



LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY

STANDING COMMITTEE ON PLANNING AND ENVIRONMENT

(Reference: Annual and financial reports 2004-2005)

Members:

MR M GENTLEMAN (The Chair)
MR Z SESELJA (The Deputy Chair)
MS M PORTER

TRANSCRIPT OF EVIDENCE

CANBERRA

THURSDAY, 10 NOVEMBER 2005

Secretary to the committee:
Dr H Jaireth (Ph: 6205 0137)

By authority of the Legislative Assembly for the Australian Capital Territory

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

The committee met at 9.34 am.

Appearances:

Mr Simon Corbell, Minister for Health and Minister for Planning

ACTION Authority

Mr Peter Wallace, Chief Executive

Mr Brian Quirke, Senior Manager, Finance and Administration

Ms Karen Greenland, General Manager, Road Transport, Department of Urban Services

Land Development Agency

Ms Anne Skewes, Chief Executive Officer

Mr Gerry Ryan, Chief Financial Officer

Ms Jenny Morison, Deputy Chair

ACT Planning and Land Authority

Mr Neil Savery, Chief Planning Executive

Ms Dorte Ekelund, Deputy Chief Planning Executive

Mr Richard Johnston, Director, Leasing and Building Services Branch

Mrs Jacqui Lavis, Statutory Planning and Development Services Branch

Mr John Meyer, Director, Business and Information Services Branch

Mr Ian Sakkara, Manager, Corporate Resources, Business and Information Services Branch

Ms Faye Powell, Project Director, Busway Team

THE CHAIR: Good morning. I will now open the hearing into the 2004-05 annual and financial reports. I welcome the minister, officials, committee members and MLAs. You should understand that these hearings are legal proceedings of the Legislative Assembly protected by parliamentary privilege. That gives you certain protections but also certain responsibilities. It means that you are protected from certain legal action, such as being sued for defamation for what you say at this public hearing. It also means that you have the responsibility to tell the committee the truth. Giving false or misleading evidence will be treated by the Assembly as a serious matter.

This morning we will hear from the Minister for Planning, Mr Simon Corbell; Mr Peter Wallace, the Chief Executive Officer of ACTION Authority; Mr Brian Quirke, Senior Manager, Finance and Administration in ACTION; and Ms Karen Greenland, General Manager, Road Transport, from the Department of Urban Services. If any questions are taken on notice, the committee would appreciate responses within five working days from the receipt of the *Hansard*. It is the responsibility of witnesses to ensure that they meet any commitments they make regarding the provision of information or answers to questions on notice. The secretary will email a transcript to all witnesses as soon as it is available.

Questions for today's annual reports hearing are to be from the committee and be relevant to the report for the period 2004-05. A schedule has been provided in regard to the minister's generous availability of time. I would ask all members of the committee and other member to adhere to this program. I would also like to ensure that all

committee members have an opportunity to put their questions to the relevant minister before we move on to other members' questions. Members are also reminded of standing order 235, which states:

When a committee is examining witnesses, Members of the Assembly not being members of the committee may, by leave of the committee, question witnesses.

Minister, would you like to make an opening statement?

Mr Corbell: Mr Chairman, yes I would. Good morning to the committee and it is a pleasure to be here. I would like to outline very briefly for the benefit of members of the committee a range of achievements and activities in the ACTION Authority for the financial year that is covered by this most recent annual report. What I would like to do is focus primarily on issues around patronage, because that is fundamentally what ACTION is about—increasing public transport usage, increasing activity in the public transport fleet and providing a service to Canberrans.

ACTION is regularly setting new records in our patronage on a weekly basis. ACTION's adult patronage continues to grow, with weekday adult passenger boardings now averaging above 21,000 boardings on most working days. On the week of Monday 10 October this year a new record was set with four consecutive days showing adult passenger boardings of well over 21,000. ACTION has seen a 13 per cent growth from over the same period last year. On Melbourne Cup day, Makybe Diva was not the only record setter. ACTION also hit a new adult patronage high of 22,117 boardings for the day. This is an outstanding result against the target in the sustainable transport plan of only 19,300 adult passenger boardings per day for 2005-06.

It would be fair to say, Mr Chairman, that petrol prices certainly are a factor in Canberrans choosing to use public transport more often. But the steady rising trend of adult patronage over the past 12 months is due also to a range of other equally important factors. For example, the ACT government has provided \$1.3 million to ACTION for the introduction of express services. The Xpresso services, as they are known, linking Civic and Tuggeranong to town centres, accounts for 60 per cent of the growth in adult patronage.

The government has a strong commitment, and I as minister have a strong commitment, to creating a more sustainable public transport system which is accessible and easy to use for all Canberrans. So we have introduced a number of initiatives to encourage Canberrans to consider taking a bus as an alternative to the car and to help reduce our city's greenhouse gas emissions. These initiatives have included the successful one fare anywhere strategy, introduced when the government was first elected; the Xpresso services, which I have just outlined to you; the new Flexibus evening services, which provide an on-demand and flexible customer responsive service; new and improved services to expanding and new areas of Canberra; \$28.14 million to upgrade the ACTION fleet for new airconditioned, low-floor accessible buses; the ACTION Bustext and SMS service for ACTION customers to find out when the next available service is due; and the extension of ACTION's transfer time tickets band from one hour to 90 minutes—being able to transfer within 90 minutes rather than just one hour for the same ticket.

Of course, we are continuing to work on dedicated public transport infrastructure such as the proposed busway between Belconnen and Civic. There is also the real time information system currently being implemented in respect of the ACT Planning and Land Authority. Finally, ACTION will be introducing bike racks on all intertown 300-series buses in the very near future.

The bottom line, Mr Chairman, is that ACTION is well on track to achieve a nine per cent modal split in adult journeys to work by 2011, which is set out as a target by the government in the sustainable transport plan. We are regularly achieving more than 20,000 to 21,000 passenger boardings most days of every week. That proves that ACTION is growing its business, that more Canberrans are using public transport and are choosing public transport as a viable alternative. What this means, of course, is that ACTION and the people of Canberra are showing their commitment to using a transport mode that is increasingly flexible and responsive to their needs. Also, they are demonstrating a real commitment to the environment and to reducing our city's reliance on the private motor vehicle and the damaging greenhouse gas emissions that that transport mode creates.

With that, Mr Chairman, I would be delighted to answer any questions, as I am sure would the officials who are here with me today.

THE CHAIR: Thank you, minister. I will kick off and ask about the sustainable transport plan, which is referred to on page 52 of the report. The goal for ACTION's share of public transport was 7.5 per cent in 2004-05. In 2004-05 ACTION achieved a 7.7 per cent share of public transport—120,000, I think, better than the target. What are the initiatives that the government has taken to achieve this 7.7 per cent? I think this on page 64.

Mr Corbell: Mr Chairmen, as I have just outlined, the patronage growth that we are seeing is overwhelmingly in adult passengers—adult full-fare paying passengers. Traditionally in Canberra, and certainly for the past decade, ACTION has in some respects relied on a bit of a captive market—that is, students, people on concessions, pensioners, who for one reason or another are more reliant on the public transport system than perhaps people who are in employment and have perhaps greater transport choices. But what we have seen over the past couple of years is real growth in adult full-fare paying passengers. That is a very encouraging trend because adult full-fare paying passengers have choices. Inevitably they have access to a motor vehicle and they therefore have the convenience that comes with having a motor vehicle. But they are choosing increasingly to use public transport and that is where our patronage growth is overwhelmingly coming from. Mr Wallace can probably give you a bit more information on the break-up, and I will ask him to do that in a moment.

Initially we have seen in the past 12 months or so some decrease in, for example, concession fare holders using ACTION. So the number of concession fares ACTION has been selling has gone down at the same time as adult full-fare paying passengers has gone up. So our growth is overwhelmingly as a result of full-time employed people using ACTION buses. That is consistent with the sustainable transport plan where we are measuring our targets against journeys to work. So if we have got more journeys to work happening by employed people than we previously had then we are well on the way to meeting our targets. That is really driven by the services that we have put in place,

particularly around the Xpresso services, direct services, into the city and Barton, into Russell and Parkes. That is really what has driven that growth. Mr Wallace might want to give you a bit more break-up on that, so I will hand over to him.

Mr Wallace: As the minister has said, initially there was some reduction in our concession travellers. We examined the reasons for that and it was found that two years ago we had 8,600-odd concession passes on issue through Centrelink. They do that on our behalf. This year it is around 6,300. The reason for that is better economic times. People who were eligible to receive a concession card—unemployed people, et cetera—have now found jobs and are not travelling as concession cardholders. It would be pleasing to think that they have all transferred to being adult full-fare paying passengers but I would also anticipate that some of those are now also car users. What we have noted in the last month in particular is that concession travel has come back and we are seeing up to a four per cent growth in concession travellers over the same period last year. So it is good to see. We have also had a minor reduction in the numbers of school boardings. That has also turned around in the last month or so, although we are now comparing against a time when the schools are running down. It is a decreasing market to increase on. So we are particularly pleased with that.

As the minister also said, most of the increase in our adult passengers is on the Xpresso services—the express services that operate from the northern areas of Belconnen and the southern areas of Tuggeranong. We also have a direct service from Belconnen and Tuggeranong and vice versa operating four services in the morning and the evening. By far the most popular of those are the two services at around the 8.30 mark. We do provide some that are just after nine in both directions, which have a lesser patronage than the middle ones. The earlier ones are also less. But we thought it important to provide a range of services that people could choose from.

In network 06 we are looking to identify services that we currently operate and have operated for some time which are effectively express services that operate from the same areas that I mentioned—Tuggeranong and Belconnen. There are also a number of services that operate from within the Woden Valley that are effectively express services—they pick up in, say, Curtin and then go straight into the city, Parkes and Barton. We will be looking to re-brand those as well so that people can identify those more clearly as being express-type services.

Overall, the patronage result is very heartening. The sustainable transport plan particularly measures journeys to work, so we only count our Monday to Friday patronage in those figures. But overall we have seen over the last four years probably an increase of over one million boardings by adults in Canberra. So that is a significant change over the last three or four years.

THE CHAIR: Minister, in your opening statement you mentioned greenhouse gasses. I note that on 27 July 2004 ACTION joined the greenhouse challenge program. Would you please elaborate on the initiatives that the government has taken to work towards achieving an ecologically sustainable environment. This would probably relate to page 54.

Mr Corbell: I will ask Mr Wallace to talk a bit about the greenhouse challenge program which has been signed up to by ACTION with the Australian Government Greenhouse

Office.

Mr Wallace: As we note in our report, we are certainly an organisation which is dedicated to improving the environmental outcome for Canberra. We believe that transferring from the use of private motor vehicles to buses is a significant contributor to that. Our new CNG fleet certainly contributes not only to greenhouse gas reductions but also to cleaner air in that there are virtually no particulate matter emissions in those buses. The number of initiatives that are listed on page 54 are initiatives that ACTION has undertaken during the last financial year to also add to that program through making our staff aware of the environment. We give green tips in our monthly newsletter. We have changed over the lighting systems that we use in our office buildings. We are using green power as a choice for not only powering the facilities but also for the power that we put into compressing the natural gas. So we have a good environmental outcome from that.

There are a number of recycling initiatives and other things that we have been working on. In recent times we have been particularly interested in this, with water being a major issue. Our new bus washing facility will operate with rainwater collected from the roof of our workshops and this will also be a major component of the recycling of that water. So our draw on the potable water for the ACT will be reduced to zero. We are pretty proud of our environmental record and we are looking to doing better in the future.

MS PORTER: My question is around the wheelchair-accessible buses. You mentioned this, minister, in your opening remarks and I think you may have mentioned that they are used on the Flexibus service in Kambah and Gungahlin. It is mentioned on page 7 of the report, and page 1 indicates that at the time of the report 82 vehicles were accessible to people with disabilities. I was wondering what program the authority has in place to increase the number and the regions where these buses are going to be available.

Mr Corbell: I'll ask Mr Wallace to talk a little bit about some of the smaller vehicles in the fleet, because I'm not as familiar with those, but the main part of our wheelchair-accessible program is through the bus fleet replacement program. The new green buses that everyone is now very familiar with are all low-floor, wheelchair accessible. The government has spent \$17.2 million over a five-year period to replace parts of the fleet with compressed natural gas buses. In 2000-01 we spent \$4 million, the following year \$400,000, the year after that \$5.6 million, in 2004-05 we spent \$3.6 million and in 2005-06 \$3.6 million, and we still have nine buses to be delivered this year. Is that right?

Mr Wallace: That's right, under the current program.

Mr Corbell: So the total number of buses is well over 40.

Mr Wallace: Fifty-three or 54 new CNG buses, together with 20 of the Iris buses that we purchased earlier in the process. That was an additional over \$6 million for those. So we will have a fleet of about 74 new low-floor accessible buses. That, added to the seven buses that we had in the fleet that were the fixed rigid accessible buses and the 25 Midi buses, will give us a significant increase to the fleet and will meet our requirements under the disability act. We have put all the accessible buses primarily on the intertown route and, following servicing the intertown routes, they also serve routes within the

community. So we are looking at our next timetable change to identify where those buses go after they have done the intertown and to nominate those as being accessible runs of those buses as well. We anticipate being able to have 41 per cent of our timetable covered by accessible buses as a result of that.

MR SESELJA: Minister, you spoke about the Belconnen to Civic busway in the context of patronage as well. What is your analysis of the increased patronage that will result for ACTION as a direct result of the Belconnen to Civic busway?

Mr Corbell: Can I ask that we take that question on notice and deal with it when the planning and land authority are here. They are responsible for that project and for the analysis around demand and patronage growth, so, given that they are the responsible agency for that project, I would be grateful if I could answer that question then. I just don't have the information immediately to hand, but I would be very happy to answer it when ACTPLA appear this afternoon.

MR SESELJA: I understand. I just would have thought ACTION would have been aware of those kinds of things given that patronage is such an important part of what they do.

Mr Wallace: That's right. Overall, the sustainable transport plan has targets for us to reach with patronage, and the busway is part of that package that would deliver those results in the timeframes that we are talking about. The overall ACTION network will be reviewed to obviously take best advantage of the busway. Coming here today, I jumped on a bus at Tuggeranong and was here within 28 minutes. So it is a particularly good system to come on and the reason for that is that we have a dedicated bus lane down Adelaide Avenue that gives us priority over motor vehicles. Where we have access to priority roads and to dedicated roadways, it will obviously assist us in increasing our patronage. Overall patronage growth is already included in the sustainable transport plan, with a number of initiatives, of which the busway is one, that add towards achieving that target. When the targets were first set, we were very nervous about having to reach nine per cent by 2011, and obviously the success we have enjoyed so far is heartening. I believe that providing additional priority measures for buses will only add to that growth and we'll be able to achieve even greater results.

MR SESELJA: While we're on patronage, minister, you have spoken about growth in patronage, but the figures show that overall patronage has gone down in the last financial year. As you say, adult patronage has gone up, but concessions and the schools have gone down, so the total has gone down 65,000, I think. What do you think are the reasons for that? Is too much focus given to one sector? At a time of higher oil and petrol prices, I would have thought that would be a factor for people in whether they send their kids to school on the bus or drive them to school—that sort of thing. Has any analysis been done or do you have any idea as to why those other areas and the total boardings have gone down in the financial year?

Mr Corbell: Yes, Mr Seselja, we do. As I think I outlined in my opening statement, ACTION effectively serves two markets. One is a more captive market, that is people who don't really have any choice but to catch the bus—concession card holders, pensioners and students—and the other is a market that has discretion over whether it chooses to use public transport. Those are the adult full-fare-paying passengers. As you

say, the concession side of the market has fallen, but, in compensation, the adult or discretionary part of the market has risen. I would be more concerned as minister if concession fares went down but adult patronage did not pick up. If we were in that situation, we clearly wouldn't be doing something right. The fact that concession fares are down but adult patronage is up is encouraging to me, for two reasons. First of all, ACTION's best analysis would suggest, as Mr Wallace outlined, that the number of concession cards that have been issued by Centrelink for public transport in Canberra has decreased, so there are fewer people eligible for concessions. That is obviously driven by the strong labour market in the ACT at the moment, the general economic state of the ACT at the moment. So overall concessions are down, although, as Mr Wallace said, in the last few months we have seen that grow again. But the adult patronage is up.

The government's focus in terms of a sustainable transport plan is on journeys to work. It is about seeing more people choosing to use public transport, walking or cycling than currently do, and therefore reducing congestion on our roads at peak times and, importantly, reducing the use of the motor vehicle wherever possible, certainly from a greenhouse perspective—that's extremely important and that's primarily why the government is doing it—but also from a health perspective and a general community connectedness perspective. So the fact that we are seeing more people who have the choice choosing to use public transport when they could just as easily choose to use their car is very encouraging. For that reason, whilst there has been a decline in patronage overall of a very slight degree, it has been driven by the reduced number of concession cardholders rather than people who have the choice not choosing to use public transport.

MR SESELJA: Concessions and schools it is fair to say. I guess in terms of schools, even though it is only a small drop, it is a drop. Certainly in the morning it is at peak times and obviously if they are being driven to school instead of going on the bus that's adding to the total number of cars on the road and the total emission of greenhouse gases. Do you know the reasons? Is it just a cyclical fluctuation and is anything being done to address that aspect of the market?

Mr Corbell: It is very difficult to tell. The advice I have from ACTION—maybe Mr Wallace can elaborate on this a bit—is that we have seen an overall drop in the number of students enrolled in schooling in the ACT, both public and private schooling, so the thinking is that we are perhaps seeing a commensurate drop in the number of school-aged children who are using public transport. Overall, the number of kids enrolled in school has dropped, so we are seeing a commensurate drop in public transport usage. But Mr Wallace may be able to elaborate on that.

Mr Wallace: We have examined those sorts of reasons. We have to think of where we came from. Several years ago and prior to the last government's electoral defeat, there was a school transport scheme introduced. We were carrying probably 22,000 students prior to that and immediately we jumped to 30,000 because it was free for everybody and they all jumped on it. We were able to maintain very high levels of school patronage after that school program was withdrawn, so we've seen a very minor reduction in the last several years since that program was withdrawn. That's fairly positive for us.

MR SESELJA: What is the daily figure now, approximately?

Mr Wallace: The daily figure now is about 28,000 to 28,500, depending on the day and

depending on whether it rains. It is the same with concession travel: if we have a wet period, as we've had, concession travel declines. I can pick from our daily records the days when it rained. So it is a function of the weather and that some people get used to something and will continue to use it no matter what. We have experienced that. It would be great if we could get back up to the 30,000 a day, and we are certainly working on that. We have a marketing campaign for students under preparation at present, to encourage that.

MS PORTER: Minister, page 15 of the report talks about ACTION's work with indigenous employment specialists to recruit more indigenous people over the next two years, and it set a fairly ambitious rate of 24 indigenous bus drivers over the next two years. How is that recruitment program going?

Mr Corbell: I will ask Mr Wallace to answer that question.

Mr Wallace: We have introduced that program. We employed four indigenous drivers through our recruitment program at the beginning of the year and all four are still employed with ACTION. The employment of those people was based on the fact that we had established that nobody within our work force had identified as indigenous, so we were looking to encourage our work force to reflect that of the Canberra community. Since engaging our four drivers directly, we have had other employees identify as being indigenous as well, so there has obviously been a positive benefit from that. So we are now running probably at eight indigenous employees, but we have recruited four directly.

We had planned to do more regular recruitment, but we had a very low separation rate this year. In the first two-thirds of the year, we lost eight people. Out of a work force of 800—550 drivers—that is a very low separation rate; we normally deal with about 30 to 35 people with retirements and other things. So we have had to put that on hold, but we are engaging another course within the next week or two, and two of those applicants are indigenous.

MS PORTER: Minister, what do you think is the reason for such a high retention rate of staff? It is very good, and I just wondered—

Mr Corbell: For staff generally?

MS PORTER: Well, you were talking about the bus drivers. Is it reflected across the whole staff or is it just with bus drivers? Certainly it is very positive.

Mr Corbell: Mr Wallace can probably answer it better than I, but I think most people who are bus drivers enjoy driving buses and they enjoy meeting and talking to people and getting out and about; they don't want to be stuck in an office all day. That said, historically the work force has been very stable and that is in some ways reflected in the average age of the work force as well, which is in its fifties. So we have a lot of long-term employees. I talk to bus drivers and they say they just love being bus drivers. They like getting out and about and talking to people. They enjoy being able to get around town.

You get complaints about ACTION from time to time but what is really encouraging

about the people who work for ACTION is that you also get a lot of compliments. It is interesting that ACTION get a lot of compliments from people from interstate who travel on the fleet. They compare their experiences with public transport in other cities and overwhelmingly they say—and this is what I find really noticeable—“your staff are just so friendly and helpful,” which is really nice to hear. They take the trouble to write, which is great.

THE CHAIR: Minister, I have a question on the fleet and then on timetables. Mr Wallace mentioned in his statement a little while ago about compressed natural gas. Page 6 of the report refers to the budget allocation of \$17.2 million to enhance the compressed natural gas fleet. Can you expand on the expenditure of this money?

Mr Corbell: Yes. That is the budget for fleet replacement, so it simply deals with the 42 new buses that the government is purchasing, through ACTION, to replace the fleet. Mr Wallace may be able to outline when that program is going to be completed.

Mr Wallace: Our expenditure under that program is on budget and on time and we have an additional 11 purchases, bringing it to a total of 20 for this financial year to be delivered. The variation to the contract has been issued and we expect to have the last of those 11 delivered in June, so we will have virtually the money for this financial year spent as well, and we anticipate being on time and on budget with that as well.

THE CHAIR: Does that fit in with the construction of the new CNG refuelling station that is referred to on page 8?

Mr Wallace: The refuelling station was a separate project and we funded that internally through loan funds and we include that in the cost of the CNG fuel, which is, I must admit, a lot cheaper than diesel.

THE CHAIR: A few weeks ago I had the opportunity to travel to the Assembly using ACTION. I think it was the same day that Mr Smyth released a media release on no cars in the car park after 4.00 pm—so mine wasn't there. It was very relaxing, I must say, and while I was travelling I got to speak to a visiting Chinese student from the Zhejiang province. His city has 7.2 million people and nearly all of them travel by public transport, but he did say that the use of public transport doubles on the weekend. Have ACTION done any studies to see whether it's viable to increase weekend runs to increase patronage?

Mr Wallace: Currently, our weekend network is fairly extensive; it is more extensive than most operators would have. We have it, obviously, as a community service. Our shifts on a normal day are about 314 and on a Saturday we have 200, so we have two-thirds of the force out there on a Saturday but we receive about 10 per cent of the patronage that we get during the week. So, if there was a demand, there is certainly a lot of capacity to meet that. We do have adults travelling on the weekend. I think from memory about 7,000 to 8,000 adults travel on a Saturday and about 3,000 or 4,000 on a Sunday. Most weekend patronage is by concessions.

MR PRATT: I was very impressed by one of your responses about harnessing rainwater to wash buses, an issue that I have taken up with the urban services minister about whether that concept could be put right across other departments, which he pooh-poohed,

so I hope he has a chat to you about that. Minister, on pages 70 and 71 I note that the bike racks on buses program is listed as cancelled in the 2004-05 June quarter capital works progress report. In response to that issue, your office told the media that an administrative error resulted in payments being made to two separate government agencies and that the bike racks were being funded through the ACTION bus authority, meaning urban services had to pay its allocation back to Treasury. Why is this not reflected in the capital works progress report, given that only one amount of funding is shown and it is listed as cancelled?

Mr Corbell: I might ask Ms Greenland to outline the details, Mr Pratt, but my advice is correct: there was a double payment made. Treasury made an error and made provision to both DUS and ACTION for that project. Following that, the decision was taken that ACTION would retain its funding to implement the program and DUS would return to Treasury the money that it had been allocated for this project, which was done. In terms of how it was reported, I will ask Ms Greenland to deal with that issue.

Ms Greenland: The advice we have had from our finance area is that they needed to indicate in the papers that the funding wasn't going to be used for that process within the Department of Urban Services, given that the decision had been made that ACTION would retain the \$345,000 paid to it. So really the indication was given by the annotation of the word "cancelled" against that project, which is possibly a bit misleading in terms of the word, but that is the explanation for indicating that the project was cancelled, because it was certainly cancelled out of the urban services projects but retained as an ACTION project.

Mr Corbell: There's no doubt that it's going on, Mr Pratt; you can see them on buses all around town now. It is definitely happening.

MR PRATT: Okay. I can.

THE CHAIR: Minister, while we're still on the bike racks, I've seen them on the buses as well, but they haven't been used. Are they in operational mode at the moment—

MR PRATT: And some of them carry "cancelled" signs, too, I notice, or—

Mr Corbell: They don't carry "cancelled" signs; they say "not in use" and the reason for that is that there are about 50- or 60-odd racks that have to be fitted to the fleet. That is being done progressively, because the fleet has to remain operational at the same time. So over the last couple of months the racks have been slowly installed onto the fleet. They take, I understand, about three hours per bus to install, so it's a fairly time-consuming process. It's not particularly technically complex but it takes a bit of time.

We don't want a situation where we can't guarantee that on a particular route if you want to put your bike on a bus it doesn't matter which bus you catch you can put your bike on. But the worst thing to do would be to say they're now available and on these routes but we haven't fitted all the buses yet for that route. That's why they're not yet in operation; we're making sure we have enough buses fitted with the racks before they go operational. That's why some buses have the sign on the front of them saying "not in operation". Perhaps they should say "not in operation yet", but I can assure you,

Mr Pratt, that we will be going operational this month and ACTION will be publicising those routes where you will be able to put your bike on a bus if you want to.

MS PORTER: On page 8, minister, it mentions the trial of the SMS bus text. You may have mentioned this in your opening remarks, but I was just wondering whether you could let us know how the trial is going, please.

Mr Corbell: Mr Wallace can give you some more details, but my understanding is that it hasn't been taken up as much as I would have liked. One of the issues is that it is fairly complex to use. Whilst it has been welcomed by some user groups, in particular people with hearing impairment, it still needs a bit more work. The good thing is that, as I understand it, it hasn't cost ACTION any significant amount of money; it has been mostly at the expense of the provider as a trial. So that has been good. I will ask Mr Wallace to add to that.

Mr Wallace: We believe it has been reasonably successful because as a trial we were looking to iron out any bugs that were in the system. Initially, there was a high error rate and half of those errors were operator error—the person who was sending the request. There are particular formats that need to be followed. We put out an information leaflet and some advertising at the time, and it is on our web site how to do that, but we haven't promoted it since its original launch, because the people who were using it—we have about 500 regular users, from looking at the stats—have been helping us to sort out and resolve those problems.

Up to the last month the error rate has reduced dramatically and so we've learnt a great deal from that. As the minister said, it hasn't cost ACTION any money at all apart from our time, and I think it is a service that we will be continuing to promote once we are sure of its operating. We are working on some, I suppose, cheats, where people can store the sorts of things they usually want to ask for in their mobile phone and then send that at any time they want to get the updated information. We're looking to be able to have that information available on the web site, so that people can do that, and we're looking to promote that early in the new year. Traditionally, there is a large influx of new residents to Canberra in the January period and we'd like to catch those folks as part of our promotional activity. Overall, I think it is a success in that it is now working better than we'd hoped, and if we are able to make improvements that will make it much better in the future.

MS PORTER: That's why you have a trial, isn't it?

Mr Wallace: That's right.

MR PRATT: Minister, you may have partly answered this question in the previous briefing on bicycle racks, but I notice on page 70 of the ACTION Authority annual report that the project funding is listed at \$345,000 with nil expenditure recorded. On page 71 of the annual report it mentions that 70 bike racks have been purchased and that the installation was to occur. Of course, we now know that that installation is occurring as we speak. So why wasn't the expenditure recorded in the annual report?

Mr Quirke: We had not expended at that stage. The bike racks were imported from the US and we had not received an invoice at that stage. There was a purchase order made

but funds had not been expended.

MR PRATT: Minister, have you received any complaints from bus drivers or the TWU about these bike racks and possible problems with them in terms of safety? Also, is there an issue about bus length specification? If so, have you overcome that?

Mr Corbell: I have not received any complaints. I have received some representations from the TWU, who wanted to express to me their caution around the racks. I met a delegation of TWU members about three months ago. They expressed to me that the TWU were prepared to go ahead with the trial. They were satisfied that the racks were safe and met all the relevant safety requirements. They indicated to me that they had been extensively engaged with ACTION management in testing the manoeuvrability and so on of buses with the racks installed, both in their deployed position with bikes on them and in their folded-up position.

They expressed to me some caution about it. It was really more of them saying, "This is something new and it is going to take our guys a bit of time to get used to it". That is basically what they said to me. They said, "Some of our guys are better at coping with change than others". That was basically, to be quite blunt, their position. The government has looked extensively at the safety issues. We did so well over a year before we made the decision to purchase. I will say a couple of things about safety. The first is that these racks are installed on about two-thirds of all public transport buses in the United States.

MR PRATT: The same style of bike rack.

Mr Corbell: Yes. As far as we can determine, there is no record of an accident involving a bus with one of these racks. I requested the Department of Urban Services to contact bus operators overseas who use these racks to see whether there were any safety issues. They managed to get in contact with a number of bus operators. Those operators indicated that they had no adverse incidents involving vehicles with these racks. The racks themselves require an exemption under the Australian design rules. That exemption has been granted by the Road Transport Authority in the ACT. I will ask Ms Greenland to go into the technicalities of this issue.

Ms Greenland: The ACT road transport regulations do provide for exemptions to be granted from Australian design rules for vehicles. There is a set of criteria set out in the regulations that talks about the factors to be taken into consideration when the RTA considers granting an exemption. They go essentially to things like performance and safety of the vehicle, if it is granted the exemption to operate, and also considerations around the public benefit to be served by granting the exemption. Those factors were taken into account by the RTA before granting the exemption. I can give you more detail about the list of criteria, but they essentially go to performance, safety and the purpose of granting the exemption.

It is perhaps relevant to note that the only other jurisdiction in Australia that has operated these buses is Brisbane City Council, and it went through a similar process of having to have in place exemptions from the ADRs and also an overlength permit to operate the bus with the rack down. When we looked at which ADRs to grant exemptions from, we took a fairly cautious view about things that we might not comply with. It may well be that we have granted exemptions cautiously to make sure that we have an exemption in

place in case there isn't compliance with some of those ADRs.

We might be compliant and we might not. We were not quite sure which ones we would fall outside. There are some we definitely do fall outside; for example, the one about the visibility of the registration plate on the front of the vehicle, because when the rack is deployed the visibility of the registration plate is affected. We have come up with a solution to that, which is to put the bus registration number at another location on the front of the bus, so that will always be visible even though the actual plate might not be visible.

THE CHAIR: On page 15 of the report there is a reference to the ACT women's plan. Can you inform the committee how ACTION is implementing this plan?

Mr Corbell: I will ask Mr Wallace to deal with that issue.

Mr Wallace: As we state in our annual report, we have a number of things that we are looking at internally and externally. The major thing that we thought we contributed to the women's plan in that financial year was the introduction of our flexibus service, which provides transport for people to their homes and from their homes in the areas in which it operates. Obviously, the safety benefits of that are particularly useful for women. We have a number of other internal programs that the HR manager has been initiating. The most significant would have to be the flexibus issue, but the entire fleet also is accessible. We have the intertowns running accessibly. All of the routes have accessible buses, either the new CNG or Iris buses or the smaller minibuses. We are certainly keen to use those because that is the purpose for which they were designed. In the two trials of demand, which are truly door-to-door, right into the driveway, we have smaller minibuses which are also wheelchair equipped; so they are providing the disabled access but also the door-to-door, which obviously is of benefit to female travellers.

THE CHAIR: Mr Wallace, you just mentioned HR. If you look at page 26 of the report you will see that no AWAs are offered at ACTION. Can you inform the committee of the form of contracts offered and how long these contracts are in effect?

Mr Wallace: We have no AWAs. The two main contracts are with me and my deputy. We also have temporary employees who are employed on a contract. Even casuals have a contract for a contract period. We have had a history of having more casual employees and our recruitment process was to bring people in as casuals. We changed that three or four years ago to making them temporary employees, because that gives them entitlements to leave, in particular annual leave. We found that having people come in as casuals meant that in their first year they did not accrue any leave and then they accrued leave the next year but, because they had to fit into the roster of leave program, they may serve up to three years before having a period of leave. It was important for us to make sure that they were able to do that, so we rectified that. But we have no AWAs.

THE CHAIR: For what period does that contract go?

Mr Wallace: The contract is for up to 12 months and, for the most part, they are permanently appointed after that.

MR SESELJA: Going back to the women's plan on page 15, I note that the first dot point says that three women served as paid ACTION board members during 2004-05. Is the inclusion there a suggestion that there was a deliberate strategy to put in women or is just the way it worked out that the most qualified people happened to be women?

Mr Corbell: The government always seeks to achieve a gender balance on all of its boards and committees. It also seeks, of course, to make sure that people with appropriate skills and experience are appointed to government boards and other bodies, and ACTION is no different in that regard. The women members of the board all bring significant experience to the board from a range of sectors. I think that we have a very good balance of men and women members, all of whom bring very good skills and experience to the board.

MR SESELJA: Would it be fair to say that, if a man and a woman were being considered for the same board appointment with basically the same experience and expertise, the woman would get the nod under this policy?

Mr Corbell: There is no hard and fast rule. These appointments are made by cabinet on the recommendation of the relevant minister and cabinet decides overall who is best suited for the position.

THE CHAIR: On page 9 of the report there is a list of awards that ACTION has been recognised for. Can you provide further information on those awards?

Mr Corbell: ACTION has received a number of very valuable rewards in the last year. More recently than the period of this annual report, ACTION received an award for some of its advertising campaign. In particular, the flexibus advertising campaign, which drew a little bit of controversy from a limited number of people in our community, was awarded as a very effective ad in getting people's attention to the benefits of the new flexibus service. That received some industry-wide recognition in advertising for public transport. I will ask Mr Wallace to talk about the awards granted during this financial year.

Mr Wallace: With this report, there was a number of recognitions for our contributions to a number of community-based events and activities. We are obviously very proud to be a part of the Canberra community and participate in anything that we believe is of value to the community. As the minister indicated, we did receive an award for our advertising campaign. Equally, we received an award from the transport institute for the system itself, which is pretty good vindication of the work that we do in that area.

We were concerned with that program that we had large buses running around empty and that the public perception was that no-one was using them, et cetera. The new system makes sure that people have access to a bus when they need it. Under the old network, the services into the suburbs were on a 90-minute frequency. Our new services are at least every 60 minutes and in most case they are getting a 20-minute service. The intertown service had folded back to a 30-minute service. We have changed that back to a 20-minute service and we did all that within the same budget allocation for the same number of services as were on the road before.

We have increased the frequency by one-third or 50 per cent, whichever way you look at

it. In particular, when somebody arrives at an interchange, we had hoped that it would get to the point that, if there was a bus there, it would take them, and that is what we are finding. There are very few areas now where we have to have a customer wait for the bus that was allocated to go to that area. Some of the areas have a very strong demand and we are looking at making those areas smaller with our new network.

THE CHAIR: I thank you for that and I thank the officers of ACTION for coming to this hearing today.

Short adjournment.

THE CHAIR: I declare open the hearing into the 2004-05 annual and financial reports for the Land Development Agency. I welcome the minister and officials. You should understand that these hearings are legal proceedings of the Legislative Assembly, protected by parliamentary privilege. That gives you certain protections but also certain responsibilities. It means that you are protected from certain legal action, such as being sued for defamation, for what you say at this public hearing. It also means that you have a responsibility to tell the committee the truth. Giving false or misleading evidence will be treated by the Assembly as a serious matter.

If any questions are taken on notice, the committee would appreciate responses within five working days of the receipt of *Hansard*. It is the responsibility of witnesses to ensure that they meet any commitments they have made regarding the provision of information or answers to questions on notice. The secretary will email copies of the transcript to all witnesses as soon as it is available. Questions for today's hearing from the committee are to be relevant to the report for 2004-05. A schedule has been provided in regard to the minister's generous availability of time. I ask all members of the committee and other members to adhere to this program. I would also like to ensure that all committee members have the opportunity to put their questions to the relevant minister before moving on to other members' questions. Members are also reminded of standing order 235, which states:

When a committee is examining witnesses, Members of the Assembly not being members of the committee may, by leave of the committee, question witnesses.

Minister, would you like to make an opening statement?

Mr Corbell: Yes, I would. I start by acknowledging and introducing to the committee Ms Jenny Morison, who is the deputy chair of the board of the Land Development Agency. I have asked Ms Morison to be present today should members wish to discuss any items from a board perspective.

In its second year of operation, the Land Development Agency has again performed well. The agency has achieved an operating surplus of over \$100 million, slightly in excess of the target established in the statement of corporate intent. Revenue from residential land sales was below budget but the shortfall was offset in part by an increase in revenue from sales of commercial and industrial land. Importantly, the budgeted dividend of \$73.3 million was paid in full to the government.

Considerable further progress has been made with the Kingston foreshore project. The

construction of the common parklands and a new innovative stormwater collection and filtration pond has been completed, and additional infrastructure has been rolled out to enable the construction of the Stockland waterfront development. The Gateway development, 167 residential units undertaken in joint venture with the St Hilliers group, has been completed. It was completed in December 2004 and all of these apartments and townhouses have been sold. The ultimate shape of the Kingston foreshore project is now becoming very apparent. The common parkland has been completed, as has the ecopond, and this really demonstrates the agency's commitment to delivering a high-quality urban environment and also one that is more sustainable and more efficient in its use of natural resources.

Just prior to the end of the financial year, the LDA entered into a new joint venture for greenfield development which will become the suburb of Forde. That was entered into with the Canberra Investment Corporation and Delfin Lend Lease. Planning for the new development at Franklin is under way. This development will be undertaken by the agency in its own right as a public sector project. The first three stages of Wells Station also were completed during the year in the suburb of Harrison and a number of these blocks are now being sold to the market.

Also, during this financial year period, the agency entered into an agreement with the Defence Housing Authority to provide it with some 350 serviced blocks over the next three years. It is an important project, one which not only guarantees revenue and land sales to the territory over that three-year period at a time of a less stable residential land market, but also helps meet the Defence Housing Authority's requirements for additional land and housing for defence personnel who will relocate to Canberra during defence's ongoing expansion over the coming number of years.

The government and the Land Development Agency are also very keen to strengthen the role of Gungahlin as a new town centre with a full range of services for residents. The agency is currently actively examining the feasibility of establishing a business park in the Gungahlin town centre. Also, outside of this financial year period but worth noting, we have seen the recent completion of two large commercial projects in the Gungahlin town centre, the Big W and Coles developments, which have significantly added to the range of retail and other shopping facilities available to Gungahlin residents. The Aldi development, the third major commercial project there, is also close to completion and I understand will be completed within the next three to six months. So the Gungahlin town centre continues to grow and the LDA will continue to invest in infrastructure as well as development in its own right to ensure that we continue to underpin that success. With that, the officers of the LDA and I are very happy to answer questions.

THE CHAIR: You mentioned in your opening statement an operating surplus of over \$100 million. That is referred to on page 16. Can you expand on how that has occurred?

Mr Corbell: Ms Skewes or Ms Morison might be able to give you some more detail but, in terms of just a general overview, residential land sales during the last financial year did start to taper off, but we were still coming off a very strong residential land market. The agency was very successful, however, in selling a number of commercial and industrial land sites, particularly a number of large sites in the city centre, and that certainly contributed to the overall return to the government on the land sales program. I will ask Ms Skewes to elaborate on that.

Ms Skewes: As the minister has indicated, notwithstanding the market and our capacity to respond well to it, we saw quite a strong operating surplus coming through. We were also able to offer a number of niche products, or specific products, to the market that helped us achieve our revenues in that period. We were very conscious of our cost structures in the organisation. Through that period we were able to be very mindful of our expenditures and inputs into projects. The establishment of the Forde joint venture was very important to our revenue performance during that period. Indeed, being able to have that arrangement secured by June was a very important outcome for the organisation which, in fact, helped to underpin that performance.

THE CHAIR: Minister, you also mentioned sustainable development in Kingston in your opening statement. That is referred to on page 19. Could you expand on that and any other sustainable developments that have occurred or are underway?

Mr Corbell: The LDA have developed and put in place a range of initiatives to focus on sustainability objectives, particularly around minimising water and energy use. There is the introduction of triple bottom line reporting through the LDA's processes. The LDA have established a sustainability checklist with mandatory requirements for all new developments. These include assessments against energy and greenhouse, water-sensitive urban design; waste minimisation education; community development and construction, and triple bottom line reporting. A number of particular projects are worth highlighting. First of all, in the feasibility work being undertaken for the new Gungahlin business park the LDA are seeking to achieve a high-quality commercial estate. The aim is to achieve a five-star green star building; improve public domain and public realm in those areas; focus on improving productivity and healthy working environments in new buildings, and reduce energy and water consumption as part of that green star objective.

The projects at Kingston foreshore have already received a high-quality sustainable design initiative award by the government for the work undertaken there. In the developments that have been completed there they have already reduced potable water consumption to 150 litres per day. There has been a very strong focus on addressing and improving stormwater infiltration through a range of permeable surfaces throughout the Kingston foreshore project. Another initiative to reduce energy consumption in all the developments being undertaken at Kingston foreshore is the use of centralised hot water. Passive solar design, rainwater harvesting and stormwater harvesting are important elements.

If you have not been out to see the new public park at Kingston foreshore, I would encourage you to do so. It is a great little park. You will be able to see very good eco-pond activity in operation there. It just shows how you can make that sort of stormwater treatment system compatible with a very pleasant and pleasing park environment. It is a very good little park which I had the pleasure of naming and opening a couple of weeks ago.

Finally, I would like to talk about one of our flagship projects in the new suburb of Forde, Mr Gentleman. The target there is to achieve 70 per cent less water usage than for an existing suburb in Canberra. There is going to be a full water cycle management plan for that estate. We are focusing on energy-efficient home design through good solar

orientation of the subdivision design for Forde. There will be a strong focus on the revegetation and rehabilitation of the existing creek to create good public realm as well as improve the environmental quality of water in that creek.

The joint venture proposes to enter into a partnership with Greening Australia for rehabilitation and plantings throughout the suburb. It is particularly important to address those issues, given Forde's location right next to Mulligan's Flat Nature Reserve. The legislation for the cat control regime in Forde is before the Assembly at the moment. The joint venture is also looking at developing a range of concept homes in its display village which will really push the envelope in terms of environmental best practice and energy and water consumption issues in new individual dwellings. I am very excited about the work being proposed for Forde, particularly in relation to water and improving the quality of the public realm. Those issues can be addressed whilst still meeting our sustainability objectives.

MS PORTER: In your introductory remarks you mentioned the commercial industrial land sale program. You were saying that not only had there been some decrease in the residential area but also some increase in the area of industrial and commercial land sales. Do you anticipate that these sales will continue into the outyears? What other factors have led to the mix of land sold during the reported period?

Mr Corbell: I might ask Jenny Morrison to answer that, to give the perspective of the board.

Ms Morison: The dip in the residential market was the challenge the board faced in coming off a fairly buoyant 2003-04. There has been an Australia-wide dip and obviously we are not immune. We have really felt that. Commercial has stayed very steady but we recognise that, in some ways, it is not an endless pit in terms of delivering commercial. To some extent that is why we have looked at some different products. The EpiCentre at Fyshwick, which is coming on line, is an example of a very large commercial site which probably has not previously been marketed in Canberra or developed to the same extent.

We are also very interested in what we can do in Gungahlin, particularly with the business park concept. I support Simon's earlier comment with regard to ensuring that the full services are available at Gungahlin, in that it is a very robust community and town centre. In Gungahlin we also have provision for bulky goods. These are very large in comparison to the single commercial site developments we have been releasing. As much as a board can sit back and look at market forecasts, we anticipate commercial staying fairly firm in the outyears. A large focus on the organisation has been to work on the marketing information that is available. We spend a reasonable amount on that—some of that contributes in a way to the consulting dollars we have in our numbers—to ensure we are very well informed of where the experts around town think the market is actually going.

MS PORTER: What do you expect? The residential market is fluctuating. It is very difficult.

Ms Morison: We still think it is going to be soft. Importantly, the LDA is trying to make sure that, particularly in residential areas, we have enough stock ready for market so that,

when it picks up—and the cycle can turn reasonably quickly—we are not caught in a situation of having a shortage of land, which would drive prices up. To some extent we have been investing in inventory and building up some costs—which you might see on the balance sheet—to make sure that, in some ways, we are ready should the market turn, but we don't anticipate that. Certainly indications from our numbers at this point—as much as we can learn from the market—are that residential will stay soft over the next few years.

MR SESELJA: On page 50 it talks about total revenue. It also talks about 28 per cent from the recognition of land contribution from the ACT government of \$66 million. Are you able to take us through how that is treated? I notice that it comes out of expenses as well. Does that basically cancel it out? Are you essentially treating it in the same way another operator, if they had had to buy the land for \$66 million, would treat it? If so—and this may be a question only the minister can answer that we can leave until this afternoon—is there a corresponding recognition of that \$66 million in ACTPLA's bottom line?

Mr Ryan: You are correct in your interpretation of the way the accounting treatment works with this particular issue. Under the accounting standards we are not able to recognise the value of land transferred to us from ACTPLA because it has not previously been recognised as a cost in government accounts. We are not able to take that value and apply it into our balance sheet, which we would prefer to do to ensure we are getting performance indicators comparable with the industry. We have the capacity to recognise that land as coming across under “resources free of charge”—hence it is a revenue item—so we can demonstrate that there is a cost associated with the land value when the land is sold. In essence, it cancels out. We just use it to ensure that there are comparable margins.

Doing it in this manner is more of a standard way of reporting business activity. There is no corresponding entry in other agencies because the resource is free of charge. It is purely an entry made within the agency's accounts. It is consolidated without appearing in whole of government. there is no corresponding representation in any other agency. Similarly, in the past, service providers within the government—like the Government Solicitor's Office and others who might not have charged agencies at the end of the financial year under accrual accounting and accrual reporting concepts—would take up a “resources free of charge” to recognise those services and a corresponding expense purely in their own statements.

MR SESELJA: Yes, but this is an asset of the territory. Are you saying it is not being recognised anywhere that the asset of \$66 million is no longer in the hands of the people of the territory?

Mr Ryan: The land has been sold, therefore it is no longer unleased territory land; it is obviously a private land-holding. We need to recognise that there is a cost to providing that land, along with the costs associated with developing it. However, under accounting standards we can't take the value of that land onto our books as inventory. We can't recognise it until the sale occurs because it is not recognised in whole of government as a value. It is unleased territory land. there is no transaction that occurs beforehand to create that value in the books of the government.

MR SESELJA: We might take this up further with ACTPLA.

Mr Corbell: I will ask Ms Morrison to talk on this because she has some experience on the issue, to say the least.

Ms Morison: In earlier days I was in this room because I assisted with the preparation of the first accrual budget for the ACT government. I have experience in this area because this issue obviously came up then and, in essence, has some recurring revision, particularly at policy level within the government. We have often had discussions about this. We certainly had in-depth discussions when we were looking at the appropriate accounting treatment. I am very pleased that we have on our books the cost and the revenue because it gives us a better reflection of margin, otherwise we would simply have total revenue as the sale amount, which would show us with a totally inappropriate margin of 100 per cent.

The reality in requiring that—I imagine it would be Treasury who would take on the value—is that you would have to value all the undeveloped land in the territory, put it on the book and value it. That would be a very large exercise. How you would value it would be another large issue. I take your point. This is an issue that surfaces from time to time. In reality, having every piece of ACT government land valued and on the books is a fairly impractical solution. From the LDA's perspective we are very pleased to have this policy which enables us to give visibility to the effect of the value of the land on margin. I will leave the other policy to other areas within government. I can assure you it comes up from time to time. From my understanding, that has been the position in trying to resolve it.

Mr Corbell: The government has discussed this issue on a number of occasions. From my perspective, I would prefer the territory's asset to be fully recognised in the accounting and reporting arrangements, but it is a very big exercise. In many respects the ACT is unique in that regard, given the nature of the leasehold and the fact that such large land assets are held by the territory in comparison with other jurisdictions that do not hold, proportionally, the same amount of land. I think it would be in the interests of the territory in the long term to address this issue and to have the land assets fully accounted for on the books so that, whenever any transfer takes place from, say, a central agency to the LDA or from another agency for sale to the public, it is recognised in the accounting arrangements. But that is not the case. In reporting on these issues at a whole-of-government level, we comply with the relevant Australian accounting standard at the moment. That is something the government will continue to keep under review.

MR SESELJA: How is the \$66 million arrived at? Is that a basic valuation done on undeveloped land parcels?

Mr Ryan: Our policy is to obtain an independent valuation of the land as an undeveloped tract of land at the time we receive it. It is really trying, in an internal way, to duplicate the transaction that might occur when a piece of land is rezoned and becomes developable. There is no way we can accurately reflect a market value that might occur in a sale. It is an attempt to get some sort of independent recognition of the value of the land in its undeveloped state that then comes to us for taking on for development and sale.

MR SESELJA: How many parcels of land does that \$66 million represent?

Mr Ryan: That reflects the sales of land in that year. There are rather large tracts of land—for example, the Forde area, which is some 130 hectares—but there are also individual sites of unleased land in industrial and commercial estates that have never before had a lease and therefore have never had a value. When that land has been transferred to us from the authority and we have prepared it for sale, we have represented its undeveloped value.

MR SESELJA: Are you able to, on notice, give us a breakdown of the total area of that land, splitting it up into commercial and residential tracts, total size and the like? If it is in the report, please point me to it.

Mr Ryan: Certainly. In making the accounting entries into the books, our records are done site by site. We can provide a level of summary information.

Mr Corbell: We will take that on notice. On this general policy issue it is important to note that, since self-government, the territory has never recognised the value of its land assets on its books. It is a longstanding issue for all territory governments, not simply one of this government's making. I believe it is in the long-term interests of the territory that this land asset be appropriately recognised on the books. That will lend another level of transparency to allow the community overall to see how the government of the day is managing the land asset, what return it is getting on the land asset and, equally, the impact on the overall economic position of the territory from land sales. I think that should be addressed in the long term. It is something the government has under active consideration from time to time and will be an ongoing issue.

Meeting adjourned from 10.59 to 11.15 am.

THE CHAIR: We will continue with the Land Development Agency. I will kick off with a question on a different topic. It is one that I have a keen interest in, and it is aged-care accommodation. Page 18 of the report indicates that land has been allocated for new aged-care accommodation in Belconnen. Minister, can you please expand on the land for aged-care accommodation?

Mr Corbell: Yes, Mr Chairman. The government has undertaken a very active program of land release for aged-care facilities in Canberra. During the past year or so the government has released sites for the site at Belconnen on the shores of Lake Ginninderra for a 100-bed residential aged-care facility and an equivalent number or so of independent living units. This comes on top of previous government land releases for aged-care developments in Garran for Southern Cross Homes, which is specifically targeted at a residential aged-care facility, in particular dementia-type residents. There have also been sites released in Monash, with agreement for a direct sale to Goodwin Homes in Monash.

In addition, the government is continuing with the release of other sites that includes work currently under way by the LDA for sites in Nicholls and Gordon. In Nicholls quite a large site is potentially available there for about 100 residential aged-care beds and about another 100 independent living units potentially at Nicholls. There is a small site in Gordon, I understand, probably more for independent living units, rather than residential

aged care. Ms Skewes might correct me on that in a moment. The site in Gordon, I note from my notes, is being prepared for release in the coming six months or so. That has already gone out to advertisement for providers and we are timing that release with the commonwealth's announcement of bed allocations in the ACT.

There are another seven direct sale applications for sites in progress or having been agreed in principle by the government. They include one for St Andrews retirement village in Hughes, one for Goodwin in Monash, which I have already mentioned, and one in Page for Ridgecrest retirement village. There are four in the initial stages of assessment that have not yet been approved in principle by the government.

That is quite a strong program of activity and one that the government has been very proactive on. That comes on top, of course, of government support for the development of these sites, for example, the Bruce site for the Little Company of Mary, which I approved a month or so ago, and one more recent decision as planning minister earlier this week to approve the development of the Goodwin site in Ainslie with some fairly important conditions. I might ask Ms Skewes perhaps to outline a bit more of the program. I might have made some errors in that.

Ms Skewes: Can I particularly comment that, in relation to what we have been able to do working closely with the commonwealth government, it is very interesting, I believe, that the scheme that we have got where we can actually time the release of sites with the allocation of beds from the commonwealth is a unique arrangement. The commonwealth, in the consultation and discussion I have had with them, particularly in relation to the Gordon site, which will have a component of residential aged-care attached to it, actually really see the process that the territory has now developed of the alignment of beds with a reasonable sized land release gives certainly the opportunity not only to progress a number of innovative schemes, but also to try and effect some level of certainty into the marketplace that the sites have been well planned, are well prepared and are heading out to the market for those providers that are able to then get the allocation of funding for the residential aged-care beds.

From conversations with my colleagues interstate in other land agencies, with whom we also have close relationships, this is seen as a very innovative scheme and something that they have been keen to in fact emulate because of the strength it actually gives in the delivery of suitable aged-care services and certain residential accommodation for our older communities. So it has been a very innovative thing. This is our second year of that program. The commonwealth are very keen, I believe, to continue to work with the territory on the allocation of beds to appropriate sorts of sites where they see those sites would meet their demographic requirement for aged housing.

THE CHAIR: Just on the back of the Gordon release, how many units or blocks are you expecting to release there?

Ms Skewes: The Gordon one will include an allocation of about 100 residential. It may also, as the minister has indicated, have the component of independent living and another facility. We like to be able to blend the residential and high-end aged-care provision with the independent living unit component so that people actually have a choice and they can easily move from one form of accommodation to the more intensive style of accommodation as their needs change.

That is what these larger land releases provide us. They provide us with that opportunity to attach the residential nursing home care to the independent living care. So we would have both blended into this site.

MS PORTER: Just leading on from this particular subject, the top paragraph on page 53 talks about the direct grants of land, often for community-related purposes. It mentions aged care. I was wondering for what other purposes direct land is granted and what benefits you see for the release of such land in this way?

Mr Corbell: The direct grants program is a very important part of government land release in Canberra. It predominantly is focused on not-for-profit community-based organisations, but it also has some commercial, albeit limited, focus. We potentially would direct a grant to a commercial operator, say, in aged care. We would still require market value for the site, but we would potentially grant there. The government does intervene from time to time to achieve particular outcomes through the direct grants program for full commercial-type projects. But that is very much to achieve particular strategic outcomes around broader planning objectives and economic development objectives for the city. A good example of that is the NICTA development site in city west.

Overwhelmingly direct grants are concessional in focus. In the last financial year the total value of concessions was \$5.5 million worth of concessions in land to concessional organisations. These included organisations such as churches. For example, the Greek Orthodox Community and Church of Canberra District received a direct grant of land worth \$50,000 and received 100 per cent concession on that land as it was for a church. The Abbeyfield society received a block of land in Curtin worth over a quarter of a million dollars for a disabled persons accommodation. A 100 per cent concession applied in that instance as well.

Koomarri regrettably have just seen their building destroyed by arson, it would seem, but the land for that building—and I trust they will be able to rebuild promptly on that site—was worth \$420,000 and the government gave a full 100 per cent concession for that site, again because they are a charitable and social welfare organisation. Equally, the uniting church in Canberra received some land in Weston for aged care. That is part of the Mirinjani complex in Weston. That land was valued at \$300,000. A 100 per cent concession was granted for that development.

Equally, to highlight how we manage aged care—this is a good example—Southern Cross Homes, with their independent living units and aged-care hostel in Garran, received a 100 per cent concession on the hostel component of the residential aged-care facility. That was worth between \$3 and \$4 million. The independent living units component of the land was worth about \$2.3 million and they received a 50 per cent concession on that component.

Our charging policy for aged care is 100 per cent on the residential aged-care component and 50 per cent on the independent living component, recognising that there is some return from the independent living units to the operator, albeit that return helps subsidise the operations of the residential aged-care component. I think we have a very generous concessional charging arrangement for these types of organisations, and I think the cases

I have highlighted reveal the breadth and level of concessions that the community provides every year to a whole range of organisations through land value.

MR SESELJA: Page 76 of the report deals with supplies and services and marketing, promotion and selling. It shows an increase between 2004 and 2005 of almost 1,000 per cent. Marketing costs were \$392,000 in the previous financial year and around \$4 million in the last financial year. What is the reasoning for such a big increase?

Mr Corbell: I will ask Anne Skewes and Jenny Morison to answer this question in detail, Mr Seselja. Can I make some very brief comments? I would like to stress that the Land Development Agency is in the business, on behalf of the territory, of selling and developing land. It has a sales program that, in 2004-05, was worth over \$160 million in revenue. You do not undertake a sales program or development program without having some marketing costs. The LDA's marketing costs are 1.7 per cent of its sales revenue, which is well within the industry benchmark of three per cent. The LDA have done some work to address what is a relevant industry benchmark, and I will ask Ms Skewes and Ms Morison to comment, but it is very, very important to stress that the LDA has a very significant sales and development program worth over \$160 million per annum in the last financial year and it is unrealistic to seriously think that the LDA can do that without some level of marketing and sales promotion activity.

The other thing that I would like to stress is that it is difficult to compare 2003-04 and 2004-05 because the level of activity that the LDA was undertaking in 2003-04, which was its first year of operation, was not a full year's worth of operation. The LDA had only just been established. It was still gearing up its activities. So the result for 2003-04 is not really a full year's worth of full-on activity, whereas 2004-05 is. But I will ask Ms Skewes and also Ms Morison to comment a bit more on how they have gone about addressing the issue of what is a relevant and appropriate level of marketing expenditure.

Ms Skewes: Certainly, as the minister has indicated, the figure for the 2003-04 year was a relatively low figure, given that the organisation in fact only started its marketing program for that year for its residential product six months into the year. So it does really reflect the fact that we really did not start, for example, selling allotments at Wells Station until about November of that particular year and so really only had a six-month residential marketing program.

As we have indicated in our previous commentary, we have also increased our commercial sales program quite significantly, and that has seen far more sites going out to the market in various packages and certainly also product going out to the market that has needed to have a particular marketing focus. For example, when you are talking about bulky goods sites going to the market, we know that they need to be treated in certain sorts of ways.

So we have been very keen to ensure that our marketing expenditure does reflect what we see as the industry benchmarks. To that effect we have consulted Hill PDA, who are nationally recognised and work with a large number of the major developers around the country but also work with land development agency-type entities in other states. It has been important for us to understand what is reasonable to benchmark a figure of this order in relation to our marketing and sales expenditure. We are very confident from their advice that that figure would normally reflect marketing and selling costs, which

would normally be about three per cent of land sales revenues.

While there was an increase from one year to the next, we believe that coming in under a figure of three per cent is certainly well justified in the market and is a figure that I must say the board also look very closely at. They are keen that we in this market environment have the right sort of impact and the right sort of projecting of our marketing costs. I must say, just in relation to those market niches, we are offering some very unique product out there. We have got some terrific sites out there in the market that I think we have seen some very good results from. We actually have had a marketing and sales strategy that has been target to those particular niche areas.

We are also very keen, as part of our marketing expenses, to get good quality market advice from the industry about the sort of product that is needed and how it should be presented to the market, and because we are operating across industrial land sectors, commercial land sectors as well as the residential market, which itself has the greenfields component and the multi-unit market, you actually need very specialised inputs in terms of understanding what the demand is and how the product should be presented to the market.

In commenting on that further, I would suggest also that, because we have a reasonable level of supply currently out there in the market, we have, in the hands of builders and developers, over 7,000 lots. That is a lot of supply out there, so the market is very competitive at the moment. We believe a well-targeted marketing program is critical to what we do. As I said, we have been very keen to have those costs benchmarked.

Before I let Ms Morison comment from the board point of view, to understand how the board do oversight our marketing expenditures, it is probably also worth knowing that we are very conscious of both our revenues, but also the broader economic impact of our activities in the market place. The minister has cited our revenue performance, in which those marketing costs represent a figure in the order of about 1.7 per cent. But indeed, if you look at the economic impact of LDA's sales for the 2004-05 period, if you look, for example, at the revenue stream plus the construction costs and the benefit generally to the territory economy, we come in with a figure of over \$800 million worth of economic benefit coming and being attracted into the ACT economy as a result of our land sales program.

That is a very significant figure. It does, I think, say very good things also about the ACT economy and the robustness of the economy that we can, through sales program, stimulate something in the order of \$800 million to \$900 million worth of economic benefit. In that context, those marketing expenses are seen as certainly quite well justified and, indeed, quite modest.

Ms Morison: I have a couple of points because that response has been fairly comprehensive. The board very early on, if I can just take you through our thinking in terms of marketing, probably identified that, in looking at how land was previously released into the market, there was not enough robust market intelligence driving necessarily what the take-up would be of that land. It was very early identified in terms of our committee structure that marketing would be very important to the success of the organisation, not only in a predictive sense, but also really in how we were going to be able to roll out in a more difficult market. That was clearly obvious to us very early on,

that the market would soften.

In terms of our committee structure, we actually have a marketing committee that meets every month for two and a half hours. All the board are at that committee. That might give you some sense of how important we see marketing in terms of the capacity to help us meet the market. We are very conscious, I guess, in that process, that one of the things that we need to make sure of is that we do not drive up prices by misreading the market, which can be a problem in land development agencies because the supply is not there to actually meet the market, so you drive it up.

To support Anne's comments, we have a very mixed program of what we are delivering. Having been on the Gungahlin Development Authority plus the Kingston Foreshore Development Authority, which were two parts that came into this, we are actually promoting a multitude of different products to different markets. We do not have a single product that we are marketing, for example, just greenfields.

I also think that we have taken very consciously our responsibility to address affordable housing. To that end we are very keen to make sure that the moderate-income land ballots were very well advertised so that the community would be very well aware of the opportunity for them to partake in the moderate-income ballots. So to some extent I think in those areas our expenditure probably has been higher than it may have been previously on some land releases that have previously been marketed, largely because we wanted to make sure that those who needed to be targeted would get the message.

MR SESELJA: Are you able to provide a breakdown of marketing costs in terms of TV, print, other direct leaflet-type arrangements for the committee? I do not know if it is somewhere in the annual report, and if I could be pointed to it, that would be fine. Otherwise it can be taken on notice.

Ms Morison: That, I imagine, will not be a difficulty. The other thing I needed to mention to you was that the LDA board made an early decision that we would not spend any of our money on our own branding. We see our product as our brand. So I think when you see those figures, you will see that we are committed to marketing only on the product that we are rolling out and not on, if you like, developing our own brand in the market through extensive advertising. That was a very important principle of the board, that we would have very focused marketing on our product, not on our organisation.

MR SESELJA: I have not gone into some of the other costs, but if I get a chance later on, I will. There is an increase in marketing. There is a relatively large increase in staff. I might have some questions about that later. Are you able to provide us with a breakdown, given all those costs that come with the organisation, and I do not know what the correct terminology is, but really the cost of putting a block to market on top of the nominal value, but the amount per block that it costs the LDA to then have a block ready to sell?

Mr Corbell: We can certainly provide you with that. I think that information has already been provided on a question on notice that I received from—

MR SESELJA: It was not to me. It must have been to another member.

Mr Corbell: Mrs Burke, I think, asked the question. Yes, we can do that. The agency understands what it costs to deliver a serviced block of land, so we can do that. Normally that assessment is done for greenfield.

THE CHAIR: I refer you back to page 18. It is in the area of aged-care accommodation. There is a reference to the moderate-income land ballots that we have just heard a little bit about that have been performed over the last financial year. Can you inform the committee as to the success of these land ballots?

Mr Corbell: The moderate-income land ballot has been performing reasonably well. The level of take-up has not been as strong as the government would have liked to see. Nevertheless, we have seen a reasonable level of interest in this program. Of the 63 blocks that were made available in 2004-05, 27 were sold either at ballot or following ballot over the counter to qualified purchasers.

MR SESELJA: What is the breakdown of those at ballot and afterwards?

Mr Corbell: I would have to take that on notice, Mr Seselja. I do not have that immediately to hand. The moderate-income land ballot process has been one in which the government has wanted to see if we can deliver more reasonably priced land to the market for those who are in a particular quintile of income, where we know they are able to get into home ownership if they have some assistance around land. So these blocks have all been at \$150,000 or less. They have been offered to people who have a combined income of around \$100,000 per annum or a little bit higher, depending on the number of dependants that they have.

The difficulty that we have faced with the moderate-income land ballot process to date has been that, whilst there has been a reasonable level of take-up, it has not been as strong as we would have liked. The LDA have, at my request, done some work in trying to understand from those people who were eligible and in fact took the effort of registering but have not subsequently bought what have been the factors that have driven them not to buy.

There seem to be a number of factors. First of all, there is some resistance to buying land in some parts of Canberra compared to others. So there is some market preference being expressed by people who are eligible in these ballots. But more significant has been the issue of construction costs. The cost of construction of a home, not just land price, is influencing people's decisions as to whether or not they will take up this opportunity. Whilst they see the land as competitively priced, and certainly attractive in terms of price, they are then facing issues around the construction cost. Given that construction costs for new homes in Canberra is very high at the moment, that is acting as a disincentive.

In response to that, Mr Gentleman, the LDA are working up some alternative mechanisms to continue with our affordable housing initiatives when it comes to land release. I am awaiting some further advice from them at the moment, which can then be considered by the government. We are looking to ensure that we strengthen our overall moderate-income housing activity in terms of the land release side of things. That is the side of things that I am involved in. The rest is driven by Minister Hargreaves as housing minister. This is the component of the affordable housing strategy that I have direct

responsibility for and I am very keen to ensure that we maintain a moderate-income housing program through the land release side of things. The LDA is working up some proposals to supplement and to enhance what we are already doing through the moderate-income land ballot process. I might ask Anne to comment.

Ms Skewes: Can I augment the minister's comments? It is quite a complex issue, as you no doubt recognise. The whole issue of affordable housing nationally has been the subject of quite considerable debate, discussion and research. From the LDA's point of view, we have been keen to keep running the moderate-income land ballot program. I can report that, since that annual report was completed, we have sold to date some 43 blocks through the moderate-income land ballot program.

It is often quite difficult to have a lot of those blocks moved on ballot day because one of the things we actually do with the moderate-income land ballot program is put quite a bit of effort into ensuring that people well understand the nature of the allotment and the process for the ballot itself. So there is quite a bit of time reflected in the inputs that go into assisting people with their decision. For quite a number of those people, to actually buy on ballot day is not the ideal arrangement. They would prefer to have more time and they would prefer to have made arrangements with builders and bankers and others to have their arrangements in place.

We actually find that the ballot itself is a mechanism of providing a new release of land to the market. For some of those people it is not so much important to get a particular piece of land as it is to have the builder lined up, the financial arrangements in place with their bank, and then to come along and actually have some more time to make a considered choice about the allotment. So we have actually found that, as the minister indicated, there is some market preference being indicated here. But all of the moderate-income allotments that we have offered in Wells Station have generally sold, either at ballot day or subsequently. We do find ourselves with some moderate-income blocks at Ginninderra Ridge in Dunlop where the market has been somewhat slower to respond to that particular product.

For us that is where a lot of time and effort is going to ensure that we do understand that market. Certainly we have an understanding of people's preferences. We certainly understand in this market that people now have the opportunity to go into established suburbs. With prices having moderated over the past while, they can actually buy an established home on a reasonable sized block in the order of \$300,000-odd. That is a very competitive product and for a lot of people it takes out the building risk and the financial risk for them of buying a block and subsequently having to negotiate an arrangement with a builder. We actually find that, from a number of perspectives, people who might have registered interest with us for a moderate-income block of land may have a preference then to go back into an established area close to facilities and to buy an existing property.

In terms of what we can do to better assist the government in its affordable housing strategy, we have also been very keen to look at our new release projects like Forde, the Forde joint venture, and also Woden east, where we are actually going to have a look at whether we can offer some further opportunities for people who are quite keen in that moderate-income and affordable housing bracket maybe through those projects to offer some innovative products and some new ways of doing things. Certainly also we have

had interest from the community housing sector who are quite keen also perhaps to get involved in some of those new releases.

We see very much the need to have a multi-pronged approach to assisting the government in its initiatives and we look forward to certainly continuing the moderate-income land ballot program and also, as the minister indicated, looking at whether we can do more through some of these new projects.

MR SESELJA: I might just quickly follow on with one question on this issue and then move on to another area. In respect of affordable housing, we are told at page 8 that one of the LDA's objectives is to take into account the social objectives of the government, such as the need for affordable housing and housing for the aged. I am trying to get a picture of how the LDA see that. We have obviously got the moderate income land ballot and that is a fairly specific targeted thing. Do you see your role as being broader than that in keeping housing affordable so that, regardless of whether it is through a ballot or otherwise, people coming out of university with a job have a reasonable prospect of buying into the Canberra market? Do you see that as one of your key objectives or is it a more specific targeted project and not a general goal?

Mr Corbell: Yes, the government certainly would see the LDA as having that objective and the LDA would share that view. The LDA has certain requirements that it must meet under legislation in terms of managing land release and these must be kept in mind. The first and most important is that the LDA is obliged to sell land at market value. So general release of land must be sold at market value. That is a legal requirement under the act.

MR SESELJA: If I can just pick you up there, are there some complications in that in the sense that the LDA is obviously the main player in town. It is releasing blocks. If you chose to release a bigger portion or had a bigger release, surely that would affect the market price, or is it the market price prior to that? That gets complex, doesn't it? If you were to release 5,000 blocks tomorrow, the market value would go down, wouldn't it?

Mr Corbell: Yes, it would, and there would probably be riots on the streets, because people's land values would go through the floor as well.

MR SESELJA: I am not advocating that there be 5,000 blocks. I am just trying to get a picture of at what point and how restrained the LDA is in the sense that what it does has a real bearing on the market value, too. You say that you can only sell at market value. But you can certainly do things that will either push the market value up or down. I am just wondering how you have managed that tension.

Mr Corbell: Let me dispel some myths, first of all. There is this myth that the government has constrained supply to put land prices up. And it is a myth—it is without a doubt a massive myth. But I hear it from time to time. Generally speaking, the LDA's objective is to maintain what the board says is market equilibrium, so sufficient supply to meet demand—not oversupply, not undersupply. This is not a precise science, particularly when you consider the lag times involved in delivering land to the market in terms of serviced land ready to build a house on. That is the board's and the government's agreed objective: to maintain market equilibrium.

In terms of current land supply in the ACT, the total number of dwelling sites in the total pipelines—that is the developers’ pipeline and the builders’ pipeline—is currently over 7,000; that is both multiunit and greenfields sites. That is the highest level it has been since around June 2003 and the second highest level since around 1996 when there was a significant level of oversupply in the market. So to suggest that the government has constrained supply to push up land values is a myth and the figures rebut that very strongly.

Let me elaborate on that a bit more. The total supply of vacant dwelling sites with developers and builders is 3,391. That is equivalent currently to 4.2 years worth of demand. And that figure does not include the supply of 3,202 multiunit sites, which is equivalent to 3.6 years worth of demand. So that brings us to the total of 7,569 dwelling sites in the hands of builders and developers, both public and private sector developers. That level of supply is one of the highest levels of supply since 1996 and is a significant improvement on the low that we had in December 2000. That is the overall level of supply. So I just want to rebut very publicly the argument that the government has constrained supply. It has not.

In terms of land release, it has always been the case, whether or not there has been an LDA, that the government controls, to a more significant degree than in other jurisdictions, the level of supply, because of the leasehold. That is what drives government involvement in land in the ACT—not whether or not we have a land development agency but the fact that we have got leasehold and therefore we control land release. But, given that, the LDA’s general objective is to maintain market equilibrium and to ensure that supply is met without causing a significant level of oversupply, which would significantly impact on the house and land values of existing residents. That is the general philosophy that the government has. Anne and Jenny might want to elaborate on that a bit more.

Ms Morison: I fully support that. I think at a more detailed level, if you look at what things the LDA can do in terms of affordability, there are other options which go to the heart of not only dealing with the land but also being able to deliver some built product that helps us address the building cost issue, which is another issue that is driving it up. It is not singularly looking at cost of land. The cost of building in the territory, as we know, particularly post the bushfires, has been very high. Certainly it is a case of the builder and the management putting their minds to other ways that we may be able to address this. Probably one of the issues that are coming through with the moderate income housing ballots is some reticence of people at that end of the market to partake in building a house on that property. Given the expensive nature of building, they are a little concerned that they may not know what the end cost is because of the high cost of building and their capacity to deal in that builder market.

Mr Corbell: Mr Seselja, I will ask Ms Skewes to give you a bit more information about LDA land prices versus private sector land prices.

Ms Skewes: It is certainly reflecting what Jenny has said and also the minister’s point about the general approach the LDA takes to its land prices. It is very interesting to reflect what is happening to prices in the market, particularly since the end of 2003—the end of the very buoyant period we were coming out of. Average vacant land prices have fallen 16 per cent in the past six months to just over \$203,000 and are expected to

continue to fall in the following six to 12 months as the supply of land continues to be brought to the market. The average land price of blocks settled by LDA during the quarter was \$160,000. The average price at Wells Station was approximately \$164,000 and Ginninderra Ridge, our other greenfield at that land release, was \$147,000.

While location and block size clearly affect prices and have some bearing on the product that is being offered to the market, average prices offered by LDA are well below the average price of \$230,900 offered by private developers. So you obviously need to look at the mix of product there. But you can see from the offerings we have had over the annual report period for Wells Station and Ginninderra Ridge that certainly our pricing structure was well under what was on average being offered by competitors out there.

MR SESELJA: Do you have those comparisons broken down on a square metre basis as well as being broken down according to different areas?

Ms Skewes: No. We do not have that data. Certainly I can give you that data for the LDA—our product mix, if you like—in relation to Wells Station and Ginninderra but I do not have that other information.

MR SESELJA: If you could take that on notice, that would be helpful.

Mr Corbell: We are happy to take that on notice. The issue I would like to stress, Mr Seselja, is that it is very easy—and I have fallen into the trap myself at times—to think, “Release more land and housing affordability will improve.” What these figures show is that in addressing housing affordability we need to be a bit cunning and intuitive. We have released a lot of land—there is a lot of land in the market—but prices are still quite high. So it is not about land supply. Something else is going on in the market. One of the factors is undoubtedly construction cost. So labour supply is clearly an issue in the cost of housing in terms of construction. The cost of materials is clearly also a factor. Those two factors are clearly having a much larger impact on the overall level of housing affordability in the market than they previously did and they would appear to be having a much stronger level of impact than just the level of land supply. When you look at those two figures you then think, “We are actually caught up in a broader national economic issue here about labour supply and cost of materials rather than just local factors such as land supply.”

I think this is a great opportunity to disabuse some of the more simplistic arguments that have been advanced for a little while now about the issues around housing affordability. It is interesting to drill down and look at it. When I started looking at the level of supply quite closely about 12 months ago, it was pretty clear to me that the issues were not about the level of supply. The level of supply was very strong and the figures speak for themselves in that regard.

MR SESELJA: Can I just ask a very specific question on another topic? There is an LDA sign on the corner of Canberra Avenue and Hindmarsh Drive. It is quite large and I think it is landscaped. Are you able, probably on notice, to give us a breakdown of what the cost to the LDA is of that sign?

Mr Corbell: We can take that on notice. I think it is worth highlighting that with any of those sites the LDA has to undertake a specific marketing activity to get interest in those

sites. The EpiCentre site that you are referring to—that is the bulky goods site—is a first for Canberra, to have large bulky goods retailing sites available for that type of activity. It deserves a high level of prominence both in terms of local understanding and awareness and also the national marketing activity that is being undertaken. That site goes to auction later this month, I understand, or—

Ms Skewes: Or the next month, in December.

Mr Corbell: Next month. And there is a strong level of national interest in that site as well as local interest. So the marketing is proving very valuable for that site.

THE CHAIR: I refer to page 42 of the report. Since the Emergencies Act 2004, departments need to have developed a strategic bushfire management plan. We had some discussion in our meeting yesterday about this. Can you please explain the LDA's strategic bushfire management plan?

Ms Skewes: Thank you very much for the question. I am happy to talk a little about the process the LDA undertakes in relation to its bushfire management plan and its processes, which I also acknowledge get endorsed and supported at the board level. One of the very important functions that we have is in relation to land management of the land that has been transferred to the agency pending its release and development into the market. We have a bushfire management plan that is in the process of regular updates and it is reviewed on an annual basis and also has oversight by the Emergency Services Authority in relation to the content and the strategic direction of that plan.

We also monitor very closely the implementation of that, to the extent that we have engaged staff who have as a specific focus of their activities to perform related ranger and land management functions on that land. So the objective of this is to have an approved plan through the appropriate authorities. We have the Emergency Services Authority particularly engaged in our program. They understand the land that we currently have under our control and we have had to date certainly very good cooperation from the land management agencies. We are keen to ensure that there is a coordinated approach between the various holders of unleased territory land. I acknowledge that probably our first bushfire management plan was well received as a very good example at the time by the authority in relation to these sorts of documents and their expectations about the content of them.

MS PORTER: On page 22 there is a reference to public art. Minister, you mentioned many of the initiatives taking place on the Kingston foreshore, but I do not recall you mentioning the public artwork. You may well have. Could you enlarge on that project and the use of public art there and whether we are going to be promoting this type of thing in other areas as well?

Ms Morison: I am happy to respond on that because there has been a lot of discussion of the issue of public art by the urban subcommittee of the board. We have received some presentations on it but, more importantly, a consultant was engaged very early on to address the issue for the agency of what would be the appropriate commitment to public art that we needed, not only on Kingston foreshore but also across a broader policy for the agency.

That work is still continuing, but we are taking on some of the initiatives that we have seen in Brisbane, where a percentage of the construction cost has been flagged as the amount that needs to be spent across all of the estates to put in public art. As a first part of that, we have been working through what it would mean on Kingston foreshore to make a commitment to public art. We see it as very important and we have worked through a first stage for Kingston foreshore in terms of, given that it is a long-term project, what are the significant pieces of public art that we would like as a percentage.

To give an example, in Brisbane two per cent of the construction costs are spent on public art. We are looking at how that would translate into a long-term art project and at actually having some resources within the agency to look at public art and the maintenance of public art. It is a large issue for us and one to which we are giving a lot of consideration because we see it as very important. But for Kingston foreshore at the moment we have obviously made a large commitment to some of the streetscape, which is the first part of the public art. We are also looking at some signature pieces. We are using this consultant plus some in-house resources which are coming on board to look at how we can commission them.

Ms Skewes: To augment that briefly: at Kingston we have also done a very important project, the social history project, the story board that runs along Wentworth Avenue, which for us has been an opportunity to merge some of the history and the detail of the background for Kingston foreshore with a very contemporary piece of story board and documentation which indicates the whole profile and development of that site over the years. That is an important part, as Ms Morison said, of the strategy for Kingston foreshore.

We have had a very good response from our development partners at Kingston foreshore, who have been keen to integrate public art into their projects. We have seen the Viridian development, which is a private development, being very progressive, with the integration of some public art features into their project. The Gateway multiunit development also has been able to project forward and have some very good and very relevant pieces of public art.

As Ms Morison indicated, for Kingston foreshore we see public art as a very important part of the cultural history and character of that site and also a way of delivering on those project objectives which relate to revitalising Kingston, assisting in bringing the whole focus back onto the water. It is one of the first sites in Canberra to do that. We see public art as critical to our projects and we hope that we will also have appropriate strategies being developed for our other projects into the future.

MS PORTER: I have noticed the story board along there and it is beautiful. Also, it makes use of the fence that you need to put up in any case when you are putting up a development. It is a good use of that area and also stops unwanted graffiti and things like that. It is fantastic.

MR SESELJA: I want to ask a question about the proposed pool site for Gungahlin. Minister, I have asked some questions of you in the Assembly. From the answers you have given, the site that has been identified is suitable potentially for a 50-metre pool or a 25-metre pool, but that will depend in part on what the market is prepared to build on that site. One of the possibilities in my mind is that the site is suitable for a 50-metre pool

but perhaps it would not be viable as a 50-metre pool because it is not quite big enough to have a 50-metre pool and things like a gymnasium which are often the profit-making side of things. Are you able to take us through some of the detail as to its suitability for a 50-metre pool and the other things that often go with that in terms of marketability?

THE CHAIR: I am just trying to see the relationship of that question to the report.

Mr Corbell: It is work that was done in the previous financial year, so it is a reasonable question. The first thing to say is that the site that originally ACTPLA and then the LDA—I think the GDA also did some work on it at the time—identified is a significantly large enough site for an indoor recreational facility; so it is not just about accommodating a 50-metre pool. It can accommodate indoor water recreational facilities and other recreational facilities, a gymnasium. It is similar in size to the site in Belconnen and could accommodate a whole range of uses.

The site is immediately adjacent to the site set aside for a secondary college and there is certainly the possibility that down the track facilities for the college and the recreational facility can be co-located and joined together very well, similar to what is in place at Erindale, for example. That is an option that that site offers the government down the track. As I have indicated to you in the Assembly, the catchment area to ensure the viability of large-scale operations such as, say, the pool in Belconnen is very large. They notionally serve a catchment of at least 100,000 people to work.

That is a key issue, whether the government builds and runs the facility or whether the private sector does. That is something that the government must keep in mind. I am not responsible for the running of pools in Canberra. I am responsible for ensuring that land is set aside and made available for those facilities as and when they are needed. Without treading on the toes of my colleagues, perhaps I can give you a bit more of the context here, which may assist us all in this debate.

The government has not yet taken a decision about how that land will be released and there will be a range of options available to the government in determining that. One is simply to release the land to the private sector, say that the land is for an indoor recreational facility and just go to a tender or auction process of some sort. Another option is for the government to develop the site itself and then lease the facility, such as was done for the Tuggeranong indoor pool. Yet another option is to do something similar to what happened in Belconnen, where the site was sold to the private sector and the government subsidised the development of it to a degree, but it is owned and operated by a private operator.

There is a range of options open to the government as to how it manages a pool and associated facilities in Gungahlin, but that decision has not yet been taken. It is not within my direct portfolio responsibilities, so I cannot really comment on the detail of those considerations. You would have to ask the relevant ministers. But the important thing for me is that we have to ensure that there is a site sufficiently large enough to accommodate a range of activities. I know that there is a strong desire on the part of some people in the Gungahlin community for a 50-metre pool. I understand that and I am very supportive of that.

At the same time, I would stress that an indoor water recreational facility is more than

just about a 50-metre pool these days. In fact, it is as much about having a play pool for the kids similar to what is at Belconnen as it is about having a 50-metre pool. It is as much about having the capacity for lap swimming as it is for recreational swimming. Those are all issues that will need to be taken into account when the government does make a decision about, first of all, the release of that site and, secondly, how it will be released and what will be the level of government involvement, if any, in the development of that site. I hope that gives you a bit more context as to how that issue is being looked at.

MR SESELJA: Sure. I have another question on staffing. At the end of the last financial year there were about 57.6 full-time equivalents. I can find a page reference if necessary, but it was around the 57 mark. I apologise for not having the page reference. Has the number grown or decreased since the end of the financial year? If it has grown, what has it grown to? I think that the staffing profile is on page 26.

Mr Corbell: I am advised that the LDA's current full-time equivalent is approximately 62. It was below 30 when the LDA was established and it had increased to 37 by 30 June 2004. At June 2005, they had 57 full-time equivalent staff and the agreed full-time equivalent staff, as outlined in the business plan for the LDA and approved by the government, is 65. So they are slightly below establishment at the moment. In this regard, it is worth highlighting the level of staffing of the LDA and that of other government land development agencies round Australia and it is worth putting these figures on the record.

The Land Management Corporation in South Australia has 72 staff and achieves revenue for the South Australian government of \$58 million per annum. So they have more staff than the LDA and they achieve less in revenue returned. LandCorp in Western Australia achieves \$210 million worth of revenue for the Western Australian government and has a full-time equivalent staff of 87. The LDA achieves \$234 million worth of revenue for the ACT government and has 57 staff. So it has fewer staff than the Land Management Corporation in South Australia and LandCorp in Western Australia and it has a much higher level of revenue.

The figures I have quoted are for 2004-05. If you look at 2003-04 figures and look at some of the large land development corporations, government-owned, you will see that Landcom in New South Wales had total revenue from ordinary activity of \$345 million per annum and a full-time staff equivalent of 110. VicUrban, the Victorian government's land development organisation, had \$194 million worth of revenue and 128 staff. The Land Development Agency had \$378 million worth of revenue, more than VicUrban or Landcom individually, and at that stage the LDA had 37 staff. As you can see when you compare it with other government land development agencies round the country, we have a lower number of staff and a higher level of revenue.

Ms Morison: I would like to add something so that you can make a complete comparison. Previously, we discussed the direct grants. Dealing with the types of organisations that we need to deal with is quite labour intensive for the Land Development Agency. In fact, we have five staff who are engaged in direct grants. So, in essence, those people are engaged in activities which would not be equivalently engaged in by the agencies in other states. I think that you need to know that in the context of total staffing as well.

MR SESELJA: Page 143 of the annual report lists single select basis contracts. Obviously, the policy is that, if it is over \$15,000, it can be done on a single select basis if there is sufficient expertise, skill or prior knowledge. There are some pretty significant contracts there. For instance, one of the APP Corp contracts is for \$250,000 and another is for \$199,000. Are you able to talk us through the specific expertise, skills or prior knowledge that led to those being granted in that fashion?

Mr Ryan: Those two contracts were carried over from the Kingston Foreshore Development Authority, which conducted them on a full tender basis back in the authority days. They relate to project management of the delivery of infrastructure and public domain to the Kingston foreshore. The contracts were taken out by the KFDA in 2001 and the arrangement was continued through to the LDA taking over the project. In essence, that is why it has been reported on a single select basis.

MR SESELJA: It was done initially on full tender.

Mr Ryan: Initially, yes.

MR SESELJA: How about Itec for \$126,000; was that the same?

Mr Ryan: Itec is an engineering consultancy using some contracted staff. Itec is an engineering body shop, if you like, that provides engineers with the engineering skills necessary. We have used that contract to provide appropriately qualified engineers to project manage projects. That cost represents one or more individuals who might have been engaged at various times to project manage projects.

MR SESELJA: Is there no other company that provides similar sorts of services?

Mr Ryan: That company recommended individuals with the appropriate CVs. So, in essence, that was the reason for engaging those individuals through Itec on a single select basis, because they had the appropriate expertise that we needed at the time.

MR SESELJA: Turning back to pages 140 and 141, which deal with external sources of labour. I am interested in the legal services. There is a total of about \$650,000 for external legal services. Are they the only legal services or is there an in-house counsel as well in the LDA?

Ms Skewes: No, there is no in-house counsel in LDA.

MR SESELJA: So the figures for Dibbs Barker Gosling, Chamberlains, and AGS are the only ones for legal services provided to the LDA?

Ms Skewes: We have established a legal services panel. We went through a procurement process and we now have a legal services panel established for the organisation. The companies you have identified represent members of that panel.

MR SESELJA: Would that represent the total legal spend for the LDA in the last financial year, other than the non-declarable ones under \$15,000, but you would not get much for that.

Ms Skewes: Possibly not. They do reflect the larger service provided through the legal services panel.

MR SESELJA: You said that that there is no in-house counsel, but often agencies will have a lawyer who manages the panel so that when Dibbs Barker Gosling comes to you with a bill they can say, "I do not know about that". Is there an arrangement like that in the LDA?

Ms Skewes: Are you suggesting lawyers are not trustworthy?

MR SESELJA: Not at all, but scrutiny is important.

Ms Skewes: We have no in-house counsel, but it is one of the issues that the board has asked me to consider. We would not establish a large legal team, but you are absolutely right in your comment that, from time to time, there is a need to have some in-house capacity to review both the quality and the nature of the advice coming forward, but we have no legal services officers engaged in that sort of activity internally.

MR SESELJA: Who manages those contracts?

Ms Skewes: It depends on the nature of the services provided. For example, the valuation services might be handled largely in one particular part of the organisation. If it is about legal action or legal claims, they generally get very strong visibility at the board level and the board certainly is very keen to have very consistent transparency on those particular matters, so it depends on the nature of the legal service being offered.

MR SESELJA: I do have a question that I might be picked up on but, given that there are not any other questions, I will ask it. It relates to the sale of the Gold Creek Country Club. I know that that happened this financial year.

Mr Corbell: It has been an ongoing process.

MR SESELJA: Are you able to take us through the terms of sale? You might not be able to give us all of the terms of sale. Is settlement going to happen soon? I understand that settlement has not actually occurred but a price has been agreed upon. Is that correct?

Ms Morison: I am the chair of the Gold Creek Country Club and I am very happy to have that role. We are delighted that we are selling the Gold Creek Country Club. It has been mooted for sale for a number of years. Yes, we have completed negotiations and exchanged contracts. The terms of the settlement may be as late as May. Those are the terms currently on the table and as exchanged, with settlement due as late as May.

MR SESELJA: What was the formal process for selling? Was that done through tender?

Ms Skewes: It was a very formal process that the LDA commenced at about the end of last year when we went out to the market and generally called for expressions of interest. The government were very keen that, in the sale of the Gold Creek Country Club, the facility be maintained, certainly that the 18-hole championship golf course, which is

really the core of Gold Creek Country Club, be protected. So we did go out to a very public process. Through that, we proceeded from the expression of interest to a tender process, and that was over the course of the last six to 12-month period. It has been a very public process. We have had a lot of documentation that has been under scrutiny by the Gold Creek Country Club board as well as the LDA board in relation to how it was presented to the market, the level of due diligence and the sort of detail that, rightly, purchasers would be interested in.

MR SESELJA: How many tenderers were there?

Ms Skewes: We started with the expression of interest process and a number of parties moved through to the tender phase. There were actually five shortlisted in the tender phase.

MR SESELJA: Apart from purchasing the country club, one of the conditions is that they maintain the golf course. How much scope is there for redevelopment in other areas for building multiunits or otherwise?

Mr Corbell: None, not for residential.

MR SESELJA: Nothing for residential. What about for commercial?

Mr Corbell: The government, at a policy level, made it very clear when it agreed to the sale that we were selling it as a golf course. We are not selling it as a redevelopment site or as a land bank.

MR SESELJA: Is there any scope for commercial expansion?

Mr Corbell: There is some scope for expansion of existing activity that is consistent with it. Maybe some accommodation but not residential accommodation—hotel or motel-type uses—expansion of recreational facilities and entertainment and other facilities that are consistent with its use under the territory plan. The government made it very clear that we are not selling this golf course so that someone can land bank it for five or 10 years and then seek to change it into residential. We want to sell it to someone who is serious about running it as a golf course and recreational-leisure facility.

MR SESELJA: I have a question about the Forde joint venture management committee mentioned on page 29. It says that the committee has two LDA representatives, two members of the private sector and an independent chairman. Who is the independent chairman?

Ms Skewes: The independent chairman of the Forde joint venture is Mr Tony Blunn.

THE CHAIR: I think that we have reached the end of the hearing for this morning. I thank the minister and officials for coming along.

Meeting adjourned from 12.28 to 2.04 pm.

THE CHAIR: I declare open the hearing into the 2004-2005 financial reports for ACTPLA. I welcome the minister, officials, committee members and other MLAs. You

should understand that these hearings are legal proceedings of the Legislative Assembly, protected by parliamentary privilege. That gives you certain protections but also certain responsibilities. It means that you are protected from certain legal action such as being sued for defamation for what you say at this public hearing. It also means you have the responsibility to tell the committee the truth. Giving false or misleading evidence will be treated by the Assembly as a serious matter.

If any questions are taken on notice, the committee would appreciate responses within five working days of the receipt of the *Hansard*. It is the responsibility of witnesses to ensure they meet any commitments they have made regarding the provision of information or answers to questions on notice. The secretary will email the transcript to all witnesses as soon as it is available.

Questions for today's annual report hearing are to be from the committee and be relevant to the report for the period 2004-05. A schedule has been provided in regard to the minister's generous availability of time. I ask all members of the committee and other members to adhere to this program. I would like to ensure all committee members have an opportunity to put their questions to the relevant minister before moving to other members' questions. Again, members are reminded of standing order 235, which states:

When a committee is examining witnesses, Members of the Assembly not being members of the committee may, by leave of the committee, question witnesses.

Minister, would you like to make an opening statement?

Mr Corbell: Thank you, Mr Gentleman and members of the committee. Again, I am delighted to be here. Yes, I would like to make a brief opening statement. I thought it would be useful, given that this is a look back at the activities of the past full financial year, to highlight some of the issues that the authority and the government have sought to address and achieve over that period.

I start by outlining that, in December 2003, in my first statement of planning intent under the Planning and Land Act, I outlined the main principles for governing the planning and development of the ACT from the ACT government's perspective. So it is timely to highlight some of the achievements to date, in the context of the annual report.

I outlined a range of areas in my statement of planning intent. The first was in relation to governance and legislative reform. In response to my statement that requested and required a reform of the planning system, the planning system reform project is under way and is a fundamental component of the government's commitment to reform of planning and development assessment in the ACT.

Public consultation on a comprehensive set of proposals to improve and streamline the operation of the system that has been in place since the commencement of self-government in the ACT has been completed. The government is currently considering a report on the outcome of the community consultation on a wide range of reform proposals. In the near future, I will inform the Assembly of these outcomes and the next steps that the government intends to take on planning system reform. At the same time, I will announce further significant short-term reforms and other improvements that will be made ahead of those that will necessarily involve legislative

amendment or changes to the territory plan.

As a highlight, I would like to cite the example of the removal of the requirement for preliminary assessments of building height and gross floor area in Civic. This reform will continue into the town centres when a variation to the territory plan is finalised in the coming months. A single planning document for central Canberra is also designed to complement these initiatives, as well as the broader planning initiatives the government is currently considering. All are designed to stimulate development activity, provide certainty for both residents and development proponents and fundamentally help make Canberra a more attractive place to live and to invest in.

The government is also focusing strongly—and I outlined this in my statement of planning intent—on issues around professional leadership and capacity within the Planning and Land Authority. A real challenge for an organisation such as ACTPLA is in retaining skilled staff. So the authority has engaged and retained a range of key staff who are continuing to lead the reforms and service improvements for the organisation's customers. Intensive work with the management team to support their leadership role is a key focus of the authority's learning and development program.

The authority is also taking a leading role in the use of information technology, both locally and nationally. The release of ACTMAPi across the government service and plans to make it available for public access in the new year will provide a valuable mapping tool for both professional and community use. I would highlight to members that this technology was demonstrated at the recent home and leisure show and received very positive public feedback.

The authority is represented on the Australian and New Zealand Land Information Council and is actively involved in the use of spatial information for emergency management and counter-terrorism. The ACT is taking a leading role in the council, to develop a national strategy to enhance skills development and recruitment opportunities for geographic information systems and specialist staff in both the government and the private sectors.

Continuing on with this theme of professional development and leadership: the authority has recently received commonwealth funding for a demonstration project to introduce electronic processes around the submission and processing of development applications. This project has been widely recognised as a model for the region and other state jurisdictions. It will be further enhanced if an application for a more substantial commonwealth grant to redevelop the front-end systems and processes as a means of reducing regulation and red tape is successful.

I would also highlight that, in terms of engaging with the broader community, the establishment of the planning and development forum has brought together a wide range of interest groups in the community and industry to take a holistic look at planning and development issues such as the Canberra spatial plan, planning system reform proposals and other issues such as community facilities needs assessment.

The forum is proving to be a valuable avenue for engaging community organisations, industry, professional and other organisations such as ACTCOSS and the conservation council, in consultation on planning issues and proposals. In addition, the authority has

engaged a community engagement contact officer to liaise with community councils and other organisations to monitor issues and facilitate the provision of information.

Another element in my statement of planning intent was around spatial planning and sustainable development. To this end, the authority has been working with the New South Wales Department of Planning to develop a regional settlement strategy based on the strategic principles contained in the spatial plan. There are also ongoing discussions with the Queanbeyan City Council related to development in the Queanbeyan local government area and the need to protect the functioning of the Canberra international airport.

Projects are being delivered and implemented within the authority that link to both the economic white paper and social plan. Examples of these include the Canberra central program and the Civic safety assessment. The planning framework for the Canberra central program is driven by the strategic directions set out in the Canberra plan, and that is to make the central area of Canberra a vibrant, interesting and active place for all Canberrans. The Canberra central program, which is now being overseen by the Canberra central task force, comprising both private sector and government representatives, is already having a significant impact, influencing land releases, public place improvements, signage, events and celebrations, as well as broader strategic planning for the future.

In addition, the Belconnen to Civic busway and the Gungahlin to Civic public transport corridor projects are underpinned by the principles of integrated land use and transport planning. The authority has also developed a master plan for walking and cycling infrastructure and is progressively implementing it to achieve well-connected cycling and walking ways. Planning for the Molonglo Valley, equally, has been based on integrated land use and transport planning principles, with public transport features strongly in place. Current projects in the Canberra central program include the busway and city loop projects, resulting from recommendations in the sustainable transport plan.

Other elements in my statement of planning intent include providing for the community. During the past financial year, the authority's role has been about providing the best possible environment for the community. It has an extensive program of work which is contributing significantly to the lifestyle that our community has come to enjoy.

At a broad level, the authority prepares an annual, rolling, five-year land supply strategy to meet market needs and respond to objectives of social equity. This is an unprecedented level of forward planning since self-government. The authority undertakes needs assessments, as required, to support the planning for new urban areas, through the land release program, and works cooperatively with the Land Development Agency to enable the release of land for affordable housing providers and people on lower incomes.

In line with the Building Code of Australia, the ACT is also moving towards five-star energy efficiency in May 2006. The government is also considering the possibility of introducing systems such as the New South Wales BASIX, the building sustainability index, into the ACT. This initiative is with a view to implementing resource savings targets related to water, energy and, therefore, greenhouse gas emissions. In addition, in relation to water sensitive urban design, guidelines have now been developed and include

water saving targets.

The territory plan has been varied to include a requirement that 10 per cent of units in developments of greater than 10 units are built to adaptable standards. All these measures highlight the focus on providing for the community as set out in my statement of planning intent.

The last two issues in my statement, and which have been dealt with in the past financial year, were capitalising on good urban design and celebrating Canberra. The urban design requirements area is an area of particular interest to many in the community and certainly to me as minister.

The authority has continued to undertake projects from strategic to smaller scale improvements in areas such as Civic. There have been a number of key actions, including an access and safety audit of the city. The Childers Street public realm project, as part of this work, is developing a range of street furniture for the city overall. There is also work under way now to improve signage and legibility in the city. The Canberra central program has developed key strategies for vitalising the city. The government and the ANU have embarked on a partnership to develop City West.

The business improvement levy proposed for Canberra central by the Canberra City Heart Association will also aid in vitalising the city. Work has commenced on determining the best model for the collection, management and expenditure.

Work is further progressing on developing a management and maintenance strategy for the city. The place management and maintenance audit of the furnishings and fittings in Canberra central will inform the design manual that will stimulate the capital works program for the city centre.

In other areas, such as Molonglo, forward planning is also being based on key principles of sustainability. Concept plans that are prepared for all new estates embody these principles before being transferred to the Land Development Agency for release.

The final issue I would highlight is around celebrating Canberra. In my statement of planning intent I outlined the importance, symbolically as well as from a community-building perspective, of celebrating the good things about our city, particularly as we lead up to the centenary of Canberra in 2013. The principal focus is on a range of deliverables around the spatial plan, the City West master plan and the central area implementation plan. The authority has commenced or is about to commence a wide range of initiatives within these frameworks.

The ANU master and implementation plans for City West are in the process of being achieved. Childers Street is being redeveloped to showcase leading-edge, sustainable design and as a key event space. In addition, the Canberra central program continues to focus on opportunities to celebrate the centenary of Canberra's naming. The ACT Planning and Land Authority is engaged with the Canberra 100 project run through the Chief Minister's office, also emphasising the celebration of our centenary.

With that, I am happy to answer any questions, as are officials from the authority.

THE CHAIR: I will start off with a question on the spatial plan that was launched in 2003. Can you outline the key steps taken by the authority in 2004-05 to implement elements of this plan?

Mr Corbell: I will provide an overview and ask Dorte Ekelund to give you some details. That is in her area of responsibility. The key elements of spatial planning implementation that occurred during the past financial year have focused on a number of key areas. The first is the Molonglo Valley. Molonglo was identified in the spatial plan as a potential new urban development area.

Since it was first identified in the spatial plan, the planning authority, in partnership with the National Capital Authority, have completed an initial investigation into the suitability of the Molonglo Valley as an urban area. That has had particular regard to the requirements of the national capital plan and, therefore, of the NCA itself around respecting the landscape setting of the national capital.

That study has confirmed that the Molonglo Valley is capable of being developed for urban uses, without compromising the landscape qualities of the national capital. That study has been jointly agreed between the NCA and ACTPLA.

Following on from that work, more detailed community consultation activity is now under way and is ongoing. In particular, there have been a series of community forums and information evenings, as well as some community design activity and information to neighbourhoods adjacent to the Molonglo Valley area on what the structure plan could look like for the Molonglo Valley area. That work is ongoing and has been a key part of the spatial plan implementation over the past 12 months.

In addition, it is worth highlighting that work is also happening in the east lake area. East lake, again, was identified as a potential urban growth area in the spatial plan. Some preliminary investigations have been undertaken in the east lake area.

Canberra central is an important part of the spatial plan's objectives in terms of creating a vibrant city centre where we can consolidate development activity within 7½ kilometres of the city centre. I have outlined already the range of activities the government is undertaking in that regard.

That is a bit of a taste of some of the issues that have been pursued arising from the spatial plan in the last financial year. I ask Dorte Ekelund to elaborate on any of those.

Ms Ekelund: As well as the projects that the minister referred to, the plan also makes cross-reference to the sustainable transport plan. There are a number of projects that are under way in relation to the sustainable transport plan—most notably, the Belconnen to city busway, real-time information and work on the Gungahlin to city bus priority measures.

The spatial plan also makes reference to the importance of reviewing the planning system. The review of the planning system is, of course, well under way. There is also work being undertaken in terms of a regional settlement framework. The government is progressing negotiations with New South Wales in that regard.

There is work in regard to the town centres. The spatial plan put priority not only on the central area of Civic and the city as an important area to concentrate development but also on our town centres. They are very important as well. Planning in the town centres and associated land releases are also part of the implementation of the spatial plan.

MS PORTER: I want to pick up on the discussion about the Molonglo Valley. Could you explain a little more about the ways the sustainability principles will be applied in that proposed development?

Mr Corbell: Perhaps as a start, it is worth making the point that, at the broad strategy level, the location of the Molonglo Valley itself is very important from the sustainability perspective. It is one of the reasons why it was identified as a potential urban area. Parts of the Molonglo Valley are very close to the city centre; parts of it are within 7½ kilometres of the city centre. Overall, the Molonglo Valley sits within the 15-kilometre radius of the city centre that we have defined as the area within which the urban area of Canberra should be contained. That is what drives investigation into that area.

The other reason that we are looking at Molonglo is that we need to have capability in the more central to southern areas of the city to meet new demands for housing and for choices for places for people to live. It is not in the territory's interest, from a sustainability perspective, to have more and more development occurring over the border in a way which encourages less efficient travel activity and, therefore, the greenhouse emissions which result from that, which creates a more inefficient use of land, use of water and so on. Molonglo has all those advantages to it, which is why it is being pursued by the government.

Some of the sustainability principles that are being considered in Molonglo include the notion of walkable neighbourhoods. We focus on designing the suburban context so that it is a very walkable design. In the structure planning that has been brought forward in the last couple of weeks, there has been a very strong focus on having a 400-metre radius from all local centres to encourage the walkability of the suburb.

We are also looking very strongly at water issues. Water is very important from a number of perspectives. First of all, good use and reuse of water lifts the quality of the public realm—public open spaces in Molonglo—and seeks to reduce water use overall. Some of the options that will be considered in Molonglo include effective principles of water sensitive urban design. We will also be exploring the possibility of tapping into some of the existing water and sewer infrastructure in Molonglo as it travels down to the lower Molonglo water treatment plant, to see whether that water can be recycled or reused in some way to help with irrigation and improving the public realm of Molonglo.

Some of the energy considerations that are in place principally relate to its location and, therefore, how effectively it can tap into public transport and reduce overall journey times and, therefore, energy use from that perspective. I might ask Neil or Dorte to comment further.

Mr Savery: Without wanting to reiterate what the minister has already outlined, which I guess reflects the whole triple bottom line analysis for determining sustainable development, there is every opportunity for Molonglo to exhibit world's best practice or

leading edge practice in relation to developing new suburbs. But it recognises up-front that a large part of the Molonglo Valley sits not only within the 15 kilometre boundary but also within the 7½ kilometre intensification zone identified in the spatial plan. That provides almost immediate access into the centre of the city and also optimises existing infrastructure, or infrastructure that can be readily made available to an emerging suburb.

I would like to focus on the studies being undertaken at present to determine the suitability of Molonglo Valley for residential or urban development. Primary among those are the fauna and flora surveys being undertaken to ensure that, where development is identified, potential impacts on native habitat, water quality and the like are minimised. Those studies are being undertaken by experts in those fields.

We have a number of consultants working for the authority to establish whether or not there are probable impacts. There will be a preliminary assessment undertaken in accordance with the legislation, which may or may not lead to some additional levels of impact assessment before we move not only to seek to vary the territory plan but also to amend the national capital plan, bearing in mind that the National Capital Authority is going to want to take into account issues of potential national significance, including the environment.

MS PORTER: Minister, a couple of times you have mentioned the relationship with New South Wales, the impact of sharing a border, people choosing where to live, what influence that has on what we decide to do and how we can perhaps influence people to choose to live here rather than in New South Wales, bearing in mind the cost of transport and all those kinds of things. Can you enlarge on how those discussions with New South Wales are going and what it is perceived might happen in the future as far as that is concerned.

Mr Corbell: The ACT government's position is that we want to see development in the region consistent with the principles outlined in the spatial plan. That principally relates to recognising that intensification of land uses should occur as close to the city centre as possible and that development should then sequentially radiate out from the city centre. That way we make the best use of our infrastructure and reduce the need for people to take overly long journeys, therefore reducing energy consumption. We are also able to deal more effectively with water issues—again from relying on existing infrastructure—rather than expanding infrastructure in a less efficient way if we are skipping ahead of areas that should perhaps be built ahead of others.

The government is involved in the final stages of negotiations with the New South Wales government on a regional management structure which will set the framework for more detailed agreements on settlements in the region, where settlements should occur in the ACT and the region and how water should be supplied to areas outside of the ACT. As the Chief Minister has indicated, we are awaiting final clarification from one New South Wales minister on some issues the ACT government wanted to see in the regional management framework. I know the Chief Minister is very keen to sign that document with the New South Wales premier as soon as possible, provided those details are made available. That will lead to the development of a regional settlement strategy which will outline where settlements should occur in the region.

The ACT government is pursuing a development sequence as to which areas of the ACT

and the region are developed ahead of others. We believe it is important in ensuring that growth is appropriately managed to make sure development occurs in a sustainable way, takes best advantage of existing infrastructure and reduces the need for excessive energy use from longer journeys for commuting. That is very close to finalisation. The planning authority has been closely involved with its New South Wales counterparts in negotiating and resolving those issues. Quite a bit of work has already been done on what a regional settlement strategy for the region would look like.

MR SESELJA: I wanted to ask you about a couple of things you touched on in your opening—firstly the Molonglo Valley. When the LDA were here this morning you spoke about the need for housing choice and location in particular. We are all aware of the preference of Canberrans to live on one side of town over another. The last annual report hearings asked Mr Savery about when the Molonglo Valley might come on line. At that stage, the thinking was five to 10 years. Is there any temptation to bring it on earlier than that?

Mr Corbell: The government's view is that we want the planning work done as soon as possible, so the government has maximum flexibility as to when it chooses to release that site. At this stage we are not in the position of having that choice because further planning work needs to be done. A range of detailed environmental assessments still need to be done. Variations to the territory plan and amendments to the national capital plan are also needed before Molonglo is a potential urban development area. Whilst I do not want to pre-empt any of those processes, the government's policy position is that we believe Molonglo should be an urban development area.

At this stage, the thinking is that possibly the earliest we would see development in the Molonglo Valley with individual land parcels available for people to buy and build on is around 2011 or 2012. That is still a work in progress. The fact is that we do not have any significant greenfields land supply on the southern side of the city. It is increasingly the case that, if you want to buy a block of land, you have to choose to live in north Gungahlin or west Belconnen. As a government we believe it is important to provide some variety. That is why Molonglo Valley is important. Mr Savery has pointed out to me that Molonglo is not currently in the five-year land supply strategy. We are simply not in a position to indicate that it is a possible land release at this time.

MR SESELJA: In the other part of your opening statement you touched on BASIX and other such schemes. Building costs have increased quite a bit in recent years. Does the government have a position as to what would be an acceptable increase in building costs associated with a scheme—whether it is BASIX or something else—either as a percentage or in ballpark figures? There is concern in the community that—as well-intentioned as it might be—more regulation adds significantly to the cost of building a house.

Mr Corbell: We do not have a set figure where we say, "If it goes over \$3,000 per dwelling, then it is not acceptable." That is not a particularly useful way of looking at the issue. There is a requirement for a regulatory impact statement that looks at the costs and benefits across the community. That will be required when the government is considering the BASIX proposal.

The other issue to be borne in mind in these discussions is that there may be some

up-front costs, but what is the whole-of-life cost of not putting some improved energy and water efficiency measures in place? The government will need to balance the potential whole-of-life cost—or the whole-of-life saving—for the dwelling compared with the up-front costs and work out the costs and benefits of those issues. From my perspective, housing affordability is very important but so is the fact that these dwellings are going to be around for 50, 60 or 70 years. We therefore need to make them as energy and water efficient as we can from what we know is feasible and reasonable now. As much as we bear in mind the up-front costs—which is indeed a very important issue, particularly for new home purchasers—we must bear in mind the fact that this housing stock is going to be around for a very long time. That is the approach the government is taking. There will be a detailed regulatory impact statement and a detailed assessment of the costs and benefits.

THE CHAIR: Ms Ekelund mentioned planning system reforms. What achievements were made in planning system reforms in the year? How have those assisted in providing better planning outcomes?

Mr Corbell: Planning system reform is already well underway. Before the end of this calendar year, in anticipation of draft legislation being ready for public comment early next year, the government will be releasing its response to the very lengthy public consultation process earlier this year. In the meantime a series of short-term reforms have been put in place. I have already mentioned one of those—the removal of the preliminary assessment requirements for the Civic area. In a variation to the territory plan currently under preparation it is also being proposed to remove those requirements for all town centres.

In addition to that, preliminary assessment requirements are now integrated with the development assessment procedures at the validation stage of development assessment. That is streamlining the process for preliminary assessments where they are still required. In addition, lease and development conditions necessary for direct sales and grants of land are now determined after development assessment. This reduces the amount of time it takes to finalise a lease for offer to a person or organisation getting it through a direct grant process. We have already put in place clearer definitions for a concessional lease, through an amendment to the land act passed by the assembly in the last couple of months. We have also changed the way the Planning and Land Council is involved in the process.

The Planning and Land Council is required to comment on significant development proposals and provide their advice to the authority. Previously, they waited until quite late in the process to come in with their comments. That meant that, if they had significant comments, the developer had to go back and do a lot more work quite late in the piece to revise the proposal. That is now being done at an earlier stage of the process—more in the contemplative stage—while the developer is still putting the proposal together. That assists both the developer and the authority in getting a clear picture of what the council is thinking about and obviously saves time. Changes have also been made to the design review panel process. The design review panel has ceased and, instead, the authority holds regular case management meetings for prelodgment, with early advice about compliance with codes and/or planning requirements.

There is an ongoing program of review and deletion of obsolete material included in

different policies and guidelines which have been around for donkeys years but do not necessarily have relevance now. There has also been the introduction of systems such as that which enables customers to make appointments with authority staff online to come into the Mitchell customer service centre to speak about building and conveyancing issues. That is an example of the range of things being done which are about planning system reform but which do not need legislative change.

MR SESELJA: You mentioned the Planning and Land Council. Have they indicated to you why there has been the recent change in policy on the publication of minutes?

Mr Corbell: There has been no change in policy in relation to the publication of minutes.

MR SESELJA: It is my understanding that they recently took a decision to publish only issues around whether a development complied with applicable law. There may have been one other thing, but they certainly seemed to be restricting what they were going to publish from their minutes.

Mr Corbell: No. I would not be able to keep any members on the Planning and Land Council if we were simply requiring them to advise us whether or not a development application was consistent with the territory plan.

MR SESELJA: It was not about the advice they gave you, it was about what was published.

Mr Corbell: No. That is not the case. The Planning and Land Council make very clear their advice on the quality of development applications. They are frequently critical of different aspects of development applications. Those critiques are publicly available, and they are in the minutes. The only issues not contained in the minutes—this was the council's decision, it was not the decision of the authority or my decision as minister—are matters where advice is being sought by the authority, the government or the minister from the council on a matter yet to be considered by government; for example, matters that are to be considered by cabinet. I frequently seek the advice of the Planning and Land Council on matters being prepared for cabinet consideration. The council has chosen not to publish its advice on those matters because they are still subject to government consideration through the cabinet process.

MR SESELJA: They made that decision on their own.

Mr Corbell: Yes.

MR SESELJA: Did they give you reasons for that decision? As an independent body, is there any reason why they would not publish the advice—regardless of whether or not the government accepts that advice?

Mr Savery: Back in August the council, having had a planning day—or half day just prior to that—reviewed its operating procedures. The legislation requires the Planning and Land Council to determine its meeting procedures. As a result of our observations over the past one and a half to two years of operation, we found that we were not able to take account of some of the advice they were providing to the Planning and Land

Authority in relation to development applications because there was no policy reference and no policy framework in which that advice could operate.

The minutes record back in August—the words were those of council members, not those of the Planning and Land Authority—that they should, as best as possible, be confining their formal advice to the authority within the policy framework set by government in the knowledge that the authority could therefore do something about it in terms of pursuing a course of action with a proponent about their proposal, as opposed to providing less formal advice on those matters where it was felt the authority should potentially be looking at amending policy or creating new policy. That was the essence of that piece of advice given in the minutes in August.

Referring to the publication of confidential material, in recent times the authority has seen fit to take a number of items to the council for advice—and indeed the minister has sought the council’s advice on similar matters—which are still the subject of cabinet process. For the minutes to have been published in those circumstances—where that advice was leading into part of the cabinet process—would have been a breach of cabinet protocol.

MR SESELJA: You are saying that, aside from the cabinet aspect, the Planning and Land Council no longer give advice to the authority about changes in policy; that they only give advice in relation to existing policy framework.

Mr Savery: The specific quote in the minutes is a reference to the council seeing fit to confine its advice on development applications to matters that sit within the policy framework. They were acknowledging that they were providing advice on many things that sat outside the policy framework the authority has to operate within. We cannot do a lot about that, other than at some point prepare a policy. They will still give advice on things that they believe require a policy to be developed or amended, and that advice is taken into account. On an actual DA the purpose of that reference in the minute is to clarify, in the council’s view, that its formal advice to the authority should be confined within the policy framework—that it can actually take that advice into account.

Mr Corbell: To use a hypothetical example, there is little point in the Planning and Land Council saying, “This building, which is a proposed commercial office building in Civic, must have photovoltaic panels on the roof to supply its own power” when there is no policy that the authority can reasonably use to require that. That is an example of where the council has decided that, to be most effective, they have to provide advice to the authority on how the development application can be approved, whilst cognisant of the existing policy requirements in the territory plan around development assessment.

MR SESELJA: They will still be able to give advice as they have in the past? I think that for section 84 they said the use of overhead bridges was undesirable. They will still be giving advice like that?

Mr Corbell: Absolutely. That is the sort of advice they give on design outcomes. They make comment now on water and energy issues which are quite within the realm of existing policy. It is quite reasonable for them to do that. There is no objection either from me or from the authority in that regard.

MS PORTER: On page 5 under the objectives, it mentions restoring land development to the community. could you explain what that means, exactly?

Mr Corbell: The authority has an important role in its relationship with the LDA in ensuring that the government can implement its policy of public sector land development. Obviously the Land Development Agency is the vehicle the government has created to implement that policy, but the Planning and Land Council has an important role in facilitating that. They are required to do the broad strategic conceptual planning for new suburbs in particular and also for development sites in the central business area and redevelopment sites that will facilitate public sector land development. They do that broad work and then transfer the land to the LDA, who do more detail on the groundwork to allow the sites to be released and developed either by the LDA itself, in joint venture or, in some instances still, through private sale—an in globo sale. It is the role of ACTPLA in that regard to support the LDA in the delivery of public sector land development.

MS PORTER: You were talking about the fact that you decide, first of all, to develop within seven kilometres and then within 15 kilometres and beyond, and how you make those decisions. You said there is planning for some greenfields development. What planning has been conducted around brownfield development closer to town centres, such as the light industrial or commercial retail area in Belconnen?

Mr Corbell: There is not a lot of brownfield development per se. Brownfield tends to refer to disused or derelict industrial sites. Probably the only real example we have here in the ACT at the moment is Kingston foreshore, which is very much a classic brownfield development site. The remainder of the Eastlake area, which is quite a large area between Kingston foreshore and Fyshwick, is our other potential brownfield development site. The areas you mention, such as the light industrial areas in Phillip and Belconnen, are more potential redevelopment areas than brownfield development areas.

Terms aside, the opportunity already exists in the territory plan for more innovative re-use of those areas. I might stand to be corrected but I think the territory plan now permits some residential uses on the second storey and above in those precincts. So it is possible to have a live/work-type development, or what would be called a mixed-use development, in the Phillip and Belconnen light industrial or business precincts. It is really down to whether or not the market thinks there is justification for making that type of investment but it is certainly possible now, under existing planning controls in the territory plan.

MS PORTER: You talked about the height restrictions possibly being lifted in those areas. Will that happen?

Mr Corbell: I am not sure what the height restrictions are in those areas.

Mr Savery: The reference to height restrictions is primarily, at this stage, in relation to the city centre and potentially town centres in accordance with developed master plans. There is no proposal at this stage to review height restrictions in the more peripheral areas.

MS PORTER: No. I was referring to the Belconnen town centre as an example.

Mr Savery: As it stands now, the Belconnen town centre master plan that was introduced some time ago provides broad guidance for the type of buildings anticipated in that area. The territory plan is aligned to help achieve those outcomes.

Mr Corbell: It might be better to give you more detailed advice on that. I will get a more formal answer for you.

Ms Ekelund: In parts of Woden—in the Phillip area—we are looking at having a greater amount of residential. Some of the areas surrounding those open space court areas were originally planned decades ago to be able to go through a change to a more residential environment, taking advantage of those green spaces. We are looking at the possibility of increasing the amount of residential—still mixed use—and we will be looking at active commercial land uses on the ground floor and having up to three floors of residential above. That policy is being considered at the moment but it is not presently being considered for Belconnen because it does not have the same level of amenity as the open space areas in Woden.

MR SESELJA: Mr Savery, you said it is only really in the city centre that you are looking at the height restrictions. Exactly what increases are being looked at there?

Mr Savery: As a result of territory plan variation 236 and national capital plan amendment 49, height restrictions were significantly modified. That enables a much greater number of building sites to go to a maximum height of RL617, which is the benchmark height.

MR SESELJA: Are you looking at how much you are coming in underneath that in various parts of the city?

Mr Corbell: That is correct. Previously there were much more restrictive controls in place. Buildings along London Circuit, for example, versus buildings in other locations had height limits under RL617. The changes that went through in the variation to the territory plan and the national capital plan amendment loosened up the opportunities, but they were still within the overall control of RL617.

MR SESELJA: Would one of the proposals you are looking at be to have RL617 as the mark and not put any restrictions in the city below that?

Mr Corbell: I will take some advice on that, but I do not believe it is uniform. There are still different locations where the height can be greater than in others but it is much less prescriptive than it was previously.

Mr Savery: That is correct. There are still certain locations—city west, for example—that, for one reason or another, might be the subject of a master plan or development control plan under the national capital plan where there are other prescribed heights in place. An example of that would be the city hill precinct. The most obvious example where a height restriction has been modified is that previously each section within the city centre could have only one building built to a maximum height of RL617. That is no longer the case.

MR SESELJA: Thank you.

Meeting adjourned from 2.57 to 3.18 pm.

THE CHAIR: I refer to the reference on page 9, under output 1.1, to Canberra central and elements where progress is well ahead of schedule. Can you advise me which elements are ahead of schedule?

Mr Savery: I think that it is important at the outset to make a clear distinction between Canberra central and the discussions that are going on about City Hill. The Canberra central program was established by the government three years ago with project-specific funding and it took an overarching view of how to facilitate development and improve the public appearance of the city centre as we all know it—Civic, in other words. As a result of that, a number of projects were initiated.

Principal amongst those is what is known as the Childers Street project in City West. Part of the City West master plan is looking to create, if you like, a pilot project for establishing a new quality of urban finish to the city centre that could then be rolled out into other streets. That project has government funding over the next two financial years and works are likely to commence early in the new calendar year and be completed around October.

That is for a single stage of that project. It will also include things like water sensitive urban design, a new palette of street furniture which we would like to think could then be rolled out across the rest of Civic, a new streetlighting palette, a paving palette, et cetera. There are also projects, as the minister made reference to previously, about new street signage to improve the legibility of the city centre, the finger signs that identify street names. They are going to be replaced in the very near future, in this financial year, with a new brand.

We are also undertaking and are well advanced with what is called the one planning document. The title probably does not tell you much about what we are trying to achieve. Essentially, because there are National Capital Authority planning controls and there are ACT planning controls that cut across each other in the city centre and can cause confusion, we are trying to ensure that there is a level of consistency between them and in some cases make redundant some of those planning controls and get a sign-off between both the National Capital Authority and the ACT government so that we have a level playing field for developers and investors in the city centre. That work is well advanced.

We are also undertaking an activities events calendar. Over the last 12 months there has been a series of activities promoting the city centre. The most important of those has been the Christmas events calendar and a new one is about to be announced for a program of events across this Christmas. We have undertaken a place management audit to look at where there needs to be an improvement to maintenance of the city centre. That is being done in conjunction with the Department of Urban Services.

A community safety audit has been completed to identify potential problem areas as a result of the congregation of people late at night in places where there may be a preponderance of violent incidents reported by the police so that we can see whether the

level of lighting and the way in which buildings are designed are contributing to those incidents and look at ways in which we can improve those. We are linking with the studies on real-time information and the city bus system to see if we can make improvements there that might result in a city bus loop. That is being investigated and would feed into the broader public transport system review that is being undertaken at present.

The Civic car parking strategy is well advanced. You would all be familiar, hopefully, with the works that are being completed in Alinga Street. They, like Childers Street, are an indication of the level of public realm improvement that we are seeking to achieve in the city centre. We are also just about to commence a number of fairly significant studies that are being funded this year around the engineering feasibility of changes to road infrastructure associated with projects that are being supported by the Griffin legacy and by the City West master plan.

There is a movement study that could improve our understanding of the way in which people use public spaces so that, again, we can improve the relationship of those public spaces to private buildings. That has the potential to increase the value of land in future development opportunities by identifying the most appropriate land parcels against those public or pedestrian corridors so that, for instance, if we were seeking to get retail activity on the frontages of those buildings we would be more likely to get success with that if we know that that is where there is significant pedestrian movement and therefore, potentially, a private sector investor is more likely to pay a premium for that land. That is an indication of some of the work that is going on at the moment.

MR SESELJA: Turning to page 107 of the annual report, I want to drill down on a couple of the figures there, if I could. Travel has increased by \$76,000 on the previous year. Are you able to give us an idea of the reason for that increase?

Mr Corbell: That would be related predominantly to the study trip I undertook with a number of officers of the authority to the UK and the United States earlier this year.

MR SESELJA: What was the total cost of that trip?

Mr Corbell: I could not tell you exactly. Mr Sakkara may have the figures.

Mr Sakkara: The cost of that trip, from recollection, was about \$63,000.

MR SESELJA: That makes up the predominant amount of the increase, as the minister said, of \$76,000. Other expenses are listed as \$928,000 and the explanation says that other expenses include hospitality, board expenses, audit fees, survey costs and other minor expenses. Is someone able to tell me how much of that \$928,000 is made up of hospitality?

Mr Corbell: Mr Sakkara might take a little time to find out. We will see if we can get that for you now, Mr Seselja.

MR SESELJA: I have one other question while we are on that. Staff development cost \$140,000 in the year. Is someone able to tell me whether that is mainly for training or involves other areas of expenditure?

Mr Savery: Staff development does relate primarily to training and development, but that can also include conferences and seminars, which may be interstate or within the territory. But the vast bulk of that is made up of targeted programs that the authority undertakes where there is an identified need. It may be related to management capabilities and it may be around improved development assessment capabilities. We routinely identify where there are needs within the organisation and create a targeted program of training and development.

MR SESELJA: What were the primary needs identified in the last financial year?

Mr Savery: I would have to go and have a look.

Mr Corbell: We will take that question on notice.

MR SESELJA: While we are on page 107, I have one more. The figure for promotions and marketing jumped significantly, from \$61,000 to \$275,000. Are you able to outline for us the reasons for that jump?

Mr Corbell: Perhaps I should preface further information you will get, Mr Seselja, by saying that it is important to recognise that the authority commenced operations in the financial year before the one that is covered by this reporting period and the authority was gearing up its operations in the same way as the Land Development Agency. You asked a similar question in relation to that organisation earlier today. There clearly has been some increase as the new organisation has gone into a full year effect of operations. If it is possible to provide information now, we will endeavour to do so; otherwise I will need to take that question on notice. We will take the question on notice.

Mr Savery: If I could respond to the previous question on hospitality: within "Other", hospitality comprised \$6,700.

Mr Corbell: We are not big spenders.

MR SESELJA: That is what I am seeking to find out.

THE CHAIR: A moment ago, Mr Savery touched on staff development. In your introduction, minister, you talked about the need to recruit skilled staff. Page 45 talks about an HR performance analysis. Can you advise me why skilled staff from other areas would want to come and work for ACTPLA? What would attract them to this agency over other agencies?

Mr Savery: That is a good question. It is a good question because it is very important to us. We are finding it increasingly difficult, as are other government agencies, to compete with other state jurisdictions for a declining pool of skilled people. So there has to be an edge somewhere along the line to attract the types of skills that are required for the services we provide. In some respects, my answer is couched in terms of what I would like to think is the reason as opposed to knowing that it is an actual reason, that is, that the diversity of the roles of the organisation play a key part.

The fact that the authority has this degree of independence from government in some of

its decision making, I can speak from my own experience, does have an appeal to some professional staff. The planning and education inquiry that was conducted by the planning institute recently did identify a degree of dissatisfaction amongst planning professionals in particular with the way in which the political process can sometimes interfere with their professional opinions; it is a disincentive for them to continue in their careers in the planning profession in the public sector. I think that is something that gives us a competitive advantage in attracting people.

I also think that we do offer a workplace that has equity and that has a democracy to it in terms of people being able to participate in the decision making process, recognising that obviously there is an accountability at the end of the day whereby a decision has to be made by those in whom responsibility is vested. I also think that planning generally—not just town planning, but architecture, urban design, landscape architecture and all the other fields that we represent—is seen as something special in Canberra. Whilst that, in itself, is not necessarily the only reason that people may want to come to this organisation, it is seen as something special that you can contribute to the planning of the national capital. Ultimately, you have to provide a happy work environment for people and that is something we try to pay some attention to.

THE CHAIR: You mentioned equity. On pages 46 and 47 there are graphs that show that the gender balance is very close. Have you taken specific action for that to occur?

Mr Savery: I do not think that I could take any credit necessarily for the mix of female to male staff ratios because most of the professions that are represented by the organisation generally have a high level of females participating in the work force. We have endeavoured to ensure that there is good representation of female staff in the senior management ranks but that breakdown of 55 to 45 probably is not reflected in the management ranks at this stage. There probably would be still a high level of male staff numbers to female, but there are clearly opportunities for women within the organisation to participate at a high level. Certainly, from an equity point of view, I make no distinction between a person's colour, race or gender; they are there on their merits.

MS PORTER: When I was looking at a chart on page 45 I noted that there are plans for the next 12 months to look at how people can be encouraged to remain in the work force beyond the 54 years and 11 months benchmark and, indeed, beyond the traditional retirement age of 65, which I think is very good because lots of studies are now coming forward saying that the longer you stay in the paid work force the longer you remain healthy. With regard to your aim on page 5 to make sure that there is a work-life balance within the authority, I was wondering whether employees are encouraged to become involved in community work through voluntary work in order to enhance the opportunities that they have outside of their paid work.

Mr Savery: There are two parts to your question. I will deal with the work-life balance first. It is another area that is proving difficult not only for our organisations but also, I believe, the public service generally because there is such competition now for resources, not only between different jurisdictions but also within government, between departments. There is obviously an ACT government public service framework which we operate within and endeavour to abide by which provides us with a number of means of offering flexible working arrangements to individuals.

There is also the need to balance organisational needs. We have such a large number of women in our work force and it is understandable that many of them will want to take up part-time work arrangements if they have families. That is not isolated to women. The male work force is, likewise, engaged in that. Obviously, maternity leave comes into it. We have people who seek leave without pay to take extended study leave, et cetera. Balancing all of that does mean that, when you are trying to provide all the services expected of you, you may only have 80 per cent of your staff complement available at any one point in time. Nonetheless, I believe that we have provided a sensible work-life balance and provided opportunities for people to take advantage of that. There have been occasions when we have said to individuals that we are not prepared to support something because we believe that the needs of the organisation would be seriously affected and therefore we would not be adequately able to provide the services that are expected of us.

In terms of what we are doing about volunteering, likewise there is an ACT public service framework. It comes under the umbrella of the most recent enterprise bargaining agreement, which established an opportunity for individuals to take up to three days per year of paid volunteering, if you like. We have not necessarily had any individuals who have sought to take advantage of those three days, but there have been requests from within government for individuals to volunteer. A good case is training in the event of a terrorist event taking place. The government wants public servants to participate in setting up response teams for those events and has asked for volunteers within government. We had three volunteers who participated in that program. Obviously, if an event took place, they would automatically form part of those teams. We are aware of that. We have made the staff aware of it and staff have taken advantage of opportunities that have arisen.

THE CHAIR: Pages 53 and 54 talk about agreements with staff. The majority of the staff are under a certified agreement and pay rises under that certified agreement are to go until April 2006. There are five employees still covered by Australian workplace agreements. Although the AWAs have expired, they continue to operate. Is there room within those AWAs for pay rises? Will those staff have pay rises now that they have expired?

Mr Savery: The AWAs still exist and we did approach those individuals about voluntarily transferring to the new arrangements. None of those officers accepted that offer. In terms of whether there are pay rises within that, they still have access to the EBA, so they still get the pay rises through the EBA. Is that indexed in any way to the AWA, Mr Sakkara?

Mr Sakkara: The AWAs roll into the same increases as the EBA increases. The percentage increase per annum is the same as the percentage increases for the EBAs.

MR SESELJA: I want to ask a question about the sustainable transport plan. Minister, I asked the same question of you this morning and you said that we could deal with it this afternoon. It relates to projected increases in patronage as a result of the construction of the Belconnen to Civic busway. I just want to know what your analysis shows in terms of those projections.

Mr Corbell: I will ask Ms Powell to give you some detail. Before she does, just quickly:

one of the issues that the government still needs to resolve is the final preferred route for the busway. That obviously will have influence over where patronage gains will be achieved, depending on exactly which employment centres and other activity generators the bus route serves. That process is close to finalisation. With that proviso, I ask Ms Powell to give you some more information.

Ms Powell: You would have heard this morning, on the ACTION annual report, that they had 16.2 million passenger journeys last year. Of that 16.2 million, 6.9 million were on the Belconnen to city section of the Canberra network. If we apply the sustainable transport plan modal targets to that, which we were expecting to get, in 2011, with the modal share on that corridor, we would expect to have 9.4 million passenger journeys. By 2026, where the target is a modal share of 16 per cent, on that corridor between the greater Belconnen area and the city, that would represent 16.7 million passenger journeys.

MR SESELJA: They are the targets. This is a specific allocation of between \$80 million and \$150 million, depending on exactly how it is done. What analysis has been done, as a result of that spending on a busway, of the increase in passenger numbers, as opposed to that busway not being built? Has any analysis like that been done?

Ms Powell: We are currently undertaking, as part of the route options analysis, a full cost-benefit analysis. Part of the work being done is to look at the benefits in terms of patronage growth that would come from such an expenditure. We don't have the results of that as yet, but it will be provided as part of the options report.

MR SESELJA: The decision on the bus route has been made. It is a matter of exactly where it goes. We haven't seen any analysis as to how many extra passengers it will get onto buses?

Mr Corbell: That is not quite correct. The government has not made a decision at this stage to build this piece of infrastructure. The government has funded planning work of the order of \$6 million over this financial year and the previous financial year to assess the viability and the feasibility—the engineering assessment and so on—to allow the government to make the decision whether or not to proceed with the project. That is the decision the government has taken to date. As Ms Powell has indicated, part of that assessment, quite rightly, is an assessment of patronage gained.

MR SESELJA: Ms Powell, I understand that you and one other are responsible, essentially, for the details of the sustainable transport plan. I am not quite sure. I understand that you are one of the experts. Are you able to give the committee your understanding of what road pricing means?

Ms Powell: I go back to my experience in a previous jurisdiction. Road pricing is normally used in the context of the amount a user pays. It is often used in the context of the contribution that the heavy road industry makes to that infrastructure.

MR SESELJA: It is a user-pays system?

Ms Powell: Yes.

THE CHAIR: I go to a different topic. At page 15 there is reference to exemptions from undertaking preliminary assessments. What benefits has this given to streamlining development? I know you touched on it a little before.

Mr Savery: The streamlining of preliminary assessments has a number of benefits. First and foremost, there is a reduction in the cost to industry in that they don't have to undertake as onerous an analysis as was previously required. I should make the point that that is not at the expense of appropriate analysis of a development's impacts. Where preliminary assessments have been applied, particularly in town centres and the city centre, the types of impacts that had been contemplated when preliminary assessments were established by legislation simply do not apply. We are not talking about greenfield, natural flora and fauna areas. Industry was being put to some expense to comply with preliminary assessments that were seeking environmental impact analysis that simply wasn't warranted.

Another benefit, obviously, is that, as a result of streamlining of the DA, the development assessment process is undertaken much quicker, because it shortens the assessment period. From a more selfish point of view within the organisation, reducing the number of preliminary assessments means that we can put onto other jobs officers that were previously occupied in assessing those preliminary assessments. That goes back to improving the timeliness of assessing development applications, because we can move those people into other area. It has resulted in improvements. My understanding, from industry feedback, is that that has resulted in significant benefits, too.

THE CHAIR: I have a question in relation to output class 1 "planning and land", at page 14. How does ACTPLA work with DUS and Canberra Urban Parks and Places on the implementation of the urban design guidelines? Is there a holistic approach?

Mr Savery: Generally, the planning authority takes a very holistic approach to its work so that, in all of our endeavours, we try to ensure that we identify the right agencies within government and sections within the authority that have an important contribution to make to the resolution of a particular issue or subject matter. In relation to urban design guidelines, the Department of Urban Services, through a number of its internal agencies, has a significant interest, largely because they will end up maintaining a lot of the assets that might be created but also because they have a potential to add value through their experience with those assets as to whether or not what we are proposing is practical from a user's point of view as well as from a maintenance point of view.

It doesn't mean that we always agree. Obviously, their participation in that process is fundamental. My advice to this committee is that they are always engaged at an early stage in the development of guidelines so that we can have those inputs and make a more rounded product.

MS PORTER: You mentioned, quite early in the hearing, community consultation, particularly in terms of the review of the whole process. How extensive is that community consultation? I wanted some more detail about the community forum, which you mentioned and which is mentioned at page 35, and the community engagement officer. Could I have some detail, firstly, of the initial consultation and these other initiatives?

Mr Corbell: I will ask Jacqui Lavis, who is responsible for the oversight of the planning system reform project, to outline the consultation process and that very big piece of work.

Mrs Lavis: The community consultation process for planning reform extended over approximately a six to eight-week period, from May through to July 2005. It concluded in the middle of July. The process that we used was the release of a directions paper and four technical papers which contained substantial information about the reform. There were also some simpler fact sheets. The material was targeted to a range of audiences, from the casual interest audience through to the technical audience of property interests—the legal profession and the like.

To support the release of those papers, we engaged in what we call a road show. We spent, I suppose, the middle four weeks of that period meeting and presenting to a range of audiences. We met with a broad range of interest groups, ranging through organisations such as ACTCOSS, the conservation council and associated environmental interests and all of the major stakeholder groups engaged in the property industry.

We also gave briefings to all the community councils. The briefings took the form of both a general overview of the planning reform agenda and targeted commentary. In some instances, we were given questions on notice by some of those interest groups who sought specific answers. The intent of that was to generate written submissions. We received approximately 70 written submissions.

Whilst we were undertaking the consultation dialogues, we also gathered a substantial body of verbal material. We had a full recording process for the commentary and discussion at each of those meetings. That was documented in a separate report. The submissions were all of some substance. A number of them went through every one of the detailed recommendations that were contained in the technical papers and summarised in the directions paper, providing a yes/no answer or a commentary answer.

As the minister indicated in his opening speech, the results of that consultation exercise have just been concluded—the collation and assembly period—and will be the subject of consideration by government within the next few weeks. Those submissions, then, inform the policy debate which will frame the new piece of legislation that will guide the conclusion, if you like, of the reform of the planning system.

Mr Savery: If I could take up the second part of the question, which relates more broadly to community engagement by the authority: arising out of some work that was undertaken for the minister at the end of the last financial year by the institute for national governance within the ANU, the minister adopted a number of measures, in conjunction with some actions taken by the authority, to improve a more formal relationship with the community. By that, I mean there was, obviously, a range of informal structures that the authority engages in from time to time.

We have just had an example of the planning system reform. There is no legislative requirement to do what has just been undertaken in planning system reform. Molonglo is another example of where we are out there consulting with the community.

In a more formal sense, the minister asked the authority to engage with community

councils to set up a structure where we could use them as a network to inform the broader community about significant development applications or significant policy matters that have been contemplated and that might impact on local communities within their area. As a result, we have been meeting for about 12 months under that cycle.

We have gone through a number of topics with members of that planning and development forum which also includes industry, representation from peak industry bodies, ACTCOSS, the conservation council, as well as the professional institutes. Again, that is a reflection of that holistic approach to understanding the potential implications of planning across the city within the community.

The feedback that we have been routinely getting from the planning and development forum, particularly from the community councils, is very positive. At the last meeting that we held with them this week we asked them whether or not there were ways in which we could further improve communications with them. They identified a number of ways in which we could do that. Clearly, establishing a feedback loop is critical to understanding that relationship.

We have established this community engagement officer within the authority. Virtually on a full-time basis that individual is made available to be the contact point or the gatekeeper into the organisation. A community council that is trying to find something out about a project, instead of trying to find a person in the organisation, goes to the community engagement officer and they do the legwork. They will get back to the community council and say, "This is the person you need to talk to," or put that person in contact with them.

Likewise, they are the person who speaks to the community councils on whether or not they want a briefing on projects that we are undertaking. We then leave it to the community councillors as to what form that briefing might take. Is it a public information session? Is it amongst their council membership?

I also stress that the use of that network in no way has resulted in our lessening informal connections and engagements with the community on big projects. It is simply an additional avenue for us to try to ensure, as best as possible, that we have covered all bases. You often hear and read about criticism that planning hasn't consulted adequately with the community. There is this misunderstanding that there is formal consultation or public notification required under the legislation. Then there is a range of informal consultations that we undertake routinely. People, understandably, confuse consultation with formal public notification.

One of the key parts of our public education and awareness program is to try to improve the community's awareness of when to engage in the development of policy, which is public consultation, as opposed to when you are engaged in formal public notification, where there are some very strict boundaries put around the authority in what we are required to do and what regard we have to have to the community's input into that process.

MS PORTER: How are you going to explain that and get that message through?

Mr Savery: I would say that we have done pretty well. I say that on the basis that we

have just completed some recent customer surveys. Twelve months ago the community's awareness and understanding of the roles and responsibilities of the authority were at 9 per cent. The more recent survey that has just been completed says that we are at 73 per cent.

Some of that is obviously a result of some very targeted strategies that we have put in place, which includes the likes of having a presence at home and leisure shows, the Canberra Show, et cetera, where we have had displays; we have had officers available for people to come and talk to; we have had an expanded range of publications available—we have now got a regular publication called *In shape*, which goes out on a quarterly basis and which talks about some of the activities that we are engaged in; and by way of the consultation that we undertake on the individual projects. Molonglo and planning system reform are two prime examples, as is the Belconnen to city busway.

It is not to say that people necessarily like what we are talking about or agree with what we are talking about. But we have made a serious endeavour to go out into the community and engage with the community so that they have got an opportunity to participate in those processes. Increasingly, the community is becoming engaged in those activities.

Mr Corbell: Mr Seselja asked a question earlier about promotions and marketing measures. Mr Meyer has some information for you.

Mr Meyer: To explain the increase between the two financial years: there was \$50,000 allocated to the biennial work that was recently announced. The surveys that Mr Savery mentioned amounted to \$35,000. That included a staff survey as well. What we did for the first time was centralise the publications budget. We took it from branch and team budgets. That amounted to \$130,000. That covers the range of reports and documents that the authority puts out.

MR SESELJA: Minister, before the last election there was some concern about A10 core areas and you announced that there would be some guidelines put in place, I guess, to ease the fears of some residents of the inner north and the inner south. I understand you wrote to a constituent on 22 November and stated that you had directed ACTPLA to give the development of the guidelines priority. Are you able to tell us where those guidelines are at this stage?

Mr Corbell: As you know, Mr Seselja, because I have answered questions from you in the Assembly on this matter, those guidelines have not yet been prepared. As is outlined in the annual report, due to a range of conflicting priorities, they have not been able to be prepared in the financial year which this report is covering. The government will be considering the resourcing of that activity in coming budgets.

MR SESELJA: So they won't be done this financial year either?

Mr Corbell: At this stage, there is no plan to do them this financial year.

MR SESELJA: Are they no longer a priority?

Mr Corbell: They are still an important piece of work and they are a piece of work that

is designed to complement the existing statutory provisions in relation to the A10 areas. It is important to stress that the character guidelines are just that—they would be guidelines. The statutory protections are fundamentally the most important thing in relation to the A10 areas. Those statutory protections are quite significant. They restrict and control height and intensity of development in the A10 areas. They ensure that development occurs in a coordinated and focused way rather than in the ad hoc way we saw under the previous government.

The character guidelines would provide a role in assisting the authority in assessing development applications that come forward in those areas. But guidelines are just that: they are guidelines and certainly should not be seen as a replacement for the existing statutory controls. But they certainly will serve to enhance those statutory controls once they are prepared.

MR SESELJA: What changed after 22 November to make them no longer a priority?

Mr Corbell: They are still a priority but, as you may have the opportunity one day to discover, there are lots of priorities in government.

MS PORTER: This is a curiosity of mine. On page 7 it mentions that the authority is commencing implementing the national travel behaviour change project amongst its staff. I wondered what the national travel behaviour change project was.

Mr Corbell: I will ask Faye to answer that.

Ms Powell: The national travel change behaviour program is a program that is being undertaken by ACTPLA in association with the Australian Greenhouse Office. The primary objective is to encourage people to use forms of public transport—be it buses—or cycling or walking. There are a series of programs around that. Specifically within our own organisation, that program has been aimed at getting a good understanding of people's knowledge of the forms of transport that would be available to them and helping them understand how the bus routes might operate so that they could catch public transport to work or cycle or, in some cases, walk to work.

It is a program designed to change people's behaviour. It has been run not only within our own department but is also being piloted in other departments, including, most recently, the Department of Defence who are working in partnership with our Travelsmart people.

MS PORTER: Is it changing behaviour?

Ms Powell: It certainly is having some effect on people travelling into the city, in the broader context of the program. ACTION certainly would have given you some understanding of that this morning.

MS PORTER: No, I meant within the staff.

Ms Powell: Within our own staff, I would need to take that on notice and give you some specific figures on that.

Mr Savery: Could I give some anecdotal evidence, though: if you were to come into our basement car park at the moment, the number of bicycles that are parked there would have increased threefold in the last 12 months. I won't ask or invite you in but, if you go into the shower rooms, all the lockers are full. People are using the shower rooms as a result of using alternative means of transport.

To add to that: you may also be aware that the government, through the authority, has recently released some draft guidelines for bicycle parking, to provide some further guidance for both commercial and multiunit residential development on our expectations of improved bicycle facilities, which isn't just about where you can rack your bike but is also about providing shower facilities. That is all about trying to complement these travel behaviour change programs.

THE CHAIR: Minister, on page 66, the report talks about ecologically sustainable development. Can you go through what the authority has done to achieve more environmentally sustainable development in relation to housing design?

Mr Corbell: Some of the work the authority has done in this regard has focused around water. Water reuse and managing water more efficiently and effectively is one of our objectives in the government's think water, act water strategy. The authority has recently been undertaking the development of water-sensitive urban design guidelines, which will shortly be considered by the government—they haven't been considered yet—for adoption across the ACT.

These focus on state-of-the-art measures to manage water in new urban areas and in redevelopment areas. They encompass a range of issues such as allowing for increased permeability of surfaces to allow run off to occur in as natural a way as possible in developed areas, therefore improving groundwater retention and reducing the need for large levels of infrastructure to manage, for example, stormwater runoff from developed areas; also measures to encourage reuse of water onsite. In fact, it is now mandatory for all new dwellings to have a third pipe in place to manage water coming from the rainwater tank, isn't it?

Ms Ekelund: There is a mandatory separation at the slab between grey water and black water which means that, if you want to plug in a grey water system, you can do so without having to go through the expense of dealing with an existing plumbing system. In addition, there is a requirement for you to be able to plug in a rainwater tank more simply through the plumbing system, too. There are two different pieces of work.

Mr Corbell: Those are now mandatory measures in all new dwellings in the ACT which greatly assist homeowners in choosing to take advantage of water reuse as part of their existing plumbing in their new homes.

In addition, the authority has done some significant infrastructure works. For example, at East O'Malley, a new pond network has been put in place at the East O'Malley estate, which is designed to improve water quality in the lower areas of the catchment which begins close to the East O'Malley estate but runs down further towards Yarrowlunla Creek. Those retention ponds have, again, been designed to filtrate and manage water through biological processes as well as provide a very attractive landscape for that estate. I encourage you to go out and have a look at that. What was once a very eroded gully,

with a lot of builders' rubble in it, is now a very attractive pond network as a result of that work.

Additionally, the authority is engaged with an organisation called BioRegional, an international organisation, which has teamed up with the World Wildlife Fund, to develop showcase sustainable developments in each continent around the world. They are currently considering the development of such an estate in Australia. The planning authority has been engaged with BioRegional and WWF in exploring the possibility of the development of what is called a one-planet living project here in the ACT, which is effectively a zero emission development.

When I had the opportunity to go to the UK earlier this year, I looked very closely at their one-planet living development in the UK, called the BedZED, in Wallington, which is on the outskirts of London. Some of the measures that are put in place there are extremely innovative in managing energy and water use. The authority is continuing to progress that work for the consideration of the development of a one-planet living style development here in the ACT.

THE CHAIR: Can you expand on that? One-planet living is also mentioned on page 21.

Mr Corbell: One-planet living has a number of developments up and running. The one that is up and running fully is BedZED in London. They are currently in the fairly advanced stage of the planning for the development of, I think, a 7,000-dwelling estate in Portugal, which is again designed to be a zero-emission development. For example, in the UK, there is a very strong focus on natural ventilation to cool and heat those dwellings, which doesn't sound as impractical as it seems. They use what are called heat exchangers to generate power for heat or for cooling, through wind. They also use photovoltaic measures and measures such as a living rooftop to collect water and to manage water in their climate.

Of course, in the northern European climate, the problem is not so much collecting water but trying to prevent as much water as possible getting into the stormwater systems. That overloads the systems if they get too much rain. Whilst some of the solutions would not be appropriate here in the ACT—for example, in our climate, our measures would have to be to conserve and retain as much rainwater as possible for reuse—there are a range of very innovative measures which we would be seeking to apply in a one-planet living-type model here.

Some of the other things they do are designed to address the broad range of sustainability. For example, they locate their developments close to public transport; they encourage work/live environments so that there are a lot of businesses located within their one-planet living developments so that people can live and work close by. I am not sure whether the architect that designed the BedZED works in the BedZED lives there. If he doesn't live there, he lives close by. So it is a work/live environment.

Also, they seek to grow as much of their own produce as possible on site, again reducing the energy costs associated with the importation and transportation of food. They also use things such as car pooling. They have what is called a car club. You don't own a car, but you can be a member of a car club, pay a membership fee and have access to electric vehicles as and when you need them. Those are the sorts of measures that they have used

in other developments and something that we are looking at exploring here.

BioRegional and WWF have also been chosen as the partners for the London Olympics in delivering a sustainable development, particularly for the athletes in the athletes village but also in other parts of the bid for the London Olympics.

MR SESELJA: Minister, this is a fairly general question. It could apply to other ministers. Pages 180 to 183, not of this document, of the 2004-05 budget papers listed several targets for last financial year. I didn't think you would have the budget papers with you; you will have to take my word for it. Budget paper 4 for 2004-05, pages 180 to 183—you can check afterwards—lists several targets for the financial year. They are things such as timeliness, quality and other things. I may have missed it but I don't see it in the annual report.

I know it is a separate document, but it would have been quite helpful to have in the annual report those kinds of tables reporting against how it went against targets. If I have missed it, I apologise. If it is not there, is there a reason why it is not?

Mr Corbell: They are in the annual report. You can see, at page 130 onwards, the different output classes are listed, the performance measures are listed and the outcome compared to the target is also reported on.

MR SESELJA: I apologise. That is good. Thank you for that. I did have a question on City Hill. At page 20, it says:

Prepared and released *City Hill—a concept for the future ...*

Obviously, we have been following that fairly closely in the media. But are you able to give us any update as to where things are at for decision-making on that process?

Mr Corbell: Yes, I can. The Canberra central task force has finished its second and final report to the government. That was given to me a couple of weeks ago now. I have briefed my cabinet colleagues on the outcome of the report that the task force has presented, and that will shortly be considered by cabinet.

MR SESELJA: So you expect cabinet to make a decision before the end of the year?

Mr Corbell: I expect cabinet to make a decision on its response to the task force's recommendations before the end of the year, yes.

THE CHAIR: Minister, if you go to page 68, there is discussion on the bushfire management plan and operational funds. ACTPLA gave quite a detailed overview to our conference, but could you go through again what actions the authority has taken to assist reconstruction after the bushfires?

Mr Corbell: I have to say, first and foremost, the authority has done a fairly significant body of work in facilitating development assessment and approval following the bushfires. As far as I am aware, at this stage, there are no outstanding development applications in the system. The current situation is this: there have been 51 blocks that have been on-sold, which are yet to be developed; 13 of those, though, have received

development approval; 17 are in the process of having plans prepared; 15 have been recently purchased, with new owners intending to commence plans; two blocks are on the market for resale; and four owners have personal issues preventing early rebuilding and may sell. There are 22 blocks still undeveloped where they are the lessee prior to the bushfire; 15 of those have not yet made a decision to rebuild; three have approved DAs; two are in the process of having plans prepared; and two are on the market for sale.

The government appropriated \$140,000 to the authority in February this year to appoint a case management officer to assist with rebuilding and lease management issues in bushfire affected areas. At the commencement of that work, there were around 105 vacant blocks with no development activity. That has now been reduced to 73 vacant blocks, of which 22 are held by the original owners; 51 have been sold; and, as I have just outlined in relation to those 51 and 22 blocks, a large number of them now have significant bodies of work happening to get them redeveloped. That has been a very significant process.

One of the other roles of the case manager is to assist in any complaints around untidy blocks or blocks that are not being properly looked after whilst decisions are made about their rebuilding. That has generally resulted in reminders to owners, wherever we know where they are, to keep their blocks tidy and clean, particularly to prevent a lot of regrowth from getting out of control. That has certainly been appreciated, I know, by residents in surrounding homes.

In a number of instances it has been difficult to locate the owners. There are about two or three blocks where we don't know where the leaseholders have gone. As an interesting aside, I understand one is owned by the former Russian Soviet-era TV station TAS. I think it was TAS. Anyway, it was owned by Soviet television. The Russian Embassy has been made aware of the fact that the Soviet Union and its successor own a block of land in Duffy. We are endeavouring to get a decision in relation to that block.

MR SESELJA: There is no external pressure on that decision, is there?

Mr Corbell: It is amazing what you learn. There is one which is owned by Soviet television. Mr Savery reminds me that the government is still offering a stamp duty waiver to original owners. We are still proceeding with the fast-tracking of DAs.

MS PORTER: Minister, on page 48, it mentions the authority's commitment to workplace diversity. Mr Savery drew our attention before to the employment policies of the authority. However, it makes particular reference on that page to the ACT PS disability employment framework and the commitment to that. Given, as you have said before, the authority is a fairly small employer, how is that particular commitment going?

Mr Savery: I would like to stress that the commitment is absolutely full and complete in terms of our endeavours to meet with the expectations of that framework to the extent that, in this last financial year, we had 85 senior members of staff, which is a significant number of people out of a staff complement of about 300, who took part in a briefing on the new public sector disability employment framework. We had a briefing by the people who have been responsible for putting that document together, particularly focusing on how people in management positions can find new ways of potentially supporting people

with disabilities and where there may be opportunities for people from external workplace support agencies to identify the right person for the right opportunity.

We have what I would regard as a fairly significant number of people employed within the agency who have come to us through that means. It might still sound like a small figure, but 3.5 per cent of our employees have some form of declared disability. We have a particularly successful program, which has been the subject of an award, at our Mitchell office where some people with particularly severe disabilities and requiring support people to participate with them are undertaking scanning and giving them a really significant meaning to their work. Mr Meyer might want to expand on that particular program.

Mr Meyer: It has been a partnership with Koomarri. We have upwards of 12 participants in that program, usually in shifts of about four employees. In the scanning program, what we did was devise a way of using computers so that the entry of data and information into the system could be managed by the disabled employees with some follow-up assistance from their support staff.

What they are able to do, too, is send information to clients—plans, information records from building files. They are actively involved in providing electronic service to our customers. Probably one of the significant aspects of the work that they are doing is that they are part of the entire team, with able-bodied people as well, and feel very much part of that environment. It has been a particularly effective program and is being used as a model in other agencies as a way of involving management and staff in working with people with significant disabilities.

MS PORTER: I also note that the Australian Breastfeeding Association certified the authority's office at Dame Pattie Menzies House. I was wondering how that was going.

Mr Corbell: I understand it is going pretty well. I was very keen for all government agencies that I had responsibility for to make sure their workplace was friendly for breastfeeding mothers, and I am really pleased the authority has done that. ACT Health are also doing that. I know a number of other government agencies are also pursuing it. I understand it involves ensuring there is an appropriate space available for breastfeeding and some associated facilities, and that has been able to be accommodated at Dame Pattie Menzies House.

MS PORTER: Without much hassle at the establishment?

Mr Corbell: Not a huge amount of hassle.

Mr Savery: We were just talking about how frequently it has been used. We are not aware that it has been used all that frequently, but the fact is that the rooms are there; they have been certified by the breastfeeding mothers association. We have had one customer who may have used the facility.

THE CHAIR: Minister, on page 51, it talks about health promotion programs within ACTPLA. There are lots of physical activities taking place. I wondered what the take-up was there. After your comment earlier about running, do you intend to take part in the corporate triathlon at some point in the future?

Mr Corbell: No, I am not going to embarrass myself in that way. Mr Savery could answer these questions. I know the authority places quite a good emphasis on a range of social/recreational-type activities. Maybe Neil can answer you.

Mr Savery: Obviously, it is an illustration of our attempts to achieve a better work/life balance and promote a healthy work environment, recognising that productivity is significantly affected by the work environment. You may also be aware—and it is reported in the annual report—that we have money allocated to undertake refurbishment of Dame Pattie Menzies House, although the bulk of that work is happening this financial year.

Combined with things such as outdoor activities where we try to encourage as many staff as possible to participate, we are also looking at improving the workplace. It is not purely driven by productivity. It is about having people who have a sense of wellness and being in our workforce. I guess, again, that is trying to make that distinction why someone might want to come and work for us as opposed to somewhere else.

MR SESELJA: Page 107 talks about a number of expenses. Legal expenses received free of charge—I assume that is from AGS—have gone up by about 27 per cent from 2004 to 2005. Can I get a bit of a breakdown of the reason for that increase? Was it primarily litigation? Is it advice? Is it AAT work? Are we able to have some details on the increase and the breakdown of that spending?

Mr Corbell: We will take that on notice.

THE CHAIR: That draws the hearing to a close. I thank the minister and officials for coming to the committee today. I would advise that we have received some questions on notice from Dr Foskey's office. We will get those to you through the secretary. Thank you very much, everyone.

The committee adjourned at 4.29 pm.