr Hargreaves: The notes, for the benefit of other members of the committee, on page 348, in the middle of the page, give a whole rundown of various bits and pieces that Ian Hubbard has just indicated. I draw your attention to the one-off return of properties from Community Housing Canberra at \$10.05 million, and that has taken care of most of the one-off effect that Mr Smyth has pointed out.

MR SMYTH: The operating result for housing this year is to be a positive \$7 million. It drops to minus \$465,000, but then in the outyears it is minus \$6 million, minus \$8 million and minus \$10 million. Why is that so?

Mr Hehir: Certainly, the most important factor there is an increase in supplies and services. You will see that against that line there is an increase in the order of about \$6 million, and that just reflects our estimate of the actual property costs associated with the portfolio. It is an area where you do get substantial growth, and that incorporates a number of factors of which I think Mr Hubbard will have the detail. Certainly, that is the single largest factor that we would be anticipating. In fact, that would account for nearly all of that reduction. It is in regard to costs which we have very little discretion as to whether we spend.

Mr Hubbard: Again, it is the ability to predict movements out into future years. We are typically pretty conservative about our predictions going into the future. Obviously, with an operating statement, it is the subtraction of your revenue against your expenses. If you look at the user charges line, we are pretty conservative about rentals. Housing ACT, being a PTE, relies significantly on the revenues we get from rentals. We are very conservative about our predictions owing to the targeted nature of the tenants that we have here.

It is a business that is quite tough to make a profit with. We work pretty hard. We do aim to break even to the extent of our depreciation in any year. If you look at the depreciation line, you will see that there is a significant amount of non-cash depreciation in the expenses going out. So while the operating result is negative, when you look at the cash position, it is a lot better than the actual operating result.

Mr Hargreaves: Also, on page 349, for members that want to see a breakdown of that \$6 million increase, it is sitting in the explanation.

MR SMYTH: I have a final question on the numbers. On page 339, in the average cost per dwelling your note refers to “total cost of public housing stock excluding

direct grants and community housing stock divided by the stock number". So if we multiply \$9,685 by 11,580 as the number of properties, we should get \$114,000,416?

Mr Hubbard: I would have to see exactly how the calculation was done. I would have to find out what the ingredients of the actual calculation are. It basically reflects the CPI increase on our property costs, which are our biggest expenses. Simple multiplication does not work because of the complexity of what is going on behind the scenes.

MR SMYTH: It is just that the note says it is cost divided by stock. Could you give me that reconciliation, because it does not equal \$114 million.

Ms Lambert: My understanding is that it will also include community housing properties, which will not necessarily be included in this particular output.

MR SMYTH: Sorry, the note says that it excludes the community housing sector.

Mr Hehir: It will include the total number of properties. We will check the methodology for you and provide that to you.

MR SMYTH: Even if you add in the 250 community housing properties expected in 2008-09, the maths do not add up.

Mr Hargreaves: I think it would be helpful if we got the ingredients of the formula which goes to that. What we see in the notes is the predominant divider in that. It is for the ease of people to see broadly what is the case. But I take Mr Smyth's point. I think it is a fair point and we will get you the exact part of the formula.

DR FOSKEY: Could I have a supp to that?

THE CHAIR: Yes.

DR FOSKEY: Would you mind also providing a breakdown of the share of market rent that is now coming into public housing and perhaps a little bit of a comparison with the year before, the last couple of years, so that we can see how that is tracking?

Ms Lambert: Do you mean in percentage terms?

DR FOSKEY: Percentage terms, yes; that is of most interest, but both would be even better.

Mr Hargreaves: In terms of public housing, we need to make the point that, for the last few years and indeed for quite some time, the figure for people in public housing receiving a rebate has been sitting at around 86 to 87 per cent. The effect of the changes to PRHAP have not bitten just yet; they will only bite as the market renters exit the system through the shared equity scheme, sales to tenants and moving on. I think the last figure I saw, Dr Foskey, was 87.3 per cent of public housing tenancies were—

DR FOSKEY: Yes, I am interested in the trend, minister.

Mr Hargreaves: When I first reported to the committee four years ago, it was 86 per cent, and it has moved to 87.3. I am expecting with the sale to tenants, the shared equity, and people through natural attrition moving on—sometimes they do well and they move on and sometimes they quit—that will increase.

You have got to remember now that the PRHAP changes mean that every single person who is housed will get a rebate, whereas before people were on the waiting list who may not have received a rebate, so we would have expected the percentage of market renters to have been roughly the same. Also please appreciate that, as the properties increase and the people getting a rebate come on, so too will that percentage of market renters shrink. There will come a day—and I do not expect that day to be for some years—when we will have no market renters in the system.

DR FOSKEY: Could you tell me what impact that will have on Housing ACT's bottom line and what the long-term plan is to deal with it?

Mr Hargreaves: The impact of it will be that at the end there will be no contribution to the sort of cross-subsidy that the market renters are doing. Its biggest effect on us will be the effect on repair and maintenance going forward. We are predicting that. At the moment the movement has been so small that it has not needed to be factored into the budget estimates, anything going forward, until we see the effect of the sale to tenants program versus the shared equity program and see how many people are coming on and we can predict that into the future.

Mr Hehir: Sorry, minister, I might just clarify some things. When the minister is talking about market rentals, he is talking about people paying quite high levels of market rent—

Mr Hargreaves: Yes, that is right.

Mr Hehir: and who would anticipate exceeding the \$80,000 income test. At this point in time, we have absolutely no information on the incomes of those households paying market rent, so we do not have any predictor of how many of those households will exceed \$80,000. That is something that we will find out in the coming months.

There will always be people who pay market rent in our very low-cost accommodation. There are bedsits, single flat accommodation, which are significantly cheaper than most products in the private sector. It is of a lower standard than most of the private sector accommodation that is currently available, so I would expect that we would always have a level of market renters.

The only predictor that we currently have of reductions in level of market rent is rent increases, market rent increases. When we see a higher jump in rents, we see an increase in rebates, so that gives us the information that there are quite a number of people who are consistently sitting just over the top of the rebate line. That is our strongest predictor at this point in time. Certainly the tracking that I have had provided to me over a six or seven-year period demonstrates that the biggest correlation that we have with an increase in the level of rebate is a preceding increase in the level of market rent.

Mr Hargreaves: You should need to also appreciate that we have just changed the rules around the provision of financial information into Housing ACT for its tenancies. Hitherto, the only time we were able to get information on income levels was when people applied for their rebates. Now we have changed it so that all of our tenants will be required to provide that information. But I can inform the committee that that process has not started yet, because we want to use it for a number of reasons, mainly to see about right sizing the properties, and we have not got that information. We will not even be applying that information for two years after the beginning of its collection.

I think the law changed it from 1 July or thereabouts; we have the ability or the authority at least to ask. But we need to then go through 11,500 properties to ask and make sure that the information that we seek still respects the privacy of these people, so we need to make sure our procedures are watertight. All of that has to be done. So we do not have the detailed numerical information that Dr Foskey seeks, but in general terms we know what is going to happen.

DR FOSKEY: The question was the impact that will have on the bottom line but also the long-term plan to deal with it. And, while you are answering that, I would be interested to know if Housing ACT put in a bid for more capital to increase its stock and whether that is down the line as well?

Mr Hargreaves: I have not put a bid in this year for an increase in the capital stock. We will get some details from Mr Hehir on this. As I indicated in my opening statement, we have got tens of millions of dollars applied to housing stock to increase it, but we do not necessarily need to have a capital injection from the government each and every year going forward. We are at the tail end of the \$30 million injection that the government gave us. This is the third year of those three years; we will get some details for you on that.

In terms of the amounts of moneys going forward, we recognise that for such things as repair and maintenance the difference between what we are receiving in rent and being able to apply for that thing will naturally be the subject of a budget submission going forward. So the effect on the bottom line going forward will necessarily be a call on the taxpayer to do this. I can underscore what Mr Hehir was saying: it is oversimplistic to say we have got X number of market renters and, therefore, we are going to lose totally that support, because we do not get totally that support from them now.

By way of example, we think we have got some people in bedsits paying \$90 a week. That is market rent for that particular accommodation so, whilst they are included in our 13 per cent, you cannot really say that they are contributing to cross-subsidising our repair and maintenance, our water costs and all this sort of thing.

The other thing we need to understand is that the costs that we are incurring at the moment, the cost increases that we are encountering, are considerably greater than the amounts of money that rent is going up by anyway.

Mr Hehir: To add a little bit more clarity to my previous answer, the level that has

been set to encourage people to leave and either purchase their own property, that property, or rent privately, is \$80,000. Given that most of Housing ACT properties rent below \$300 or in the order of \$300, it is perfectly possible to be in the income range between \$50,000 and \$80,000 and still be paying market rent, and there is no anticipation they would expect any of that cohort to leave. As I said, once we start collecting the information, we will have a better idea of what the actual impact is, and we will provide the minister advice once we have that information.

MRS BURKE: Are you going to do that every year or is this a one-off?

Mr Hargreaves: We will be collecting the information annually. Then what will happen is that we will have conversations with people on over \$80,000 a year. There are not many of these people, but let us say we find someone who is on \$120,000 a year family income. We will make sure that they have had that level for two consecutive years. Sometimes people leave the public service and get a fairly decent amount—they might even be on \$110,000 a year but their pensions are only worth \$45,000 a year. So we need to make sure that is clear. Then every year after the two years, we will have a conversation saying, “These are the alternatives available to you.”

DR FOSKEY: I have got some more on shared equity but more specifically—

MRS DUNNE: Can I just follow up on one thing? You talked about bedsits. I thought we had got rid of most of the bedsits. How many bedsits have we got?

Mr Hargreaves: There are still some remaining. We have still got some.

Mr Hehir: I would need to check the figures, but there would be a substantial number at Kanangra Court and some of the flats down along Northbourne Avenue are still bedsits, so there are still some there. I think it would be fair to say that it is not a high-demand product. But it is also a product that does suit some people. I have certainly talked to some tenants in the bedsits who say it is what they need, it is what they want and it is what they prefer. But it is certainly something that we keep our eye on. It is not our preference as a housing type, but it is certainly a product that we have. Given that they are generally in multiunit complexes, they are part of the overall look of what we are doing with those multiunit complexes.

MRS DUNNE: Sorry; I thought we got rid of them all when we got rid of Burnie Court.

Ms Lambert: No, we are also using them, Mrs Dunne, for some of our youth housing models. We have got a model in existence that we call a stairwell model. We outsource to one of the community organisations the management of a stairwell in a particular multiunit—usually they are bedsits—and we then support young people, often who are leaving care, leaving the criminal justice system or are simply homeless, to live in those. It is a way of building up their living skills, so we use them for that purpose as well.

MRS DUNNE: Okay. Thank you.

THE CHAIR: Would this be an appropriate place to ask about how the negotiations are going for the national affordable housing agreement to replace the commonwealth-state housing agreement, which is due to expire?

Mr Hargreaves: Yes, although I cannot give you very much detail about that, except to say that those negotiations are ongoing. There is a ministerial council meeting on 4 July where the thing will be further progressed. The position I will be putting from the ACT is that we roll over the existing arrangements for a period of time so that we can make sure that the holistic approach to a combination through public, community and supported housing is synergised. We want to make sure that the ACT is not disadvantaged in the allocation of funds. Indeed, we can try and see if we can be advantaged in that.

There are significant changes to the approach. The former commonwealth-state housing agreement was a model that had outlived its usefulness. All the state housing ministers and the federal government have agreed on that and so we need to go forward. The accent is now not on time-based waiting and providing cheap accommodation; it is about providing affordable and sustainable accommodation, so that big paradigm shift has occurred. It will have many aspects to it which will benefit the ACT.

One of them, which is an initiative which I applaud and would like to share with the committee—I do not have exact details but I can give you a broad brush—is the encouragement this agreement will have to have low-cost rental accommodation stock in the jurisdictions increased. This was one of six initiatives that we pushed forward with the former government's housing minister but he was not entertaining it because his thoughts were that we just needed to increase the stock and everything would be okay.

We need to address the issue of affordability, not only in the public sector but also in the private sector. So one of the initiatives that is going forward is in partnership with making sure that there are lower-cost buildings being built; hence our increase in the amount of land that we are releasing. That is part of the package. It is also the case that we will encourage landlords to rent their property out at up to 20 per cent less than the market rate and, where they do, there will be a subsidy from the federal government under the national affordable housing agreement to do that. We are expecting to receive a significant benefit from that. I think that is a terrific initiative and it is one that we have embraced—one that Mr Hehir has been talking about for a very long time and it is really pleasing to see it come off.

MRS DUNNE: What do landlords think of that?

Mr Hargreaves: So far, the conversations with the landlords have been very positive. Where we are hoping to have a big hit is from institutional investors, superannuation funds. We have been trying to entice superannuation funds into the marketplace. They do not need to have the rents flow as the mum and dad investors do. The mum and dad investors require the revenue flow from their investments, whereas the institutional investors are more interested in the capital value of the property increasing over time. That is where they get their profit, so they are not terribly bothered about the rent. So, if the market rent is X, they do not mind particularly

receiving it from two sources, if you like; they do not really care about that. They are more interested in the capital gain over time. So, so far, there has been significant interest in that scheme, across the country, I have to say.

MR GENTLEMAN: Minister, COTA, in their submission to the government, have asked that in these renegotiations of the commonwealth-state housing agreement you provide a policy program and governance regime to remove some funding from public housing to support community housing. Do you think that is something to think about, considering our population is ageing?

Mr Hargreaves: I am glad for that question. I will get Mr Hehir to give you some figures, but I need to speak on behalf of the housing people, because they do not like to blow their own trumpet enough. You might recall us indicating in the ministerial statement in the chamber that two significant events occurred in the community housing sector over the last few years. The first one was the total restructure of the sector and that was done with a violent shake-up. I take responsibility for the violent shake-up, but it was the officers from Housing ACT, under Sandra Lambert's leadership, which had to then bring the sector to a reformed sector—and it did happen and it is terrific.

SOUL and Poachling came together as ECHO. Community Housing Canberra had a restructure at board level. Havelock Housing Association changed their direction. We have got TAS Housing doing great things. The sector has now been reformed. The amount of money that we have been giving out, which was hitherto going to administration, is not; it is now going to the sharp end. That is the first thing that happened, which is significant.

The second thing is that we decided that we had to show confidence in the sector, having had it reform itself. So the first thing we did was to hand over 142 properties worth \$40 million. We had ownership of them and the sector were just managing them. We have handed the head lease of these properties over to the sector so it can now use that to trade; it can then buy and sell, using that stock as its asset to trade.

In addition to that, we have given out a \$50 million revolving line of credit, at our AAA credit rating, to further give the sector the opportunity to build on its stock and we are expecting it over the next 10 years to increase its stock by a thousand units. Martin will give you more.

Mr Hehir: We tend to look at housing assistance as a social housing system. From a policy perspective, we do not try and divide public housing and community or income-based rental within community housing from the overall social housing position. My own personal perspective is that what we should be seeking there is for that system to grow. Trading from one to another internal part of that system, unless it facilitates growth overall, is not actually achieving much. The focus at a policy officer level within the social housing policy group is more about how we grow the overall system.

I think it would be fair to say that nationally there is a view that community housing is an area where we can grow in terms of affordable housing and income-based rental. There are two different products in the community housing sector. That is something

that has been pushed. In public statements from the Australian government, they have recognised that community housing is a potential growth vehicle. That is what we would be very happy to see. It does make sense.

In terms of the trade, I am not sure that there is much value in that unless the whole purpose is actually facilitating growth, which is when the ACT government passed ownership of those 142 properties to Community Housing Canberra. It has a growth strategy associated with it. They were properties that were already long term leased to Community Housing Canberra, so there was not an issue in terms of the control, but the rest of the package that went round it is designed to facilitate the growth—and it is quite a rapid growth. In the end, their ownership has to increase to 500 properties—so more than triple their current base—in a 10-year period. In addition to that, they have to provide another 500 properties for sale as affordable properties.

It is a strategy that is designed to grow the sector as a whole rather than just seeing trading between components of the sector. From my perspective, that is where you would want to see the system go. Internal trading, unless it achieves growth, does not add much as far as I am concerned. But where there is a strategy which actually facilitates growth and encourages growth, that is certainly something that we would be considering and have in fact done.

THE CHAIR: Mrs Burke.

MRS BURKE: I am looking at page 345 of budget paper 4, particularly payments. Supplies and services related to what exactly?

Mr Hehir: That covers quite a wide range of things. It includes rates; insurances; property costs, so maintenance; water—

MRS BURKE: Would you like to provide the committee with a breakdown?

Mr Hehir: We can provide a breakdown of that, yes.

Mr Hargreaves: Yes, we will do that.

MRS BURKE: I have a series of questions and then I will be done. What is the current value of the Spotless maintenance contract?

Mr Hehir: I might start the answer. The value of the contract, from memory, is made up of two component parts, and they are very different in terms of their intent. One is that we pay to Spotless the maintenance cost, which is then passed on predominantly to the subcontractors. That, by far, is the largest component of that overall payment to Spotless. In a sense, they are managing the subbies on our behalf. Mr Collett might be able to better provide a response on the actual cost of Spotless's services, subject to—I would need to recall whether that is a commercial—

Ms Lambert: You are asking for the value of the total contract, are you?

MRS BURKE: Yes.

Ms Lambert: My last figure was around \$30 million, but we will check that.

Mr Hargreaves: For the benefit of everyone, we need to appreciate that the money, as Mr Hehir says, goes in two parts—the stuff that Spotless do themselves for us and the other stuff that they get other people to do. If people reading *Hansard* in the future think that we are just paying \$30 million to one company to come and fix the taps, that is not the way of it.

MRS BURKE: That is a point well made. Obviously, I am familiar with that but other people may not be.

Mr Hargreaves: Correct.

MRS BURKE: Minister, can you and your department assure Canberrans that Spotless cleaning are providing value for money at this stage.

Mr Hargreaves: Yes, I can. In the previous regime of providing maintenance, whether it was planned or responsive maintenance, we had quite a significant complaint issue around quality of service delivery, time waiting and that sort of activity. I am now receiving through my office considerably fewer approaches to have maintenance done. I still get some, as you know; you have sent some to me. But the number of those sorts of approaches to me has dwindled. We need to also cast our minds back. The Auditor-General looked into the area. That has not concluded yet; we will await the results of that. But also, anecdotally, as I have contact with the tenancies, it has improved. Yes, it is better.

The joint champions group that Mr Hehir referred to earlier is one of our conduits into the minds of these people. It needs to be said again that a few years back we had a very small joint champions group; there were only about 12 people on it. Now we have got something like 60. Is that right?

Mr Hehir: Eighty.

Mr Hargreaves: Eighty people on the joint champions group. We have got the feelers out among the tenancies much more effectively so the feedback in about their major issues and maintenance issues always features high on the conversation list. My feedback is that it is looking pretty good.

MRS BURKE: You might be able to answer this, Mr Hehir. Is there a CPI variation to contract each year or rise to—

Mr Hargreaves: There is always a rise and fall clause.

MRS BURKE: Maybe somebody else can answer that.

Mr Hargreaves: On the basis of the rise and fall clause, there is always one in every single contract. We always make provision for those into the outyears—generally across the public service.

MRS BURKE: What percentage increase would that be?

Mr Hargreaves: It depends on the CPI at the time. Across the whole board it is around three per cent, but that does not necessarily mean the contract is going to go up three per cent. There is a fall part of the contract as well.

MRS BURKE: It is interesting that you say that. I understand that contractors have received a letter. Are you aware that for 2008-09 there will be no increase to subcontractors from Spotless?

Mr Hargreaves: That does not surprise me. I had not heard it, but Mr Collett will address it. I do not get that level of detail on a day-to-day basis. Mr Collett will address that.

Mr Collett: As both the minister and the deputy chief executive have indicated, there are two parts to the Spotless contract. They act as a total facilities manager for us and take responsibility for paying the maintenance; amongst that role is acting as head contractor. Whilst they have a small number of specialist staff who can carry out quite specific tasks, by far and away the lion's share of the work that is done under the contract is done by subcontractors. You referred to letters received by the subcontractors.

For some, adjustments to the contract over the period of the contract fall into two groups to reflect those different payments. Firstly, there is the management fee that Spotless are paid, which is subject to escalation to reflect the increased costs of doing business; that is built into the contract. Secondly, there is the increase in the costs the subcontractors charge or are paid by Spotless for the works that are done. That is the subject of a schedule of rates, in the main. A small amount of work, particularly around responsive maintenance, might be done on an hourly rate or on a reimbursement basis, but the vast majority of the work is done on a schedule of rates. That gives us some certainty, it gives some control to Spotless and it gives some certainty to the contractors.

We set up a new schedule of rates when Spotless first came on board. Obviously the previous payment schedules that had been agreed with the two previous providers of maintenance services were part of the contract between the subcontractors and Transfield, and it was necessary for Spotless to enter into new contracts. We entered into a fairly significant discussion with the subcontractors about the schedule of rates. We set the schedule of rates on a basis that we were very confident about—being able to provide the contractors with a solid commercial basis to carry out those works.

We did agree with the subcontractors to subject that schedule of rates to some market testing and some review over the period of time. We then did some fairly significant testing of the schedule of rates against the schedule of rates that was being paid in other jurisdictions. On the basis of that, we agreed that at the end of the first 12 months of the contract there would be no increase in the schedule of rates.

MRS BURKE: Are you aware that there is going to be no further increase? I believe that some of the subcontractors are going to be very unfairly disadvantaged.

Mr Collett: There was a significant increase in the following year. We are entering

into negotiations with Spotless, with the subcontractors, for the next 12 months in terms of the schedule of rates. I have not seen the detailed correspondence that has gone out from Spotless, but we have not signed off on any position with Spotless in terms of the schedule of rates, which will need to be set for the next 12 months.

MRS BURKE: I am getting feedback from subcontractors that they are very concerned about viability. I do not know if you are aware of this, minister; maybe you want to investigate this. It is very concerning to me. It particularly relates to the next part of my question, which is to do with the often slow—and not to your liking, minister—turnaround of vacated properties. It has been put to me that the reason we are not able to put the properties back into the system as quickly as we would like is that the maintenance often is not as responsive as it might be.

Mr Hargreaves: I have not received that information about the turnaround issue. In fact, I do not think that is so at all. If the information that you have and I do not is valid, then there is a concern. Have you conveyed that information to the department?

MRS BURKE: Not as yet. I have only just received it myself.

Mr Hargreaves: If you would be good enough to let me have it—you have me at a disadvantage—I will have a look at it and have a chat to the officers about it.

Mr Hehir: If I can just add to that, it is worthwhile noting that, in terms of our routine vacant properties relet within the 28 days, over the last two years there has been a substantial improvement in that.

MRS BURKE: How many are there currently, Mr Hehir? Do you know?

Mr Hehir: In terms of vacant properties, we can probably get you those figures. In terms of our target of a 28-day turnaround, which is a national benchmark, we have been seeking to achieve 85 per cent. This financial year is the first financial year in a number of years that we have actually hit that benchmark. So we have actually seen a substantial improvement in our timeliness over this year. It will be interesting to see what the subcontractors are saying to you, because our experience of that is that we have actually achieved a significant improvement in the time frames.

MRS BURKE: I am sorry; I think my comments were in relation to the subcontractors, in relation to the rates. Maybe there is going to be a future problem for you.

Mr Hargreaves: I think it is important to know, for the record—and I do not think this is an unreasonable assumption on Mrs Burke's part at all—that if the maintenance regime slows down for some reason—for example non-payment of invoices, rates, availability of skilled workforce, whatever you like—then it will have that effect on the turnover rate. I think what we would like to put on the record, though, is that that is not the case at the moment. We will definitely take seriously on board the concerns that Mrs Burke has.

One of the things that I would like to put on the record at this point, if I may, in relation to properties which are vacant is that we are aware that there are two types,

really. You have got vacant ones in multi-unit properties. They are very hard-to-let properties and people will actually be offered them and knock them back. We have a program in there to try to encourage their occupancy. We also have freestanding properties out in the suburbs.

We did a pilot some time ago on using some of these properties which have been identified for redevelopment, and we have decided that we will apply some treatment to them and then allow refugee families to occupy these things because we know that properties will sit in the suburbs looking vacant for six months. Mrs Burke has often written to me and said, "My people are telling me that this property has remained vacant in the suburbs for six months." When we look into it we can find very good reasons why that is so; it is just that it is not obvious to people.

What we are doing, however, is now allocating out a number of those properties to allow refugee families to go in there while they get on their feet. The program was really successful last year; it was last October that we did it. We believe that we can now house six to eight families and, if there are more families that need it, we actually can accommodate them in that same system.

I was privileged to go out to Narrabundah to see a Sudanese family. These folks will not be in our public housing system forever. These guys will quite happily get on their feet and move on. They needed somewhere safe and secure, but only for six months. Rather than put them into one of our other tenancies where we can put someone permanently into—we have, we know, got a revolving series of accommodations which we will redevelop—we put them into this particular property, a weatherboard property in Narrabundah which was built in the 1950s.

It can be used because it is empty and we move on. Clearly if we then redevelop that, we can either redevelop by selling the block of land and applying the proceeds to the further purchase of stock which we have to do under CSHA or we can redevelop it with a couple of townhouses. In the meantime, these folks are occupying it.

When we talk to you about X number of properties being vacant and the turnaround, the numbers from here on will actually require a series of explanations to support them so that you get a real idea of which ones are vacant, which ones are being prepared for re-tenancy, which ones are vacant because we are going to sell them et cetera and what is the plan for them and what are the time frames. I think we need to have that supported by explanation.

MRS BURKE: On the maintenance thing, going back a step, tenant responsible maintenance has increased. Why is that?

Mr Hargreaves: In what sense?

MRS BURKE: The costs, the charges to tenants for maintenance have increased.

Mr Collett: That is the area that we have been concerned about for some time; it is an area that we wanted to be more accurate about; and it is an area that we wanted to work closely with the tenants in order to try to reduce the amount of tenant responsible maintenance.

There were some general questions about the effectiveness of the Spotless contract. One of the areas in which Spotless has been particularly effective has been reducing the amount of responsive maintenance that was done as compared to the amount of planned maintenance. That was a key target of our contract. You can imagine that having somebody come out and do an upgrade of the whole plumbing system for a house is much more cost effective than sending somebody out to fix a leaking washer. We have been able to reduce the amount of responsive maintenance done as a percentage of the contract from 60 per cent to 28 per cent under the term of Spotless's contract—a very significant decrease.

Why I am raising this point in the context of the question about tenant responsible maintenance is that if we are to get any further improvement in that figure we will need to look at tenant responsible maintenance, which now constitutes about 30 per cent of the unplanned maintenance. So we do need to make sure that our maintenance dollars are being spent on upgrading the quality of our stock, providing better accommodation rather than fixing up damage that has been caused by our tenants.

MRS BURKE: I accept that. You do not feel we are putting undue pressure back on people who are most vulnerable? I accept people who do the damage have to pay for it but—

Mr Hargreaves: When we are talking about the tenant responsible maintenance, it is not only damage done; it is other issues which are smaller scale stuff as well.

MRS DUNNE: You mean leaking taps and things?

Mr Collett: There are lost keys, for instance.

Mr Hehir: It is worth while talking about the processes we use on tenant responsible maintenance. We have certainly improved them over the past years as well and that is certainly a part of the process. There are a number of checking points when we get advice from Spotless about tenant responsible maintenance; we are requiring better documentation to support that—I think Mr Collett can probably identify that—but we also have a look at the reasonableness of it within Housing ACT.

There are a number of processes, and where tenants feel it is too high or inappropriate we also have a look at that in terms of having a review of that actual individual identification as well. Mr Collett will be able to talk about the improved processes as well.

Mr Collett: Very much so. It is a question of balance. Another part of running a difficult business, as Mr Hubbard indicated recently, does require careful balancing. Obviously there is significant tenant responsible maintenance by people who are already vulnerable, and our executive director always reminds us of that fact.

In response to those concerns, which we share, we have done a number of things. Firstly, we have revised the process of vacant inspections when tenants advise us that they are leaving a property. Provided that they do provide us with adequate notice, we will carry out an inspection with Spotless—at the moment with the housing manager

and with the tenant—in which we go through and have an opportunity to discuss the maintenance that is required in order to make sure that the maintenance that is being charged to the tenant is substantiated.

We require video evidence for every vacated property that Spotless do work to. Their accounts are not paid unless they provide us with a videotape showing all of the damage, the extent of the damage and the other areas of the house. But it is an area that we are not happy with unless we make further improvements.

One of the improvements that we have agreed with Spotless in the last fortnight is to establish a schedule of rates, which I have referred to previously, for the vacated maintenance work that is necessary to be done. A lot of that recurs, as you would imagine—flyscreens that have been damaged, holes in gyprock walls, stains on walls that cannot be removed, carpets that cannot be cleaned. What we have suggested to Spotless, and have discussed internally and have agreed, is that we need to share some of the risks involved in doing that work.

One of the most frequent concerns we get from tenants is when the early inspection indicates that they are going to be up for \$500 in tenant responsible maintenance and they subsequently get a bill for \$1,500 because when the furniture is moved, when they have vacated the premises, there is actually shown to be more damage or it has taken the subcontractors longer to fix that. The schedule of rates will say that for every item there is a fixed cost. If the contractors spend longer doing that, then that risk is shared and the cost of that extra works is shared between the contractors, Spotless and ourselves; it is not passed back to the tenants.

MRS BURKE: But is this not contracting on the run? The RFT would set out what you required at the beginning, and it seems to be like a moveable feast. I do not want to take any more time. I will put any more questions on notice.

THE CHAIR: Thank you very much.

Ms Lambert: Can I respond to that one? It is not a moveable feast. What we need to do with any contract is actually keep examining what is happening and then evaluate that and make changes. That is the way that we work in contracting.

MRS BURKE: I realise that but in terms of the three-year by three-year or one-year by two-year—

Ms Lambert: No, it is done each year. We ask that very firm deliverables are met by our contractors; so we have got very tight contracts. This is quite a different contract as well and we ask that standards are met each year. In having those discussions, things come to mind that we think we probably need to pay attention to.

MRS BURKE: I think you need to investigate the subcontracting side.

THE CHAIR: Thank you. We are going to morning tea.

Mr Hargreaves: Before we go, Madam Chair, you asked for the Spotless figure.

THE CHAIR: Yes.

Mr Hargreaves: The figure of expenditure for 2006-07 was \$26.777 million and the anticipated figure for 2007-08 is \$31 million.

THE CHAIR: Thank you very much.

Meeting adjourned from 10.08 to 10.31 am.

THE CHAIR: Minister, I believe you have a commitment later this morning and we need to finish by 11.30 am.

Mr Hargreaves: Can I express for the record my appreciation to the committee for moving times to fit in with my diary. I do appreciate it, and I apologise for the need for it to have happened. I was at the beck and call of the ministerial council system. I do appreciate your forbearance on that.

THE CHAIR: Mr Gentleman?

MR GENTLEMAN: Minister, I go to the ACTCOSS budget snapshot. They have been a little critical. I will read a little bit of the text:

It is disappointing that this budget does not allocate funds for capital works related to Housing ACT.

You said in your overview that there are 64 new constructions going on, and 145 purchased properties. I also see in budget paper 4 at page 341 capital injections of \$14.4 million in this year and \$7.3 million in the outyears. I would imagine that is from the \$30 million capital investment that the government made earlier.

Mr Hargreaves: One of the things about the community observers in respect of a lot of budget issues—and I am disappointed, I suppose, in some of the community leadership because they have not taken the time to understand how the structure works; maybe that is a task for us to address—is that their assumption is that we are dealing with a zero-based budget. Their assumption is that, because no money has popped up in a particular budget paper, there is no money at all. That would be true if it was a zero-based budget but it is not; it is an incremental-based budget. It also shows a lack of understanding of the way in which Housing ACT's portfolio is managed, remembering that we can buy and sell properties and indulge ourselves in the real estate market for the benefit of our clients. As I indicated in my opening statement, and I will see if I can find the numbers again—

MR GENTLEMAN: I think you said there are 64 being constructed and 145 purchased.

Mr Hargreaves: With respect to the total capital program in 2007-08, the year in which we sit, the program is expected to come out at \$53.548 million. It will construct 26 new properties, purchase 98 homes and \$6.6 million will have been used in upgrades and improvements. In 2008-09—and this is something that ACTCOSS should have taken notice of and have not—the capital program is expected to be

\$82.903 million. That is nearly \$30 million greater in one year. We will provide an estimated 64 constructed properties and 145 purchased homes, and we will be putting \$9 million into upgrades and improvements.

If people say they are disappointed and they do not see anything in the budget going forward, when we have just indicated nearly \$30 million—\$29½ million in a year—that is something that the community sector ought to be congratulating Housing ACT on, not criticising them. You have to ask: if \$30 million is not enough, what is?

THE CHAIR: Minister, I think you are right; there probably is a need for community organisations to be assisted a little more to understand how to read the information in the budget papers. I think some of that is about not being able to properly read the—

Mr Hargreaves: Madam Chair, could I be bold enough to suggest that the committee might consider a recommendation around these lines? I know this has been a recurring theme during my 10 years here. Mrs Dunne was here as a staffer before that, and I think she would concur that there is not enough understanding in the community sector of how budgets are constructed and what is in the base, and what is in the base which has room to move. We know that some stuff is just in the base and it does not really affect anything, but when we are talking about something like the loan portfolio and our capital program, the base itself, and the movement in the base itself, it is sometimes considerably more significant than any additional funds that might come forward.

For example, I can remember having a \$3 million increase. You think, “That’s a lot of money.” It is not really, when you compare it to a \$90 million movement in the sector in the next 12 months. We need to share that with the community. Perhaps there is a role for Treasury to develop a training package.

MRS BURKE: That could be a recommendation for the committee, minister. I was just thinking that.

DR FOSKEY: There could be a recommendation to the government to explain how it works.

MRS BURKE: Yes.

Mr Hargreaves: If I can be bold enough to suggest something like that, it would assist. The other thing is that when we get community submissions—and I know that you all get copies of the community submissions—they all say to us, “Give us more money, please, so that we can provide more services,” and that is a valid request. But it would be helpful for us, when we are evaluating these requests, to know what sits in their base so that we can see the relativity of it as well. I think there is just a lack of understanding.

THE CHAIR: Thank you, minister. Dr Foskey, you have a substantive question.

DR FOSKEY: Another community organisation—perhaps you can clarify this one too, minister—is the Havelock Housing Association, which appeared before the committee last week, and I was fortunate to be present. I would like to quote from the

transcript. You may already be aware of it. It is about funding for community housing:

The model that we work under is that the government pays us a set fee per tenancy each year to manage, and that is a funding model that changed in 2006 ... Out of the 695, we pay some of the maintenance fees and we pay utilities such as electricity, so these are fully managed tenancies. A lot of the people that we have to manage have problems; they have social problems, drug problems and alcohol problems, and they take a high degree of management.

This is the bit that I would like you to comment on:

We have an issue where the government wants to change the current model again, and we are in negotiations at the moment. The government is asking us to provide 50 per cent of market rent for accommodation that we pick up only 25 per cent of income on. These people are not earning anything like double the market rent. A pensioner pays around \$110 a fortnight for accommodation. The figure of 50 per cent of market rent is \$250, so obviously we cannot do that. The only way that we survive, in addition to the current government funding model, is by the collection of commonwealth rental assistance, which is used to supplement and pay for some, not all, of the utilities and services that we provide. We are going to have a fundamental problem if we are required to provide 50 per cent of market rent for a property that we do not collect that much on.

I would just like to hear what is actually happening there and whether this problem is a real one that needs to be addressed.

Mr Hargreaves: Thank you, Dr Foskey. I would like to introduce to the committee David Matthews, who is our guru on this sort of stuff. He will address your question in a fulsome manner.

Mr Matthews: Dr Foskey, I have been personally involved in those discussions with Havelock Housing Association and they are broadly contractual negotiations for the next financial year. What we have been exploring with them is some alternative rental models. The current model that you pointed out is a benchmark approach where they get a flat tenancy management fee and remit the rent for those properties to Housing ACT. What we have been exploring with them is whether we could adopt a different approach across their portfolio of properties whereby they remit a straight amount of money to us. The figure that we have been working on as our starting point is 50 per cent of market rent. The reason why we have adopted that figure is that that is our property cost associated with managing that portfolio.

We have been asking Havelock Housing Association for details of their rent collection, including their CRA collection, so that we can complete that financial modelling work. As recently as yesterday, Havelock Housing Association advised us that they are currently collecting 60 per cent of market rent across their portfolio, including commonwealth rent assistance. Whilst we still need to get further financial details from them to identify whether a 50 per cent figure is the right figure and a figure which both guarantees sufficient rental income and also provides incentive for Havelock House to manage those tenancies in an efficient way, we think that we are not too far off. The alternative funding model is the current one, and we are discussing

that model concurrently with Havelock Housing Association.

DR FOSKEY: The question was put that—if we are to collect CRA under this new proposed arrangement and then pass it on to the government, then you can call it whatever you like but it is still a collection of CRA and passing onto government. We are not sure about the legality of that. Could you please advise us?

Mr Matthews: CRA is an entitlement paid by the Australian government which is open to all people renting in the private market, but not public housing. We are not asking Havelock Housing Association to remit commonwealth rent assistance to us at all. What we have asked them to do is to give us some details about what CRA they are collecting so that we know what their total take of income is across their property portfolio. It is not about remitting that money to us; it is about understanding what their revenue stream is going to be for the management of those properties so that we can ensure that any revised arrangements provide sufficient government funding to enable them to do their work effectively.

DR FOSKEY: Do you believe that they have a greater and a different understanding from the evidence that they gave us since you last spoke to them?

Mr Matthews: In our meeting with them yesterday they were seeking further information about the basis of this modelling that we have been speaking about. As I said to them yesterday and said in my answer earlier on, we are waiting on financial information from them so that we can complete that modelling work. Once we have that information, we will be very open with Havelock Housing Association about that. We have invited them to come to our offices and work alongside us in completing that modelling work. We are very happy to be open and transparent about that. As I said before, the alternative model is the current arrangement where they receive a benchmark payment and remit the rent that they collect for those properties to Housing.

Mr Hargreaves: This is a paradigm shift here. One of the things that have been missed is that we are expressing confidence in Havelock Housing Association by moving to the other model. Right now it is just moneys in and moneys out. What we are saying is that we have confidence in their management to manage tenants. It has been a complex arrangement. We did not have that confidence two years ago. In fact, two years ago I expressed publicly that I had no confidence at all in that sector doing it. I can remember being quite firm about that at a hearing such as this. Things have changed. We now have confidence in their management being able to do it. This is the model we want to move forward with.

THE CHAIR: Mrs Dunne?

MRS DUNNE: Minister, can you tell me what is happening at Fraser Court? Can we have an update? Is the sale of Fraser Court factored into the budget?

Mr Hehir: What is happening with Fraser Court is that the tender process has closed. The assessment is currently being made. I understand that we are waiting on signatures from the assessing team.

MRS DUNNE: I am sorry; I cannot hear with all the noise.

Mr Hehir: The tender has closed; the assessment has largely been done. We are waiting for the signatures of the assessing team to confirm that the actual written-up documentation reflects their view of the tender. From there we will be able to move forward relatively quickly. We are just waiting on those signatures. We clearly cannot do anything until we get that. We are very close.

MRS DUNNE: Are you—

Mr Hargreaves: Mrs Dunne, before you go on, let me say that the figures themselves would not necessarily reflect in the budget itself; they are part of the portfolio. Every penny we make out of that has to go back in the stock.

MRS DUNNE: Yes, I know. I am just wondering where in the cash flow the projected income appears.

Mr Hehir: I would need to take some advice from Mr Hubbard, but the original intent for that project at the beginning of 2007-08 financial year—so in terms of the budget for 2007-08—was that it would be done as a joint venture; accordingly, the cash flows would have reflected in the outyears rather than in the 2007-08 year.

MRS DUNNE: There is a big jump in the proceeds of sales between 2007-08 and the budget years—\$34 million?

Mr Hehir: I will check with Ian.

Mr Hubbard: What is included in the 2008-09 budget is 8.15 for the sale of Fraser. As has been said, we do not know what the outcome of the process is at the moment, so we are just budgeting a figure. Because there are a number of options in the process, we had to put in a figure that we thought might eventuate. One thing that is going to happen is that, depending on the outcome, we will be changing that number. We had to put some number in the budget, so 8.15 is the number.

MRS DUNNE: It is the best guesstimate?

Mr Hubbard: It is a best guess, based on valuations.

THE CHAIR: Mr Smyth, you had a supplementary.

MR SMYTH: Minister, Fraser Court has appeared a lot in the news over the last couple of years, particularly the unfortunate death that occurred there. My understanding is that there were lots of reports about antisocial behaviour from various tenants at Fraser Court. What was done to ameliorate the impact of that antisocial behaviour?

Mr Hargreaves: I will get David Collett to give you more specific details. From where I am standing, when we were decanting that particular place we had security officer presence, fencing and a range of other issues. But you need to understand that we were decanting that particular place and you are always going to

get these sorts of issues. When it comes to disruptive tenancies, there is a firm policy in place.

MR SMYTH: But the issues started before the tenants were leaving Fraser Court.

Mr Hargreaves: Yes, exactly.

MR SMYTH: What was done before the decanting process started and how seriously were the complaints of tenants who were affected by this taken?

Mr Hargreaves: All complaints are taken seriously. There is an underlying implication that we do not take them seriously. That was rejected out of hand. All of them are treated seriously. The processes are in place. I have to tell you that the processes that are in place today are much more refined than they were at the very beginning of the decision about Fraser Court. I will hand over to Mr Collett.

Mr Collett: Absolutely, minister, and I can provide some details to support your comments about that. As the minister has just reported, Fraser Court was the site at which we implemented some of the responses to security problems at our multi-unit properties, which we have now expanded across the broad portfolio. We were very proactive in responding to the reports about disruptive behaviour, illegal activities and nuisances to our tenants, both from other tenants in the site and from elsewhere.

We brokered a visit of the AFP to the tenants on the site—ACT Policing. We introduced the police to the tenants; the police were able to give an account of how they responded to reports of illegal activity. We reinforced with the tenants and the police the importance of intelligence-based policing. In that regard we were advantaged by the close work we do with the volume crime task force within the AFP, so-called Operation Halite.

We took the initiative of taking our security firm there, introducing them to the tenants and having a barbecue get together so as to encourage a first-name relationship between the security providers and the tenants. We rewrote the security contract, requiring visits to the site to be completely randomised and requiring them to acknowledge and have conversations with as many of the tenants as possible when they visited the site. We did a range of improvements to lighting and security in the common areas.

Throughout the process leading up to the decanting, we had regular meetings every couple of months with the tenants, to evaluate whether those responses to their concerns had been effective or not. Whilst there were other suggestions coming forward throughout the process, the report was consistently that they were very useful. We saw a significant turnaround in the relationship between the tenants and the security staff who attended the site.

That is an arrangement, as I say, that we have now expanded to other areas. The security services that we provide, particularly in Ainslie Avenue and the Ainslie Avenue precinct, have been modelled on that. The recent work we did both with our tenants and with the community organisations that are active in that area demonstrated that it is being effective there as well.

Mr Hargreaves: I would like to make another point in relation to Fraser Court. I first became aware of disruptive behaviour in Fraser Court in 1976. The story relayed to me was that a person had a bullet fired through his door in that particular complex. I suggest that the community might like to consider this. Certainly the decanting of Fraser Court occurred in the term of this government, but the disruptive behaviour and the dysfunctional tendencies did not start when this government came to power. We need to consider what other governments did or did not do in their context and understand that this is an ongoing problem which will result.

Mr Hehir: It is probably also worth saying that there is very little doubt, in my view, that large-scale concentration of disadvantage does not produce good social outcomes. It is a very difficult thing to manage when you put people with alcohol, drug, mental health and many other issues into quite close proximity. Within Housing ACT, we seek to manage disruptive behaviours within the context of both the lease that they have in place and also the Residential Tenancies Act. The Residential Tenancies Act is very specific around what can be done. The way in which the Residential Tenancies Tribunal interpret that act, particularly in relation to evidence, is quite problematic in terms of moving people on when you do not have very strong witness statements from people prepared to make a complaint.

It is unfortunate that that is the case in many of our disruptive behaviours or claimed disruptive behaviours: the people complaining are not prepared to stand in front of the Residential Tenancies Tribunal and give witness. It is a very difficult thing to manage. We do seek to work very closely with people in terms of modifying their behaviours, assisting them, providing them with support services and identifying people that they can work with, including community organisations and drug and alcohol organisations. We employ security services in particular areas where we have very high concentrations. But it is all with a view to trying to assist people, where we can, to live appropriately so that people can enjoy quiet enjoyment.

It is a complex task. It is something we will continue to work very hard at. I think I said in the hearing the other day that I think any eviction is a failure—though not necessarily on Housing ACT's part. We have a commitment to work with people who demonstrate that they are willing to work with us. We will uphold that commitment. Our difficulty often relies on evidence. Perhaps unfortunately, we often rely on other measures to seek an eviction. While we will not have very many evictions around disruptive behaviour, we will often use a proxy measure, such as non-payment of rent. Often the behaviours go hand in hand. We may have very clear evidence on that, so we are able to be quite successful. It is something that we work on. We do look at our alternatives; we do look at when we can relocate if possible.

MRS DUNNE: It is like getting—

MR SMYTH: I want to go back to what Mr Collett said. Was the process you just told the committee about in place when the death occurred or was that put in place after the death occurred at Fraser Court?

Mr Hargreaves: No, prior to.

MR SMYTH: It was put in place prior to?

Mr Hargreaves: Yes.

THE CHAIR: Dr Foskey and Mr Gentleman have supplementaries. You have something to give us after that. Then we will go to multicultural affairs.

Mr Hargreaves: It is an answer to Mr Smyth's question on some numbers.

THE CHAIR: Fine. We will take those two supplementaries, then take that answer on notice and then go to multicultural affairs.

DR FOSKEY: There are a couple of policies that are in operation at the moment in ACT Housing. One is the encouragement of people paying market rent to purchase their houses, whether as a shared equity or as a—

MR GENTLEMAN: Is this a supplementary?

DR FOSKEY: This is about trouble in houses. Just let me get there.

MRS DUNNE: It was about Fraser Court.

THE CHAIR: It is about Fraser Court.

DR FOSKEY: It is about behaviours. This is about behaviours.

MRS DUNNE: My question was about Fraser Court and about the sale process.

DR FOSKEY: The disruptive behaviour.

MRS DUNNE: It was not actually.

DR FOSKEY: We have gone further than that now. If my supplementary is objectionable, I will withdraw it.

MRS DUNNE: I am just concerned about time, and I know that staff have other things to do.

DR FOSKEY: Okay. And also the priority allocation is going to mean a lot more people who are troublesome tenants. I am wondering if ACT Housing is prepared for this change. We are going to lose our social mix, and Fraser Court did have a social mix.

Mr Hehir: I think that is a dangerous assumption to make—that just because someone is in serious housing need they will be troublesome. It is something that we work—

DR FOSKEY: No—that there is greater tenant need. I am sorry; I really want to withdraw that.

Mr Hargreaves: That is fine.

DR FOSKEY: I mean requiring more need. That is the criterion.

Mr Hargreaves: The answer to your question is: absolutely. That is why we do not believe that concentrations of people with social disadvantage are appropriate in multi-unit complexes. The very point that you make is the plank on which we build this policy. What we wish to do is put people within the community itself so that the community itself supports it with a range of other examples for people to pick up and run with, rather than have disadvantage. Mrs Dunne, do you want to spend 30 seconds?

MRS DUNNE: No, I am just agreeing.

Mr Hargreaves: Hallelujah!

MR GENTLEMAN: Minister, my supplementary is about the discussion on eviction and the Supreme Court's ruling that conditional orders are not allowed to be enforced by the Residential Tenancies Tribunal. If ACT Housing wants to take action in the tribunal against the person causing disturbances, nothing short of eviction is able to be done by the tribunal. And, as you have indicated, eviction only moves the problem to another area. What is the government doing to rectify this, apart from some of the issues you have touched on?

Mr Hargreaves: I like to share around the glory of these things—the things we do well—so I will ask Ms Sheehan to respond to that one, even though I can.

Ms Sheehan: The Supreme Court ruling was that it was not possible for the Residential Tenancies Tribunal to make a conditional order where the issue was disruptive behaviour. So the Supreme Court said, when it is a question on rent, it was possible to make a conditional order, which was: "You must pay your rent or there will be an eviction."

The issue for Housing ACT was that we do not want to move straightaway to an eviction to manage disruptive behaviours. We have had some discussion of the sorts of things that we need to support people to manage their tenancies. However, the situation that we found ourselves in was that, once the Supreme Court said, "You can't use a conditional order any more," we were put in a situation where we would have to move to an eviction if we could not work with the tenant on disruptive behaviours.

The government was able to move forward with an amendment to the Residential Tenancies Act, which has just been tabled in the Legislative Assembly, on 6 May, which introduces a new type of order which will be called a performance order. That performance order will enable us to apply to the Residential Tenancies Tribunal for such an order in the case of disruptive behaviours.

Those orders also have an additional benefit for Housing ACT, which is that the order will be granted if it can be shown that there was disruptive behaviour and then we will work with tenants. But if the tenants continue to breach that order, then we can go

back to the tribunal and simply prove that the order was breached and then move to an eviction. So in the case of very extreme behaviours, which most likely would be illegal behaviours as well, we will be able to have an eviction.

MR GENTLEMAN: Will you still have an issue, though, with those orders? As Mr Hehir indicated, you have trouble getting people to come and give evidence to the tribunal.

Mr Hargreaves: Yes, we always have that problem.

Ms Sheehan: I suppose the issue is that there are many types of evidence that you can bring to the tribunal, and Housing ACT is very keen to explore the dimensions of what evidence we take to the tribunal to satisfy them that the behaviours have been disruptive. Historically, we have asked tenants to come and give that evidence. We are keen to meet with members of the tribunal and discuss the sorts of issues that we face in Housing ACT and get their advice on other means of giving that evidence of disruptive behaviours, which may give more comfort to our tenants, but also to bring that evidence to the tribunal that the disruption is certainly occurring and that action needs to be taken.

MRS DUNNE: These changes will apply equally to rental in the private market as well?

Ms Sheehan: They will, yes. The Residential Tenancies Act does not make a distinction between public tenancies and private tenancies.

THE CHAIR: Thank you very much. Minister, you were going to give us an answer to a question from Mr Smyth.

Mr Hargreaves: Yes. Mr Hubbard has an answer. Mr Smyth wanted to know how this formula worked. We have got the answer right now for him. It is very simple and I thought it was easier to do it now.

Mr Hubbard: Mr Smyth, you referred to the cost per property. What I needed to do was figure out what costs were included in that formula. If you have a look at your 2008-09 figure for total expenses, at \$114 million, of the total expenses the only expenses that are not included in that amount are the grants and purchase services because they do not directly relate to properties. What we have done in relation to the \$114 million is, roughly, we have taken off \$2.2 million and then divided it by the number of properties and ended up with the 9.685. That is a report-on-government measure and we use it as one of our key indicators because it is a cost driver, obviously. And if you do that formula across each of the years it will work out based on the numbers that are in front of you.

MR SMYTH: I wondered whether it was that. Thank you.

Mr Hargreaves: It is a Productivity Commission guideline.

THE CHAIR: Mrs Dunne, have you a multicultural question? We are going to multicultural.

MRS DUNNE: Minister, could you outline for the committee what is envisaged by the expansion of funding for the Multicultural Festival?

Mr Hargreaves: I certainly can. Thank you very much for the opportunity to spruik about the festival.

MRS DUNNE: But keep it short.

Mr Hargreaves: It is a long festival. It started at about 6 o'clock in the morning on the first day, over coffee. Quite seriously, what has happened is that the festival has grown in not only popularity but also effect. It is a bit like the golden arches have grown. The festival has grown not only as a great party—it is the second biggest festival in town—but it is the biggest festival of its type and it is the biggest type in the country.

We have believed for some time that it is growing almost to the point to be self-sufficient now; so it needs to have a sense of governance so that it can actually take itself on its own into the future. But there are areas of it which need governmental support, the administrative things—for example, the insurance levels that we actually have coverage against. They have just blown out of the water.

What has happened in the past is that it has been significantly supported by the community, by the embassies, by some of the service clubs—the Tradies and the Hellenic Club, for example—and the Canberra ticket-buying community. But it has not had an increase in the last—what, three years or more? It is about six years that it has not had an increase at all. So the value of the dollar that we can expend on the festival has actually gone down, as you can tell. So what this is in effect is an expression of confidence on the part of the government—a \$100,000 increase, by 30 per cent, is such an expression.

Where the festival's success, other than it being a great party, has been is that it really has put Canberra on the map as a centre of harmony, multiculturalism and multicultural awareness. It has not only put us on the map nationally; it has also put us on the map internationally. We are quoted right around the world as an example of how to do harmonious living. This is the major plank of our efforts to show the world how good we are at doing multiculturalism and I am really appreciative of the government putting this money into it.

MR GENTLEMAN: Minister, I want to congratulate you on the festival; I think it was fantastic. You did mention, though, that you had some support from some groups like the Tradies Club. They were helping to sponsor, I think.

Mr Hargreaves: They were the major non-government sponsor, yes.

MR GENTLEMAN: You had a few others. Will you be going back to those original sponsors, too, for next year?

Mr Hargreaves: Yes, indeed, we will be going back to all of those. The Tradies have committed, in fact, to continuing their support for the festival. What we are trying to

do—and this is where Sandra Lambert and Nic Manikis are showing a bit of leadership—is have the ACT government be the major sponsor. We do not want the ACT government to be the people who put it on every year, year after year, but we need to get it to a stage of commercial viability so that it will be able to do that. So we need to have a whole stack really of sponsors stitched up, like the Tradies Club and like the Hellenic Club, and have big in-kind support—for example, the police, the ACT government's waste management, all those sorts of things. We can do in-kind support. But then it needs its own series of governance.

We are almost at the point where that can occur. I know that the Office of Multicultural Affairs has been having conversations with some business leaders—Chris Peters is one; Ellnor Grassby is another; these people are skilled in doing these sorts of things—and we would see that being a move forward. But again, it is in the total context of what we are doing in multicultural affairs.

We need also to recognise that this budget provides \$75,000 extra in the multicultural education sector. It has \$100,000 in the outyears and that is for three multicultural dance programs.

Additionally—and Mr Pratt has been aware of this movement for some time, since he came and we had a chat about the movement of the multicultural grants that had hitherto gone to the Multicultural Council—it has always been my intention that we would not have the government be the arbiter of what is dished out into the community. The community need to tell us what it is for and we would be better off if we had a peak body funded if that peak body was actually efficacious. The previous one was not; in fact, it was appalling.

We then went to project funding for the \$67,000. I indicated in the briefing to Mr Pratt that it was my view that we would go to something like three-year funding with another group on an open tender basis. We are almost at that particular point right now.

The only thing on which I will need convincing that the sector is ready to do that will be when we conclude the multicultural summit, which is coming up on 30 August. We had a multicultural summit in 2005, where the community told us what they wanted us to do in the way of going forward and that is where the multicultural strategy came from. It was not a document devised by the Office of Multicultural Affairs; it was not something that I had a dream about in the bathroom in the morning; it was something that the multicultural community came up with and gave us direction on, and around which we built the project funding for the next couple of years going forward.

Now is the time to revisit whether or not what we did do worked and whether it is what the community wants. So the time is now here to have the summit. Some people cynically will say it is good timing, just before an election. I might point out, though, that the previous strategy was for 2006-09; it was a three-year timeframe. The thing is you do not wait till 2009 to do the next one; you have to do the lead-up into that and so we need to do it now. August gives us enough time to receive the community feedback and then move forward into the next year.

For those cynics that say, “It’s a good idea before the election,” we also need to remember that, come 12 September, when we go into caretaker mode, there is not much we can do in the way of new policy anyway. We need to do any major things that we might want to do with agreement, in conversation, with the opposition during the caretaker period. I believe that this multicultural approach to life is something that the opposition and the government actually share in the way to go forward.

MR GENTLEMAN: I would be happy to continue to work through after October.

THE CHAIR: Mr Pratt, you had a supplementary on multicultural? We are talking about the Multicultural Festival.

MR PRATT: Yes. That \$100,000 initiative, what is that actually in real terms?

Mr Hargreaves: It is \$100,000.

MR PRATT: Is it \$100,000 straight out?

Mr Hargreaves: One hundred thousand bucks, right. Quite seriously, the \$300,000 that we have been using hitherto has gone to a range of things—insurance, technical support, hire of things, paying for garbage collection, a whole range of housekeeping things like that, promotions, advertising, all that—and that money has been supplemented by the sponsorships and donations and things like that that we have had, people’s time and money in the past. What we are saying to the festival organisers is, “Instead of giving you \$314,000 as we did in the last budget, we will give you \$414,000 this time.” So it is not tied to anything.

MR PRATT: So that is straight out surplus cash?

Mr Hargreaves: It is a boost to the base budget of the festival.

MR PRATT: The \$314K lying beneath that, is that entirely taken up with purely administrative and service functions?

Mr Hargreaves: Administrative, technical and promotional, yes. And when we talk about the promotional, that may very well be paying artists’ fees and venue hire and that kind of thing.

MR PRATT: I understand that. So how much basically of this funding would you seek to allocate to community and volunteer groups to implement their aspects of the festival? What is the basic figure, what is the percentage?

Mr Hargreaves: I will get Mr Manikis to give you more detail. Remember, the volunteer stuff is just that.

Mr Manikis: Our community groups who participate in the festival draw on several sources to support their participation. Key amongst those is the multicultural grants program. Around 40 per cent of that program is directed, in small amounts, to community groups that apply, so that they can buy costumes and equipment.

MR PRATT: But tied to the festival?

Mr Hargreaves: They apply for it on that basis. We do not tie that grant to the festival. We ask the community, under the multicultural grants system; they tell us what they want to use it for and, among the criteria that they can use to get funding, festival support is one.

MR PRATT: This festival, as well as other events. Beyond the community groups that apply for funding through the grants and other means, and the groups that you might talk to, minister, about how you might best administer and implement this, are there any commercial organisations involved in management of the function?

Mr Hargreaves: Not on a grand scale. You subcontract, for example, to PA technicians and people like that. Obviously, we do not have audio technicians on staff, so we are going to do that, and these are contractors. But if you ask whether we hand the thing over to, say—and I will give him a plug because he is the best in town—Arthur Lang and Associates to run it, no; at the moment we do not. Should we be thinking about that in the future? Maybe we should. I am not committed to doing that, because that is when they can stand on their own two feet. At the moment we do not; we do a lot of that stuff in house.

MR PRATT: Are there any companies from outside the ACT which are involved in the creative side or the management side, the operational management side, of the festival?

Mr Manikis: In the past we have had to access the services of a company from Sydney, by virtue of the fact that there was no company locally that could provide the number of marquees, whereas since the—

MR PRATT: Logistics?

Mr Manikis: Yes, logistics.

MR PRATT: Not so much the creative side?

Mr Manikis: Not the creative side. As far as I am aware, with the creative side, we have ample talent and capacity in this town, and with the people that are involved, so that we do not need to go beyond the borders.

Mr Hargreaves: On the creative side, the creative director of the festival designs the flavours that we are going to go forward with in a year. We then have an event. The event will have a certain creative flavour to it, and that may have a different person whose creative talent will be brought to bear, under the overall direction of the creative director.

For example, the Pacific island showcase will be directed by someone who is subordinate to the creative director. The Fringe Festival, as you know, is directed by Jorian Gardner, subordinate to the creative director, Domenic Mico. That is how the system works. It is the same with some of our embassy productions. The embassies will say, “I want to bring a particular performing troupe to town.” The creative

director will say, “Yes, that fits into the pattern of things we want to do.” But the actual creative direction of that particular event will be between the venue and the embassy. That paints a picture for you.

MR PRATT: It certainly does, and I appreciate that. Have you already locked in all of your agreements, subcontracting and any other arrangements, for the coming festival, or is it a fraction too early yet?

Mr Hargreaves: With some of the bits and pieces, you lock them in as early as you can. With venue hire, for example, you have to lock in the booking dates. Some of the events are known to us. For example, if an embassy is going to bring somebody into town, they are already known to us and we start the compilation before we make the actual program known. I suppose we start to finalise things at around the November mark.

MR PRATT: Would you be able to list all of the voluntary and commercial entities who were involved in any way, shape or form in last year’s festival, and those who you have already spoken to about the coming festival, both a commercial entity in terms of subcontracting—

Mr Hargreaves: I do not think I can do that in the time frame that you have got. I do not want to go down to that level of detail.

MR PRATT: Can I rephrase and say just the commercial entities. It would probably take a month of Sundays to track down all of the voluntary ones; I appreciate that.

Mr Hargreaves: And the commercials as well, because there is a series of subcontractors and sub-subcontractors. I am not trying to duck it. I think that is a level of detail which will take us some time to comply with. We could do it but I cannot guarantee to the committee that we will meet your deadline; that is all.

MR PRATT: Can he do his best, chair, or just—

Mr Hargreaves: I am happy to—

MR PRATT: I appreciate that.

Mr Hargreaves: The thing that I worry about, Mr Pratt, is that once the committee ceases its work, it ceases to exist, so I have got nowhere necessarily to send the information to once we have done it. I am very happy to have it recorded that we will do the work. If we cannot achieve the deadline, if it is okay with the committee, we will circulate it to the members of the committee and to Mr Pratt, because he asked the question.

THE CHAIR: Thank you very much. Mr Smyth?

MR SMYTH: This might be a question for Mr Hubbard and his calculator. The \$100,000 is over and above the \$314,000 base. How much of that \$100,000 has been eroded by CPI in the last three years and what is the real-terms growth of that funding?

Mr Hargreaves: None of the \$100,000 particularly, because the \$314,000 was the base funding for the budget. It was not actually linked; it was never supposed to be CPI increased. It was only ever an amount of money that was in the base and it was never increased year by year. So, if you like, the \$314,000 was the bit that was eroded.

MR SMYTH: You are correct, but obviously—

Mr Hargreaves: However, that was supplemented by the amount of additional sponsorship that we were able to achieve to get the festival on. Furthermore, the festival size is determined by the amount of money you have got to apply to it. This \$100,000 that is going in there is a real increase, but on today's costs, in the same way as everything else is. It is not eroded by anything.

MR SMYTH: Could Mr Hubbard please tell the committee what the growth in wages and costs has been for the last three years.

Mr Hargreaves: Of what?

MR SMYTH: How the department applies it to their budget.

Mr Hargreaves: The \$100,000 does not apply to wages. I am telling you now; you do not need Mr Hubbard to tell you.

MR SMYTH: No, I am asking Mr Hubbard.

Mr Hargreaves: I am sorry about this, Mr Smyth. I get to answer this one. I am telling you now that this money is not applied to wages; it is \$100,000 in cash which goes into the base of the festival budget, to be used in the same way that the rest of the amount is used in a discretionary sense—to make sure that we put on the festival.

MR SMYTH: I will reverse that: by how much has the \$314,000 been eroded by the fact that wages and costs of goods and services have increased over the last three years?

Mr Hargreaves: Mr Smyth, you are quite capable of finding out the numbers of the CPI and working that out for yourself.

MR SMYTH: I am asking what is the multiplier.

Mr Hargreaves: I have absolutely no intention at all of continuing what I have been doing for the last 10 years, and that is to do your work for you. I am not doing it for you.

MR SMYTH: No, I am asking you what the multiplier—

Mr Hargreaves: You go away and you do budgeting 101, arithmetic 101 and economics 101. You go and get yourself a calculator that works, and you work it out. And then you go to the ACT public and tell them how much of a festival they did not get last year. Go and tell the 170,000 people that went to the festival last time what

they missed out on because the government ripped so much money off them in not achieving the CPI. You go and tell them that.

MR SMYTH: If you can't answer my question—

Mr Hargreaves: If you want to go and tell them that, I will even drive you to the venue.

MR SMYTH: If you can't answer the question, that is of concern to me, minister.

Mr Hargreaves: Mr Smyth, you struggle around in the dark, trying to find something wrong with the multicultural city that has given you your livelihood. Shame on you!

MR SMYTH: Not at all; the shame is on you as the minister—

Mr Hargreaves: Just shame on you!

MR SMYTH: that you treat this process with such sham and disrespect.

Mr Hargreaves: I treat you, Mr Smyth, with a degree of suspicion—

THE CHAIR: Okay, minister.

Mr Hargreaves: because you try to find something wrong with one of the best things that has ever happened to this town, instead of joining with your colleague Mr Pratt. For once in your life drop your politics and congratulate this ACT community on doing something really good.

MR PRATT: Chair, let us do without all this—

THE CHAIR: Yes.

MR SMYTH: It's a shame that you can't—

Mr Hargreaves: For once in your life, drop it.

THE CHAIR: Mr Smyth—

MR PRATT: Can we do without the—

Mr Hargreaves: Your pathetic attempt—

MR SMYTH: Your degree of—

MR PRATT: Come on, minister; this is wedge stuff.

MR SMYTH: The degree of your outburst indicates that you are ashamed of it.

Mr Hargreaves: You are just pathetic in this sense.

THE CHAIR: Minister!

MR SMYTH: Quite like your management of so many other things, Mr Hargreaves.

Mr Hargreaves: That's a nice, feeble little backhander.

THE CHAIR: Minister!

Mr Hargreaves: Would you like to take the wet lettuce leaf off Mr Smyth, please, Madam Chair?

THE CHAIR: I would like for you both to stop—

Mr Hargreaves: I like my salad to have other things which are firmer in it.

THE CHAIR: Minister, I have—

MR PRATT: Madam Chair, could I ask a question? Could we do without all this wedge politics rubbish.

THE CHAIR: We could do without both of their outbursts at the moment.

MR SMYTH: It is a simple question.

Mr Hargreaves: Yes, coming from a very simple man.

THE CHAIR: Mr Smyth—

MR SMYTH: It is a simple question relating to how the budget is calculated.

Mr Hargreaves: Yes, simple Brendan says.

THE CHAIR: Mr Smyth, I am going to ask my question.

MR SMYTH: It is a simple question and you could ask him to answer the question, Madam Chair.

Mr Hargreaves: Go and get your own calculator, mate. You're not in government anymore; go and buy yourself a calculator.

THE CHAIR: We can deal with—

MR SMYTH: Do you want some lessons on how to use a calculator, Mr Hargreaves?

Mr Hargreaves: I don't need it.

MR SMYTH: Clearly not!

THE CHAIR: I have a question about the allocation of funds to update the equipment in 2XX studios. I have been following that very closely for a long time because when

I was still working with Volunteering ACT I was concerned about that.

Mr Hargreaves: Thank you very much, madam chair. \$70,000 worth of equipment is going to 2XX. They have been basically existing on two jam tins and a piece of string for God knows how long.

THE CHAIR: I was aware of that—

Mr Hargreaves: In the past, if you wanted to listen to 2XX you had to look at the hills to watch the smoke signals come up. But now it is a magnificent place out there with what they have done, as you well know, Ms Porter, because you have been involved with them. I am sure Mr Gentleman has been over there as well. They are absolutely beside themselves. We can now give them new consoles, new storage and a new CD collection. For once we have been able to do something for a volunteer organisation that reaches out into the multicultural community in their own language and talks to them through music, through voice and through poetry and literature in their own language.

The value of 2XX in maintaining the connection between a person's homeland and their new country can never be underscored enough. It has to be accentuated. We are happy to give them \$70,000. We worked with them to determine what they needed to update their studio because they had been complaining for quite some time, and I appreciated it.

I want to single out a couple of people for appreciation on this one. A lot of us know Victor Marillanca, who has been connected with them for around 30 years. He was sitting there in the original console 30 years ago; that equipment is 30 years old. The other person I want to express an appreciation for in this hearing is Nic Manikis. Nic and Victor—the Nic and Vic show—worked to compile a list in such a way that we were able to get the money to give to 2XX. I think it is a fantastic initiative, I really do. When you think about it, the return you get on your money is brilliant. \$70,000 is not a lot of money in the grand scheme of things but it means the world to that particular studio.

THE CHAIR: That is very good.

MR PRATT: Minister, how many government offices are located in the Notaras centre, what percentage of floor space do they take up within the multicultural centre and how much rent do you receive from them?

Mr Hargreaves: Before you go on, we own the building, Mr Pratt.

MR PRATT: Yes, I know, but how much of this space do the government offices occupy—

Mr Hargreaves: We will get the numbers for you.

Mr Manikis: Roughly about 10 per cent of the space. It is 2,200 square metres, the whole floor. Roughly, and this is a guesstimate, we would occupy about 200 to 250 square metres. We occupied less space than that from the outset when we first

opened the building, but we increased the space when the office proper moved over. We were there as centre manager and the festival was in there, from day one, occupying the corner office. Does that answer your question? I can get specifics for you, if you like, but I do not have those available with me at the moment.

MR PRATT: That is okay. Given that a number of community groups simply cannot afford to pay the rent that they would have to pay to occupy one of the community available spaces—if there was that space available, I should say—do you think that it would be better use of that space, or at least some of that, 10 per cent at least, to provide meeting halls for small community groups that cannot afford to rent long term?

Mr Hargreaves: No, I do not think so, Mr Pratt. We do have arrangements in place for community groups who are having difficulty finding rent. We have shared arrangements and a whole other series of things. You need to understand also that there are other community groups in the community and we support them as well. It is particularly important for us to understand that, uniquely in Australia, our multicultural affairs officers, the bureaucrats, work hand in glove with the community, on the ground. Having people detached from their community is a recipe for disconnection. One beautiful thing that I am so proud of is the fact that the Office of Multicultural Affairs is sitting smack in the middle of it. We have got temporary office space available in the centre anyway, so if communities have come to you and said, “I need space,” I would like to hear about it so that we can address it.

The beauty of having the office sitting up there in the Notaras centre is that the centre is the magnet for people to come to talk about things multicultural. They might need assistance with a thousand and one different things. Accommodation is one of them; how they do fundraising for their community is another; relationship issues which are culturally affected; education; English as a second language—all manner of things. They know that it is a one-stop shop now. If people are having difficulties with anything, the best thing they can do is get in there to the OMA and talk about it there. That is the beauty of it. When they were in 12 Moore Street, they were inaccessible; to the average person in the multicultural community they were inaccessible. I had trouble finding them when I went to the first Muslim Advisory Council meeting. Now, when I have been over there for my meetings with the multicultural community, which I do from time to time, for the ministerial forums—

MR PRATT: You might need to carry a tom-tom, minister.

Mr Hargreaves: No, two jam tins and a piece of string or, as has been known to happen in the past, I have reached into my pocket, pulled out a carrot and started talking to them, just like you did. Now across the courtyard is the—

MR PRATT: But mine is a special carrot, minister.

Mr Hargreaves: I know, but I think yours is one of these next generation carrots, isn't it?

MR PRATT: It could well be. I should be careful of it.

Mr Hargreaves: Now that it is over there, the forums are easy and a lot of the culture things. There is a prayer room over there now. You have been over there. There are meeting rooms where the classrooms are going on. There is plenty going on over there; we just need to talk to them. And, when that gets to capacity, we will look at finding some space elsewhere. The Finnish school operates up in Cook or somewhere like that.

MR PRATT: Right. If you need that extra capacity, and I am advised that community groups might want to seek more capacity, will you be able to relocate, if necessary, to some part of the OMA's suboffices?

Mr Hargreaves: I will not be giving a split second's thought to taking the OMA away from the community—

MR PRATT: No, I did not say the entire OMA; I accept your point.

Mr Hargreaves: Not even one bit of it, Mr Pratt, because the one thing about the OMA that differs from a lot of public service entities that I have belonged to is that every single member of it is an expert on multicultural affairs—every single one of them; you cannot separate them.

MR PRATT: You and I have debated before the loss of MACMA and what may or may not replace it. I know what your position has been. But have you had any rethink about the advisory bodies that might be organised within the multicultural community?

Mr Hargreaves: Firstly, I have to correct you yet again for the third year in a row. We have not had a MACMA. It was the Chief Minister's advisory council on multicultural affairs; I never had one. Let us put this on the record again. Would you like me to draw a picture?

MR PRATT: No.

Mr Hargreaves: The answer to Mr Pratt's question is—

MR PRATT: Minister, there was a government multicultural advisory group; whether it was with the Chief Minister or the new minister—

Mr Hargreaves: Get it right; get with the program.

MR PRATT: it is the same function.

Mr Hargreaves: Get with it. I never had it because I said in this place—

MR PRATT: Have you had a rethink on replacing it?

Mr Hargreaves: and I have said in the chamber: I never had one because I never felt the need for one.

THE CHAIR: That is fine, okay.

Mr Hargreaves: Right now I do not feel the need for one. I do feel the need for a ministerial council on Muslim affairs, hence the Muslim Advisory Council. So the answer to your question is: I do not feel the need for one right now, so, no, I am not doing it. If I ever felt the need to do it, yes, I would, rather quickly—like we did with the Muslim Advisory Council.

MR PRATT: Okay. It has been put to me by senior members of the multicultural community, by quite a broad spectrum of them, that they would like to see such an advisory body advising the minister—not the Chief Minister, by the way—and perhaps functionally organise it so that that group could look at the various issues, the activities. Do you reject that idea?

THE CHAIR: We are going to have the multicultural summit, aren't we?

Mr Hargreaves: No, I will tell you what I will do, madam chair. I will invite Mr Pratt to get the collection of those people together and contact my office and we will have a chat.

THE CHAIR: Good. That is a very good idea.

MR PRATT: So do you reject that concept?

THE CHAIR: No, that is not what he said, Mr Pratt. He just said he will have a meeting to discuss it with you.

MR PRATT: No, he did in fact, chair. So the question is—

Mr Hargreaves: I am putting an invitation out now—

MS MacDONALD: Can we just get the transcript from the last three years and overlay it into the transcript here on this particular issue?

Mr Hargreaves: for you to bring those people in and talk to me about it.

MR PRATT: The question is: do you reject that type of concept put forward by those senior members of the community?

Mr Hargreaves: I do not reject that. I am just not doing it at the moment. But this is an invitation. If you do not want to take the invitation up, bad luck to you. If you want to bring these multicultural leaders in, you and I will sit down with them and we will talk to them about it and then we will see where it takes us.

MR PRATT: I am open to all sorts of things but I am asking you a question and my question simply is: do you reject that concept?

Mr Hargreaves: No. Has somebody got a picture of a no?

THE CHAIR: I think the minister is saying that he will have a meeting with you and discuss it with you. You have to go, minister; you have commitments.

Mr Hargreaves: I do too.

THE CHAIR: Thank you very much, minister. We will be back at 2 o'clock, members, for planning. Thank you very much, Ms Lambert, Mr Manikis, Ms Sheehan and all the officials.

Meeting adjourned from 11.36 am to 2.03 pm.

Appearances:

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

ACT Planning and Land Authority

Savery, Mr Neil, Chief Planning Executive

Wurfel, Mr Peter, Chief Financial Officer, Corporate Resources, Corporate and
Human Resources Section, Client Services Branch

Lavis, Ms Jacqui, Executive Director, Planning Services Branch

Meyer, Mr John, Director, Client Services Branch

Ponton, Mr Ben, Director, Development Services Branch

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

THE CHAIR: Minister, Mr Savery, Mr Meyer and Ms Lavis, you are all familiar with the contents of the yellow card and are aware of the privilege implications that are contained within it?

Mr Barr: Yes.

Ms Lavis: Yes.

Mr Savery: Yes.

THE CHAIR: I moved that they be incorporated this morning; so we do not need to do that again. Welcome to the last hearing of estimates, not that I am celebrating it, for 2008-2009. I welcome you, minister, Mr Savery, Mr Meyer and Ms Lavis. Would you like to make some opening remarks?

Mr Barr: Very briefly. Again, it is always a pleasure to appear before the estimates committee. I note the excitement that this is the final session for this year's committee.

This budget contains a significant series of investments in the detailed implementation of a number of key projects that the government indicated were priorities in the planning portfolio. I draw members' attention to the statement of planning intent that I released in April of last year that highlighted a range of key activities that are further progressed through this budget round, most particularly in relation to affordable housing and land release, serving the needs of the growing community in Gungahlin and, most significantly, the planning system reform project but also further work on climate change and a range of partnerships with organisations such as the CSIRO, the University of Canberra and a number of community organisations.

We continue, through this year's budget, to prioritise those key areas, most particularly a desire to achieve—and I believe we have achieved—the goal of five years of planning-ready land, addressing what I think we have all agreed is an important priority, and that is a supply-side solution to housing affordability in the ACT.

The authority has completed what could only be described as one of the most

significant reforms of planning in the history of self-government, if not the most significant, in the implementation of a new planning system and the implementation and introduction of the new territory plan. Work will continue through this year on some of the more detailed aspects, most particularly on some of the codes that go with this new planning system.

There continues to be extensive consultation with industry groups and with community groups on the detailed implementation of the new planning system. We continue our partnerships with the CSIRO and others on environmental sustainability and there are a number of other important initiatives that are advanced through this year's budget.

I believe that it is an exciting time in the development of our city. We have new urban opportunities emerging in Molonglo, the fast-tracking of suburbs in Gungahlin, the establishment of what we hope will be Australia's most sustainable medium to high-density community in East Lake and a range of other urban infill opportunities throughout the city that will provide for future housing needs and meet what I believe will be a continued population growth for the ACT. So on that note, I am happy to take questions.

THE CHAIR: Mr Gentleman has signalled he has a question, and Mr Smyth is next.

MR GENTLEMAN: Minister, if I could bring you to page 394 of budget paper 4, and I am very pleased to see one of the priorities is delivering strategic sustainable planning, aimed at providing support to the government's climate change strategy. Can you tell me what you are doing to promote energy-efficient housing in the ACT?

Mr Barr: In a minute I will get Mr Savery to outline in some detail some of the aspects that are highlighted through this budget. I draw to the attention of committee members—and I will shortly table this document—that the government has been quite proactive in providing a range of resources to householders in the selection of greener and better housing. We have participated in a project that has involved considerable advice to householders on the renovations that they would undertake to improve the environmental efficiency of existing housing infrastructure.

There is additional support in this budget for greater compliance on the EER ratings that are associated with the sale of properties in the ACT. We have convened a major forum of key stakeholders, including Derek Wrigley, Professor John Sandeman and others from some of the key industry associations, the ANU, the University of Canberra and others—a major forum. I understand you had the opportunity to attend that, Mr Gentleman. We are looking at further steps that we can take on the design of new estates but also measures that we can take to improve existing residential estates.

Another area I would highlight would be the introduction of the water-sensitive urban design guidelines where we are continuing to improve the water efficiency of all new developments. I will make this document available for the committee. This will be the first of many practical guides that we will be able to provide to the people of the ACT on selection of housing types but also, as I say, the opportunity when they undertake renovation work to improve the energy efficiency of properties.

THE CHAIR: That is online as well?

Mr Barr: I understand this will be available online, too.

THE CHAIR: Mr Smyth, I did, in fact, say that I would allow Mrs Dunne to ask the next question; so I apologise.

MRS DUNNE: Minister, I wanted to raise with you the question of the caretaker's cottage at Molonglo. I asked this question this morning of the minister for housing and he said that we should ask you. I hope it was not a hospital pass but it does actually belong with you. Who in the ACT government holds the lease? Who is responsible for the lease? Is the land leased?

Mr Barr: Who will be responsible?

MRS DUNNE: No, who is currently?

Mr Barr: There is no lease.

MRS DUNNE: It sits on unleased land. What is the status of the cottage?

Mr Barr: What I can advise in relation to block 1168 is that, following the outcome of the Molonglo Valley structure plan, proceedings commenced to vacate that block to allow for land preparation in accordance with the government's anticipated land release program. You would be aware that development in Molonglo is required to provide for future housing needs for our city.

In April 2007, each of the occupants was served with a notice to quit, advising that they were required to vacate that block by 28 September last year. So more than 13 months ago they were advised to vacate by 28 September. As a result of the occupants not vacating that block within the required time frame, legal proceedings were instigated to terminate the occupancy of the block. The Planning and Land Authority, on behalf of the territory, commenced that recovery action in the Magistrates Court.

I am advised that consent orders were signed for and on behalf of the occupants and filed in the Magistrates Court and that these consent orders contained, amongst other things, an undertaking from the occupants that they would vacate the land on or before 5.00 pm, 31 May 2008, tomorrow afternoon, and that they would not seek through any means any further extensions of time to vacate.

Since that process, the ACT Heritage Council has advised the Planning and Land Authority that they have received and accepted a nomination for the cottage to be considered for entry on the heritage register. The planning services branch of the Planning and Land Authority is arranging for a heritage report on the cottage to be prepared and it is fast-tracking that work. I am advised that, upon receipt of this report, the authority will make application to the Heritage Council for an urgent assessment of the report.

In terms of what will happen tomorrow: the property group in the Department of

Territory and Municipal Services will assume responsibility for the management and security of the building after 5.00 pm on 31 May. I have indicated today that the government has undertaken to ensure that the facility will be protected for future community use. For example, the property group maintains an application register for community organisations that are looking for small, standalone accommodation.

In the longer term, subject of course to the Heritage Council's assessment and their recommendations, I believe the facility could operate as a public gallery, a museum, perhaps a tearoom, cafe or a community space. It is certainly within the ability of the Planning and Land Authority to accommodate such future community use within the planning that we are currently undertaking in relation to north Weston and Molonglo, and that is an outcome which I think would meet the desire that has been expressed by the Weston Creek Community Council and others for the facility to be maintained as a community asset.

MRS DUNNE: Thank you, minister. I have a couple of follow-up questions, if I could. If the legal status of the property is unknown, what were the terms of the application to the Magistrates Court?

Mr Barr: I understand the legal status is known. Mr Savery may be able to provide some further information on that.

Mr Savery: The legal status at the time that we sought for the occupants to vacate the site was that there was no lease. It is unleased territory land. In other words, the territory administers that site on behalf of the commonwealth government. That is why we sought for the site to be vacated.

MRS DUNNE: Thank you.

MR SESELJA: I have a supplementary, chair. They have been there for 26 years. In the past, what discussions or communication has gone on between the government and the couple in relation to their living arrangements there? Have they been given any comfort that they would be allowed to stay there or have they been consistently told that they should not be there and simply not evicted? What has been the prior status?

Mr Savery: A large amount of material in relation to that was the subject of the discussions in front of the Magistrates Court, bearing in mind that occupancy occurred prior to self-government. We were aware—we had the material on file that would show that there had been conversations with the previous commonwealth departments, whether they were called forestry or something else, that gave indications or gave an acknowledgement that the occupants were there on site, but nothing had ever been concluded in terms of arranging permanent occupancy of the building.

In the absence of that, and whether it was there or not, we would still seek recourse for that site to be vacated, because we had established, and our legal advice was very clear, that there was no tenure of that property. I would also make the point—it may not necessarily be pertinent to your question—that, if a lease did exist over that site, it would not necessarily preclude the course of action. It might provide some additional mechanism for how we would take possession of the site, but the territory would still

want to proceed. That is why we have a leasehold system—to enable us to undertake the proper and orderly planning and development of the national capital.

We have very clear and sound legal advice that we were within our rights to seek for that site to be vacated, but acknowledging that there is material on our files—and we have had to go and access commonwealth files—that showed that there have been conversations along the way with those people.

MR MULCAHY: Minister, what is your policy in relation to people who are living on land—squatting, I guess, is the real term? I have made representations to your colleague Mr Hargreaves about the same situation in parts of Ainslie. By ignoring these situations, do you not raise some of the serious issues that Mr Seselja is alluding to? Are you just turning a blind eye to people who are parking themselves around parts of Canberra?

Mr Barr: It would certainly be preferable that there are licensing arrangements in place whenever territory property is being occupied. The principle that is at play here does indicate and necessitate a need for the response that the government has provided in this instance. I have been lobbied—

MR MULCAHY: I guess what we are confused about is why it has taken so long.

Mr Barr: Sure.

MR SESELJA: Why wasn't there a licence arrangement or a lease or something?

Mr Barr: That has clearly been a failure of successive governments and bureaucracies, going back prior to self-government. This situation should not have been allowed to occur in the first instance and should have been addressed at some point. The trigger for this issue to arise was the planning work that was undertaken around future housing development in the Molonglo valley, so—

MR MULCAHY: But do you have a policy in relation to other people who—

Mr Barr: I believe as a matter of principle that it would be advisable for the territory to ensure that it has appropriate legal arrangements in place with all people who are occupying territory property.

MR MULCAHY: Is that a wish list or is that policy? I am trying to understand what the government's policy is.

Mr Barr: I would have to take on notice whether there is a pre-existing government policy in this regard, but in responding to your question and the matter of principle that you have raised I think it is not an unreasonable point to make that this situation should not have been allowed to occur in the first instance and should clearly have been addressed earlier. That would have perhaps provided for a smoother process. I recognise and acknowledge that this is a highly unusual situation involving a couple's life. It is a highly emotive issue. But nonetheless—

MR MULCAHY: It is not unique, though. There are people who are parked in parts

of the city close to—

MRS DUNNE: Madam Chair, could I just stop there. I think we should correct the record. Mr Mulcahy used the word “squatting” very early in the piece. I think that there is no question of these people squatting. They have occupied this place with permission of the authorities. They originally obtained permission from the department of territories through ACT Forests. I do not think—

MR MULCAHY: That has not been confirmed to this committee.

MRS DUNNE: It is on the public record that they have had permission to be there. The status of the lease or the lack of a lease is—I think it is unreasonable to characterise this as squatting.

Mr Barr: My advice is that it is ambiguous, Mrs Dunne.

MRS DUNNE: If it is ambiguous, I think that we should not be saying that they are squatters.

MR SESELJA: So we are not sure that they are squatters and we are not sure that they are not?

Mr Barr: Certainly they have no licence agreement. What the appropriate legal term is is something that we can argue about.

MRS DUNNE: We can say that the status is ambiguous but we cannot say that they are squatters, and I would like the record to show that.

Mr Barr: You can make that statement. Mr Mulcahy has made a different statement.

MRS DUNNE: Following on from the line of questioning, ACTPLA has asked heritage to do an urgent assessment. Why an urgent assessment?

Mr Savery: We have a need, in order to provide certainty to the Land Development Agency for the design of that suburb—because the property that we are talking about is in the first land releases for Molonglo—as to where roads are going to go, where infrastructure is going to go, the design of surrounding neighbourhoods and the like. We have therefore asked Heritage to treat this matter expeditiously to enable us to understand what the curtilage of any heritage listing would be. Totally hypothetically, is it the immediate surrounds of the house or is it a 50-metre setback from all sides of the house? That will have a bearing on the design for any suburb around that particular property. To assist Heritage ACT in undertaking that assessment, we will commission a suitably qualified heritage consultant to provide the citation for the heritage council to assess.

MRS DUNNE: Can I ask the minister for an assurance that, if the heritage council decides not to list this building, it will remain intact?

Mr Barr: Remain, yes.

MRS DUNNE: That is a commitment from the minister and the government?

Mr Barr: Yes, that is the government's position—that it be maintained as a community asset.

MRS DUNNE: I think you had a supplementary, Mrs Burke.

MRS BURKE: Yes, I did. Minister, obviously this is a very tragic situation. What is the process as from tomorrow? What will happen to the Farrells?

Mr Barr: My understanding is that at 5.00 pm tomorrow an officer from the Planning and Land Authority, an officer from Territory and Municipal Services and the Australian Federal Police, ACT Policing, will attend the site and will take possession of the property. Keys will be handed to the Planning and Land Authority, which will then hand them to the Property Group within Territory and Municipal Services. The Property Group will then assume responsibility for the management and security of the site and the Farrells will be asked to vacate the property.

MRS BURKE: Is this a humane approach?

Mr Barr: Yes, I believe, given the circumstances—the fact that this issue dates back to April last year; that the initial notice to quit was required by 28 September; and then we had a consent order in place and an agreed outcome that 31 May would be the time that the property would be vacated. That is a considerable period of notice, and that is appropriate in these circumstances.

MRS BURKE: Why the haste?

Mr Savery: I am sorry to interrupt, but could I add that in our initial contacts with the occupants of the building, when we first alerted them to the fact that at some point we would be needing vacant possession of the building—at that time, of course, we were contemplating its demolition, prior to heritage listing. We offered and sought the assistance of the department of housing and community services for alternative housing for the Farrells. I think that is important when we use words like “humane approach”. Even at those early stages, some 13 or so months ago, we understood that there were people involved here. We were trying to assist them in finding alternative accommodation. We had a need to do the planning for this new suburb of Molonglo. It needed to be unconstrained in terms of people occupying land that needed to be designed and developed into a new suburb. At that early point, we undertook to try and assist in finding alternative accommodation. My understanding is that DHCS made an approach and that was declined.

MRS BURKE: Why the urgency tomorrow, minister?

Mr Barr: That is when the consent order applies.

MRS BURKE: But why the urgency? Why did you place—

Mr Barr: That is when the consent order applies.

MRS BURKE: Yes, but why did you place the urgency of this matter so in the forefront, given that we are going to be about 12 to 18 months?

Mr Barr: I do not believe that the Planning and Land Authority has. This issue was first raised 13 months ago. It has been a 13-month process and there was an agreed outcome of 31 May.

MRS BURKE: I hear from the media today—if you can clarify this for us and for the committee—that there will be a security fence erected around the property. You have probably discussed this, have you? Have we talked about costs?

MRS DUNNE: No, we have not got to that yet. That is part of my supp, but you can ask it by all means.

Mr Barr: The Department of Territory and Municipal Services will assume responsibility for the management and security of the property.

MRS BURKE: Yes; I got your email.

Mr Barr: Yes.

MRS BURKE: What will be the cost of erecting such a fence and what will be the cost of 24-hour security for possibly up to 18 months?

Mr Barr: That is a matter to be determined.

MRS DUNNE: There will be a cost?

Mr Barr: There will be a cost, yes.

MRS DUNNE: At the moment the Farrells provide that security from the site?

Mr Barr: Arguably, yes.

MR SESELJA: Have there been the security issues?

Mr Barr: Sorry?

MR SESELJA: Have there been security issues to date with the Farrells?

Mr Barr: You would have to ask them.

MR SESELJA: You said “arguably”. You seemed to be suggesting that there might be security issues at the moment. Are we comfortable that it is reasonably secure?

Mr Barr: According to the Farrells, yes.

MRS DUNNE: I understand—and I am only taking this from what I heard Mr Farrell say earlier—that there was at one stage a contemplation of a month-by-month arrangement until the physical development started. Why was that ruled out? That

surely would have been cheaper than putting a fence around it and hiring a security guard.

Mr Barr: Yes, but you have, I think, ignored the previous observation I made on the facility being made available for community use. A community group could occupy that site in the very near future.

MRS BURKE: It cannot for the next 12 to 18 months.

Mr Barr: Yes, it can.

MRS BURKE: Until the heritage assessment has been done. Is that your plan? What is your plan?

MRS DUNNE: So who are you going to move in there?

Mr Barr: If you had been here at the start of the hearings, Mrs Burke, you would have heard the government's approach. And I have advised you in writing of that.

MRS BURKE: How soon will that happen?

Mr Barr: That could happen very quickly.

MRS DUNNE: So does the government have an alternative tenant in mind?

Mr Barr: The government has a very long list of applicants, through a property group, for small, standalone accommodation on the south side of Canberra.

MRS DUNNE: Who would be prepared to occupy that site during the development of the suburb?

Mr Barr: Indeed, yes.

MRS BURKE: Chair, I would like to table for the committee a chronology of events from 1982 to 2003.

THE CHAIR: All right.

DR FOSKEY: I had a supp there. I heard you say, Mr Savery, that you had a legal right to evict these people. We all have legal rights to do all kinds of things but we do not do them. You might say that we have a human right to be compassionate as well. I do not know which right is overriding. I would be interested to hear you justify beyond that legal right why it makes good sense to remove people who have actually improved that dwelling, saved it from fire. Actually I would say that they are part of the history of Canberra.

It really concerns and disturbs me the way, every time we have a new development, we wipe the slate clean as though nothing was there before. In a sense, this house is part of that. There are other houses there. We have an affordable housing issue. You have been looking for a house for the Farrells but they live in a perfectly appropriate

house. So the legal right is there, but where is the commonsense approach? I would really like to hear that from you.

Mr Barr: In response to that—I understand where you are coming from—I make two observations. Firstly, a lot of this debate has been on this being a community asset. It is not a community asset at the moment; it is being treated as the private property of the Farrells. It is not their private property, as has clearly been established.

DR FOSKEY: Actually that is not my argument; my argument is that it is their home.

Mr Barr: If it is to have a community use, then that is obviously inconsistent with a private tenancy. As no tenancy actually exists, it is inconsistent with private occupation of the facility. There are a number of emotive positions that are put in this debate.

DR FOSKEY: Is that a dismissive use of the word “emotive”?

Mr Barr: No, it is not; it is not dismissive. It is simply a statement, just as your question was largely a statement, put forward in this debate. Simply—and I understand that this will be seen as harsh—there is a consent order. There was a legal process that was followed here and if we are going to have any regard to those legal processes, if we can have any regard to the precedents that we will set in relation to enforcement of these sorts of orders into the future, then I do not believe it is the responsible course of action for the territory to assume any other position than the one we have. That might be seen as harsh

DR FOSKEY: And it is.

Mr Barr: You are welcome to your view there and there is no way I will be able to convince you otherwise; that is clear. And people have a strong view one way or the other on this issue, it seems. But the position that I have put is that this facility be maintained as a community asset for community use.

DR FOSKEY: And it will sit empty after Saturday? We might have a ranger put in?

Mr Barr: It might sit empty for a short period of time, but it will then be occupied by a community organisation and then, subject to the various assessments that are required in terms of its assessment for heritage listing, it could have a future use as a community space—perhaps a tearoom, an art gallery, a museum. Picking up on your point about its important historical role—

DR FOSKEY: I like living history rather than—

Mr Barr: Living history is great for the Farrells; not much good for anyone else.

MR GENTLEMAN: Is there any indication that there was any duress in the signing of this consent order?

Mr Barr: No.

Mr Savery: No. If I could make a couple of observations?

THE CHAIR: Yes.

Mr Savery: The first thing is that I think it is unfair to ask the planning authority or direct a question at the planning authority that is asking us to exercise a moral judgement. And that is what we are being asked. We have a responsibility to implement a decision of government to accommodate new housing in the Molonglo Valley. We are going through a number of exercises on which I can sit here and pass my own personal opinions on and express emotive views about the plight of these individuals. Of course we know there are other people who have been involved in vacating land in this area. If that was the case, we would not be able to do our job.

The only way we can exercise our job is by falling back on a legal framework. We follow legal processes in order to get us to a point where at least we can sit around a table and say, “We followed due process; we followed procedural fairness,” whatever it is. And we can have those debates and arguments in front of courts; politicians can have their arguments; but it is unfair to put moral judgements or expect planners and others to exercise moral judgements; otherwise it is impossible for us to do our jobs, because we are people at the end of the day as well. We can feel for other individuals, but it would make it very difficult for us to make decisions.

There was no duress in relation to that. That is not to say that these people went willingly along to a court and said, “Yes, we’re happy to sign a consent order.” It is not as if I went there with an arm twisted behind their back. We had legal documentation to say, “We’re in a position where we don’t believe you should be occupying this property. The government has a need for it and you either sign the consent order or we’ll proceed through a court process.” That is just proper, legal process.

I also want to make the point that part of the reason we are having this discussion about a vacant property for a period of time—it may be a week, it may be a month; we do not know—is that, when we started the process and even after the consent order was signed, we expected that that property was going to be available for demolition. I have made that point before.

It is only in the last few weeks, or couple of months, that we have had this nomination for heritage listing, which has meant we have this period where we had not anticipated we would be looking for an alternative tenant. We now have a position to provide government with advice on: we can put an alternative tenant into that building and we do not know for what period of time that will be, but we now have an alternative plan for the property. Our legal advice is still very firm that, having gone through the process of getting a consent order signed, it is appropriate that we follow that through.

THE CHAIR: I wanted to ask a question before Mrs Dunne goes to her supplementary. Dr Foskey said that, every time we go in to develop a new estate, we wipe the slate clean. Is that the case, minister, every time we go into a place? For instance, I have a recollection of a particular new estate that is being developed, where there were great pains taken to save a scar tree and Indigenous artefacts. I want to understand what the regulations are with regard to such things as heritage artefacts

on sites.

Mr Barr: Initially—and Mr Savery can give us some more detail in a moment—I can think of a range of examples where significant and historic buildings have been maintained within, if you like, a suburban setting. There is Tuggeranong homestead; there are similar homesteads in Gungahlin.

MR SMYTH: The Labor Party want to put housing on Tuggeranong homestead.

Mr Barr: There are a range of such properties and locations around the territory.

THE CHAIR: There are other heritage issues, are there?

Mr Barr: Indeed. Dr Foskey was making a sweeping political statement; that is politics; that is fine. But I do not think it necessarily was in accordance with the reality of what occurs when a new estate is planned. But Mr Savery might like to give some more detail.

Mr Savery: Only to add the fact that we do a range of detailed analysis of new areas that we are developing, at a number of stages in the process. For an area like Molonglo, we have done wide-ranging environmental studies for fauna and flora, for Aboriginal heritage, for European heritage, and have identified a number of things as a result. As we work up individual concept plans for the detailed planning and design of suburbs, then we undertake an additional analysis.

Certainly this property that we are talking about had not been identified. We had a person look and give us an indication of whether there is any European heritage. This site was not nominated. I am not saying if it had been we would have supported it, but it was not identified for preservation.

There are other instances in Gungahlin. At Jacka there is a property. We did not support the entire property being protected. We did argue with the Heritage Council over the curtailment that was to be set aside for the property out at Jacka. The decision did not go our way; so we now have to do a design that deals with that large curtailment. Wells Station is another area that has been kept—significant trees. I often hear reference from developers to the \$1 million tree in Gungahlin where a road was designed around a tree. That cost the territory \$1 million.

THE CHAIR: Mrs Dunne, you had a supplementary?

MRS DUNNE: A supplementary question which probably has a short answer. Mr Savery, did the research that was done by ACTPLA at any stage indicate that the current occupants took possession of it or were they given possession? Were the keys handed over to them?

Mr Savery: Given the very precise nature of your question, I would have to take that on notice, because I would be concerned that I might give you an answer that might prove to be incorrect.

MRS DUNNE: To your knowledge, do you know whether or not the occupants were

handed the keys by ACT Forests?

Mr Savery: No, not to my knowledge.

MRS DUNNE: Can you take that on notice?

Mr Savery: Yes, I would take that on notice.

MR SMYTH: I will ask a supp to that, if I may, and then I will go to the substantive new question. In New South Wales, for instance, there is a thing called adverse possession, where if you squat for, say, 12 years, I think it is, you have ownership.

MR MULCAHY: Mrs Dunne will pull you up on that.

MR SMYTH: I am just asking a theoretical question. Do we have adverse possession in the ACT?

Mr Savery: It is not a theoretical question. As a relative newcomer, I asked exactly that question and there is not; leasehold does not provide for adverse possession.

MR SMYTH: On the substantive question, page 397, budget paper 4, shows the estimated outcome for 2007-08 at \$52 million; it actually drops to \$40 million in 2008-09. But I do note, on page 399, accountability indicator “o” says, in note 15, that this is money transferred to TAMS and Actew. Can you outline what those capital works were?

Mr Barr: Certainly we can. This question is asked every year, I am advised. Mr Wurfel will be able to give you some information on the detail.

Mr Wurfel: That \$12.2 million is as a result of capital works projects that are funded to ACTPLA in the first instance. On completion, they are transferred to TAMS, and that varies from year to year.

MRS DUNNE: Roads, footpaths—those sorts of things?

MR SMYTH: Can you supply a list?

Mr Wurfel: I do not have a list but we can provide that, yes.

MR SMYTH: Minister, there is a series of projects funded in the budget for East Lake. There was some confusion in TAMS the other day as to whether it was a tourism, ACTPLA or a TAMS project.

MRS DUNNE: So everything gets hospital-passed to the last person on the list.

MR SMYTH: So you are the last man on the line; you get to carry it. It is the Kingston miniature railway relocation, on page 94 of budget paper 3.

Mr Barr: It certainly is a project that sits with me.

MR SMYTH: What is the purpose of the \$250,000 and where are you taking the miniature railway to?

Mr Barr: Mr Savery can give you that information.

Mr Savery: Ms Lavis might need to add to this; it is part of that total package. If East Lake is to proceed, we need to understand the feasibility of potentially relocating existing uses that are in that location. I think you are aware that in previous years we have had conversations with the Railway Historical Society. I am not necessarily linking the two things, but it is in that genre of needing to identify, if East Lake were to proceed, if it is not possible to accommodate all of these activities in that location. I am not ruling it out at this stage, but if it is not possible then we need obviously to identify what the alternative location might be, what the costs are and those sorts of things.

MR SMYTH: So this is a \$250,000 relocation study?

Ms Lavis: I can add some further detail on that question. We are undertaking work which is examining a range of options, as Mr Savery indicated, in relation to rail infrastructure—heavy rail, miniature railway and historical railway—and presenting options to government. The government has not yet considered a final paper on those options. The moneys identified there would be for a more detailed feasibility study of that facility once a site is selected. As yet, no site has been chosen. There are still issues to be explored about the potential synergies with the Railway Historical Society, if any.

DR FOSKEY: What is the money in the outyears for? Is that for the actual physical resiting?

Ms Lavis: That would be for the physical works.

MR SMYTH: So we are going to spend \$117,000 on the study and \$143,000 on the relocation?

Ms Lavis: No, it is not going to be an expensive study. The funding is intended, as I say, to finalise the consideration of options. The option investigation has already commenced, so the moneys allocated would be likely to be available for the first stages of any relocation work that was required.

MR SMYTH: So whether they like it or not, they are going?

Ms Lavis: No, that is not the case. The government is yet to make a decision.

MR SMYTH: What happens with an area which I think is privately owned now? At the rear of the modern stuff there is the Kingston siding, which is in private ownership. Will it be moved as well?

Ms Lavis: That is part of the same investigation. We are aware that obviously there are a number of occupancies on that site. In fact, I was looking at them again yesterday. The needs of those parties that have licences or have had licences in the

past will be respected. There is a very active process of consultation with all players in relation to those. As I say, the government is yet to see a final paper on this matter.

MR SMYTH: So it is more than just the miniature railway; it is the—

Ms Lavis: That is correct. There are other occupancies on those railway sidings.

MR SMYTH: Can you list them for us?

Ms Lavis: I am afraid I do not have the detail of those with me. I can take that on notice.

MR SMYTH: What will actually happen to the existing railway station? Is it mooted to stay there? It has quite large areas of open space.

Mr Barr: There are, I understand, a range of options that are being considered.

MR SMYTH: And is that part of this study as well?

Ms Lavis: Correct, yes.

MR SMYTH: It is called the Kingston miniature railway relocation; why don't we have a more appropriate title that covers that whole area?

Ms Lavis: The package of funding for East Lake has continued over from this financial year and will continue on into the next financial year. There is a piece of work which we are titling the "railway master plan work" which will be the subject of presentations to government. The commencement funding from that has come from the capital funding that was aligned this year for the East Lake project. As I say, it will be concluded in the coming financial year. So the moneys specifically set aside for the Kingston miniature railway are the funds that will allow the investigations to be executed.

Mr Savery: Could I add that I am sure members are aware that we released a discussion paper or a planning study for East Lake for public comment a few months ago. That outlined indicatively some of our ideas around future railway infrastructure. It asked questions: what if we did this? What if we did that?

MR SMYTH: I am aware of that study, but if you look at the naming of this initiative, it is for the miniature railway relocation.

Mr Savery: Yes, I understand.

Mr Barr: Perhaps removing the word "miniature"—

MRS DUNNE: Or "railway precinct study" or something.

Mr Barr: Yes, sure.

MR SMYTH: From the look of this, the Canberra Society of Model and

Experimental Engineers Miniature Railway is the only thing confirmed, and there are at least five or six groups there.

THE CHAIR: Minister, in your introductory remarks you talked about the East Lake development. I thought you said it was high density.

Mr Barr: Yes.

THE CHAIR: You also talked a bit about environmental design. I was just wondering how those two things—

Mr Barr: Certainly. This is the subject of a major partnership with the CSIRO. It is one of the flagship studies that is being undertaken in Australia. Mr Savery will now give you some more detail.

Mr Savery: With respect to the East Lake project—and I am sure we have discussed this for the last three years at estimates hearings—each year we advance that much further forward in terms of planning for this area, to the point now that the CSIRO partnership that we have been involved in for close to 12 months is providing us with a very good understanding of where we can improve planning practice and the design of suburbs, bearing in mind that this is an infill suburb, so we are, as you have just mentioned, looking at higher density development than we would necessarily look at in all greenfield areas.

We are able to evaluate what the environmental dividends are between, say, a three-storey building and a six-storey building, through carbon emissions, reduction in the environmental footprint of individual buildings that are being developed, their water use and the like. So we are confident that one of the products of this will be an assessment toolkit that will enable us not only to identify what the energy and water performance improvements will be over this particular development, but also to use that assessment tool for other suburb design that we are undertaking. The ultimate purpose of this is not only to design and build a sustainable community in East Lake, but also to transfer the planning concepts, the design and the technology innovations into other areas that we plan and design.

MRS DUNNE: I am appreciative of the notions for the design and the ideas for East Lake, with the original idea coming from the community. Are we going to learn from our mistakes, Mr Savery, when we see East Lake designed? Are we going to see the sorts of mistakes that have received some notoriety in Kingston Foreshore of late?

Mr Savery: I understand the purpose of your question, but I do not know that I would draw a parallel between the design of a suburb and a mistake regarding the technical interpretation of the territory plan and what sits behind that, which is the failure of an individual officer to follow the business rules of the authority. There really is no parallel whatsoever between those two exercises.

MRS DUNNE: So how did ACTPLA approve a development of Kingston Foreshore that was so inconsistent with the territory plan?

Mr Savery: I will answer that in two parts. I would not say it is so inconsistent with

the territory plan.

MRS DUNNE: Five-storey, four-storey—

Mr Savery: It is inconsistent with the territory plan; that is our opinion. In fact, it is interesting: a planning consultant recently argued with us that they think they could interpret the territory plan another way.

MRS DUNNE: That means we have got a problem with the territory plan.

Mr Savery: No, it is planning systems. Planning systems can be openly interpreted. It is why we have an AAT to arbitrate on occasions between our interpretation and other people's interpretations. It is almost impossible to write a planning document that prescribes every conceivable outcome. If we did, I am sure that many industry groups would oppose that because they want to be able to demonstrate to us that they can do it in a different way. So we are caught in a very difficult environment.

But coming back to the point of your question, we have business rules, many of which have been developed since the Auditor-General inquired into development assessment in 2004. We have initiated others ourselves, and there are others that we followed or incorporated after the federal Ombudsman shared his observations two years ago of federal government departments and some of their failings. So we continually refine our business rules. Unfortunately, we had an officer who failed to observe all of those business rules, which provide for checks and balances for certain development applications, which would have enabled other pairs of eyes to see what was going on. Because those other pairs of eyes did not, we missed the opportunity to pick up this mistake.

I have said publicly that I do not think the mistake itself is the end of the world—and I am not being glib about that—inasmuch as the overall height of the building is within the scope of the territory plan, the car parking is consistent with the territory plan and the GFA is consistent with the lease. It is just that inside this building, which most people will not see if they are casually observing it from the outside, there is another floor. And you can have a fifth floor in Kingston; it is just that you cannot have it across the entire length of the building. It is unfortunate, it is regrettable and I am disappointed. We are now making even further efforts to improve our quality control of development assessments.

MRS DUNNE: So what you are saying, Mr Savery, is that the officer who signed off on this did not have it peer reviewed? That is part of the whole process and you have sat in estimates and annual report hearings and talked about the peer reviewing. Is that the case?

Mr Savery: That is right.

MRS DUNNE: How many other cases do you know of where things have gone through that have not been peer reviewed, that have not been checked?

Mr Savery: We do not know of any. Obviously, as you might expect or would hope, we undertook to examine the record of this individual officer to see whether they had

ignored business rules on other occasions, and we have not found evidence of that.

MRS DUNNE: So this was a one-off, as far as you can tell?

Mr Savery: We are satisfied that this is a one-off. I cannot sit here in all honesty and say that there are no other mistakes in the thousands of DAs that we have issued in the time that I have been here or before me. Mistakes get made in all walks of life. I am satisfied that we do not have a systemic problem within the organisation resulting in daily mistakes being made on development applications.

MRS DUNNE: How long did it take after the decision was made for the error to be detected?

Mr Savery: Three months.

MRS DUNNE: And how long after the error was detected was it before this came out under the cover of the federal budget?

Mr Savery: I know that people would like to try and make that causal link, but the fact is that in undertaking our internal investigation we had to be confident that there was no potential—not only that there were no other circumstances like this, which took a bit of time, but that there was no corruption or fraud involved.

MRS DUNNE: And you are absolutely confident of that?

Mr Savery: Yes, I am. But I had to be satisfied, and that took time. And there is a very good reason for that: fraud or corruption is one of two reasons under our act where we can actually seek to revoke a DA. So I had to be satisfied, not only because I wanted to be satisfied that there was not but because I had a power available to revoke the DA if we could establish that there was corruption or fraud. That included interviewing the developers. I personally sat in on those and I am satisfied that that was not the case. We then had to ensure that procedural fairness was provided to the individual officer. I have sat here and told you what I have concluded at the end of that process, but to get to that point I had to interview many people—we had someone helping us interview people. We had to give them a right of response, including our findings et cetera. That all takes time. I did not deliberately choose to do it the day that it was done, but it coincided.

THE CHAIR: I have two supplementaries and then Mr Mulcahy has the next substantive question. I am sorry for the delay. Mr Seselja is going to ask a supplementary.

MR SESELJA: Yes, a couple of supplementaries.

THE CHAIR: And Mr Smyth is going to ask a supplementary and then we are going to Mr Mulcahy.

DR FOSKEY: Could I get on the list for substantive questions too, please?

THE CHAIR: Yes, you can.

DR FOSKEY: Thank you.

MR SESELJA: Mr Savery or Mr Barr, are you able to take us through the actual time frame? You talked a little bit around why it took as long as it did. Are you able to take us through some of the key dates—when the decision was made, when it was discovered that there was an error, when the investigation was launched, when that was finalised, when it was reported to the minister and when it was announced?

Mr Ponton: The decisions on the three DAs were made on 14 November. They came to light towards the end of February 2008.

MR SESELJA: How did they come to light?

Mr Ponton: They came to light because of the checks and balances that Mr Savery was talking about earlier. There are two review groups. One is the project review group, which consists of me as chair and also the two development assessment managers and other managers within the Planning and Land Authority. That group reviews applications that meet certain triggers and then provides advice to the executive policy committee, which provides a higher order review of certain applications.

One of the triggers is issues surrounding height or interpretation of the territory plan. There was a development application on an adjoining block—block 8, section 54, Kingston—and that application was referred to the project review group in accordance with the business rules. That occurred on 28 or 29 February. In considering that particular development application, the project review group, as it normally does, looks at what is occurring around the site. It was at that time that it became apparent that there were a number of other development applications that had been approved but had not been referred to the project review group. It was at that time that I undertook a more detailed investigation as to how those decisions had been made.

MR SESELJA: So that was the timing of the consideration. There was then a review—which was completed when? You came to a conclusion, or Mr Savery came to a conclusion, that the territory plan had not been followed in this instance. When was that conclusion made, when was that report finalised and how was that communicated to the minister and others?

Mr Ponton: There were a number of processes. The first was, as I say, to review the particulars of the development applications that were of concern in relation to reviewing the file, looking at what was provided on the file—that in itself raised some concerns—and reviewing the actual decisions and the wording within the decisions, when they were made and who they were made by. That process took about two weeks. During that time, obviously, I was briefing the executive management committee in terms of the progress of that review. At that time we also briefed the Government Solicitor's office and sought both senior and junior counsels' advice. That in itself took us through until about 31 March. It was at that point that Mr Savery undertook a more detailed external investigation in relation to the possibility of fraud.

MR SESELJA: So Mr Savery took it up at the end of March, roughly. Mr Savery,

how did you satisfy yourself that no there was no fraud or corruption? Did you bring the police in to investigate it?

Mr Savery: No, I did not. I had some external assistance—and also through my own corporate managers assisting me in going through that process. We of course had legal advice, through the Government Solicitor's office, to assist us in that process. And, as I said, I included myself in some personal interviews with the developers. They specifically asked questions around these issues and the officer concerned. I satisfied myself that it did not warrant an investigation by the Australian Federal Police, because I was satisfied. The advice I received in effect said that there is no corruption or there is no reason to suggest that there is corruption or fraud in this matter. Nevertheless, despite the fact that the initial inquiries concluded at the end of March, following through on those in terms of procedural fairness for the people involved takes time.

MR SESELJA: There is just one or two around this matter. How senior was the officer involved who made the decision?

Mr Savery: I have to be cautious here because I am very conscious of the privacy of the individual.

MR SESELJA: I do not want to know their name.

Mr Savery: No, I know you are not asking that. It is a matter of how far we go before someone can actually identify three questions. Can I just say that it was not a junior officer.

MR SESELJA: If you are talking broadly, was it a SOG C level that we are talking about? Was it higher than that? That is a subjective thing to say.

MR GENTLEMAN: I do not think the committee itself—

MR SESELJA: I think it is relevant.

MR GENTLEMAN: We talk about this when we are informing the committee on the details of questions.

MR SESELJA: I think it is relevant. I do not want to know who the individual is. This is not what I am after.

THE CHAIR: I am afraid that you actually—

MR SESELJA: No, I am not, if you will let me finish. All I am after is this. One person's senior officer might be a junior officer in other people's opinion. I want to know whether this was a junior officer or whether this was a fairly senior officer in the department.

THE CHAIR: You have already had that answer from Mr Savery. It is not a junior officer.

MR SESELJA: I know, but that is a sort of opinion—

Mr Savery: It is not a junior officer and it is not one of our most senior officers.

MR SESELJA: Somewhere in middle management.

THE CHAIR: Yes.

MRS DUNNE: Can I just follow up on that? Has the person worked for ACTPLA for some time and were they aware of the business rules about the peer review?

Mr Savery: I can certainly answer the second one: yes.

Mr Ponton: I can answer the first one: they have been working for the authority for four years.

THE CHAIR: Mr Smyth.

MR SMYTH: There are some concerns in the industry. I have had some reports that other people had submitted plans and they were knocked back. That leads to allegations of preferential treatment for some over others. You are saying that this is just a simple mistake and it was missed in the peer review—that there is nothing untoward in this at all?

Mr Savery: No; absolutely.

MRS DUNNE: It was not missed in a peer review; it did not go to the peer review.

Mr Savery: There is nothing untoward, depending on what your definition of untoward is. But in terms of those other individuals, the thing that I can say is that they have been issued approvals that meet the territory plan so there has not been a wrong done by them or of them. They have a building—presumably they are building a building—that complies with the territory plan.

MRS DUNNE: You said that a mezzanine floor complied with the territory plan, so what was wrong with the—

Mr Savery: No, I did not.

MRS DUNNE: What was wrong with this particular set of approvals?

Mr Savery: What was wrong is that, if the approval allows for a fifth storey over the entire floor plate of the building, that is not permitted under the territory plan, even though the building is below the height allowed in the territory plan, the building satisfies the car parking and the GFA contained within the building is consistent with the lease.

MR SMYTH: You said you sat in on the checks when the discussions were had to make sure that nothing untoward had happened. There was no influence brought on this person from officials in other departments or people outside of—

Mr Savery: It was certainly a question that I asked.

MR SMYTH: Yes.

Mr Savery: It was asked of that individual. I know I have done this before and you have not liked this, but we may be bordering on an area of conversation where I would prefer that we were doing it in camera.

MR SMYTH: I would be happy to have an in camera hearing.

MRS DUNNE: I am not.

Mr Savery: I am not trying to be awkward.

THE CHAIR: Can I just clarify something for the record? You said that the peer review process was not adhered to?

Mr Savery: There was no peer review.

THE CHAIR: That is right. Mr Smyth just said that it was missed in the peer review. It was not missed in the peer review, because it did not happen, did it?

Mr Savery: That is right.

THE CHAIR: I just wanted to correct that.

MR SESELJA: Mr Savery has alluded to a serious issue here. Mr Savery has told us that he cannot answer a question because he does not want to answer it in an open forum. I am prepared to take his word for that, but I think the committee has to deal with that.

THE CHAIR: This is the committee and the committee will deal with it.

MR SESELJA: Do you want this question answered? He has alluded to a serious issue.

THE CHAIR: We are coming up to afternoon tea. I suggest that you do not give me direction about what the committee might do. The committee itself will decide that.

MR SESELJA: I have asked a question. Some committee members seem keen—

THE CHAIR: Some might, but we will have a private meeting about that. I am not going to discuss it at this open forum.

MR SMYTH: Let us have a private meeting about it. The offer has been made for an in camera hearing and I am submitting that a private meeting—

THE CHAIR: At afternoon tea, we may do that. Mr Mulcahy.

MR MULCAHY: Thanks, chair. Minister, in recent weeks I have talked to a number of developers who have continued to reiterate their frustration at the enormous time differences they have experienced in getting applications approved. In many cases, they have cited years and years of frustration and cost. Under your indicators here, you have deleted some indicators and you have put in new performance indicators. I note, for instance, code track applications and merit track applications.

I raise two aspects about this. Are you confident enough to guarantee that the targets you have had established in the accountability indicators will in fact be met as a result of the planning reforms? I also note that your figure for the level of satisfaction with services provided by the authority has a target of 80 per cent which, to a layperson, might seem reasonable, but which for most people who are involved in measurement systems of customer satisfaction is very low on the scale. Can you indicate about the guarantee of vastly improved timeliness and when that is likely to start being seen and what you think about the satisfaction rating.

Mr Barr: Most particularly in relation to code track applications, the principle of the new system is that applications that go through that process are, by their nature, simpler and can only be assessed in that track if they meet the fairly strict rules that are in place in relation to a code assessment. So they would have to meet the code and if they do not meet the code they are immediately bounced into another assessment track. I think we can be confident that the targets that have been set for code track assessments can be achieved.

The issue of merit track, to a certain extent, can depend on the nature and the complexity of the DAs that are put forward. The authority has always got to set high standards, and I think it is important that they do set high standards, and set themselves targets that are challenging.

MR MULCAHY: But realistic too?

Mr Barr: Indeed. We do not want to set the authority up constantly to fail to meet performance targets. But one of the benefits of the new system is to stream the different DAs into the code, the merit and the impact track, to provide a streamlined assessment process for more routine, day-to-day DAs, that can then be processed very quickly.

I understand the concerns that have been expressed from some developers around the time it takes. It is interesting when you look at that against the concerns that are expressed around what constitutes an appropriate consultation time frame. These are inevitably issues where competing interests butt against each other and the Planning and Land Authority ends up being the organisation in the middle, left to juggle with what are some quite powerful—

MR MULCAHY: But the idea of these reforms is to expedite the process in a fair way, is it not?

Mr Barr: It certainly is, and I think it does for your average household and average Canberra resident—

MR MULCAHY: I am thinking more in terms of commercial developments, obviously.

Mr Barr: Yes, but I indicate that, in terms of the effective allocation of resources within the Planning and Land Authority and the amount of time that is spent on certain DAs, the creation of a code track stream whereby simpler ones can go through more quickly and more time can then be devoted to the more detailed DAs is a sensible and logical way to approach dealing with development assessment. I am aware that a record number of DAs were lodged in the first quarter of this calendar year, and that there is a huge amount of pressure on the authority to work through those.

MR MULCAHY: How many vacancies have you got now?

Mr Barr: I understand we have been successful in filling some of the vacancies that were in place and that—

MR SMYTH: There are a few NCA staff around to pick up.

Mr Barr: Indeed; a number of NCA staff are now working for the authority, and they are most welcome. They have already made a significant—

MR MULCAHY: Do we know the number of vacant jobs?

Mr Barr: I understand it is—

Mr Savery: Between 15 and 20.

Mr Barr: Yes, it is between 15 and 20, which I think is down—

MS MacDONALD: Of a total workforce?

Mr Savery: 250.

MR MULCAHY: And the other bit of my question, minister—the customer satisfaction issue?

Mr Barr: In terms of customer satisfaction, if there is one thing I have learnt in the just over 12 months that I have had the planning portfolio, it is that it is impossible to please everyone all of the time. No matter which policy position or individual decision the government makes in relation to planning, there will always be someone who disagrees with you. So I think that this target is appropriate. I would hope that the authority will exceed it and will be able to build on it and on their performance in the years ahead.

MRS DUNNE: When was ACTPLA first contacted by a proponent regarding the power generation and data centre proposal, and what was the nature of that first inquiry?

Mr Savery: I cannot give you a precise date but we obviously became aware that

ActewAGL was contemplating a development before the application was lodged.

Mr Barr: On the front page of the paper.

Mr Savery: Yes, so we knew this thing was there and that it was coming. The actual application was lodged on 26 March this year. Mr Ponton might be able to advise you of any prior contact such as pre-application meetings that we had with the applicant.

Mr Ponton: There were no pre-application meetings in relation to this particular proposal. The first official contact in relation to the development assessment area was when the application was lodged on 26 March.

MRS DUNNE: There was a decision for sale of land by direct grant, or whatever the terminology is these days. That would have gone as a cabinet submission. Did you have coordination comments on that?

Mr Savery: Like all agencies, we would have commented on it.

MRS DUNNE: So you would have known about it then. When was that?

Mr Savery: Like I said, we knew. I am not denying that we knew about it; we were not assessing a development application.

MRS DUNNE: Mr Ponton, in your experience is it unusual that a project of such size would come to you completely signed, sealed and delivered without any pre-application meetings?

Mr Ponton: It does happen. In most cases we do encourage applicants to make contact with us so that we can work through the process. But, particularly with those applicants who are familiar with the system, it is not unusual for them to choose not to avail themselves of that process.

MRS DUNNE: This was an application that came under the old planning regulations rather than the newer, faster, cheaper, smarter ones—whatever they are called.

Mr Barr: Simpler, faster and more effective, Mrs Dunne.

MRS DUNNE: Is that what it is?

Mr Barr: That is what it is.

MRS DUNNE: It has been put to me by constituents that the DA form seems somewhat lacking for the purpose. We used the same DA in the old system; we use the same DA form as we do if you are putting up a garage that needs approval. The feedback I got from the community was that they did not think that the documentation was serious enough to warrant the seriousness, the size and the ramifications of the project.

Mr Savery: That is ultimately part of the assessment process. They can express those views and we have to determine, on the material in front of us, whether or not the

information submitted with the application is adequate for the purposes of assessing it. Bearing in mind that this development application includes a preliminary assessment, and there was quite a deal of material submitted as part of that, that has been available for public comment. The public comment period has been extended by the minister for the PA and by us for the development application. We have collected, as you know, many hundreds of submissions and we were at the point of sifting through all of those until we were advised earlier this week of a proposal to alter.

MRS DUNNE: You have been formally advised?

Mr Savery: We have been formally advised in that we had a meeting at the start of the week with ActewAGL at which they said they intended to alter the DA. We have not received the altered documentation.

MRS DUNNE: When did you have the meeting with ActewAGL?

Mr Savery: Monday.

MR SESELJA: How will the determination be made?

Mr Barr: In response to Mrs Dunne's question about paperwork and the nature of the forms that are required, I find it interesting that some of the criticism of the new system has been that the paperwork requirements for the new development applications are excessive, and that is coming from industry. It goes to highlight the point I made.

MR SESELJA: We will get to that line of questioning later, Mr Barr. That is still to come.

MRS DUNNE: Yes, perhaps it is about having a happy medium.

Mr Barr: Yes.

MR SESELJA: It is not just paperwork, though, is it? I will not go into that now. How will the determination be made as to whether this needs to be a new development application process or whether it is an amended one?

Mr Savery: Essentially, that was why ActewAGL came to see us. I should make the point that I was not at that meeting. Mr Ponton may want to elaborate on this. The purpose of that meeting was for ActewAGL to establish whether or not we would require it to be a new application or whether or not we would be satisfied with it being treated as an alteration. Based on what they have told us, we have said to them that we believe we would treat it as an alteration. We have to wait until we get the material before we can formally make that decision.

MR SESELJA: What are the criteria? Is it if it is substantially different or what are the sort of—

Mr Savery: The key test for us is that if the proposal will result in a change that is going to be less detrimental than the original proposal then we are prepared to

consider it and treat it as an alteration. If what they propose to us was that this was going to result in a development that added to, or had the potential to add to, the detriment—that is, we were increasing the size of the thing—then I think without hesitation we would say, “This is a new development application.”

MR SESELJA: What if it is less detrimental but substantially different?

Mr Savery: There is no hard and fast rule. Again, we are being asked to make a judgement. Based on the fact that it still comprises the sort of elements of the original development application but they have reduced the scale of it, and therefore there may still be the same components but they are of a lesser scale, we believe it is appropriate to treat it as an alteration.

MR SESELJA: I did not hear all of the discussion between you and Mrs Dunne about the forms, but with respect to the signage on the site—and I understand there was a newspaper notification as well—that would just be your standard, quite small, A4 or A3 size notification; is that right?

Mr Savery: It would be the standard-size sign. There may have been more than one.

Mr Ponton: The size of the signage depends on the size of the parcel of land. On a parcel this size, it would have been an A0 size sign.

DR FOSKEY: What is A0?

Mr Barr: Madam Chair, I can indicate to the committee that—

MR SESELJA: That is double A1, I imagine, or four times.

Mr Barr: under the new planning system we have, through the different assessment tracks, the capacity to significantly increase the signage depending on the nature of the DA. I have asked the authority to significantly increase the size of signage for projects that are in the merit and impact tracks. This, I think, will go some of the way towards addressing community concerns about the size of signage for any such future development applications.

As part of the new planning system, there is within the merit track a set of criteria around the size of projects and we can then mandate larger signs. I understand there is the possibility of looking at some of the different sorts of signage that an organisation—for example, the National Capital Authority—uses for large developments to be the standard for future signage for development applications that come to the authority.

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

MR SMYTH: Part of the angst in the community was the fact that, although the application was received on 26 March, the notification occurred the day of the start of the school holidays. The advert appeared on the first Saturday of the school holidays and closed the week after the school holidays, severely, the community felt, limiting their ability to coordinate their comments. The Macarthur/Fadden residents are a bit

gun-shy because when the government, under a previous head of planning, tried to put through the Karralika redevelopment, the communication was done over the Christmas break.

Mr Savery: I was actually the head of planning then.

MR SMYTH: Were you there at that time?

Mr Savery: I was there for Karralika, yes.

Mr Barr: That was your first public meeting, was it not?

Mr Savery: It might well have been.

MR SMYTH: There is concern that all the major stuff seems to come out in the school holidays. What was the delay between 26 March and the actual notification date, which is a day in April?

Mr Ponton: In the last week of March, drawing to conclusion from the old planning system, the Planning and Land Authority received a record number of lodgements. That primarily was the cause of the delay, people trying to beat the—

MRS DUNNE: Faster, cheaper, better, smarter?

Mr Ponton: Effectively, being comfortable with the older system, they wanted to get their applications in. They were comfortable with that and, as a result, we see some 400-odd applications, as I understand.

THE CHAIR: How many, sorry?

Mr Ponton: Some 400 in that week. I do not have the exact figure. As a result, that delayed notification for some weeks.

Mr Savery: I would like to put on record: there is no conspiracy to publicly notify major development applications during the school holidays. I think I am relatively safe in saying that we are probably the only jurisdiction that does not publicly notify development applications over the Christmas period.

MR GENTLEMAN: Minister, to clarify Mr Smyth's statement, though, that notification period did not close at that time? It was extended, was it not?

Mr Barr: That is correct, yes.

MR GENTLEMAN: Because I wrote to you.

Mr Barr: Mr Gentleman did write to me following his attending a public meeting organised by the Tuggeranong Community Council. Recognising the array of concerns that were raised and the desire for the community to have more time to comment, I did extend the period—a point I think that everyone has acknowledged.

MR SMYTH: It is good of you to give Mick credit but, at the presentation that Mick attended, the Tuggeranong Community Council's position that night, after the Actew presentation, was: we will ask for extra time.

Mr Barr: That was something they were asking for as well. I think Mick's letter beat the Tuggeranong Community Council's by about three hours; so I will give Mick the credit.

THE CHAIR: Mrs Dunne, you had a supplementary on this area or has it been answered?

MRS DUNNE: No, it has not. I have a couple of short ones. If there is an altered DA rather than a new DA, what is the consultation period?

Mr Savery: It is the same consultation period for the original DA, which is 15 days.

MRS DUNNE: So it cannot ever be construed as a technical amendment? It would not be construed as a technical amendment?

Mr Savery: No, absolutely not. In fact, we have asked that there has to be a revised DA; so the DA will be notified as well.

DR FOSKEY: And that is 15 working days? Sorry, just—

Mr Savery: Yes, it is 15 working days. I would again stress that we will continue to consider the submissions we have received; so if people want to leave their submissions as are, we will treat them as submissions to the new DA.

MRS DUNNE: The new DA?

Mr Savery: Or the revised documentation that we get.

MRS DUNNE: And if it becomes a new DA, is it a DA under the new system or the old system?

Mr Savery: If we determine, when we receive this new material, that it should be treated as an alteration to the existing DA, it will be assessed under the land act. If we believe that it constitutes a new development application, then it will be treated under the Planning and Development Act.

MRS DUNNE: On a completely different track: I have been given contradictory advice about whether or not—and this may be irrelevant now—the land use for broadacre allows for those sorts of development that were proposed. Certainly my reading of it is that it allows for a power station, but is a data centre a communications facility within the meaning of the territory plan?

Mr Savery: That is our position. That is our interpretation. These are the sorts of things that people can test through planning processes. Going back to your point about the direct sale, you would understand that one of the questions that was asked of the planning agency was: "Is it your view that broadacre would allow this type of

development?” So our advice in that process was yes.

MRS DUNNE: So you have not told members of the public who have asked you that it does not comply with the territory plan and there had to be a variation?

Mr Savery: Mr Ponton and I met the Canberrans for Power Station Relocation Inc two weeks ago, where that question was put to us. I do not know how many other conversations go on, but at that meeting that question was asked and we said that is our interpretation.

MRS DUNNE: It did not come from there; it came from elsewhere.

Mr Savery: But I am just saying that there are so many people ringing us up or writing to us contesting these things that I cannot account for every conversation that has gone on.

MRS DUNNE: It was put to me that you told a member of the public that it did not comply.

Mr Savery: I did?

MRS DUNNE: Yes.

Mr Savery: No.

MR SMYTH: You mentioned then that, when first asked, you gave the opinion that it did comply. When were you first asked by Actew, ACTPLA or the Chief Minister’s?

Mr Savery: No. The comment I was making was that—

MS MacDONALD: It is ActewAGL; it is not Actew.

Mr Savery: When the process was occurring for the direct sale of land, the planning agency was being asked its advice, “If this land was to be used, what is its zoning and would this sort of facility be permitted?”

MR SMYTH: So this is August last year when the cabinet submission was put together?

Mr Savery: I cannot tell you when the date was.

MR SMYTH: But that is in your coord comments for the direct sale?

Mr Savery: Yes.

MR SMYTH: Yes, that it could be used for this purpose?

Mr Savery: We would have given that comment or something like it.

MR SMYTH: Can you outline what other information you gave that would have been

directed to the direct sale?

Mr Savery: I cannot because you are probably asking me something that is cabinet-in-confidence.

MR SMYTH: Minister, you can, of course, make this accessible and open when you release that information to the committee.

Mr Barr: It is not normally my practice to release cabinet material.

MR SMYTH: But it has been done and the Chief Minister said, when Leader of the Opposition, that he would not hide behind cabinet-in-confidence. Will you now release that information to the committee?

Mr Barr: It is not my cabinet submission so I am not in a position—

MR SMYTH: No, but you can release your coord comments. They are your coord comments.

Mr Barr: I am not in a position to do that this afternoon. I can look at the matter and consider it.

MR SMYTH: So you will take that on notice?

Mr Barr: I can consider the issue, yes.

MR SMYTH: Another issue for the Macarthur residents and people of Fadden is that there is constant talk now that that whole area will be rezoned industrial. You are doing some study on industrial land availability?

Mr Barr: We are undertaking a study of that corridor, yes.

Mr Savery: As part of the eastern broadacre study. Hume is the tail end of it, the southern end of that corridor. As part of that, there has been the Hume planning study, which feeds into that exercise which looks at the future capacity for development in that area. It is broadacre land use which, without any change, allows for substantial development. I think we are all familiar with many things that exist within broadacre land use that are quite substantial in scale. And so we will be giving advice to government at some point. We will also be putting material out for public comment, public consultation.

MR SMYTH: When will that be?

Mr Savery: I cannot advise at this stage, unless Ms Lavis can.

Ms Lavis: I would think that that would be available in the second half of this calendar year; so towards the August, September time when or if it is actually required. A portion of the land that has been subject to more detailed investigation actually already has an industrial land use zoning. The study looked at the potential for actually laying out, subdividing, some of the land that has an existing zoning and

that—

MR SMYTH: But that is to the north of Long Gully?

Ms Lavis: That is correct.

MR SMYTH: The area to the south of Long Gully is the area of greatest concern to the community.

Ms Lavis: Yes. I am just indicating the extent of the Hume industrial study, which Mr Savery is referring to. It covers the area both to the north and the south of that particular road. The first stage of development would be industrially on the land already zoned for industrial purposes. At this stage, there have been no decisions taken on the study or whether or not there is any further land required for pure industrial purposes in the south. If that land were required, there would be a territory plan variation and the consultation would be undertaken in the context of that territory plan variation.

Mr Savery: If I could, I think the point that Ms Lavis is making is important because, in effect, she is saying people should not be surprised if they see that some industrial land is being sold off and potentially developed in this coming financial year; it is on the LDA's books. That should not be read as: "They've done something without us knowing."

MR SMYTH: Yes, but that land is not to the south of Long Gully and to the west of the Monaro Highway.

Mr Savery: Exactly. It is all in this same area. Ms Lavis is just highlighting there is land already zoned industrial.

Ms Lavis: And that is not broadly understood, I suspect.

Mr Savery: That is often the problem we face.

MR SMYTH: We are going to have a discussion about whether or not we have an in-camera hearing. Could you broadly outline what sorts of things you might tell the committee that would influence—

Mr Savery: It was specifically in response to the question you asked, which was, if I recall it correctly—or it may have been Mr Seselja—did the officer indicate whether other government departments were asking or doing things.

MR SESELJA: Just to make that clear then: the nature of your concern in answering the question is what?

Mr Savery: It is where your questioning was potentially leading and whether or not I would be comfortable speaking in an open forum about that. If it helps avoid us having to even contemplate going in camera, the officer in question talked about other government agencies.

MR SESELJA: Are government agencies having an influence over the process or—

Mr Savery: No, not having an influence over the process. Can I ask the minister a question, to see whether he is comfortable with this.

THE CHAIR: Yes.

Mr Barr: It might be useful for the committee to be aware that an allegation was made that the developer had indicated that they would seek to air the case with another government agency if approval was not given; so it was an allegation that the developer had made that statement to the officer within ACTPLA.

MR MULCAHY: After the discovery of the problem?

Mr Barr: No, early in the process.

Mr Savery: In other words, the officer, in response to questioning, was saying that he felt he was being intimidated by the developer, that the developer was saying, “If you don’t approve this,” or, “if you don’t do this”—and I am not saying that is true—he says that the developer said, “I will go to another government department.” And he was feeling intimidated.

MR SESELJA: “I will get someone to come in and kick heads” essentially.

Mr Savery: Yes. This is the sort of stuff that happens and you have to work through the truth.

Mr Barr: This is the reality and the pressure that apply not only to the authority but to the minister of the day—the number of times when people are told no at a particular level that they will then seek recourse. Ultimately they come to the minister of the day. I think it is an advantage of the ACT system that we have a clear separation in that I do not approve development applications. I think that is a—

MRS DUNNE: Except when you are calling in?

Mr Barr: With the exception of call-in, but I would note that I have been asked on a number of occasions now to call developments in and I have not exercised that power. On a number of occasions I have been asked to call things in, to reject applications—that is, more publicly on the front page of this week’s *Chronicle* by the Woden Valley Community Council. But that is not the only time that that is put.

In fact, correspondence from me to any number of organisations has indicated that there are clear guidelines in the act on when it is appropriate for the call-in powers to be used. I take that seriously and I am very conscious of the sort of pressure that is applied.

Let us not try to beat around the bush here. This is a reality of planning and development not just in this city but in this country and the world. I think the systems we have in place do afford a good degree of protection from political interference in the process.

Mr Savery: Can I just put on the record, though, that there is nothing that I have been able to discover that would support that assertion. I think that is important.

MR MULCAHY: On a supplementary: was the allegation you just cited raised with superiors before this revelation or did it come once you made your line of inquiry?

Mr Savery: The allegation was made after the issue came to light.

MR SESELJA: So was there any influence at all from other agencies while this process was being assessed or from officers from other agencies?

Mr Savery: Not that I am aware of.

MR SESELJA: There was no discussion between the officer charged with considering the application and officers from other agencies, other than the statutory processes that need to be gone through?

Mr Savery: Not to my knowledge.

MR MULCAHY: Do you have a procedure for threats, bribes, inducements and anything else—notification that should happen when they occur?

Mr Savery: Yes, and they are all part of our business rules; absolutely.

MR MULCAHY: They were not complied with on that front either.

Meeting adjourned from 3.36 to 4.20 pm.

THE CHAIR: We have decided to proceed in this open hearing, but I remind all members, all visitors and all officials—I am sure you do not need reminding, minister—that we need to be aware that we should not be pursuing a line that will be damaging to a person's reputation. I know that we have got privilege here, but we have had to draw ourselves back a couple of times during this last fortnight. I am just reminding everyone before we start so that we will not get in a position where we find ourselves doing that and so that we will be mindful of the obligation that we have when we sit here under privilege—the obligation not to do that. Is that clear?

Mr Barr: That is clear.

THE CHAIR: The other thing I would like to say is that I would not like to spend too much longer on this; I am aware that members have got other substantive questions that they wish to ask.

Mr Barr: Certainly.

THE CHAIR: If there is anything else that you would like to say on this matter and that you are happy to put on the public record now, that might help members. It might help members if there is something that you want to say at the moment that is in response to anything that we have said previously.

MRS DUNNE: Can I perhaps aid Mr Savery? Mr Savery, you said that you personally supervised the investigation into the matter in relation to the inconsistencies in the Kingston Foreshore, that you sat in on the meetings and that you decided that there was no fraud. What mechanisms did you use? What practices did you review against to make that determination?

Mr Savery: I need to clarify. I do not think I said I personally supervised the—

MRS DUNNE: Sorry: you oversaw—

Mr Savery: I was involved in interviews. My role as chief executive of the department was to initiate potential disciplinary proceedings involving an officer. That is a responsibility that I have. Therefore I had to pursue a course of action that is consistent with the enterprise bargaining agreement because—

MRS DUNNE: You also said that you had to satisfy yourself that there was no fraud.

Mr Savery: Sure. I am just breaking it down. So there is that involvement. In terms of being satisfied that there had been no corruption or fraud, then, based on legal advice, we pursued a particular course of action that included not only interviewing the officer through that disciplinary process but also interviewing the people involved in the developments to establish whether or not the information they gave us corroborated the information we were getting back through the other line of the inquiry.

MRS DUNNE: Who provided you with that advice?

Mr Savery: The GSO provided us with the advice as to how we should best conduct this matter.

MRS DUNNE: Did you raise with the GSO whether you should call in the police?

Mr Savery: I—

MRS DUNNE: Just to determine whether or not there had been fraud or corruption?

Mr Savery: No, I did not. And I do not believe anyone else—no-one else did.

MRS DUNNE: Did anyone question whether—

Mr Savery: We certainly asked ourselves the question, and with our legal counsel, as to whether or not the first course of action should be to involve the Australian Federal Police. Based on our discussions with GSO, we came to the conclusion that our first course of action should be the one that we followed and we would involve the federal police only if matters arising out of that inquiry led us to believe or have cause for concern that there had been some corrupt activity.

MRS DUNNE: What elements of your inquiry satisfied you that there was no corruption or fraud?

Mr Savery: Both through the evidence that was gained for us by the person that we had engaged to assist us in undertaking the inquiry and through my own participation and that of others—

MRS DUNNE: How was the evidence gathering—

Mr Savery: I might ask Mr Walsh to respond. I think I am correct in saying that Mr Walsh supervised the—

Mr Walsh: Mr Savery, as the chief executive under the collective agreement which applies to the organisation, was required to initiate an investigation into the disciplinary aspects of the process. In doing that, he sought and used the services of an external investigator, who considered the process, considered all of the circumstances and reported and made recommendations to Mr Savery as to the process to be followed. One of the specific requests of the investigator was that, if evidence came to light in the process of the investigation, that should be immediately faxed to—my apologies: if any facts came to light in the process of the investigation, those facts should be immediately brought to light so that the authority could hand the investigation over to civil authorities, presumably the Federal Police. The investigator concluded, having exhaustively interviewed the people involved, that there was no evidence to suggest any impropriety.

MR SMYTH: Without naming anyone, who was interviewed?

Mr Walsh: I am sorry?

MR SMYTH: Without naming anyone specifically, who was interviewed?

Mr Walsh: Who was interviewed?

MR SMYTH: Yes.

Mr Walsh: People within the authority—obviously the officer concerned, the manager, supervisors, other relevant staff members, people who would have been in a position to understand the process and observe behaviour and implications.

MR SMYTH: And outside ACTPLA?

Mr Walsh: I am not sure that I can answer that.

MRS DUNNE: So as part of—

MR SMYTH: Because you do not know?

Mr Walsh: Because I do not know.

MR SMYTH: Okay.

MRS DUNNE: As part of the disciplinary process, the officer concerned and his

immediate supervisors et cetera were interviewed. Mr Savery, in relation to you satisfying yourself that there was no fraud or corruption for the purposes of determining whether or not you could revisit the development application and disallow—disallow is not the right word—

Mr Savery: Revoke.

MRS DUNNE: Revoke, thank you. Revoke the approval—what steps did you take that were over and above that?

Mr Savery: Part of the critical advice is that we had asked that if anything through the initial investigations relating to disciplinary action alerted the investigator to untoward activity, that would obviously have a bearing on matters; and then, through the advice that we got through the Government Solicitor's office, the inquiries that we made of the applicants—

MRS DUNNE: I do not know whether Mr Walsh or Mr Savery can answer this: apart from actually interviewing people in ACTPLA, what other investigations were there? Did you check the files? Did you check email traffic? Was there the capacity to check traffic from private email sources? Did you look at bank accounts—all of those sorts of things. Did you look at the bank accounts of spouses and people associated with the people who were involved in this decision making?

Mr Walsh: As Mr Savery has already said, we were to some extent operating with GSO advice and there are limits to how far you can or should go without there being any genuine smoking gun. All we had was a set of circumstances where something had been approved which clearly should not have been approved in those circumstances. The investigation—we used the external investigator to do the detail. We did a review of emails—official email traffic—going back over the period that might have been concerned to seek to identify any potential improper links or improper communications, but there was no such evidence identified. There is a point at which you have to say, “Well, it is a mistake.” The difficulty always is that one can never prove one's innocence. There was no evidence to suggest anything other than a genuine error.

Mr Savery: I would make the point—and I do not say this lightly in terms of it is not sufficient in its own right to say that it is evidence that there is no untoward activity—that, with the development that has been permitted as a result of this mistake, it is not as if someone has got away with something substantial. If, for instance, upon discovering the mistake we were to find out that it had led to a doubling of the GFA, inconsistent with the lease, or had created a building that is twice as high as permitted under the territory plan, I would be pretty concerned: “How has this happened? What has gone on here?”

In order to establish that there has been something untoward along the lines of the questions, we are suggesting that someone has benefited here. There is no great benefit. In my conversations with both of the applicants, it was very obvious, very apparent, that they genuinely believed that, in order for them to be able to achieve what the lease said they could do, our interpretation of the territory plan must allow for a mezzanine.

MRS DUNNE: I asked you this before: this is not a mezzanine floor; this is a full floor?

Mr Savery: Yes. No, it is a mezzanine floor. It is a floor between two others floors, but it nonetheless essentially occupies a whole level within the building.

MRS DUNNE: Yes. When is a mezzanine not a mezzanine?

Mr Savery: The rules allow for a fifth storey. If we want to go into this, I would suggest that we ask Mr Ponton to explain the criteria around this particular—

Mr Barr: It might be useful for the committee.

MRS DUNNE: I do not know that I want to go down that path. The point that you are trying to make is that it was a little mistake and no-one gained—

Mr Savery: No.

MRS DUNNE: Sorry, let me finish, Mr Savery. It was a little mistake and no-one stood to gain anything substantial, so as a result of it being a small amount it was too venal to be a matter of corruption or anything like that. Don't you think that from time to time people do actually do the wrong thing for very small gain or no gain at all?

Mr Savery: They might do, and I drew that out in isolation and said, "I am not suggesting as a result of the comment I am about to make that that does absolve or suggest that the whole thing is above board, so to speak." That is why we carried out the other investigations. I am just adding to the body of evidence that was before us that satisfied me that there has been nothing untoward here. So with that, in addition to the investigation we undertook of the officer and other officers, and in meeting, talking with the developers and working through all of the issues, the records that we identified, I am satisfied that there has been no corruption or fraud in this matter. I am adding to the pool of evidence that was in front of me to satisfy myself of that.

MR SMYTH: All right. You said the investigator was external. Name the person if you can, or if you want to, but who is the external investigator and where did they come from?

Mr Walsh: The process in the ACT government for identifying an investigator would be through the shared service arrangement now. We went specifically to the shared service, raised the question of priority, the importance of the process itself, that we wanted it to be done objectively, that we wanted an external investigator, not an internal staff member of the ACT government, and we expressed a preference for it to be somebody who was not resident in Canberra. So we were trying to isolate ourselves completely. Shared service came back with a list of possible investigators, one of whom is Sydney based—and my mind goes blank when I try to come up with his name. I do not believe there is any reason we should not name him.

MRS DUNNE: I do not think we need to know that.

THE CHAIR: I do not think we need to know his name.

MRS DUNNE: I understand the criteria.

MR SMYTH: That is fine. It is somebody outside the ACT public service, outside the ACT and outside the—

Mr Walsh: Yes, a retired very senior New South Wales public servant, former permanent head of two different New South Wales government departments, who does part-time work—a very objective independent person.

MR SMYTH: The other thing I asked you: you were aware of the staff who were interviewed, but you were not aware of who was interviewed outside of ACTPLA. Who was interviewed outside of ACTPLA?

Mr Walsh: By this officer, by the independent investigator?

MR SMYTH: By the investigator.

MRS DUNNE: In the course of the investigation, by that officer or anybody else?

Mr Walsh: I cannot say categorically, so I have to qualify my response. I think it unlikely he would have talked to many people, if any, outside. It was specifically a discipline investigation, which therefore focused on his behaviour internally. He was asked to consider whether misconduct had occurred in terms of the certified agreement, or whether serious misconduct had occurred. He pursued appropriate lines of investigation and we had an abstracted report. I cannot necessarily identify everybody, but I think most of the investigation from this investigator would have been internal.

MR SMYTH: Mr Savery, you said earlier you spoke to people external to the department?

Mr Savery: The developers, to the applicants.

MR SMYTH: The allegation was that there was influence or the threat of influence from another department or other authorities. Were they spoken to?

Mr Savery: Yes. Those departments?

MR SMYTH: Yes.

Mr Savery: No. Well, not by me.

MR SMYTH: So were they spoken to by anyone?

Mr Savery: I would suspect not.

Mr Walsh: No.

Mr Savery: No.

MR SMYTH: Is that not appropriate that they be spoken to?

Mr Savery: Again, we were taking advice and the responses that I got from the applicants again satisfied me that that assertion could not be established. Bear in mind the assertion by the officer was, as we have stated here, that it was the developers who were saying, “If we say this, we will go to ...” The assertion was not that that other department has already been spoken to and it is applying pressure.

MR SESELJA: So which agency did they say they would go to?

Mr Savery: The Chief Minister’s Department.

MR SESELJA: Any particular unit in Chief Minister’s Department?

Mr Savery: No, not that I recall.

MR SESELJA: Just while we are on the budget, this is obviously a fairly costly stuff-up now with all this investigation. What was the cost of the investigator and do you have an estimate of the total cost?

Mr Savery: No, we will have to take that on notice.

MRS DUNNE: I have one more question.

THE CHAIR: One more question and then we are going on to—

MRS DUNNE: Who in GSO advised you?

Mr Savery: The reason I am hesitating is that I do not think it was necessarily just one person.

THE CHAIR: Take that on notice then. Thank you very much. We are going to another item of questioning now.

MR SMYTH: So, Mr Savery, is that all that you can publicly reveal unless we went in camera?

Mr Savery: Yes. I would be very cautious if you were going to pursue a line of inquiry that was trying to identify who the individuals were, where I felt I would be prejudicing their particulars et cetera.

THE CHAIR: Exactly.

MRS DUNNE: I am not interested in who the individual—

THE CHAIR: Yes, and that is exactly—

Mr Savery: If that is not where we are going, I do not know what more I can really

say about this.

THE CHAIR: Yes, and I did say that we would just spend a few more minutes and I did say that people had other substantive questions that they wished to pursue, so I think we will move on now—

MR SMYTH: Do you want to review the *Hansard* from before the break?

THE CHAIR: I am happy to do that, but I still want to move on now.

MR SMYTH: All right, so we will put on hold the motion for an in camera hearing then?

THE CHAIR: Yes, that is to do with our private meeting, which I do not think we should talk about in this forum. Thank you.

MR GENTLEMAN: I must say for the *Hansard*, though, chair, that I think that Mr Savery and the minister have been very open with their responses to questions here.

THE CHAIR: Yes.

MR SMYTH: And I would support Mr Gentleman in that, as far as we can be in a public forum.

THE CHAIR: I think so. Thank you very much. We will go on to—

MRS DUNNE: I have a question, madam chair.

THE CHAIR: Wait on; let me look at my list, which I have now lost. You can ask your question, Mrs Dunne, but I think Mr Gentleman is next after that.

MRS DUNNE: And Mr Pratt wants to go on the list.

MR SMYTH: I have got one last question on Macarthur. I think all members of the Assembly have received a letter from the Queanbeyan City Council, minister, who have been critical of the fact that they were not notified and invited to make a submission, as had been the practice in the past, which is a quote from the letter. Is there any reason why the Queanbeyan City Council was excluded on the block 1671, Tuggeranong, Canberra Technology City including a gas-fired power station, development?

Mr Savery: If I can respond to that, bearing in mind we only got that letter today—

MR SMYTH: Yes, and it is written by the general manager, for the public record.

Mr Savery: Okay.

Mr Barr: By the mayor and candidate, yes.

MR SMYTH: No, there are no mayoral fingerprints on it, by the look of it.

Mr Savery: The reason I wanted to draw your attention to that point is that it would have been courteous of me to respond to them. I am about to give part of the response in this forum. There is nothing in our legislation that requires us to notify Queanbeyan City Council or an adjoining council. We have a very effective working relationship with Queanbeyan City Council. We meet with them twice a year to talk through issues of mutual interest on their side and our side of the border. We have an informal arrangement that says we will notify each other of developments happening adjacent to each other's borders. Our interpretation of that informal arrangement is a development happening on the border, adjoining the municipality. In other words, if this was happening in the Hume industrial estate, on the border, or if Tralee was happening on their side of the border adjacent to us, we would expect notification. An example which never reached the point of a development application was Griffin Green, which was being contemplated. That is the sort of thing that we would have said we would notify.

On those things that are further afield, the broader public notification that occurs in those instances—that is, newspapers—alerts people, not just Queanbeyan City Council but other people further afield, to those developments. Clearly, Queanbeyan City Council has found out, through notification, media and other forms, that that is taking place.

It is also worth making the point that these are subjective matters. Where do you draw the boundary? I take my lead here from the fact that in those jurisdictions that have local government—and I cannot say this for all of those jurisdictions—they typically have within their legislation a requirement in relation to public notification of an adjoining council where a development borders that adjoining council. I do not think it is unreasonable that we would take our lead from that. So if this development was actually physically on the border, we would have notified. If, as a result of this letter and our good relationship with Queanbeyan City Council, we want to discuss the pros and cons of how we have gone about this and how we would do it differently, we will have that conversation with them. But that is why it did not happen.

MR PRATT: Minister or Mr Savery, by way of a supplementary to Mr Smyth's question on the notification process, the ACTPLA notification for the PA or the DA for the gas-fired power station at Macarthur—

Mr Barr: It is not in Macarthur.

THE CHAIR: It is not in Macarthur.

MR PRATT: Shall I say around the Macarthur saga, minister, the notification talks about the project in the district of Tuggeranong, block 1671 et cetera. That is number 200704152, and it would have been published some time in April. Would it have been helpful if that notification had been a lot more specific about the proposed site near Macarthur? Would that perhaps have taken some of the sting and anger out of the community when they first picked up on this?

Mr Savery: I will ask Mr Ponton to make a comment but I will make a couple of

observations. The first is that we have carried out public notification in accordance with the law. The second is that no-one could claim that people do not know about this, just from the weight of submissions. So one way or another, we have got submissions; people know about it; and, as a result of that, things are taking their own course of action.

There has been some comment made to us about the description of Tuggeranong. Had we described it as Macarthur then others would have felt that we had misled them, in that this is happening in the broader area of Tuggeranong. Again, there are semantic points about how you describe things, how you interpret things. Notifications happen, people have responded and we are dealing with that.

MR PRATT: Could you have said “proximity of Macarthur in the district of Tuggeranong”, to cover all the bases? Given that this is a \$2 billion project—

MR GENTLEMAN: It used to be.

MR PRATT: it is a pretty big deal.

MR SESELJA: Until they put it in the wrong place.

Mr Savery: I think everyone knew where it was.

MR PRATT: Clearly not, by the reaction of the people at the 28 April community council meeting.

MR GENTLEMAN: They knew exactly where it was, Steve.

MR PRATT: Well, they did on that night, Mick—no thanks to you, mate. Mr Savery, can you—

THE CHAIR: Excuse me, Mr Pratt.

Mr Barr: Probably a bit unnecessary, Steve.

MR SESELJA: Mr Gentleman was interjecting on a question, so—

MR GENTLEMAN: It is not a question.

Mr Barr: Anyway, if you two want to slug it out, we will—

THE CHAIR: No, Mr Pratt—

Mr Barr: sit back and observe.

MRS DUNNE: I think he left himself open—

THE CHAIR: Let us not—

MR SESELJA: He is entitled to respond. If there are going to be interjections during

questions—

MR GENTLEMAN: He is not asking a question.

Mr Barr: Is there a question?

MR GENTLEMAN: He is making a statement.

MR PRATT: Minister, I am trying to get over the—

MR SESELJA: He is being heckled.

MR PRATT: interjections to ask you the question, minister.

Mr Barr: Sorry, yes.

MR PRATT: And here we go, minister: Why didn't ACTPLA attend the 28 April meeting?

Mr Savery: I am very happy to answer that. I have been to those meetings before. I am not prepared to put an officer in an environment where they are essentially going to be hung out to dry. We were being asked to go to that meeting to explain the development proposal. That is not our responsibility. We are processing an application impartially. You get mobs in those sorts of environments trying to intimidate officers into giving decisions or expressing views, and it puts them in an unfair environment. I have a duty of care to officers not to do that. I have said to Ms Lissimore—and I am not asserting for one minute that it is Ms Lissimore's fault—that I am not prepared to put officers into those situations. I do not think that any public servant should be expected to be put into those situations.

MR PRATT: So you had anticipated that wave of anger on that particular night?

Mr Savery: Absolutely, I have been there. I have been in that environment.

MR PRATT: I think I have seen you at one of those meetings.

Mr Savery: Yes.

MR PRATT: Over the Telstra tower issue.

Mr Savery: No, not Telstra, it was Karralika.

MR PRATT: Thank you.

THE CHAIR: Mr Gentleman, I know you have been very patient. Is your question a very long one? The reason I am asking is that Dr Foskey has to leave—

DR FOSKEY: I have got 20 minutes, it is okay.

MR GENTLEMAN: No, it is not long.

DR FOSKEY: I just want to make sure I do get to ask a question.

MR GENTLEMAN: My question relates to the question I asked at the beginning of the session, and you did answer in regard to energy efficiency and housing. I wanted to ask what the planning authority is doing to implement Weathering the Change, the government's climate change strategy.

Mr Barr: There are a number of actions that sit with the planning authority. Most particularly, I highlight the work that has been undertaken around the sustainability of future estates. We did have what was a very productive session a few months back with a number of the key stakeholders that has involved a series of actions. The group was asked to identify key areas that they believe the government could quickly respond to—short, medium, and longer term priorities. Subsequent to that, the meeting prepared a report and a series of actions and fed back to the participants in that particular session how we can progress in particular areas. There is funding in the budget, for example, for more compliance in some aspects of domestic housing—the further progression of some of those “lighthouse” projects that will be able to demonstrate sustainability across a variety of settings, be that in a medium density context at East Lake or across the range of housing and estate types, through Molonglo. Mr Savery, is there anything you would like to add?

Mr Savery: One area that we are working on is through the National Plumbing Regulators Forum and with the Building Code of Australia on hot-water systems for implementation in the ACT, but in a way that would be nationally consistent. So that is delivering twofold: one on the Weathering the Change recommendations around hot-water systems and also reflecting the government's commitment to nationally consistent approaches to these sorts of exercises.

MRS DUNNE: So we are not prepared to lead?

Mr Savery: In a similar vein, talking with the Australian Building Codes Board about the energy standards for multiunit apartments because, unlike individual houses which are rated at five-star, multiunit development is at four-star or the equivalent of four-star, and it is the desire of the government, and I know the minister is going to take this up at the building ministers forum in a few weeks time to seek the support of all states and territories, to raise the level of multiunit developments.

THE CHAIR: Sorry, I missed that. To do what?

Mr Barr: To raise the energy standards of multiunit developments.

Mr Savery: To raise the energy rating.

THE CHAIR: So we are going to suggest that we have a higher standard to reach?

Mr Barr: Yes.

THE CHAIR: Is that what you are suggesting?

Mr Savery: For energy efficiency in multiunit development.

THE CHAIR: Which is not across Australia at the moment and we are going to—

Mr Savery: It is across Australia at the moment but it is at a lower level than five-star.

Mr Barr: It is about four-star.

Mr Savery: It is an average of four-star.

THE CHAIR: So we are going to ask for the bar to be lifted?

Mr Savery: Yes.

Mr Barr: Yes.

MRS DUNNE: When you are finished I would like to come back to this point.

Mr Savery: Okay.

DR FOSKEY: And could I have a supp please, after this?

THE CHAIR: Yes.

Mr Savery: The other area that we are working on in relation to implementation of the Weathering the Change recommendations is the energy efficiency rating system at point of sale. The government asked us to look at extending that program to rental property; so we are examining that.

We are also examining issues of energy-efficient appliances. We have not got the solutions but we are working through those and giving advice to government on what course of action might be appropriate to implement those strategies. We are working with colleagues in the Department of Territory and Municipal Services on integrated transport and land use planning, particularly in the new greenfields estates, looking to get more effective public transport into those areas at the commencement of suburban development.

They are also heavily involved in our work with the Gungahlin Town Centre and the East Lake project to ensure that we get good transport outcomes as part of those developments. There are some other areas. I do not know whether Ms Lavis can elaborate.

Ms Lavis: I do have a couple of additional items which I can give you some information about. In addition to the document which the minister tabled as the green building checklist, we have also recently participated in a joint state and territory initiative, which is produced in a publication, regarding the renovation of houses. That document will be published shortly. We have contributed to that.

We are also reworking a document which has been very successful for the last three or four years, which is giving consumers further information about the types of features

they should be looking for in a new dwelling so that they can make informed choices when they are buying their house and land package and talking to builders about the types of features they might be looking for in their buildings.

As the minister and Mr Savery have indicated, we do now have a sustainable communities package of initiatives which will be developed over the next couple of years. Some of the high-level goals are to pursue planning of carbon neutral suburbs. Some of our future land development areas will set themselves a very high target in that regard.

We are also looking at, I guess, the way in which we can ensure that future infrastructure investment does have regard to changes in technology that will be coming on stream over the next 20 to 30 years. When we plan and build capital works, we are doing work that has 30 to 50-year lifetimes and we need to ensure that—in fact, the term that has been used to us is—there is a capacity for modular investment so that in fact infrastructure can be renewed during its life when best-practice, energy-efficient technology comes on stream.

MR GENTLEMAN: One of the things that came up during my forums on solar was solar access to roof areas. I understand there are regulations in regard to solar access to the internal parts of a home, but are there regs in regard to roof access or solar access?

Mr Savery: It is actually one of the areas—and it is relevant to the comments Ms Lavis has just made and the workshop that the minister convened with Derek Wrigley and John Sandeman—where those issues have been identified and we are actually now looking at framing policy around it.

There is an issues paper by the minister having regard to feedback or contributions from all of the individuals who participated in that workshop, which is to be released as a public discussion paper, and which actually prompts, or asks a number of questions of, the public to say is this an area we should be looking at, or have we missed something; if we have, tell us so that we can then come back to the government and suggest changes to the policy settings in regards to those areas. That was certainly one aspect that came up.

But we do currently take into account, as you say, solar access to houses and, particularly, for compact lots—because increasingly we have got smaller blocks but nonetheless still substantial houses on those small lots—the ability of adjacent houses to be able to collect their own solar gain.

MRS DUNNE: I had a supplementary on that one.

THE CHAIR: Mrs Dunne has a supplementary on this matter; so has Dr Foskey; and then we are going to Dr Foskey's substantive.

MRS DUNNE: I wanted to go back to the four-star. At one stage, Mr Savery, you said “effectively four-star”. But what it means is that there is an average.

Mr Savery: It is an average taken.

MRS DUNNE: So you can have some three, some five—

Mr Savery: Yes. It has got to be an average of four.

MRS DUNNE: You also talked about hot water systems and moving ahead on solar hot water systems. I think this is probably more a policy issue than an implementation issue. Both of those were framed in terms of “we want to be nationally consistent”. Why do we want to be nationally consistent? Have you considered leading on this, as we led on ACTES when ACTES was first introduced?

Mr Barr: I think there is a desire to be able to achieve that higher national standard. So I think all jurisdictions are addressing this issue. I suppose my default position would be that, if we can achieve that national outcome at the next building ministers forum, then that is the appropriate time to move ahead. If we do not, if we are unable to achieve a national position, then at that point we then have to consider the ACT’s position. But I would imagine we would not be alone in wanting to pursue a higher standard.

MRS DUNNE: When is the next building ministers forum?

Mr Savery: It is, I think, 4 July. If I could just add to the minister’s response there: from 2006, we are party to an intergovernmental agreement under the national reform agenda. All first ministers and the Prime Minister of Australia agreed to a national reform agenda that is set specifically in the areas of building and planning. We would work collectively towards national consistency, harmonisation, improved delineation between planning and building systems. So there is quite a substantial level of agreement at a national level. If individual states and territories decide that we are going to break ranks on this, then you unravel that level of commitment.

DR FOSKEY: In relation to implementing climate change strategy initiatives, I wonder whether ACTPLA encounters any obstacles when it brings up funding issues, perhaps because I have heard anecdotally that treasuries, for instance with their approach or spending, often fail to understand the necessity for these kinds of initiatives. I am wondering whether you could suggest, if you want to, firstly, whether you have come up against those obstacles and, two, what you would suggest as a way of cutting through what is really quite a badly placed and untimely barrier.

Mr Barr: I am casting my mind back to budget cabinet processes, but I do not think I could subscribe to the position you have put in relation to Treasury not being supportive of government initiatives responding to climate change. I suppose from time to time if bid X did not succeed in the budget cabinet process people might want to draw their own conclusions as to why that was. I can say absolutely that the bids that I brought forward for the Planning and Land Authority in the budget process had a higher percentage success rate than from many other agencies for which I am responsible or other ministers are responsible.

The gist of your question is that bureaucrats make decisions on budget allocations. No, that is a decision made by budget cabinet, but you would understand that I go into that process, though, with—

DR FOSKEY: Can you think more broadly? I probably should not have limited it to budget.

Mr Barr: Yes, sure. But I go into that process with six ministerial responsibilities and I—

DR FOSKEY: You have to fight against yourself?

Mr Barr: Indeed, yes.

MR GENTLEMAN: Sometimes he is torn.

Mr Barr: Yes. Seriously, every dollar that goes to a particular initiative in the Planning and Land Authority is technically one less dollar that I could spend on public education or some other area, or it could be tax relief. They are the range of issues—Mr Gentleman shakes his head—that we consider. In the broader philosophical sense, I think it would be fair to say that across jurisdictions governments are becoming increasingly aware of the economic case, and Treasury is becoming increasingly aware of the economic case, that underpins the need to invest in new technologies and to provide a response to climate change. I think there is clear evidence from a number of national and international reports that the price of not acting, if you want to measure these things purely in an economic sense, is in fact significantly greater.

DR FOSKEY: And potential legal implications?

Mr Barr: Sure. So I would draw your attention to the infrastructure fund within this current budget that sets aside a large amount of money for a range of climate change initiatives. The other areas of infrastructure investment, be that in the education portfolio around carbon neutral schools, include the money associated with a variety of different areas of public expenditure that have been directed towards just the issues that you raise. I recognise, coming from your political perspective and the passions that you have as a Green member of the Assembly, that you are probably going to argue that the government is not moving fast enough. The governments collectively are not moving fast enough.

DR FOSKEY: That is right, I have got the whip out.

Mr Barr: But I think it is undeniable that there has been a significant change in this country. It was led by the states and territories over most particularly the last eight or nine years. We now have a commonwealth government that is interested in the issue—that moved beyond being climate change deniers.

DR FOSKEY: I just wondering if the second part could be answered: given that, is there a process that could be instituted that would somehow allow us to speed up these issues?

Mr Barr: Bring into Treasury into the—certainly.

DR FOSKEY: If it is Treasury.

Mr Barr: Yes. As part of Weathering the Change, there is a greater commitment to inter-agency activity around triple bottom line accounting. Some of those structural silo issues are being broken down through that process within the context of the ACT government. But it certainly is interesting to note at a commonwealth level that—there are times when we, as a jurisdiction, are having to second-guess the particular direction that the commonwealth might head in, depending on which particular department is leading in a particular area. There is a way to go on this, but progress is being made.

THE CHAIR: Dr Foskey, what is your substantive question?

DR FOSKEY: My substantive one is in regard to AAT decisions, output class 1.1, page 398, around the percentage of AAT decisions that support the authority's position. That is 85 per cent. I note that 85 per cent is the target and the achieved figure. There are two questions. First of all, the coincidence between the targets and the estimated outcomes—is that purely pragmatic? Secondly, could you give us an example of where ACTPLA has changed its practices after having a decisional policy interpretation overturned?

Mr Savery: I will take part of the question. I am not involved in responding to every AAT decision, so Mr Ponton may be better placed in terms of an actual example. In terms of the coincidence of percentages, the reality is that the decisions are at 85.7 per cent at year to date. I can also draw on 2006-07, when it was 92.9 per cent. You could make the point that it has gone down, but nonetheless that is the reason why—

DR FOSKEY: You would not want to make that point, would you?

Mr Savery: I will keep going; I am on a winner here.

Mr Barr: I note that the—

MR SMYTH: You are doing well so far, Mr Savery.

MRS DUNNE: I would just skate over that really quickly. Move very fast.

Mr Savery: Okay.

Mr Barr: Just for the benefit of the committee, though, it is worth noting that the total number we are talking about here is 26 decisions. Again, the percentages can change significantly given the very small number of decisions that end up at the AAT.

DR FOSKEY: Yes. And the second part?

Mr Savery: Just before I do that, Mr Walsh has advised me that the Auditor-General actually audits all of that.

DR FOSKEY: That is interesting, but that does not come back to us.

Mr Savery: No. Other than that it is reflected in our performance indicators.

DR FOSKEY: In the annual report?

Mr Savery: Yes, in the annual report. The one thing I want to mention, and then Mr Ponton may be able to give a practical example, is that we have an internal AAT review committee. What we have been talking about today is worth reinforcing—the number of checks and balances we have in the system to try and constantly improve our understanding and practice within the authority. We do review every AAT decision, in some circumstances to determine whether we wish to contest those decisions, because we do not necessarily agree with everything that the AAT decides on, but also in areas where we think that they have identified something that represents a weakness in policy or ultimately is reflecting on a weakness of interpretation. Then we will seek to make a change accordingly. I do not know whether that has given Mr Ponton an opportunity to think of an example.

Mr Ponton: I will need to take that on notice in terms of a specific example.

DR FOSKEY: Thanks. I have to leave; I am sorry.

THE CHAIR: Mr Seselja, you have a supplementary on this and you also have a substantive question to ask.

MR SESELJA: I did—just on AAT. There was the recent reported decision of the AAT in relation to 32 supported accommodation units in Narrabundah. I understand that the AAT found that ACTPLA erred in approving the project and that there were too many inconsistencies in the authority's decision to be amended. Where is that process now? Do they have to start again? How does that work?

Mr Savery: No, they do not have to start again at this point in time. It is ultimately a decision for them if they want to start again. We are seriously considering whether or not we will appeal that AAT decision. We—that is, the ACT Planning and Land Authority administration—had some concerns with aspects of the decision that was taken. We are working through that to determine whether or not we think we would have any success in appealing that decision, because it would be to a higher court. If we elect not to appeal that decision, it will become the decision of the applicant as to whether or not they wish to resubmit. One of the things that we would be advising them would be to work through the issues that the AAT has raised to come up with an application that is more likely to be successful, having regard to the views of the AAT. I do not know whether or not Mr Ponton wants to make any other comments on that.

Mr Ponton: I do not think that there is anything that I can add to what Mr Savery has already said.

MR SESELJA: Is there any ability for the Salvation Army—I imagine that would have cost them a fair bit of money. If it ends up that they have to put in a new application as a result, are they able to recover that anywhere or is that just a cost they have to wear as part of this process?

Mr Savery: There is obviously an inference in your question. There are two

comments I would make. First of all, they did not appear at the appeal, so they did not represent their own application. If the suggestion is about whether they wear something because of our decision being overturned, then represent your case before the appeal. Secondly, the fact is that decisions sometimes go our way and sometimes they do not. There are interpretations. If the suggestion in the question is that a decision of ours that is overturned should be subject to some form of compensation to the applicant, that would be a fairly major change in how we write planning policy in law.

MR SESELJA: There was no inference. The question was: are they able to recover?

Mr Savery: The straight answer is: no.

MR SESELJA: Thank you. In terms of them not appearing, that is not something I am aware of. The AAT found that ACTPLA had erred and there were too many inconsistencies in the authority's decision to be amended. The inference in your response is that it is the Salvation Army's fault for not defending their application. Should they not be able to have confidence that, when they put something to you and it is approved, they can go ahead and not have so many of the inconsistencies that have been identified by the AAT?

Mr Savery: That is not the inference from my response. No, because you can never be absolutely certain on a matter that is capable of being interpreted in more than one way. The reality of the zoning that applies to this particular site, which is primarily community facility land, means that it is largely devoid of policy. It does not have prescribed policies sitting over the top of it. That means that we use policy that we think best suits the application. That is why I think that we have a decision from the AAT that is open to interpretation, open to potential appeal by us. The fact that the AAT has used some of the language it has causes us concern. There is no structured policy setting for this site, so we had to look for a best-fit policy for the application. Bear in mind that the Salvation Army is also entitled to use their own consultants—and may well have done so—to assist them in putting their application together. We, as the impartial independent assessor, give it our interpretation. They are presumably receiving their own advice from people who are designing their proposals for them.

MR SESELJA: What were the inconsistencies in the decision that were identified by the AAT? You may well dispute them, but what kinds of inconsistencies were they talking about?

Mr Savery: I will ask Mr Ponton to answer that.

Mr Ponton: There were a number of those. There were some references to appendix 3.2, which is the policy where Mr Savery was saying that we are looking for the best fit. It is the authority's view that appendix 3.2 does not apply in the particular circumstances. But there were issues around access to sunlight in the appendices that the AAT appears to have placed some reliance on.

MR SESELJA: Access to sunlight for neighbouring residents?

Mr Ponton: For the individual units.

MR SESELJA: The units themselves.

Mr Ponton: Yes. The other aspect where the AAT concluded that the application failed was in relation to four-star energy ratings. Whilst the building code of Australia provides for an average of four stars for multi-unit developments, as we talked about earlier, there is a provision in the territory plan that talks about an absolute star rating of four. But there is some doubt in terms of the interpretation of building as opposed to multi-unit dwellings. That is a point of law that we are currently exploring.

MR SESELJA: I want to move on to the other issues. I have had feedback from industry—and the minister obviously has had some issues raised, because you referred to it earlier in one of your answers—about the new forms under the new framework. What kind of feedback have you had from industry to date? Certainly I have had some concerns raised with me about the complexity of completing some of those forms. Do you want to tell us what you are hearing from industry?

Mr Barr: I have had raised some concerns about having to fill out every box on the form.

MR SESELJA: Some of these forms are 29 pages? Is that about right?

Mr Barr: Part of the issue there is in relation to our move to electronic forms—electronic submission of DAs, which will address a large number of the concerns. Then perhaps there has been some overzealous interpretation. The form might ask for a contact address and then somewhere else ask for another address. Someone who might have filled in “As above” has been told, “No. Please write the address in again.” That is unfortunate. The authority has now put in place some staff training measures around some dotting of the i’s and crossing of the t’s on some of these issues. Mr Meyer will be able to give a more detailed explanation of how we are responding to these issues, but we have had a number of meetings with the industry associations and the relevant stakeholders to address their concerns, and I think there is some good news.

MR SESELJA: Just before you go onto that, let me say that the concerns do go a little bit further than the simple ones you have identified. I have had fairly experienced industry professionals saying to me that they have looked at the forms and they thought, “How am I going to fill this out? I can’t complete this.” So there are obviously some serious issues for a lot of people.

Mr Meyer: That is true, and as the minister mentioned, the forms were actually developed to line up with the questions that were going to be put onto the electronic DA system. That is still a few months off, and that has left us in a situation where we have forms which, on an electronic system, would bring up the questions that you actually need to respond to for the types of development. So it is a Smart Wizard form that will be available electronically in the coming months.

That meant the number of questions and the information that is put into the application forms that we have at the moment are excessive. What we have been doing to date is working with the HIA and MBA. We have scaled down those forms

and streamlined them. We have put them over to the HIA, they have put back some more comments and we are working with the MBA. We have pretty much reduced the form by about half, if not two-thirds. So we are getting very close to a form which is much more user friendly.

MR SESELJA: Has the complexity of the current forms slowed things down in terms of processing applications? Have you been able to measure whether or not, since the implementation of the new system, things have become simpler, faster or better or whether they have slowed down partly as a result of these difficulties?

Mr Savery: We have got some data, but I do not know whether you can attribute that data simply to the DA form. For instance, Mr Ponton mentioned before that the day before the new system came into effect we received 400-odd applications. So we are still working through the backlog of those applications. We have also got generally, I think I am correct in saying, about a 20 per cent increase in DAs over this year. Typically, we average two preliminary assessments a year. We have processed 14 to date. So when you actually put all of that together, that has had some impact.

Mr Barr: It is a booming economy.

Mr Savery: We have got figures that would suggest that the DA forms have reduced the turnaround times for the simple-type DAs that typically get processed in 24 hours or whatever. Once they are in the system, we can process them. It is a matter of getting them into the system. But it is the combination of all those other things. We cannot necessarily pick out precisely why everything might be adding to another day or whatever.

MR SESELJA: With the system or the forms, was there testing before it went out? Was there industry testing and feedback before they were brought online?

Mr Meyer: Not the forms themselves, no. We had hoped to get to a point where we were very close to being able to put the electronic system into practice, but that has not happened and we are still working through that. So what we are trying to do now is to work quickly to streamline the forms so that we get to the point where they are effective and do not cause the sorts of concerns that have been raised.

Mr Savery: We had tested the electronic environment with the online DA form in anticipation of it going live at the same time as the new system. When that did not happen, or it became apparent it did not happen, we pulled the online DA form out, made it manual, and we have not had time to test that. So we are seeing the consequences of that now, and that is why we are tailoring it, because we are going to have this transition period between the new planning system and getting the DA online.

Mr Meyer: We are really only talking towards the end of August. So it is a window where we do need to streamline the forms so that at least the manual process can take place. There is a lot of electronic information coming in forms and documents, so that is helping to speed up the process as well. There is a bit of a counter-effect there as well. But once we get to the point within the next week or so of finalising the forms, it will make quite a difference to that part of the process.

MR SMYTH: Minister, with respect to the Griffin legacy and the fall-out from the review of the NCA, part of the Griffin legacy is work on Constitution Avenue; part of it was also on the West Basin. Will the land reclamation on the West Basin go ahead?

Mr Barr: I am not in a position to advise one way or the other. It is a National Capital Authority issue. I do not think they had even received any appropriation to undertake that work.

MR SMYTH: No. I am not aware of any in this year's budget.

Mr Barr: So at this point, no.

MR SESELJA: Have they given you any advice as to whether or not they are pulling back from that process as well as the duplication?

Mr Barr: No. Since the last time that I met with the board there have been a number of resignations from the authority.

MR SMYTH: That, of course, has implications for any time frame we want to set on a new convention centre, if it is to be a gift for the centenary.

Mr Barr: Yes.

MR SMYTH: Do you have concerns over this delay? What are we doing to determine whether or not the reclamation of West Basin will occur, and/or is the ACT government considering funding that work themselves?

Mr Barr: Well, we have made provision in this year's budget for \$250,000 to partner with—

MR SMYTH: For the study.

Mr Barr: the private sector for the study. So we would not be making any decisions prior to the completion of that work. As you are aware, there is probably a mixture of views within industry and within the planning world about an appropriate site for a new convention centre. Realistically, there are two options. It is either a West Basin site or it is a combination of the existing site plus across the road with the pool. There are some potential heritage issues with the pool. I think there are some significant issues about where you would put a pool. I suppose you could swap the two and you could say the city pool could be in West Basin and a convention centre could be on the pool site, or vice versa.

MR SMYTH: Or it could go on the existing site.

Mr Barr: Those issues are now the subject of two pieces of work—the funded study of future aquatic needs and the money we have provided around the study on the convention centre. It is fair to say that there are competing commercial interests at play here as well. I think it is important that the work that is undertaken is done on the basis of—

MR SMYTH: What are the competing commercial interests?

Mr Barr: Particular hotel chains who have locations closer to one site or the other have a particular preference. The existing convention centre operator has a particular preference. They are some of the commercial interests that are at play. Future potential operators of an aquatic centre have expressed views as well, so there are a number of views out there.

MR SMYTH: Constitution Avenue: there is a significant amount of work either beginning, about to begin or planned to begin—CIT, St John's, the RSL redevelopment, the ASIO headquarters. What happens now that the federal government has reneged? In the TAMS statement there is a transfer of \$30 million worth of assets to the commonwealth, which is roads.

Mr Barr: Yes.

MR SMYTH: Are you aware of what we were to receive in compensation for that \$30 million, and now that you are not getting that, are we getting our road back?

Mr Barr: My understanding is that this is still a matter of some negotiation between the Chief Minister and the finance minister. I think the Chief Minister has made it quite clear that the deal that we had with the previous commonwealth government was around a land swap and that we have held up our end of that bargain. So we believe that our position, our case, is very strong and that the commonwealth either has to stump up with the funds for Constitution Avenue or provide some other form of compensation for the territory, and we are pursuing that aggressively with the commonwealth.

MR SMYTH: What actual road or car park was given to the commonwealth?

Mr Barr: I understand it was a piece of land that there has now been a car park built on, towards the end of—

MR SMYTH: This is at defence, at the roundabout.

Mr Barr: At defence, yes.

Mr Savery: It is that large area of land up near Russell that was potentially being set aside for future road reservation, but it was much more than anyone was ever going to need for a road.

MR SMYTH: Given that there are three or four significant proposals going ahead, what are we doing to ameliorate the impacts of traffic on that road, given we expected it to be significantly expanded?

Mr Barr: We will hope for a conclusion of the issue with the commonwealth in the very near future. Depending on the outcome there and what possible avenues are available to the territory—I am not going to speculate about them, other than to say that we believe we have a very strong case—the government would then have to

consider what actions and options are available to it. My preferred outcome would be that the commonwealth complete its commitment that was made at the time that the Chief Minister, with the National Capital Authority, agreed on that particular outcome. I think that would be the preferred course of action.

THE CHAIR: Mrs Dunne.

MRS DUNNE: I think we will go back to the beginning, madam chair, if we can. In the Molongolo valley where are we with the three rural leases that were resumed, not renewed? There was some payout, and I gather there was some continuing mediation—

Mr Savery: Arbitration.

Mr Barr: Arbitration.

MRS DUNNE: Arbitration, thank you. So where are we?

Mr Barr: Mr Savery may be able to update us on this.

Mr Savery: I think I am correct in saying—and I think it is all right to use surnames here—that the Coonan family have left their property, that the Tully family have left their property and that the Tanners, who are only required to vacate part of their property, will be vacating that part of the property on 30 September of this year.

In terms of the arbitration, you are correct in saying that there has been a payment made by the territory government, which amounts to the money that it believes is appropriate recompense. There is then a disparity between our figure and the figure of the other parties. That is what the arbitration was about. We are anticipating—and if it has not happened today, next week—that we will know what that arbitrated figure is.

MRS DUNNE: So it is close to resolution?

Mr Savery: I understood it could have been today, so I may get back and find that there is a piece of paper there.

MRS DUNNE: I think that is all I need to know.

THE CHAIR: Thank you very much.

MRS DUNNE: There are 2½ minutes left. Actually, I do have a 2½-minute question. You can answer it now or I will put it on notice.

Mr Barr: Of course you do. Ask away.

THE CHAIR: All right.

MRS DUNNE: Right at the very beginning, going right back to the very beginning, you said that you were looking at opportunities for urban infill. What are the opportunities for urban infill, apart from those which we have discussed today, like

east Fyshwick, west Fyshwick.

Mr Barr: Woden east is not far off commencement, I understand; part of Lawson; East Lake. There are a number of sites around the town centres.

MRS DUNNE: So what are the number of sites around the town centres?

Mr Savery: Sorry. I cannot give block and section numbers, but there are sites in town centres inside the city. We want a substantial residential population inside the city centre, and Constitution Avenue, which has just been referred to, clearly has the potential for residential population.

MRS DUNNE: Other town centres?

Mr Savery: Just about all of the other town centres have—

MRS DUNNE: If there is a list of places that you are looking at, could you furnish that on notice?

Mr Savery: There is a list that is currently being prepared by the Chief Minister's Department because they are responsible for the strategic land release program. It is an exercise that they are pulling together for the Chief Minister.

MRS DUNNE: And what proportion of Molongolo will be medium to high density?

Mr Barr: That is to be finalised, obviously, because we are still in the consultation process around the draft variation. I think there is a very strong case, Mrs Dunne, for greater levels of intensification along the public transport corridors that have been identified in this particular area.

MRS DUNNE: Sounds familiar.

Mr Barr: Yes.

MRS DUNNE: Sounds like Liberal Party policy.

Mr Barr: I think we have the strong support of the Conservation Council, and maybe the Liberal Party, for such a policy.

MRS DUNNE: Seeing will be believing, minister.

Mr Barr: But I must say it has been interesting. I think I am up to about my fifth or sixth meeting with various sections of the Weston Creek community in relation to the new developments and the variation, and there probably are mixed views—

MRS DUNNE: Always are.

Mr Barr: Yes, around the level of density. There is, perhaps on balance I think, a majority view that, in order to make public transport viable, in order to get the sort of community and the range of community facilities required, a slightly higher

population level and a slightly higher popular density would be desirable. But that is not to say that there are not a number of people who describe anything other than, frankly, bigger than a quarter-acre block as being a slump—there are those views that are put as well. But we try and find a balance, recognising, of course, Mrs Dunne, that every piece of land that does not have a residential component, that you take out as part of the variation and the discussions, means you would probably then get a commensurate increase in density in other areas.

MRS DUNNE: On that subject and central Molongolo, you have taken central Molongolo out of the equation for the next 20 years. That was just a statement of the bleeding obvious, but are you in the process of looking to substitute that entire development with development elsewhere?

Mr Barr: No, we do not need to.

MRS DUNNE: You do not need to?

Mr Barr: No, because we do not project that there is a need to develop that area in that time frame.

MRS DUNNE: Ever?

Mr Barr: No, in that time frame.

MRS DUNNE: But after the 20 years are you looking to substitute it—

Mr Barr: If it comes to pass—

MR SESELJA: He is a bit of a nut to promise that. They are not going to develop it in that time anyway.

Mr Barr: If it comes to pass that that area is ultimately deemed inappropriate or unavailable for development, then the future administration we would expect is going to shift its focus to Kowen. In fact, the eastern broadacre study is already doing some very initial observations about how you would develop Kowen, which is in the Canberra spatial plan.

MRS DUNNE: And how many residences are supposed to be in—

DR FOSKEY: It is a never-ending question.

MRS DUNNE: central Molongolo?

Mr Savery: What was it—20,000 people?

Mr Barr: 9,000 dwellings.

MRS DUNNE: 20,000 people, 9,000 houses. Thank you.

THE CHAIR: Your quick comment, Ms MacDonald, and then we are going.

MS MacDONALD: As this is my last hearing for estimates, I just want to put on the record my thanks to officials who have made their time available in all of the estimate processes that I have been at, and also to the committee's secretaries, Hansard and, most particularly, my fellow committee members. I cannot say I will miss this bit of the democracy.

THE CHAIR: Thank you, minister, and thank you, Mr Savery, Ms Lavis, Mr Meyer, Mr Wurfel and all of the officials for your time this afternoon.

The committee adjourned at 5.33 pm.