



**LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL
TERRITORY**

**STANDING COMMITTEE ON PLANNING AND
ENVIRONMENT**

(Reference: Annual and financial reports 2006-2007)

Members:

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

TRANSCRIPT OF EVIDENCE

CANBERRA

WEDNESDAY, 24 OCTOBER 2007

**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 that have been authorised for publication by the committee may be obtained from the committee office of the Legislative Assembly (Ph: 6205 0127).

APPEARANCES

Chief Minister's Department	8
Land Development Agency	8
Office of the Commissioner for Sustainability and the Environment	1
Territory and Municipal Services	8

The committee met at 2.00 pm.

Appearances:

Office of the Commissioner for Sustainability and the Environment
Cooper, Dr Maxine, Commissioner
Stinson, Mr Darro, former Commissioner

THE CHAIR: Good afternoon and welcome to the Assembly's Standing Committee on Planning and Environment inquiry into the 2006-07 annual and financial reports. The timetable for this afternoon is for the Commissioner for Sustainability and the Environment, Dr Maxine Cooper, and Mr Darro Stinson from 2.00 pm to 2.30 pm, then the Chief Minister and officials from the Land Development Agency from 2.30 pm to 3.15 pm. We will have a break until 3.30 and then from 3.30 pm till 4.00 pm we will have the Chief Minister with the Land Development Agency and from 4.00 pm to 4.30 pm we will have the Minister for the Environment, Water and Climate Change and departmental officials from the Department of Territory and Municipal Services.

Witnesses are probably aware of the privileges statement in front of them. I also remind them, when they speak, to state their name and position for the *Hansard*. Dr Cooper, Mr Stinson, would you like to make any opening comments?

Dr Cooper: May I just say thank you for meeting with us this afternoon, but, since it is a report that my predecessor Mr Stinson did, maybe it is appropriate that he provide an overview of his report while he was in the chair.

Mr Stinson: I have no comments, thanks very much.

THE CHAIR: Okay, so members may ask questions of our witnesses.

MS PORTER: I note that on page 12 of your report you say:

The recovery in the Upper Cotter Catchment, the Alpine Bogs and aquatic habitats is encouraging, but I note there are areas where recovery is still not strong ...

Would you like to comment on that, the effect that continuing drought is having on the area and the predicted weather patterns?

Mr Stinson: Yes. With respect to the bogs, the work being done by the staff of the Department of Territory and Municipal Services is cutting-edge work in terms of the recovery of the bog, the sphagnum moss specifically up there. Many issues they were running into were strictly around the availability of water and the requirement for a large amount of water, as well as the shade that was lost associated with the fires. Those two things combined to make it very difficult to assist in the recovery. However, having said that, there were significant gains. My understanding is that it may never get back to its original condition prior to the bushfires in 2003; however, significant work was done in that context.

With respect to where this might go and the effects around climate change, at this

point I am not sure that we fully understand what the implications might be down the road. However, I think the work being done now will stand us in good stead regardless of what ends up happening.

MS PORTER: Dr Cooper, do you have any comment to make in relation to your knowledge of the area?

Dr Cooper: I can only concur with what Mr Stinson said and, as was originally proposed in the planning that was done for that, this is a plan about the very long, long future. As a society we have got to be tenacious about looking to the future and doing every bit we can in progressing towards that. We always knew we would have some significant issues up there to address. We know that if we go there now we will still see, of course, some weeds, but we will see the soil much more stable than it was just post the fires, for obvious reasons. So the plan is firmly there and it is now a matter of progressing that every year to finally achieve its objectives.

THE CHAIR: Mr Stinson, when you were in your position as commissioner you conducted a review of the office of the commissioner. What are some of the outcomes of that review? Do you have the review available to table here today or can you provide it for us?

Mr Stinson: Since we last met there is a chronology of events that took place. I was the interim commissioner to deal with the legislative responsibilities of the office of commissioner for the environment. As well I was tasked to look at a realm of options for enhancing the role of the environment commissioner. I submitted my report on 9 August, left for overseas on 10 August and I arrived home on 5 October. In that period I was happy to see that there was a full-time commissioner appointed. But in terms of the specifics I am not in a position to tell you which ones were accepted and which were not because I have not heard back. My contract ended while I was away, at the end of August, and I have not had time to catch up. But I am very keen to do that because I was quite pleased with both the reception that I got from the Chief Minister in terms of the presentation I made to him and the reaction I got from the agency on the final report that I submitted on the 9th.

DR FOSKEY: Mr Stinson, did you conduct that review as the Commissioner for the Environment or as an independent consultant?

Mr Stinson: I did that as the Commissioner for the Environment; my appointment was a consultancy for that period. I was appointed as the commissioner to deal with the legislative responsibilities and that was another task that was added to my role during that period.

DR FOSKEY: I would have thought then it would be a public document because the Commissioner for the Environment's documents are. This would be a new direction—for a document produced by the Commissioner for the Environment not to be publicly available.

Mr Stinson: The report was submitted to the agency on 9 August and I really cannot tell you any more about what took place during that period.

THE CHAIR: Perhaps then the question should go to Dr Cooper—and congratulations on your appointment, Dr Cooper. Perhaps you could give us an update as to where that review is.

Dr Cooper: There is a gap period. As you know, I have been focused very much on water security and I am just taking up the reins, if you like, in absolute 200 per cent earnest right now. So I do not have the history; there is a bit of a gap between when Mr Stinson handed in the report and when I took the reins over. But I do know very clearly that there is a very strong commitment to embracing sustainability and I do know from material that I have got that we are looking at things like the commissioner's role in terms of the climate change strategy, weathering the climate change policy that was released. So there are things around those kinds of issues. Sustainability is certainly there and I will be putting a report through to the Chief Minister in refining some of these issues and how the office might work. So I am aware that that is one of the tasks ahead of me.

THE CHAIR: This will be a bit of a change of pace for you, Dr Cooper—well, not a change of pace but certainly a change of position. What do you see as some of the challenges now from your former position?

Dr Cooper: I see this role very much as an embracing role with the community and with the whole of government and the whole system of government. So I actually see it very much in that totality of working collaboratively to get the outcomes we need and also being the voice out there, independent of government, on some of the key issues—and the key issues of course that all societies, particularly Canberra, are confronting are things like around our water. The catchment management issues will certainly be there and water security will be there.

I would also see that the role certainly works with everybody to progress on the really challenging issue for us in terms of climate change and that is two-part: one in terms of reducing our emissions and the other one in adapting. I do not think we are going to reduce emissions significantly in any society to the degree where we do not have to look very carefully at adaptive strategies. The scientists are giving us that very bleak outlook. So what are we doing in terms of the adaptive approach and, for instance, on the biodiversity side have we got our corridors there? Have we got islands where we have not got corridors? How are we reinforcing that? Working with the community and ACTPLA in terms of home energy: what are we doing around the new buildings, our energy? How are we progressing. I would also see this role very much working with the conservation council and those types of organisations, but also the business side of life and moving forward on that.

The other key one of course is the whole issue of sustainability, working that through, trying to find the win-wins for the environment, the society and the economics. I think we can do that. I think there are a lot of positive things happening in that direction. And then very importantly, of course, biodiversity and ecosystems, integrity, maintenance and looking at what we are doing there, because we have got the urban impact on our ecosystems but we now have that climate impact and that is a double whammy in terms of what we need to be looking at. So I think it is a very exciting role. I do think it is collaborative, working towards the future together. Importantly in terms of data, the state of the environment report will be coming out and ensuring that

we do have good quality ongoing data and that we know what the changes are and how to sort of adapt to or manage those.

THE CHAIR: You mentioned water at the beginning of your answer there and most people here I think are aware that there was an announcement yesterday by the minister in regard to a proposed extension of the Cotter dam. What do you see as some of the issues, particularly in riparian areas up from the dam itself and into the Cotter River?

Dr Cooper: Going back, I am very familiar with the work that was done by the eWater CRC. What was done initially was to commission the experts in that particular organisation to flag any really big issues for us, and they flagged a whole suite of issues and they also said that they were all manageable. So I think the issue now is for the science community, Actew and the government agencies to work together, to go through all the issues that the eWater CRC put on the table. It is all there. I think they did an excellent, comprehensive job. They talked about the endangered fish species. In fact the capacity of the dam is such that there is a particular shelf that needs to be covered for the migration. That is why the dam was chosen at 78 gicalitres. So there is a suite of things that have already been looked at. Now it is about putting those into practice. So I think we will see a fair bit of good research going on and I also know we will see a fair bit of good adaptive management practices being linked to what Mr Stinson said in terms of the catchment practices.

DR FOSKEY: Can we just return to your role as commissioner for the environment. It says on page 3 that the role of the commissioner and the office must be and be seen to be independent. Dr Cooper, you would be aware that people are very well aware that you have had a very key executive position with the government for a number of years. Given that previous role and your close involvement in the development of significant initiatives, such as the water one as we are discussing, could you please tell the committee how you will maintain the independence and the objectivity needed to properly scrutinise these initiatives which you have had a part in making?

Dr Cooper: Thank you for that. The role I think is being distanced from the actual operational areas. I was previously involved in the operational component and in this particular role it will be much more in terms of the audit role or the advice role, rather than that operational component. So I think the two will be easily managed. I was also, if you like, independent in two other roles that I had. One of them of note was the conservator of flora and fauna and, if you look back, I think you will see I was absolutely able to separate the operational component from some of those decisions. That is freely available through the records of all the decisions I made. So I think that it is quite possible and many other professionals—and again I am a professional—have been able to make that separation quite clear.

DR FOSKEY: That was a question I think people in the community are asking. I felt it needed to be asked here. Mr Stinson, on page 7 of the report you state that you have taken a greater facilitation role, but that is not actually one of the statutory functions of the office. I am interested in knowing how you drew the line between working with government departments and independently scrutinising their actions? Give me an example of where you took a greater facilitation role and how that tied in with scrutiny of government agencies' activities?

Mr Stinson: In the context on page 7 there are a number of inquiries and/or complaints that come into the office. A lot of them—I would not say the majority—were basically misinformation in a lot of cases where people did not know who to talk to, did not know where to get the right information. So I think the office of the commissioner in this context played a role in making sure that they had the correct information. We were very clear that if they were not happy with the information they got they were to get back to us and we would take it to the next step.

On two occasions I actually got the interested parties together so that there could be a face-to-face discussion and that resolved both of the issues in that context. Whether you refer to that as a facilitation role or just giving interested parties the right information so they are making their decisions based on good information, in that context that worked very well. In the context of the expanded role I saw that as being part of the advocacy role that was being proposed as well for the commissioner's office in terms of being out there in the community and people having access to that kind of facilitation, to make sure that people do have access to the right people and to the right information.

DR FOSKEY: Sort of a gateway?

Mr Stinson: In a lot of respects. I think the only thing that came with that is the phone directory. The only phone number that had environment associated with it was the commissioner's office, so we ended up getting a lot more calls than we had in the past; again that ended up raising the profile of the office as well.

MS PORTER: Looking at the matters that are raised under that inquiry/complaint sort of thing on pages 7 and 8, there does not seem to be anything about water. I thought that with all these issues around water and concerns about water there would have been some, but there do not appear to have been.

Mr Stinson: That was surprising to me as well. We did have a few that were trying to get information on water restrictions and those were things we just passed over to either Territory and Municipal Services or to Actew. Again, we were the only number they could find that related to environment. But you are right: there were not a lot of issues around water that came to our attention.

MR SESELJA: On page 16 at the bottom you refer to some concerns over the direction of the sustainable transport plan. Are you able to elaborate on what those concerns are?

Mr Stinson: The intention was to be quite specific in the state of the environment report with respect to that particular item. The office noted a reduction in resources associated with the individuals that had the carriage of that plan and just some concern that maybe we were not moving in the direction we needed to be as outlined in that strategy. So we were going to report more specifically on that in the coming months for the state of the environment report.

MR SESELJA: But the general concern was that things were not being done fast enough in accordance with the plan?

Mr Stinson: Exactly. There was just a sense that some of the targets were slipping and with the reduction of resources in those areas did we still have an emphasis on and a commitment to moving in that direction, so it was more a heads up in the annual report that there would be more coming in the state of the environment report on that particular indicator.

DR FOSKEY: Back to the question that Ms Porter asked: of the 20 matters listed as resolved could you indicate, please, how you decided that they were resolved, what measure you used to gauge resolution and to whose satisfaction they were resolved?

Mr Stinson: Sitting in that office, if the complainant was not satisfied then I did not feel that I had done my job, so the indicator was very clear: if there was a complaint, the complainant was satisfied with the response they got. Giving the opportunity to take it to another avenue never presented itself; it was a non-issue.

THE CHAIR: Dr Cooper, in your new position do you think you will be looking at any inquiry into any proposed kangaroo cull?

Dr Cooper: Thank you for that question. Since coming into the office, which as you know has been of a limited time, I have actually had a few letters requesting some inquiries on several issues and one of them is on that particular issue. My approach on inquiries or any request will be to get some background information to really look at what the issue is. In that respect on that particular issue I have already been out on site and I have met with some key people, ecologists, and I have also put in place a couple of meetings to try and get that background information to distil exactly what is the issue and where is the lack of action. When I have assembled that I will be in a position to see whether or not I will pursue a full inquiry or whether there is some other way of resolving the issue.

It is extremely complex, as you know, because it involves the commonwealth and there are some issues around federal legislation as well as our own. So I just want to make sure I really have my head across all of that because it is such a significant issue. It certainly does affect some rare and endangered species and I think as a society that that has to be one of the things on top of my agenda that I really will be looking at; in fact it was one of the first issues I looked at.

THE CHAIR: Thank you.

DR FOSKEY: As one of the people who has written to you, asking you to have a look at it from another angle, from the grasslands angle—rather than from a kangaroo angle—given that that is the threatened habitat, I am pleased to hear that. It sounds like things might move ahead. However, to do that inquiry as well as any other of the functions of the office, you will need resources, and every annual report we have had since I have been in this place has referred to an inadequacy of resources. Can you assure us that you believe the office will be resourced adequately, both to meet the statutory functions and to take initiatives such as that?

Dr Cooper: Two things: I am yet to receive your letter, so I look forward to that, and on the second one that is actually an issue with the government at the moment. I am

aware the processes are being gone through and I would hope I could look forward to the future with optimism on that because the role has been expanded. There is a commitment to that office and we will wait and see what resourcing comes forth.

MS PORTER: Dr Cooper, you mentioned weeds quite a while ago when you were talking about the alpine bogs, and I notice that page 14 talks about the weed strategy. I was wondering whether or not the weeds will become a continuum in your opinion and whether you think we need maybe further long-term examination of weeds, given that they could be a bigger problem during a drought period. I am not sure whether that would be something we would need to keep a closer eye on.

Dr Cooper: I think generally because of the whole impact of humans on the environment you have got to keep watch over those kinds of issues, but particularly it is going to be important I think when adapting to climate change. We are not sure whether that will actually foster weeds occurring at times of the year when previously they did not or whether they will become more abundant. So I most certainly think they are incredibly important because obviously they eat up the natural ecosystems. So, yes, I will certainly have an eye over issues like that.

DR FOSKEY: Page 14 talks about the state of the environment recommendations and says that the weed strategy is ongoing “but no further annual report update required”. Given the concern that you just expressed in relation to Ms Porter’s question and also that we are still waiting for the final draft of that weed strategy, would the commissioner see some value in taking a role in ensuring that the final strategy is appropriate and that it is properly implemented?

Dr Cooper: Can I just say what I will do on that, having heard the conversation here. I will take it on board and speak with the group to follow on some of the work my colleague did and to check on the status of where that is at. It is the kind of thing that obviously would be reported on every three years at least in the state of the environment report, so I will have a look and see what I think on that issue.

THE CHAIR: As there are no further questions for our witnesses, I thank you very much for coming in this afternoon to the committee’s inquiry. And once again, Dr Cooper, congratulations. We look forward to seeing you in the near future.

Dr Cooper: Thank you.

Short adjournment.

Appearances:

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

Chief Minister's Department

Cappie-Wood, Mr Andrew, Chief Executive

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

Land Development Agency

Morison, Ms Jennifer, Deputy Chair, LDA Board

Robertson, Mr John, Acting Chief Executive Officer

Ryan, Mr Gerry, General Manager, Finance

Territory and Municipal Services

Zissler, Mr Mike, Chief Executive

Tardif, Mr Phillip, Executive Director, Office of the Chief Executive, Government Policy and Legislative Coordination

McNulty, Mr Hamish, Executive Director, Environment and Recreation

Ottesen, Mr Peter, Director, Environment and Recreation, Sustainability Policy and Programs

Neil, Mr Bob, Director, Environment and Recreation, Environment Protection and Heritage

Butt, Mr David, Director, Environment and Recreation, Energy and Water Policy

Watkinson, Mr Russell, Director, Environment and Recreation, Parks, Conservation and Lands

Kiemann, Ms Susanna, Director, Office of the Chief Executive, Strategic Finance

Churchward, Ms Nina, Director, Office of the Chief Executive, Strategic Human Resources

THE CHAIR: Good afternoon, minister, and Mr Cappie-Wood and Mr Robertson. Welcome to the planning and environment committee's annual reports hearings. We have you listed this afternoon from 2.30 to 3.15 pm with the Land Development Agency, then we have an afternoon tea break until 3.30 pm, and then we have you back again from 3.30 to 4.00 pm. You may be aware of the privileges statement in front of you, but if you are not I will read it to you.

The committee has authorised the recording, broadcasting and rebroadcasting of these proceedings in accordance with the rules contained in the resolution agreed by the Assembly on 7 March 2002 concerning the broadcasting of Assembly and committee proceedings. Before the committee commences taking evidence, let me place on the record that all witnesses are protected by parliamentary privilege with respect to submissions made to the committee in evidence given before it. Parliamentary privilege means special rights and immunities attach to parliament, its members and others necessary to the discharge of functions of the Assembly without obstruction and without fear of prosecution.

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

A few housekeeping matters: if witnesses in the gallery or visitors have mobile phones, could they please switch them off. If witnesses could address the committee directly into the microphones for Hansard and also let us know their name and position when they make their address. Minister, would you like to make an opening statement?

Mr Stanhope: Thank you, Mr Chairman. I have no specific opening statement other than to indicate that Mr Andrew Cappie-Wood, the Chief Executive of the Chief Minister's Department, and Mr David Dawes, the Deputy Chief Executive, stand ready to answer questions relevant to Chief Minister's as the agency with responsibility for advising me on issues around strategic land supply, and the agency through whom the LDA reports to me. Mr John Robertson, the Acting Chief Executive of the Land Development Agency, stands ready to respond to any request for information that members may have of the Land Development Agency specifically. I and Mr Cappie-Wood, Mr Dawes and Mr Robertson stand ready to be of whatever assistance we are able, Mr Chairman.

THE CHAIR: Thank you very much. Chief Minister, I might just start off and just ask for an update on the Kingston foreshore development.

Mr Stanhope: Thank you, Mr Chair. It is certainly a very exciting and very significant development, but I think it would perhaps be most useful if Mr Robertson was perhaps to give you the specifics of progress in relation to advancing this very, very significant development.

Mr Robertson: Thank you. John Robertson, Acting Chief Executive, Land Development Agency. The Kingston foreshore development, as you would be aware, has been underway for quite a number of years. It has been going very successfully. Some of the segments of it, like the First Edition development, have seen very strong market interest. A lot of the development on the foreshore side itself with the harbour works are now well underway. If anyone has walked down through that part of Kingston foreshore they would have seen that as part of that work a silt retention screen has been put into the lake to ensure that the operations that are happening there do not contaminate the broader lake. There are some aerial photographs which we could provide separately that actually show the impact of that in terms of protecting the environment near the Jerrabomberra wetlands.

There have been some other recent events since this committee last met in this context, including the opening of the Stocklands development, which has attracted a lot of interest and, of course, with the glassworks also having been opened as a key component of the cultural precinct.

Mr Stanhope: Perhaps to be more helpful, Mr Chair, there is a whole range of aspects, of course, to the Kingston foreshore. There are the current developments in relation to the harbour itself. There are issues around the development of Kingston foreshore as a cultural and heritage precinct. As Mr Robertson has indicated, the glassworks now are a significant element of that, though there are other elements. Much of the development progresses well. The Stocklands estate, which was opened just quite recently, of course, at this stage is very significant in the context of the future. The plans for Kingston foreshore as a major residential and commercial hub are developing apace and, I believe, very successfully.

There are a number of issues. If the committee were interested I'm sure either Mr Cappie-Wood, Mr Dawes or Mr Robertson will be happy to expand on some of the issues that are of some direct interest—for instance, issues around the potential to relocate the railway station or issues in relation to the electricity substation, which are aspects of the Kingston foreshore which are very much in the thinking of the Land Development Agency and, indeed, the government but in relation to which no real decisions have been made.

Then, of course, there is the associated issue of Eastlake, but depending on the committee's interest, the Kingston foreshore is developing satisfactorily in terms of progress. It is meeting all of the design expectations that we have for this significant future localised developments that Canberra will see. But if there were more specific questions, my colleagues would be more than happy to respond.

Mr Dawes: David Dawes, Deputy Chief Executive, Chief Minister's Department. A number of the unit developments that have been sold are just going through the DA process. We hope to see some more activity there with a number of the units in that section 52, which is in behind where the Meridian development is on Wentworth Avenue. That will be commencing very shortly, so it will just add another aspect. There is some commercial space there as well as some residential units. Some of the premises that front on to Wentworth Avenue, commercial office space, those plans are just going through the system at the present time. But that is very much in the hands of the developers that are progressing those particular developments.

THE CHAIR: My first point of interest—you mentioned it, Chief Minister—is the power substation there. I understand LDA were in negotiations to see what could occur there. I wonder if you could update me there.

Mr Robertson: There certainly have been discussions about the very substantial cost for the relocation of the facility, with some estimates up to as much as \$30 million—I think that is one number that has been suggested. With the location of it, on the boundary of it, it is certainly an issue that needs to be addressed not just for the continued development of Kingston foreshore but also with the Eastlake development which the Chief Minister referred to. And at the moment ACTPLA and the CSIRO are leading some work in relation to that Eastlake precinct, so the discussions about what and where that substation may go are actually caught up in those discussions as well.

Mr Stanhope: I think it is inevitable, Mr Chairman, that the electricity substation will be moved. There is a question of timing. I must say I am not quite up to date in terms

of what an estimated value for the land in current terms might be vis-a-vis the cost of moving the substation, but I believe in relation to the equation the cost of moving plus resale value of the land reclaimed is a positive—would it not be?—but I must say I cannot recall the numbers.

Mr Robertson: That would be my understanding, given some of the recent results with the sale of the First Edition land and others, I don't actually think the numbers have been recalculated. Certainly the results we've been getting with the land sales in relation to First Edition have been twice the estimates from when that project started, so land values are certainly going up quite significantly in that area.

Mr Stanhope: And I think in those discussions Actew has identified other sites within the vicinity that might appropriately be used for a replacement.

THE CHAIR: My other interest in the area was—and you mentioned that too—the railway station itself and the Railway Historical Society. So have negotiations begun with those groups as yet as to planning for the future?

Mr Stanhope: Yes. In relation to the current lease that the Railway Historical Society has, negotiations have just been successfully concluded for an extension of the lease. In relation to the longer term future, discussions have commenced, I think with both LDA and ACTPLA. It might be, in relation to the proposal around the possibility of the potential for a relocation of the Kingston foreshore, that questions might more appropriately be put to ACTPLA than the LDA, I would have thought, at this stage.

I think issues in relation to the railway station and the potential for it to be moved—perhaps located at Fyshwick—are questions that might be addressed to ACTPLA, but we, the government, have indicated an intention certainly to pursue the implications for relocation of the Kingston railway station in the context of existing use, and most particularly the use that you've mentioned, Mr Chair, that of the Railway Historical Society. We are very supportive of the society and their vision, and we are respectful of that. In the context of any plans that might result from a review of the future of the Canberra railway station's current location, it won't be for quite a long time, and the interests of the historical society certainly have been taken into account in our thinking and in our planning.

But we're not even talking about the short term; we're certainly talking about the medium term, and it's an issue that is central to realising the potential of Eastlake, as well as realising the potential of Kingston foreshore.

DR FOSKEY: Given the fact that you say that these actual developments are a few years off, but planning needs to be somewhat sooner than that, I want to ask two questions here; they're both train-related. One is related to the Railway Historical Society, which now believes it has 10 years but it can be moved at any time, which you would understand makes them rather reluctant to invest any more of their very considerable time and money into their precinct where they are now. This is an indication that saying it is a long way off doesn't really solve the Railway Historical Society's problems.

Are the minister and the LDA officials aware that there is a greater trend in cities to

integrate public transport more into the city rather than pushing it out to the edge? So far the only indication in the Eastlake proposal is people considering that area near Newcastle Street. In fact, if we are really going to become a sustainable transport society we might look at extending the railway further into the city or at other ways of making it a place of appeal, as in so many other cities.

Mr Stanhope: I might defer to Mr Dawes, but just initially, Dr Foskey, I understand the point that you make. I think it is well made around any organisation that is occupying any land in relation to which a government has identified a future potential alternative use. I can understand the frustration and the difficulty. It is an issue that we face with rural lessees. It is an issue we currently face with a number of rural lessees who have been farming land in areas now designated as future urban residential development within the Molonglo Valley. It is exactly the same issue.

It is an issue we face constantly—regularly—throughout the whole of Canberra. There are a range of short-term leases generally, in relation to which there are withdrawal clauses quite specifically and deliberately arranged in the knowledge and the expectation that land that has been put out for lease on a short-term or medium-term temporary basis has been identified actually almost since the conception of the territory for alternative uses as a growing, expanding community.

It is a tension and it is always regrettable. It is a tension that works adversely for some, but I think in the context of overall planning, the planning regime, it is understood. The leases are short. They are almost invariably short-term leases with a withdrawal clause and there is an explicit understanding in almost every case that the reason that this is a short-term lease, the reason this lease contains a withdrawal clause, is because the government is signalling to you that it may require this land for some other purpose at some time within the time frame of the lease. It is frustrating and it is difficult, but it is essentially a history of the development of Canberra; it is a history that has been part and parcel of the growth of Canberra since ever I have lived here.

So that is my response to the frustration. We are conscious of it. We consult and negotiate with the Railway Historical Society around their frustration and their use of that particular site. But we have been open about it. We are openly signalling—openly signalling—that the government believes that there may be essentially an alternative priority for this particular site.

In the context of whether the railway station should move, similarly the point that you make is well made. I understand that Walter Burley Griffin initially envisaged the Canberra railway station being in Civic. In fact the development stopped at Kingston. But Walter Burley Griffin initially imagined back in 1914 or 1915 that the railway station would in fact be in the heart of Civic.

So while there is a legitimate point to be made about where it should be and whether we should be integrating rail, I think maybe we have developed to a point where that is not a real consideration. Then there is, of course, a real issue around whether we should relocate it further out, at Fyshwick, which I think would be somewhere in the order of a kilometre or so only. In the context of modern day transportation the car et cetera, I am not quite sure whether an extra kilometre for a railway station—

DR FOSKEY: Three, at least three and maybe five, I reckon.

Mr Stanhope: Straight down the line—do you think? I was guessing. I would be surprised if the Kingston railway station in a straight line, which a railway line is, would be three to five kilometres, but you may be right. Mr Dawes had something he wished to say.

Mr Dawes: At the present time, it is, as the Chief Minister indicated, a more appropriate question for ACTPLA, because they're in the process of doing the feasibility study on whether it should be relocated. We actually have reserved the site within the EpiCentre site area for a potential railway station, but they are in the process of concluding those discussions as well. And it may move; it may not move. At the end of the day we might just look at how we can reconfigure the yards at the back of it, which is the site where the old sheds are now.

So we are actually looking at a number of different things there, because obviously it was just a railway station; it is not taking up a huge tract of land there, but that is in the process of just being finalised and discussed. But, as I said, we have plan B and we have got a site that we can actually relocate if that is the desired outcome.

THE CHAIR: Mr Seselja?

MR SESELJA: Thank you Chair. Minister, there's been a recent move to move back to englobo land releases. The most significant example, of course, is West Macgregor. Does the agency or your department have an estimate of how much revenue has been forgone by the ACT government in choosing to release it englobo to Mr Wannell, as opposed to developing itself or through a joint venture?

Mr Stanhope: Actually, I must say, Mr Seselja, I do not know the answer to that—whether or not that assessment was undertaken. I do not know whether either the department or the LDA have done a cost comparison. Have we done a comparison? I would imagine perhaps we did, Mr Seselja. Could I just take the question on notice?

THE CHAIR: Certainly.

Mr Stanhope: I would be happy to respond. I must say I do not know from memory whether or not a detailed cost comparison between different methods of release was undertaken but I am more than happy to respond to your question. Let me just say, before I do—

MR SESELJA: Sure, and then I will clarify the question.

Mr Stanhope: I might just say that there is, of course, a bottom-line issue in almost all decisions we take: what is the return to the government; what is the return forgone? It is an issue in relation to a whole range of decisions that the government takes. Of course, in relation to some decisions the government takes, there is, over and above the issue of the return to the government, a range of other side outcomes or policy outcomes that the government seeks to achieve.

In relation to land, of course, there are a range of outcomes the government seeks in

relation to englobo and the decision to provide some land englobo. We were responding to a range of issues, including, of course, the level of pent-up demand. So one can actually do a comparison: “Well, if we release it this way, we can achieve this return, but if we release it in this way, we will achieve this monetary return but we will achieve these other desirable social outcomes.” So I am more than happy to respond to your question on the information that was available at the time and what it was, but I would, of course, put a whole range of clarifying remarks about any answer that I provide, you would understand.

MR SESELJA: I would. I am happy to hear the clarifying remarks and just what analysis was done and what was the result of that analysis. That would be great.

Mr Stanhope: Yes, sure. I will respond fully to that, Mr Seselja.

Mr Seselja: Thank you.

THE CHAIR: Thank you. Ms Porter?

MS PORTER: Thank you, Mr Chairman. Good afternoon, minister. I wanted to ask a question in relation to the new estates out at Gungahlin. Page 39 of the report mentions measures being put in place to reduce water usage when developing new estates. I was wondering if someone would like to make a remark about those measures.

Mr Stanhope: Thank you, Ms Porter. Indeed, issues around water-sensitive design in relation to all greenfields estates now are of significant importance. I commend the LDA for some of the absolutely fantastic outcomes that have been achieved in relation to design around water and its preservation. I will defer to Mr Robertson in relation to the detail of the work that the LDA has done, but I think some of the outcomes have been quite magnificent in terms of the urban amenity, let alone in the context of the achievements in relation to water conservation.

Mr Robertson: Ms Porter, I will deal with the question. The LDA is very conscious of its responsibilities in the current environment where we have got water restrictions that are facing the whole territory. Also, the land development activities need to ensure that the amenity of people who are in the surrounding areas are not adversely impacted with dust and wind issues and things like that. One key thing that is driving the LDA’s activities in these areas is to ensure that we are fully complying with the water restrictions in force at any particular time.

The LDA has been undertaking a lot of activities to ensure that it does things to reduce water usage in its estates. Some of those things include installing underground watering systems which use 50 per cent less water than if you are doing above-surface watering, and we have seen some examples of that. That is not just in the direct activities that the LDA is doing but also in things like up in Forde, the arrangements with the joint venture partners, where there is an emphasis on underground watering. We are also keen to minimise the use of potable water, so some of the water quality control ponds and stormwater run-off and so on are used to the extent possible where that is available.

In circumstances where the water quality control ponds are not close nearby, we are actually looking at what we need to do. In some areas where the development conditions require that areas be revegetated or grassed, we are looking at the timing of that in cases where, because of the drought conditions, water usage would be such that it would not be sensible to do it now. We are looking at other ways of stabilising the surface and stabilising those areas, including using some bitumen-based products which will effectively hold the soil in place until such time as weather conditions change and climate conditions improve through rain and we are actually able to come in and plant the native grasses or whatever else has been put in. Certainly, there are a lot of use native grasses too which consume a lot less water.

Also in those areas where we are not able to do what we might do if there had been a lot more rainfall and soil conditions were a lot moister, erosion control measures will be put in place to ensure that there is no undue erosion run-off into Ginninderra Creek and other places.

THE CHAIR: Dr Foskey?

DR FOSKEY: It is a related matter. On pages 11 and 15, you talk about the affordable housing projects in Franklin and Dunlop. Of course, affordability goes beyond the price of building a house and buying the land; it means the running of the place as well. I am just wondering whether the sorts of measures to reduce water use that are boasted about in Forde—I am not sure whether it has got energy efficiency as one of its aims—are going to be taken in Franklin and Dunlop so that all those houses can continue to be affordable beyond the purchase.

Mr Robertson: In relation to some of those suburbs, a lot of the individual blocks of land are being sold to private individuals and to builders, so the LDA will not particularly have a lot of control over what is put in place, other than what might be specified in conditions for that particular development precinct. Some of those issues come to the planning controls that ACTPLA actually administer. In the context of some specific measures in Forde, if you would like some more information on that, I could ask my colleague Mr Ryan, who has been involved with the administration of the joint venture.

DR FOSKEY: I am aware of the water initiatives, but I have not actually heard a lot about energy initiatives.

Mr Robertson: If I could just add to that, one of the things that we are doing—the LDA have been quite proactive through both the Forde joint venture and some of the other estates in Franklin as well as we move through into Dunlop—is working with the industry. I think it is fair to say, Dr Foskey, that the industry sometimes is not as progressive as it could be. Today, people are far more interested in and far more proactive about energy use in general, water use and all of that. One of the key things in discussions that I have had with the industry is that when you look at affordable housing as well, it is not a matter of getting the product down in price. As you point out, it is a matter of the upkeep and the running of that particular home. So we are working very proactively with the industry to ensure that these outcomes are going to be sustainable for the longer term.

I think when we look at moving forward with some of the very good work that the LDA have done, when we refer to compact code and some of the smaller homes, it is the way that they will be sited and have a minimal impact on energy use. Over the long haul, I think we will see some improvements.

If you look at that Forde display, a number of the builders there have actually been a bit more innovative in producing the homes to ensure that they capture northern use. I think when you look at Forde in particular and when you look at the grid patterns there as well, a lot of those homes have been sited specifically to ensure that they do use some of the natural elements there. I think it is moving forward in a number of the estates. I think the buyer is more conscious today, so I think that is certainly driving the demand.

DR FOSKEY: It does not look like it out there.

Mr Dawes: Sorry?

DR FOSKEY: There still seem to be many houses that are not sited to take advantage of solar access and so on, so I think I feel that a little more might be needed.

Mr Dawes: I agree with you wholeheartedly. That's something that we are endeavouring to do and work proactively with both the major industry associations.

Mr Robertson: Certainly, in relation to the Housing Industry Association, the GreenSmart display village was opened at Forde recently. The LDA is a joint venture partner. The HIA have put that display village in place. It picks up all of the issues that David mentioned, including the orientation of the windows, the flow-through ventilation and a whole lot of things. It is the first GreenSmart display village in the ACT. We are hoping, through measures like that and other things that we're doing, to improve outcomes on the ground, partly because when people see some of these innovative ideas, to the extent that they are able to in discussions with their builders, they will adopt them.

The other thing that we're doing, of course, is always looking to ensure that we're not complacent about our approaches; that we're actually looking at improved ways of doing it. We are having discussions with a range of people, including local commentators. There was an item on *Stateline* the other evening involving Derek Wrigley. The week or so before that he had been having discussions with us, talking about some of the orientation issues. And we're certainly doing a bit of an audit on the outcomes. We've just commenced an audit on the outcome of one of our estate developments, looking at some alternative ideas that Mr Wrigley has proposed. So we're certainly looking to maximise the understanding in these areas and therefore minimise the environmental impacts of the future developments where that is possible.

THE CHAIR: Could I just ask witnesses to remind Hansard of their names if there are two people answering the question. Mr Seselja.

MR SESELJA: Thank you, chair. A few questions around Woden East, if I may, minister. Firstly, when is the development likely to be completed and how much of the site at this stage will be residential and how much will be commercial space, and

what type of commercial space are we talking about within that?

Mr Stanhope: Thank you, Mr Seselja. I must say that I do not have that detail, Mr Seselja, but I'm sure the LDA either have it or can certainly obtain it.

Mr Robertson: As you may appreciate, I am relatively recently arrived at the LDA but I would not like to potentially mislead the committee by misquoting one or two of the numbers in terms of the square metres of commercial space and residential. So what I'd like to do is take that on notice, with the Chief Minister's agreement, and just provide that detail.

MR SESELJA: Okay, if you could take that on notice.

Mr Stanhope: And you asked for times and time lines too.

MR SESELJA: Time line, how much will be residential, how much commercial. You may be able to answer this one now. Is the commercial to be offices or is it other types or is it a mix of commercial use you're expecting? And if you are able to answer some of that now and maybe take some of the detail of that breakdown on notice—

Mr Robertson: My understanding was it would be a mix of commercial uses.

MR SESELJA: So different types of commercial uses. So including office or—

Mr Robertson: Yes. I believe there would be some office development as well as some retail, including some things because there are quite a number of residences in that precinct, so there will be a mix of uses.

MR SESELJA: Okay. If you could get us that detailed breakdown of those different types of uses, that would be quite useful, thank you.

THE CHAIR: Ms Porter.

MS PORTER: Thank you. I was wondering about the water-sensitive design of that area. Do you have any particulars about that? Are the same sorts of principles being applied to that area as well?

Mr Stanhope: At Woden?

MS PORTER: At Woden.

Mr Robertson: Certainly in relation to that development it's actually a joint venture between the LDA and Hindmarsh, and in that—

MS PORTER: Mr Seselja has told me they are doing a pond.

Mr Stanhope: Yes.

MR SESELJA: They're turning it into a pond instead of a drain.

Mr Stanhope: In terms of time lines, Mr Seselja, I understand there is some ongoing issue in relation to the design around the pond in the context of flood and flood capacity in relation to the pond et cetera. I have just had a conversation, almost anecdotally, around some of the planning and the flood level capacity of the pond. It is a very significant stream. I think it is at the head of Yarralumla Creek. It is very significant and there are significant issues in relation to that pond.

Mr Robertson: Certainly as the development approvals process proceeds there will be discussions about that with ACTPLA because it's not the regular rains we need to worry about, it's the one in 100 year floods.

MS PORTER: Yes.

MR SESELJA: Sorry, there was one question I forgot. Sorry, were you finished with water?

MS PORTER: Yes, thank you.

MR SESELJA: My apologies. There is one question I neglected to ask in relation to Woden East. I think you will need to take this one on notice as well: the expected return differential between the residential space and the commercial space that will be part of the development.

Mr Stanhope: All right.

DR FOSKEY: Yes, can I ask a question?

THE CHAIR: Yes, Dr Foskey.

DR FOSKEY: It's a bit of a follow-up to an earlier question. It is in regard to ecologically sustainable development, which is at page 39 of your report. You indicate a number of projects and initiatives that could be classified as ecologically sustainable development. Is there ongoing expertise within LDA? For instance, is there someone with the appropriate environmental accounting expertise to assign values to and assess what often turn out to be conflicting priorities? For instance, I don't know if LDA is involved with ACTPLA in the Molonglo Valley but we know there is a discussion there at the moment about whether to have a lake on the river—a dam, basically—or whether to have a chain of ponds or maintain it as a river as such. So what I am wondering about is: does the LDA have people that can bring these perspectives to all your work?

Mr Robertson: The LDA has a range of staff with a wide range of skills and experience but also we extensively use outside expertise where we need that to supplement the work that we're doing. We're actually in the process of, in relation to these issues, working to have a framework so we've actually got a way of measuring our performance on a range of the environmental issues. Obviously they will bring greater understanding, as we're doing the developments, of the issues that we need to address. That work will proceed over the next number of months, and, as part of that, clearly expertise in the LDA staff working on that project will increase. A lot of the LDA staff have been involved, not just in the LDA but in the private sector, in land

and planning issues for a long time, so I guess individuals have particular expertise in those matters.

DR FOSKEY: Good.

Mr Stanhope: It would be fair to say, too, would it not, Mr Robertson, that the LDA doesn't operate in isolation of ACTPLA or of Environment ACT or of Heritage ACT in relation to its work.

Mr Robertson: Yes. The LDA, of course, is a government agency but it is one of a number that have responsibilities in these areas, so certainly in the concept plans for new estate development, development approvals and conditions that go in, there's close engagement. That's actually facilitated by the fact that quite a number of the LDA staff were previously working on almost the other side of the fence in the sense of the approval roles in ACTPLA, so they have a good understanding of what is required. Similarly with the various parts of Territory and Municipal Services with respect to a lot of the direct environmental responsibilities, as well as, obviously, the Chief Minister's Department and the different groups there, so none of these things are done by the LDA in isolation.

DR FOSKEY: If there are some people in the LDA with specific environmental accounting qualifications, I would like to speak to them. Can you identify them for me and perhaps arrange that?

Mr Robertson: In terms of some of the accounting issues, we've also people who have expertise out of parts of Treasury and have been involved in reviewing projects over time. So what I think we're happy to do, with the Chief Minister's agreement, is to arrange a briefing for Dr Foskey to talk through some of those issues.

DR FOSKEY: I think that would be excellent. Thank you.

Mr Stanhope: That would be fine.

THE CHAIR: Further questions, members?

MR SESELJA: Thank you, chair. Minister, page 30 of the report shows that Vogue Constructions were paid \$640,000 for the construction of a sales office. Are you able to tell us whether that was just for one sales office or if it was for more than one?

Mr Stanhope: Which one is this?

MR SESELJA: Page 30, Vogue Constructions.

Mr Stanhope: Vogue Constructions.

MR SESELJA: That's right; third from the bottom, \$640,877.

Mr Stanhope: I do not have the detail and I do not know whether Mr Robertson has it here but we are more than happy to provide that information.

Mr Robertson: Mr Seselja, that was for the construction of the Harrison display village.

MR SESELJA: A display home?

Mr Robertson: Sorry, the display village sales office.

MR SESELJA: So for one sales office it was \$640,000, is that correct?

Mr Dawes: What we need to remember is that this particular display home is being used as a sales office for the LDA. On conclusion of that display village it will be sold. So rather than having temporary accommodation, this is a property that can be—

MR SESELJA: So it is currently a sales office and then it becomes a display home or it just—

Mr Dawes: Currently, my understanding is that it is a display home which is being used as a sales office, which tends to be the trend in a lot of these display villages these days.

MR SESELJA: \$640,000 is pretty high for a sales office.

Mr Dawes: But the thing is you would not build a shed; you would actually build a house. It has to fit in with the streetscape and the intent of that particular display village, and it is an investment in the longer term.

Mr Robertson: But it is also more than you might spend perhaps on an equivalent house because of the other facilities you need in there in terms of parents and carers rooms because you've got members of the public and others coming in. It is hard to do a like for like but it is effectively a public access facility and you need those other amenities for visitors, particularly as we would expect that parents with children would be visitors to the office and the displays that are there.

MR SESELJA: How many square metres is this sales office?

Mr Robertson: I am sorry; I'll have to take it on notice.

MR SESELJA: In the past when we have asked about sales offices we have had differentiated figures between the cost of the sales office and the associated landscaping. Does that include the landscaping costs in this case, and, if not, how much extra was for landscaping?

Mr Robertson: I will take that on notice as well.

THE CHAIR: We might take this opportunity to go to the afternoon tea break, so we will return at 3.30 pm with further questions for the minister and the LDA. Thank you.

Short adjournment.

THE CHAIR: We will reopen the inquiry into annual financial reports and the Land

Development Agency. Minister, I might just ask a question on land release. Page 17 of the report says that by 30 June this year some 2,200 dwelling sites will have been released to meet market demand. There was an article in the *Canberra Times* on Monday saying that the housing crisis in Canberra is worsening and there is not enough supply. You indicated there that there was to be a further release of land in the coming year but the *Canberra Times* article indicated that this does not address the issue of construction and that construction is in decline. Is there anything that LDA can do to try and get construction moving?

Mr Stanhope: I think it is best if I ask Mr Dawes in the first instance to respond to issues around land supply, the strategies that have been put in place and the numbers of blocks that we have now committed to release, where and how. There are always issues and it is quite complicated in relation to the difference between just a bald announcement that the government will be releasing so much land for so many blocks and then, of course, the complicater and the difficulty sometimes in conversation is around the stage at which that land becomes ready for the builder to move on to. It complicates the mathematics and the conversation.

I would be happy for Mr Dawes to go through the decisions that have been taken to date and where we are at. I might mention the enormous effort that has been put in to fast-track approvals and processes to develop and release estate development plans, to get appropriate planning approvals, to get the infrastructure underway. We are putting in a most enormous effort, but I will defer to Mr Dawes for the detail of the steps we have taken and the decisions that we have taken and the fact that these issues are under constant review.

Mr Dawes: We have done quite a bit of work on the land release program. If you recall, in the statement of intent initially the LDA had 2,200 blocks to be released in the 2007-08 financial year. As a response to the federal government's budget, the government then took a decision to increase that supply by 1,000 blocks this particular year, hence we have 3,200 blocks in supply to supply to the market.

MR SESELJA: Mr Dawes, can I just cut you off there and ask a question in relation to that? When you say 3,200 during the year, how many of those would be available now broadly if a builder wanted to seek a block either directly from the LDA or from a developer that has bought from the LDA? How many would be available now?

Mr Dawes: Can I just backtrack a bit—

MR SESELJA: Sure.

Mr Dawes: and I will certainly be able to answer your question. I think one of the things that we have got to remember is the announcements that were made by the commonwealth last year and earlier this year to increase the number of public servants. I think the government has been on the record as saying that it has caught us a little by surprise. We are endeavouring to catch up. One of the things that we have done is increasing the supply of land to the market moving forward. If you are asking, "Can a builder buy a block of land today to build a house on today?" the answer is no. I think that is the long and the short of it.

We are catching up. We are conscious that we have to increase supply to get the supply right. When we launched the affordable housing package I remember the Chief Minister and me saying, “It is going to take us a little while to catch up with that particular supply.” We are endeavouring to do that. A lot of work has been done over the last couple of months. We now have a five-year land supply strategy that the government is in the process of reviewing so we will be able to look at increasing the supply of land as and when required.

From my involvement within the building and construction industry for a long period of time, may I say that this is the area where I think we have been caught short over the last 10 years, and, no matter which government was in place at the time, we have not had the land sitting on the shelf that we can respond to the market. There has been a very conscious effort over the course of the last six months to ensure that we do have that in place, that planning is in place, and we are moving towards having approved EDPs, estate development plans, sitting on the shelf so that we can respond to the market so we will not be caught short again.

It will take us a while to catch up. The builders are aware of that. I am meeting with them on a regular basis to monitor the supply. We know that the inquiries in the display villages both at Forde and at Franklin are very strong. When we look at what Forde are doing, they have lodged an estate development plan for the rest of their estate—604 blocks. That is probably the largest estate plan that has been lodged with ACTPLA for some years and they are getting that approved in one go. Franklin 2, which will be the ballots for that particular part of the estate, will commence to be sold in November. That is 400 blocks. Franklin 3 is of a similar size and is in the process of going through the system. As a response to that to increase the supply already we have advertised Casey. We expect to have about 750 blocks in that and that goes to the market later in the year as well.

What we have got to also understand with the supply of land, and one of the things that I am very conscious of as well, is that just as easily as we can have an undersupply we can have an oversupply of land and we need to really put some strong checking mechanisms in there to ensure that we do not have an oversupply. We also need to take in context Crace, which, as you know, was advertised as a joint venture by the government. I believe we will see a resolution of that in the coming months as well as we finalise a joint venture partner for that. And that will yield another 1,200 blocks. So when you look at what is there in the pipeline as well as far as blocks are concerned I think we will be able to satisfy that demand. But it is going to take us a little while to catch up.

Mr Robertson: Just to supplement Mr Dawes’s comments, if a builder wanted to buy a block of land today they could go out to the LDA offices, and we have 80 blocks available over the counter. They are at Dunlop. Some of those were auctioned a few months ago and they were not actually purchased at the time. There is a choice of about 80. I will not say exactly 80; hopefully people came in this afternoon and bought some more.

MR SESELJA: And what about individual purchasers?

Mr Robertson: Yes, builders, private citizens, anyone. Anyone that wants a block of

land can go out to the LDA offices and there are 80 to choose from at the moment.

Mr Dawes: Just in relation to that, one of the paths we are moving toward is ensuring that we have land available over the counter. I think it is fair to say that we all know that we have enough supply. When new residents come to Canberra and they want to buy a block of land—or any young couple that wish to buy a block of land—they can walk into the LDA and say, “What land do we have available?” That is the end objective and we are working towards that. I would not like to put a time frame on it because obviously there is a lot of heat in the market at the moment. But that is where we are heading to, to ensure that we have enough supply of land.

Mr Robertson: The other item, Mr Seselja, is that I am expecting that at the LDA’s board meeting next week it will consider the proposals for the joint venture partner for Crace. Mr Dawes indicated that that would be happening some time in the near future. I am expecting that perhaps by the end of next week we will have a decision on the joint venture partner for Crace and that was the 1,200 blocks that Mr Dawes referred to.

MR SESELJA: I have a few questions about the QEII sale. Minister, when was the decision taken to dispose of QEII by using the EOI process, which I think closed in early 2005, around Gungahlin business park?

Mr Stanhope: I must say I would have to take that on notice. But Mr Robertson might be—

Mr Robertson: Before I go to the specific details about the timing of QEII, it is worth just addressing the expression of interest process. It was January 2005 when the LDA sought expressions of interest. There has been some comment in the media that that was a process focused solely on Gungahlin and there have been some suggestions that it was improper to actually use that for a site in Civic.

As I noted earlier, I have been a recent arrival to the LDA so I had not been involved in the prior history. Given some of the public comments, I would have shared the concerns if the public commentary had been correct, but I have had a detailed look at the expression of interest document and it is very clear throughout that document that this was not just about Gungahlin but about a number of sites. There were specific mentions of the Gungahlin town centre but then it went on very clearly to talk about the fact that there were other commercial development opportunities that might be pursued using this arrangement. I think the large number of responses that the LDA had to the first round of that expression of interest process showed that a lot of firms understood that it was not just about Gungahlin at the time.

I am happy to ask the Chief Minister if he would be happy to provide a copy of that expression of interest document to the committee, or if the committee would prefer it to help the discussion at the moment I am happy to read into *Hansard* some of the key extracts of that expression of interest process that made it very clear that—

MR SESELJA: I am interested in the question of when the decision was taken, subsequent obviously to that, to attach or to dispose of the QEII site using that process that had—

Mr Robertson: All right, okay.

Mr Stanhope: On the basis of the technical issue, I will arrange for Mr Robertson to table that document for the information of the committee, but Mr Robertson could just answer the specific question that Mr Seselja asked.

Mr Robertson: Sure. Coming back to the specifics, what happened was that in early 2006, February 2006, the LDA responded to a commonwealth government process seeking leased office accommodation in Civic. Then in March 2006 LDA was advised by DEST, the Department of Education, Science and Training, that the LDA had been short-listed for that tender process. So it was really early in 2006 that the decision, as part of responding to the expression of interest, that that was the site that met the requirements that DEST were putting on the table, that the QEII site was the site held by the LDA which would be appropriate to put into that process.

MR SESELJA: So in March 2006 then—

Mr Robertson: Probably January/February, if it was responded to in February as part of preparing the response.

MR SESELJA: Okay, because last year at the estimates committee in June of 2006 the former minister said that the Land Development Agency was currently exploring a range of ways for the release of QEII. Was that an incorrect statement at the time?

Mr Robertson: I was not actually attending those hearings at the time, but I think that would have been the correct answer at the time because that was one of the options we were pursuing. Given that the LDA was responding to a commonwealth tender process there was no guarantee that we would be successful in that process and, as we have seen, it has taken a long time for that to come to fruition because of the commonwealth processes. Clearly if at any point during that period we had been ruled out of the process we would have needed to have other alternatives for the disposal of that site up our sleeve, so to speak.

MR SESELJA: Minister, on 10 October, after the announcement of the QEII sale you said that if it had been put to auction we would have been lucky to get \$20 million. What are you basing that on? Was it based on a valuation or some other process?

Mr Stanhope: It was based on advice and I believe the advice was based on a valuation. The LDA undertook a valuation which, I think, subject to issues around commercial-in-confidence, we would be able to release, wouldn't we, Mr Robertson?

Mr Robertson: I think some of the valuation would go to the methodology used by the valuers, so certainly the executive summary of that you could probably provide to the committee. That is the right order of magnitude—in terms of about \$20 million was the valuation.

MR SESELJA: Outside of the process that was pursued with—was it DEST and Walker Corp—were there any other offers for the purchase of the QEII site?

Mr Robertson: I understand that there were some other approaches—there is at least one that I am specifically aware of—by a firm that did not respond to the expression of interest process. Having seen the documentation, the letters and correspondence around their offer, it was very clear that what they were offering was a figure which is less than the LDA has realised from the Walker Corporation deal and the conditions and site constraints that were on the offer from the organisation that had not participated in it—the 2005 EOI process—were not dissimilar from the conditions we had with Walker. So part of the offer price did involve a pre-commitment from the commonwealth tenant and the other items which were embodied in the DEST process.

Mr Dawes: Can I just add to that as well. I think probably part of the question was: was there only one respondent? I think it is fair to say that the LDA went out with an expression of interest for that particular, I suppose, deal, there on the QEII site and there were a number of respondents that put in a tendered price. So I think there was an expression of interest out to the group of people that had been short-listed for that EOI process and then Walker Corporation was selected from that particular panel as being the most appropriate organisation to go with.

MR SESELJA: One of those offers was for \$20 million, I understand, without a pre-commitment and for around \$38 million with the pre-commitment. That was separate to the EOI process?

Mr Dawes: That is correct, yes.

Mr Stanhope: It was essentially a request for a direct grant and, in the face of a competitive process pursued through an expression of interest that was currently underway, the government had no reason to respond to a request for a direct grant for this particular block outside the scope of a public, transparent, competitive process.

Mr Dawes: Yes, I might have misled you there, Mr Seselja. Did you say that the 38 was without a pre-commitment or—

MR SESELJA: No, no. I understand the 38 was with a pre-commitment and the 20 was without.

Mr Dawes: I apologise. I was just checking the numbers of the people that the LDA actually went out to and from the expression of interest process in 2005 there were nine firms that were effectively short-listed as a part of the broader panel and when the DEST arrangement came along we went out to six of those firms. Three of them were conflicted out because of their involvement with the DEST side of the deal was my understanding of what happened at the time.

MR SESELJA: I am just wondering how you can be confident that this is the best price when 12 months ago or more someone was prepared in a non-competitive process without other bidders up against them to offer \$38 million with a pre-commitment and \$20 million without a pre-commitment. I would have thought that if someone was prepared to make that offer cold without other bidders in the room they would be prepared to offer more. So it would suggest that the \$39 million-odd you got 12 months later is perhaps not such a good price.

Mr Robertson: I was not involved in the discussions at the time. But my understanding was that that was not their first offer cold; they actually had a substantially lower second offer and then came back with that offer which was still below the figure that was on the table from Walker Corporation.

MR SESELJA: But the \$38 million that they offered; they did indicate in that letter that they would be potentially prepared to pay more than that as well, didn't they?

Mr Robertson: I was not party to the direct discussions, but from my reading of the documentation the figure that they offered was \$38 million with the conditions that we already had a higher number on the table for—

Mr Dawes: I think we also need to remember that this process was a commonwealth process. The commonwealth actually put out an expression of interest. How can you go to the market with that option prior to being short-listed? The appropriate method was conducted. There was an expressions of interest call for DEST. The LDA responded. That was chosen as a preferred site after that particular commonwealth request, then the LDA went out as an expression of interest to the nine respondents of the earlier expressions of interest. All the people had the option to put an expression of interest in. Some firms chose not to participate as well and, as the Chief Minister pointed out, their offer for that particular site came in some 12 months after the expressions of interest closed for a direct sale.

MR SESELJA: But the expressions of interest did not, obviously, specifically refer to QEII, so people interested in that site would not have necessarily known that that EOI process was going to be used for the disposal?

Mr Dawes: But the expression of interest was actually out there for people to look at the Gungahlin business park or whatever opportunities presented. They chose not to be a part of that process.

MR SMYTH: But how would you associate QEII with the Gungahlin business park if it was not advertised?

Mr Dawes: It was not actually associated. I think if you read out that reference, John, that will—

Mr Robertson: Mr Smyth, it has already been agreed that this expression of interest document will be tabled rather than repeating some of the earlier discussion, but what it did say—and this is an extract from the introductory part of the document—was:

This EOI is seeking responses from the development sector keen to cooperate with LDA in what will be an exciting opportunity to advance the design and construction of commercial and mixed use developments within Canberra.

The current priority of LDA is to seek private sector participation in commercial development projects, with a particular focus on the Gungahlin Town Centre. However, other opportunities may be pursued as appropriate to assist in achieving a range of economic, design and commercial objectives

It then goes on in later parts. On the following page there is then a section on

Gungahlin town centre, a couple of paragraphs, and then in a much longer section headed “commercial development objectives”:

In addition to the Gungahlin Town Centre, LDA has other land under its control for which it may also seek to pursue commercial development opportunities. In pursuing these opportunities, the Agency would be seeking participation of the private sector, to assist in the delivery of a number of key objectives including:
...

Rather than take up more of the committee’s time, it is very apparent from the documents. What I mentioned, Mr Smyth, was that there were the press reports in the *Canberra Times* recently, after the announcements around QEII, and a suggestion that there had been a use of a process that was solely focused on Gungahlin for development in other places and questioning some of that. I would have been as concerned as others if that had been the case. But, given I was new to the LDA and had not been involved in the background, I looked at the documentation and satisfied myself that it was an appropriate process. The expression of interest process was appropriate to be used as the starting point for the disposal of the QEII given that the LDA was responding to a commonwealth tender and it was clear from the documentation and just the volume of responses from the private sector organisations, both within the ACT and more broadly nationally, that those people had not understood this just to be about Gungahlin, and certainly the documentation shows that it was not.

MR SMYTH: All right. Is that a process where you go out broadly on Gungahlin but state that there are other opportunities? Has that process been used before?

Mr Robertson: On the QEII?

MR SMYTH: Yes?

Mr Robertson: My understanding is that there were some other opportunities the LDA was pursuing involving some of the people off that process but I would need to check that with Mr Ryan as I was not here during that period.

MR SESELJA: Is there a reason not to identify some of the high-value sites in a tender like that, to say “Well, we have got sites such as QEII and other prime city real estate for commercial development”? Wouldn’t that add some value or potentially bring in some other tenderers?

Mr Robertson: My understanding of it was that because of the extensive land holdings that the LDA has through the territory it was not a matter of sort of putting in a whole list of all of them. Obviously in tender processes as these processes happen it may be that QEII subsequently might have been disposed of through a different process. Certainly with section 63 a different process has happened there, so we certainly would not want to create an impression in the tender process that particular blocks were ones that would be disposed of by this method. That is my understanding of why there were the general references to other development opportunities many and varied.

In relation to your other question about the use of this process, I will defer to Mr Ryan.

Mr Ryan: Prior to responding to the DEST EOI, the LDA had entered into a process for the Civil Aviation Safety Authority, CASA, the previous year in a similar situation and had chosen a site at Gungahlin to be the site to put forward in that competitive process. We were not successful. That site went to a private development site in Woden and, having gone through that experience, the LDA board decided it would be appropriate to set up a panel for potential development partners to be in place so that the LDA could respond to these opportunities in the future in a much more efficient way.

MR SESELJA: So when was that decision on the panel taken?

Mr Ryan: That was taken after the result of the CASA bid, which was about early 2005.

MR SESELJA: Subsequent to the close of the original EOI?

Mr Ryan: No, the CASA bid.

Mr Stanhope: Before.

Mr Ryan: The answer was early 2005 and then the LDA went out with an expression of interest subsequent to that.

MR SESELJA: Just one final one from me on this: I understand that about a week before the QEII site was finalised the process appeared to have fallen over. Are you able to give us clarification as to whether that was the case, and if so, what was the sticking point and what was needed to resurrect that deal?

Mr Ryan: I am not aware of any process that was falling over. The DEST required to go through some approvals to be able to sign an agreement for lease and that was achieved and consequently, in accordance with the commercial agreements with the Walker Corporation, we were able to exercise the option for on the site.

Mr Robertson: I am assuming that the media comment was based on the fact that the main topic of debate was whether or not the commonwealth election was about to be called. Given that some of the approvals that were needed within the commonwealth agencies, some people were assuming that those approvals would not be achieved before the caretaker period. As it happened, the approvals were obtained and the election was called subsequently. If the election had been called a few weeks or a month earlier perhaps we would still be wondering whether the QEII would happen after the election.

MR SMYTH: Will you use this process of a specific site being advertised plus the general right of the LDA opportunities—will you use that process and that form of advertising again?

Mr Robertson: Certainly what I will be discussing with the board is that this process was put in place in 2005—nearly three years ago—so in terms of refreshing the panel and the arrangements that is something that we will need to consider. If other

opportunities come up—if when the result of the federal election is known there are other departments or others putting out expressions of interest which they have been holding off until after the election, we would use this current process because I assume we would not have time to go and put another, refreshed panel in place. But, given the nature of the firms that are on the existing panel, I would assume that if we run another process a number of those would, no doubt, be on the panel again.

MR SMYTH: No, no, it is not particularly that. In the second piece that you read out you said “opportunity in Gungahlin business park” and then that “LDA has other opportunities if you want to talk to us about them”. Will you be that broad in your advertising again, given that it seems to have led to some confusion out in the marketplace or in a feeling of exclusion by some?

Mr Robertson: Certainly we would seek to ensure that there was not scope a couple of years down the track for people to suggest that it had not been intended to be broadly covered, but I think that rather than naming individual sites we would probably be naming all the town centres and the regional areas or rural areas of the ACT just to be covered if that was the intent of the panel, just for absolute avoidance of doubt. The ACT is small so it is not like advertising in New South Wales for something anywhere in New South Wales.

Mr Stanhope: Let me just respond to one other question that was asked. It has been confirmed to me that the advice that I received in relation to the valuation was a valuation received by a—if not the—leading licensed valuer in town, Colliers, headed by Paul Powderly, with Jim Shonk as the senior director. Their formal valuation for the LDA was \$14.5 million. That is a Paul Powderly and Jim Shonk valuation of QEII and we relied on that in our response in relation to the value and the valuation and the fact that this represents an absolutely wonderful return for the people of Canberra. As a result of the—

MR SESELJA: But you had an offer subsequent to that valuation, didn't you?

Mr Stanhope: We had a request for a direct grant, yes. But there was no way we would be direct granting a commercial site.

MR SESELJA: Would that not have given you an indication as to what the market was prepared to pay?

Mr Stanhope: The offer, without a pre-commitment, was \$20 million and that is why I have indicated in my responses to this matter that we have received essentially double what the land may have been—

MR SESELJA: So you think that was their top offer, the \$20 million that was—

Mr Stanhope: I do not think it was even a serious or genuine offer, Mr Seselja. It was a stunt and we all know it was a stunt. But when Jim Shonk and Paul Powderly tell me that a block of land is worth \$14.5 million I take that valuation seriously.

MR SMYTH: Did cabinet sign off on this decision?

DR FOSKEY: Excuse me.

Mr Stanhope: No.

THE CHAIR: Dr Foskey has the call.

DR FOSKEY: For the information of *Hansard*, I believe that Zed and Mary cannot be heard very well upstairs on the TV, so maybe the mic needs adjusting. Second, there was just a very brief mention of the EpiCentre sale on page 34 of the report which mentions that the Auditor-General did a report. Although I am aware that all the recommendations that the Auditor-General made in relation to the LDA were rejected, I am just wondering whether, given that a period of time has passed, some of those recommendations might have led to some change in practice. Could you let me know?

Mr Robertson: Certainly in relation to some of the broader things, they might not have been subject to very explicit directions, but processes within the LDA, sales and things even when we are using outside agents, we are making very sure that there is only one source of information. This reflects something that is broader practice now within the ACT government where with contracts and tenders clearly people can rely on things that are published—official websites, official documents—but in tender processes and things it is very important to ensure that people ask consistent questions. It is a key issue of probity as well to ensure that people are getting the same information, and in that context with all of the LDA land sales in recent times there has been that one point of contact, whether it has been an agent or LDA staff through which the inquiries are directed.

MR SMYTH: Just on the EpiCentre, you had a valuation for \$12.5 million, did you not?

Mr Robertson: That is something you will have to ask Mr Ryan. The details of what happened many years ago are not instantly at the front of my mind because I was not there.

DR FOSKEY: 13.5.

MR SMYTH: All right, if he could confirm that, because it sold for three times what the valuation was, didn't it? It sold for \$39 million.

Mr Ryan: Yes, the valuations we received prior to that auction were \$11.5 million and \$13 million. The valuation reports were reviewed in the Auditor-General's report and I think there was some release of those to the Assembly committees before. Particularly the Jones Lang LaSalle report referred specifically to the market interest for this type of release and that in an auction situation prospective purchasers may seek to pay well above that valuation to secure market share. That was flagged in the valuation. However, the valuation methodologies used were as standard in professional valuations, a historical comparison supported by a hypothetical development methodology. Both of those processes were used in the valuations that LDA received and they came up with those figures that I mentioned.

MR SMYTH: All right, and it eventually sold for \$39 million?

Mr Ryan: Yes. Clearly what happened in that instance was what was flagged by the valuers, so it was a competitive situation where prospective purchasers were seeking to secure market share and pay a premium.

MR SMYTH: So in the case of the QEII site you didn't have a competitive process; you had a valuation of \$40.4 million, I think the Chief Minister said. Had that gone to the open market, if there was a competitive situation, given that no land had been released in Civic for a long period of time, what could it potentially have realised?

Mr Ryan: It was a competitive process for that release. In going to the open market LDA would have had to go to the open market without a pre-commitment, as Mr Dawes has mentioned before. Securing a pre-commitment is a commonwealth process run by the commonwealth agencies. LDA merely responded to that. We would not be in a position to go to an auction offering a pre-commitment. Therefore, the valuation of \$14.5 million as referred to was the professional valuers' assessment of what the site would get at auction without a pre-commitment. I think there has been a mention of a direct grant offer made for \$20 million. Clearly without a pre-commitment it is not anything of the order that was achieved by the LDA in the DEST process.

Mr Robertson: And the process was going to the six of the nine short-listed organisations from the expression of interest process and it was those six who had the opportunity to respond with the understanding that there was a possibility of a pre-commitment.

MR SMYTH: Yes. Chief Minister, are you concerned at the level of disquiet in the property community over the process that is involved in the sale of the QEII site?

Mr Stanhope: No, I am not.

MR SMYTH: You're not? You think it is entirely appropriate and above board to conduct it in that way?

Mr Stanhope: Absolutely, and we will do it again.

MR SMYTH: And you will do it again?

Mr Stanhope: Certainly. If occasion requires, we would certainly do it again. I have absolutely no qualms at all about the process. This process, as far as I am concerned, has returned a dividend of a minimum of \$20 million to the people of the ACT and I am not going to apologise for that and I am not going to rule out the possibility of again seeking to return to the people of the ACT top dollar for their resource, their most valuable resource, namely land in the ownership of the ACT government.

We are, as one says, the custodian of this land on behalf of the people of the ACT and it behoves us as circumstances demand to meet a range of policy or potential policy or desired policy outcomes. And one of those, of course, is to return to the people of the ACT, through the sale of their resource, a premium or optimal return. In this particular

instance there is absolutely no doubt that is what the LDA have achieved and they should be congratulated. This is an absolutely outstanding result by the LDA for the people of the ACT. They have returned a premium of a minimum of \$20 million and on the basis of the Jim Shonk and Paul Powderly valuation a premium of \$25 million. I think we should all stop and give a round of applause to the LDA for an absolutely outstanding piece of work. Congratulations, LDA.

THE CHAIR: Well, on that note, we are out of time for this portfolio so I thank officials from the LDA. We will now go on to the Department of Territory and Municipal Services and the Minister for the Environment, Water and Climate Change.

Mr Stanhope: I could just add that that \$25 million has covered half the cost of one year of restoring the 114 beds that the Liberal Party closed in government.

MR STEFANIAK: Not to mention the 200 you closed, Jon.

MR SMYTH: And I could simply add that you are misleading people by using the wrong valuation, Chief Minister.

Mr Stanhope: Where did you get that—

MR STEFANIAK: *Hansard*, mate. Have a look at *Hansard*. I will send you the record.

Mr Stanhope: Send it to me, Bill.

MR STEFANIAK: Yes. Actually, it is in a media release.

Mr Stanhope: What, a Kate Carnell media release, is it?

MR STEFANIAK: No, no, it is in *Hansard*. You can have a look.

Mr Stanhope: Where is the media release, Bill? Whose media release? Kate Carnell put out a media release saying—

MR STEFANIAK: No, Jon. Listen, listen, listen. You have trouble doing that.

Mr Stanhope: I will listen, Bill.

THE CHAIR: Order, members!

Mr Stanhope: No, no, I need this on the record.

MR STEFANIAK: The media release is mine and it refers to a *Hansard* page and I will get you the *Hansard* page

Mr Stanhope: That is on the record.

MR STEFANIAK: It is indeed.

THE CHAIR: Okay, we will move on to the Department of Territory and Municipal Services and the Minister for Environment, Water and Climate Change. I will just read the privilege statement out to departmental officials.

The committee has authorised the recording, broadcasting and rebroadcasting of these proceedings in accordance with the rules contained in the resolution agreed by the Assembly on 7 March 2002 concerning the broadcasting of Assembly and committee proceedings.

Before the committee commences taking evidence, let me place on record that all witnesses are protected by parliamentary privilege with respect to submissions made to the committee in evidence given before it. Parliamentary privilege means special rights and immunities attach to parliament, its members and others, necessary to the discharge of functions of the Assembly without obstruction and without fear of prosecution.

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

Minister, would you like to make an opening statement in this portfolio?

Mr Stanhope: Thank you, chair. I do not have anything specific to say other than that my colleagues, the Chief Executive of Territory and Municipal Services Mr Zissler, Dr Maxine Cooper and Mr McNulty are more than happy to assist the committee in its deliberations.

THE CHAIR: Minister, I have a question just in relation to some of the old forest areas of Stromlo and further down where the trees have been removed following the fire earlier on in 2003. How is the department managing those areas, and do we need to—

Mr Stanhope: These are the burnt-out forests?

THE CHAIR: Yes. And do we need to conduct any interim management control for vegetation in those areas?

Mr Stanhope: I will ask perhaps Mr McNulty to respond to that. Certainly the burnt pine forests, which I think constitute about 10,000 hectares of the area of the ACT that was burnt, do represent very particular management problems or issues for the ACT government in relation to their restoration and rehabilitation. As you would have noticed, in many of those areas there is very, very significant regrowth of pine wildings. It is not something we wish to encourage; they represent of themselves a management problem. As a result of the fire there has been some very vigorous growth of weed, particularly blackberry, and a range of others.

On the positive side, in relation to areas other perhaps than those areas that have been identified as part of the potential new Molonglo, there has been some significant and encouraging regrowth, perhaps of or to a level slightly more significant or impressive than was initially imagined. There are, and continue to be, a range of issues in relation to some of the windrows of old pinus radiata that remain as a result of the topography, the steepness, the difficulty to access, concerns and worries around erosion. These do represent significant issues. Different areas represent different issues, like we have particular issues in relation to the lower Cotter catchment in the context of the need to seek to protect the catchment, the water and inflows. We have taken a range of steps and decisions in relation to management of the lower Cotter and some of the remediation work that we have done there that is particular to that particular area.

But in relation to the detail of areas that were burnt there are significant issues for us, and continuing issues. Dr Cooper might be able to respond to some of the issues around the catchment, but Mr McNulty similarly.

Mr McNulty: Just adding to what the Chief Minister said, we have a draft plan of management for the lower Cotter catchment which aims to manage that area, the burnt area, specifically for water quality as its prime objective rather than anything else. The areas around Stromlo have been dealt with through the Molonglo development, plus also the Stromlo forest park development, so it is really the areas further out than the lower Cotter catchment which provide the main challenges at the moment, and we are still considering the best way to deal with those lands.

THE CHAIR: For some areas you are going to continue on for forestry work?

Mr McNulty: No. The only pine plantation at the moment is at Kowen, and there is a review being done at the moment about the future management of that.

THE CHAIR: Ingledene and Miowera: are they going to go back to forestry or will they be dealt with in another way?

Mr McNulty: I do not believe so, but I am not 100 per cent sure. I will have to take that on notice.

MS PORTER: On page 36 of the Department of Territory and Municipal Services report it mentions monitoring on progress by agencies in meeting the government's Think Water, Act Water implementation plan. Would you like to make a comment on that, Chief Minister?

Mr Stanhope: Thank you, and of course it is a very current issue. There were, I think, two significant targets in Think Water, Act Water. Dr Cooper will be able to assist me with this. I will just go to the broad issue of the targets we set. The first and most significant was reduction in the use of potable water and we set ourselves a target at the time that Think Water, Act Water was released of reducing the consumption of potable water by 12 per cent by 2013 and by 25 per cent by 2020. Indeed, as a result of the drought and as a result of the imposition of permanent water conservation measures, the target that we established of a 12 per cent reduction by 2013 has already been exceeded; we have actually reduced our consumption of potable water by

13 per cent since the release of Think Water, Act Water.

We are now on the cusp of a reconsideration and a revisiting of Think Water, Act Water. We believe in the context of the events of the last few years, the nature of the drought, the fact that it has continued and has bitten so deeply since we released that particular strategy and the fact that we have reached the target that we established six years ahead of target of course indicates to us that it is time to revisit the target, to re-establish a target, to extend those targets, to enhance them and we will now begin a process of refreshing Think Water, Act Water in the context of the events of the last five years.

Similarly, the second of the significant targets that we set was an increase in the use of recycled water. I must say that off the top of my head I cannot quite recall the target. I would probably need to go to the document for that. But we have made significant progress in the use of recycled water and we certainly have been on target to meet the base figure or the target that we set for re-use.

Having said that, it is important to just provide some additional context in relation to recycling. In the context of a revisit or a refreshing of our view or attitude to the targets and to Think Water, Act Water, we have expanded our thinking around this notion of re-use or recycling. At one level we currently recycle 50 per cent of the potable water that we use. As an inland city with a system that of necessity returns primary treated sewage to the system, we are essentially recycling in fact, in addition, in excess of 30 gegalitres of water a year into the Murrumbidgee River and into the Murray-Darling basin system for potential re-use, and it is probably fair to say that that 30 per cent of primary treated re-used or recycled water is re-used; it is re-used by townships, towns and cities downstream of us for drinking water, and it is used of course by irrigators and farmers all the way from here to Adelaide.

So I think the notion of targets for re-use really does need to be revisited, particularly in the context of Canberra as an inland city with an excellent treatment work and a city that essentially returns half of all our water for re-use. So there is a further discussion for us to have in relation to that.

Dr Cooper of course has been very closely involved in different emanations in relation to water. Maybe Dr Cooper could add some advice in relation to success in the delivery of Think Water, Act Water and perhaps some of the other initiatives that we continue to pursue.

Dr Cooper: We have certainly achieved the target; as the Chief Minister said, we have exceeded it. One of the important components of it is the permanent water conservation measures which contribute approximately 30 per cent towards that particular target, so they play a particularly critical role. One of the issues that are being promoted is to look at re-finessing those to achieve an even greater saving. So the way we achieve the target is a suite of things—like the Canberra integrated urban waterways project; the irrigation system upgrade that has happened at schools, parks and ovals; the building retrofit program; irrigation smart; grey water rebate; grey water hose giveaways; and information and awareness. There is a whole suite of those community based programs that do make a difference. So, in terms of where we are at as a territory, as the Chief Minister said we are some six years ahead of the target and

that is really a very positive sign about the way we conserve water.

MR STEFANIAK: I have two supplementary questions on what you said, Chief Minister. I note firstly with interest the 50 per cent of water which goes back down the Murrumbidgee, yet we do not actually have that counted yet, to my knowledge, as environmental flows. Is anything being done to ensure that gets counted, which would help us, and if so where is that at? Secondly, Queanbeyan use our water through their water saving measures, saving between about 18 and 20 per cent now of their use. We are at 13 per cent, ahead of the target but a low target. What are you doing, if anything, to bring us up to Queanbeyan's standard? Queanbeyan, after all, use the same water we do and their measures are saving them significantly more per household than we are doing.

Mr Stanhope: Thank you, Mr Stefaniak. We have, as Dr Cooper has just indicated, a number of programs. We do intend to enhance those. I announced yesterday, for instance, that we would enhance funding for water efficiency programs by \$2 million over the next two years and that enhanced funding, which is very significant, will go to new enhanced and expanded public awareness and communication programs. We will reinvigorate the dual-flush toilet rebate. We propose to introduce new programs and we believe there are significant gains to be made in commercial and government water retrofits. Our analysis of where the greatest immediate savings can be made, having regard to the work we have already done, is in the commercial and government sectors, very heavy users of water, and we believe that we can make incremental gains in a reduction in total water use through the commercial and government sectors.

We intend to expand the sustainable schools process through the implementation of additional audits where we intend to purchase and give away, distribute, to Canberrans grey water diverter hoses for washing machines. We are going to provide a new grey water rainwater advice service. We are going to develop and implement an irrigation smart program design service and an irrigation smart pilot program. I also propose to provide enhanced funding to Housing ACT to ensure that there is some equitable distribution of water savings to public housing tenants through the installation or a rapid escalation of the installation of dual-flush and water-saving showerheads in our public housing.

They are some of the initiatives and I certainly do hope, Mr Stefaniak, that through that, having met our 2012 target six years ahead of time, we can perhaps in the analyses we do as we refresh Think Water, Act Water bring forward the 2025 target. We actually set ourselves what we thought was an overly ambitious target of a 20 per cent reduction in potable water use by 2025 and having now exceeded our expectations by six years I will be taking advice on whether or not we can perhaps bring forward that target by 10 years.

MR STEFANIAK: And the other question in relation to the environmental flows and the—

Mr Stanhope: I do not know whether Dr Cooper can assist me on that. I would have to take advice, Mr Stefaniak, but I am more than happy to take it on notice and respond formally, subject to what Dr Cooper can say.

Dr Cooper: It is 25 per cent by 2023. If I could just add to the first answer that the Chief Minister gave before going to the e-flows: the water security group did look into the Queanbeyan water conservation credits and compared those to the demand management options the ACT is using and the demand management team within TAMS gave us, working with Treasury and working with Actew. You will find that the Queanbeyan option, although it has some terrific features in terms of value for dollar and the outcome of kilolitres saved, is not as well placed as some of the ones the ACT government has got into place. So they were looked at in terms of comparing that.

MR STEFANIAK: Yes, but they are saving more water. They are saving, I think, 18 per cent.

Mr Stanhope: So they say, Mr Stefaniak.

Dr Cooper: So they say. It is the combination of things that was looked at and it was found that this is the most efficient way to save it, so they were looked at within that research work. I can refer you to the securities report on page 49, if the committee pleases.

In terms of the environmental flows, one of the good things about the expansion of the Cotter dam is that a lot of the so-called environmental flows were actually overflows and so they, of course, will be caught. There is a bit of a myth going around that all the water that flowed over was environmental flows. They were not. Environmental flows are adaptive flows and in drought situations they are pulled significantly back.

MR STEFANIAK: What about the 30 gigalitres which go down the Molonglo-Murrumbidgee from the treatment works, which are not counted. I understand that that has been an issue for a while. That is used. The Chief Minister is quite right in what he says in terms of how they are used downstream, yet it seems they are not counted as environmental flows and that just seems to be an absolute waste to me. I understand steps were being taken to count them as environmental flows and I am very interested to see where that is at or if we were bashing our head against a brick wall, and if so why.

Dr Cooper: No, that is being looked at. Even looking at those e-flows at the point of discharge in terms of the environmental benefit, whether or not it is worth actually piping some of that upstream a bit to get the full benefit downstream, that is certainly being looked at right at this moment.

MR STEFANIAK: What are the obstacles to that?

Dr Cooper: I think it is a costing obstacle at the moment.

MR STEFANIAK: No, no, the obstacle for them not being counted I mean. It would seem fairly basic to the—

Mr Stanhope: Why don't we count the outflows? I do not know the answer to that.

MR STEFANIAK: You have got 30 gigalitres going out and it goes down the river

and it should be an environmental flow.

Dr Cooper: It is an EPA policy.

Mr Neil: When we talk about environmental flows, it is about protecting the riverine environment. The discharge from lower Molonglo is actually constant, which is very difficult to classify as environmental flow because it is not responsive to conditions. Any work that would be done would have to have a look at the impacts downstream before I think they could be considered environmental flows.

MR STEFANIAK: Your latest environment report says that, whilst there is a problem with some fish close to where it comes out five kilometres downstream, those fish are behaving quite naturally there. Jon Stanhope has just said that it is used down in Gundagai, Wagga and further down the river. The latest environment report, which was issued on 22 September, I believe, indicated that whilst there was a problem sort of where it came out with certain varieties of fish, those fish were fine five kilometres down, so it seems you have a fair bit of evidence there. Surely it would make sense for that to be counted as an ACT environmental flow, rather than pristine water going out, if in fact the treated water is fine once you get five kilometres down. And surely with our dire situation human beings are more important than some fish which might have trouble surviving in a five-kilometre gap but are fine five kilometres further down.

Mr Neil: I do not think you need to include the flow from the lower Molonglo in the environmental flow calculations within the ACT. The outflow of that has had no effect at all on the way the environmental flows are calculated within the ACT. We look at separate riverine environments, so there would be certain reaches of the Cotter that are subject to environment flows and also below Googong and the Murrumbidgee. None of the environmental flow calculations or none of the work done on environment flows have needed to consider what comes out of the lower Molonglo in terms of preventing upstream environmental flows.

MR STEFANIAK: Well, it just seems an ideal way in which we can save a little bit more water.

THE CHAIR: Is that a question?

MR STEFANIAK: Yes.

Mr Neil: Where would you put it?

Mr Stanhope: It is about the nation and why we have environmental flows.

Mr Neil: But where would you put that water?

MR STEFANIAK: It is water flowing down the river that surely should count as an environmental flow. I accept if you have water which needs to flow down other parts of the river further upstream, or other rivers which flow into the Murrumbidgee, that is another question, and Dr Cooper, I think, has made a comment on that which I think is quite valid. But surely at the very least that water which comes from the ACT

which flows into the Murrumbidgee should be counted in some way as part of our environmental flows because it does flow into the Murrumbidgee in the ACT.

Mr Stanhope: It is measured as part of the water that we export or that flows through the ACT, but the nature of environmental flows, as Mr Neil is seeking to explain, is essentially around our obligations to the environment or the health of a whole range of riverine systems, and one of the measures of the extent to which we are meeting our obligations, say to the Cotter River, is the amount of water that we allow to continue to flow in the Cotter River. Mr Neil I think is explaining that it is not a matter of any particular concern to anybody what the particular impacts are, say, a few kilometres below the lower Molonglo water treatment works in the Murrumbidgee—it is not a matter of great environmental moment—but the health of the Molonglo or Queanbeyan rivers or the Cotter River is. Is that—

Mr Neil: Correct.

MR STEFANIAK: I still get, and I am sure other members get, a number of calls, emails and letters from people concerned about, and maybe wrongfully, excess water going out as environmental flows. I would certainly like a commitment from whoever is relevant—perhaps you, Chief Minister—to at least make public on a regular basis some information to assure people how much has gone out. I would suggest even if it was once a month in the *Canberra Times*. We know daily what the dam levels are and how much rainfall we have had, so if we could have, say in a four-week period, how much has gone out in environmental flows, that would be great because I think there is a lot of misinformation out there.

Mr Stanhope: There is, without a doubt.

MR STEFANIAK: I think it would be very important just to have the actual figures published on a regular basis—

Mr Stanhope: We can seek to do that.

MR STEFANIAK: so that we in the Assembly can say: “Well, this is the fact. This is actually how much is going out.” I think that would help everyone.

THE CHAIR: Thanks, Mr Stefaniak.

Mr Neil: Monthly, but they would be a month in arrears. To give you some idea, the environmental flows released from the Cotter last year were equivalent to about two swimming pools a day and yet I have seen figures quoted in gegalitres coming out of there.

MR STEFANIAK: How much was it in a year? Two swimming pools is not insignificant, but what was it for the year? You have obviously got a figure. What was it?

Mr Neil: I do not have that figure on me.

MR STEFANIAK: It is probably there.

DR FOSKEY: Perhaps you could arrange a briefing, Bill, and get all the complexity of the information.

Mr Neil: Dr Cooper could talk to you. People accumulate the environmental flows we release from Corin to Bendora. We catch that water and we use it for urban water supply. We release from Bendora to lower Cotter and we catch that for urban water supply. The only thing that is lost to the system in the case of the Cotter is what goes over.

MR STEFANIAK: Okay, well, that is what you need to talk about and I am sure you are able to do that.

Mr Neil: As I said, that is two swimming pools a day.

MR STEFANIAK: Good, and surely you can quantify that in terms of what that equates to in megalitres or whatever a month.

Mr Neil: Certainly, yes.

THE CHAIR: Members, we are out of time but I think Dr Foskey has just one more question, if you could stay for that.

DR FOSKEY: It is a big one but you could just table the information. I am interested in why only a dual-membrane or reverse osmosis plant is being considered for recycling and I wonder if you could table your rationale for rejecting other methods.

Mr Neil: Of purification?

DR FOSKEY: Yes.

Mr Stanhope: Certainly, there has been quite significant detail provided on the comparisons in, I think, the health report. That information is available, Dr Foskey, and we would be more than happy to provide it for you.

DR FOSKEY: Obviously I would like more than is in this report because I have had access to the report.

Mr Stanhope: We will provide that for you.

DR FOSKEY: We are talking \$350 million or something—

Mr Stanhope: Yes, for sure.

DR FOSKEY: and there are other methods which may be more cost effective and just as good.

Mr Stanhope: Absolutely. It is a very important question, Dr Foskey, and we would be prepared to provide the detail of that information to the committee and to you.

THE CHAIR: Thank you, minister and officials from TAMS. That concludes the hearing for this afternoon.

Mr Stanhope: Thank you very much.

THE CHAIR: Our next meeting is a private meeting on 30 October.

The committee adjourned at 4.35 pm.