



LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY

SELECT COMMITTEE ON ESTIMATES 2013-2014

(Reference: [Appropriation Bill 2013-2014 and Appropriation \(Office of the Legislative Assembly\) Bill 2013-2014](#))

Members:

MR J HANSON (Chair)
DR C BOURKE (Deputy Chair)
MR M GENTLEMAN
MR B SMYTH

TRANSCRIPT OF EVIDENCE

CANBERRA

FRIDAY, 14 JUNE 2013

Secretary to the committee:
Ms N Kosseck (Ph 620 50129)

By authority of the Legislative Assembly for the Australian Capital Territory

Submissions, answers to questions on notice and other documents, including requests for clarification of the transcript of evidence, relevant to this inquiry that have been authorised for publication by the committee may be obtained from the Legislative Assembly website.

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Amended 20 May 2013

The committee met at 9 am.

AMUNDSEN, MS SUE, Schools Organiser, Australian Education Union ACT Branch

FOWLER, MR GLENN, Secretary, Australian Education Union ACT Branch

PURTILL, MR GARRETT, Industrial Officer, Australian Education Union ACT Branch

THE CHAIR: Good morning. I welcome the Australian Education Union ACT Branch. You have been here before, I guess.

Mr Fowler: We have.

THE CHAIR: Have you got the privilege statement in front of you?

Mr Fowler: Yes, we do.

THE CHAIR: Have you had a look at it?

Mr Fowler: Yes.

THE CHAIR: Do you understand it?

Mr Fowler: Yes.

THE CHAIR: You are aware that this is being broadcast. I invite you to make a short opening statement—or a long one, if you want.

Mr Fowler: Thank you. At the outset let me say clearly and unambiguously that the AEU emphatically welcomes the sign-up by the ACT government to the national education reform agreement, otherwise known as Gonski. We are on the verge of a historic transformation. This has followed a three-year campaign of advocacy and support by the union in order to address the imbalances in the current funding regime. While there is a slow start in the commitment of money to the reform program by the ACT government, this will accelerate over the life of the first stage of the agreement through a base funding adjustment. Public schools are about the public good, and to that extent it is timely that they are shifted front and centre in the funding focus of education generally.

A particular ingredient which goes to the heart of public education is the continuing upskilling of teachers, both new and old. I refer to the commitment of \$26 million for a centre for quality teaching and learning. We understand that the bulk of this money will be recurrent and will directly benefit teachers in the classroom. It will be about hands-on teaching practice, and we welcome that as we transition to a world where schools are professional learning communities.

The education space is an exponentially challenging one as our community seeks not only to mine the natural talents of our citizens, both young and not so young, but also to improve the skills and capabilities of all. Too often, the debate about meeting these challenges takes place above the heads of the people charged with doing the heavy

lifting, namely, the teachers and their in-class support. This new centre is an explicit acknowledgement that teachers are in the foreground, not the background, of identifying and meeting the challenges that we as a society set for ourselves and those set for us by external pressures. It is entirely proper, in our estimation, that this is a public initiative for the public good and will be implemented as a public enterprise.

While the AEU welcomes any increases that fall to the public education sector in any budget, we nevertheless would be remiss if we did not draw the committee's attention to absences or shortfalls which we think do not assist the burden of teachers and their support staff.

Here, I will identify a number of significant items for your agenda. The first is ICT. While the initiative of \$10.1 million over three years for the education ICT network, that being \$7.1 million in the first year and \$1.5 million in each of the outyears, is very welcome and a response to a standing advocacy by the AEU, we are saddened that it is confined to software and hardware but has no allocation for additional technical support. This is something our members are crying out for. The woefully inadequate "boots on the ground" is the number one reason why the current provisioning of software and hardware is not contributing to the work of teachers, support staff and students as it should and as it could. Too much equipment is lying idle through want of technical support staff to repair, maintain and install it. There is a litany of tales from our classroom and executive level members about this fault line in our education resourcing.

Our big ask is that the committee seriously examine the technical support resourcing of ICT in public schools so that the potential of this indispensable tool is realised in reality and meaningfully where it really makes a difference—in the classroom.

I will talk now about ESL, or EALD. We welcome the investment of \$1.8 million over two years to establish an introductory English centre at Wanniasa Hills Primary School, but we do have a real and growing concern about the continuing paucity of resources in the EALD area. There is a growing population in schools from non-English-speaking backgrounds. There is a worrying population in schools with a sadly low level of language proficiency.

In answer to question on notice No 2115, asked on 21 March 2012, the government indicated that there were 2,510 EALD students in mainstream schools and 258 students in introductory English centres, or IECs, and the number of those centres now numbers five. More concerningly, as at February 2010 and February 2011, there were 1,735 and 1,695 students respectively at less than 2.0 language proficiency. For those who are not aware of this, the language proficiency of a native speaker is 4.0, so we are talking about a very low level. The recommended level of language proficiency is 4.0, as I said. As at February 2012 there were approximately 69.5 full-time EALD teachers. So we are looking at a ratio of 28.5 students per full-time EALD teacher.

You can see that, on those numbers, the bulk of the students with EALD issues are in mainstream schools, and this is the great omission in the current funding regime and in the budget. There is no new money for this growing population—growing in number and growing in complexity. In particular, there is no new money for

additional teachers in this area. We are hopeful that some of the money, albeit not new money, identified in the budget as being funded by ETD will be devoted to the upskilling of current EALD teachers and support staff. We ask the committee to seriously consider the tasks set for teachers and support staff in meeting the EALD challenge, as against the resources offered by this budget. So, Gonski aside, we have a parliamentary agreement between the ALP and the Greens which talks about fully funding students with EALD needs up to the language proficiency rating of 4.0, and there is not enough in this budget for that.

The third item I will raise is ageing school stock. We have a couple of items to go, but we would certainly identify for your consideration the paucity of new money appropriated for upgrades, repairs and maintenance. At \$3.3 million, as against \$70 million promised by the government at election time, this is well shy of where it needs to be at this stage. The bulk of our public school stock is decidedly old. It is beyond upgrades, repair or maintenance. It requires major overhaul, rebuild and/or replacement. This is not just about a public asset; it is about a suitable place in which students undertake life transforming education.

It is also about a suitable place of work for our teachers and support staff, a place conducive to willing and productive labour. This small number of \$3.3 million, one-off, will have a lot of work to do and should be seen for the poor number that it clearly is. We ask the committee to seriously consider the appropriateness of this number to the task ahead of it.

I will talk for a moment about CIT. This is a singular asset to the ACT in the TAFE space and it is treated shabbily in this budget. It gets the princely sums of \$2.294 million for upgrades and \$180,000 for a feasibility study. In addition it gets a decrease of \$1.8 million recurrent for government payments for outputs. CIT currently caters for approximately 80 per cent of VET students and has recently become the solitary provider for electrical apprentices.

There are two major assets of CIT, the quality of its graduates and the skills and quality of its teachers and support staff. CIT is currently experiencing a restructure, partly to adjust to the demands of the skills reform national partnership and partly to modernise the organisation. More and more is expected of the teachers and support staff in a competitive and challenging environment. We have seen in 2012 that unreasonable work pressures can produce an unsafe working environment and this has cost the government a fortune for its intervention.

The environment that we are talking about makes it harder to attract and retain quality teachers away from their industries, many of which offer superior remuneration and benefits that CIT is currently unable to do. The government needs to do more than look over the fence at CIT. CIT needs to do more than tread water. The government needs to take an active and engaged interest in its welfare and future. We welcome the establishment of the new Assembly committee on VET and hope that it is the beginning of a new interest by government in CIT.

There is great scepticism amongst our members at CIT. At our recent national TAFE day, all three political parties expressed great fondness for CIT and an eagerness to support its capacity as the public provider to compete in an increasingly competitive

environment, as is mandated under the skills reform national partnership. Yet we see savings imposed on CIT going forward to the tune of between \$2 million and \$3 million per year for the next several years.

In 2013 CIT has \$8 million less in recurrent funding than it had in 2009. This is for an organisation that dutifully cleans up the mess when private providers fall apart. For example, CIT recently acquired almost 300 new electrical apprentices. As I said before, CIT is now the only provider of such crucial training in the region. Yes, CIT is special, and governments need to treat it as such.

I will mention a couple of things in closing. We see in the budget \$3.5 million over four years to support experienced teachers to increase their professional qualifications. We note that the ALP's election commitment in 2012 was for \$4 million for more study support for our teachers. So this extra money, the \$3.5 million over four years, is welcome, but it is being funded from ETD's current appropriation rather than new money.

We note the ALP election commitment in 2012 about \$12 million to maintain and expand the school literacy and numeracy field officer program, which has been a real success in our schools. There is nothing in this budget along those lines.

There are some good outcomes in this budget, but it is light on for new money especially. The government has much work to do in the next three years to live up to the laudable objectives laid out in its election promises. That concludes our statement.

THE CHAIR: Thanks very much. That was very informative; I appreciate it. Are you aware of the 100 positions that are being taken out of ETD next year in the budget? If you are, have you had any consultation with government about what positions they are and how that is going to impact on the directorate as a whole?

Mr Fowler: We had a briefing from ETD on this matter. We understand that the dollar figure is \$6.2 million and that whilst that has been reported in terms of position numbers, it does not necessarily have to play out that way. We understand that ETD has been operating in an environment of efficiency dividends and savings measures for some time. We wonder how close to the bone they are getting. We note that they will have to be especially creative on this occasion to avoid the sorts of job losses that you are talking about. But we look forward to working with them and being consulted on how those savings are made.

In terms of the Gonski stuff, whilst I have talked about and bemoaned CIT's savings measures that will roll out over the next four years, we note that ETD will not have savings measures imposed upon them for the three years after this one, and we strongly support that.

MR SMYTH: Just following up on the jobs, are you saying you do not believe that 100 jobs are going?

Mr Fowler: We understand that there is flexibility about how those savings are made and that it is not necessarily to do with job reductions. That is what we have been advised.

MR SMYTH: So even though the budget says it goes from 4,765 to 4,666, you are now saying that the budget document is wrong?

Mr Purtill: Our understanding was that if none of the savings were made and you wanted to translate all of the savings—the \$6.2 million—into jobs, they would equate to 99 jobs.

MR SMYTH: But on page 286 of budget paper 4 it goes from an estimated outcome of 4,765 to 4,666. The note says:

The decrease of 99 FTE ... is mainly due to the impact of prior year savings, partially offset by new initiatives.

You are saying that they are not making those savings?

Mr Purtill: We are not saying that at all, Mr Smyth. All we are saying is that, when we asked what the 99 meant, we were told that the 99 equates to \$6.2 million if none of it was saved. So if you had to save \$6.9 million by no other means than by reducing jobs, it would equate to 99. The advice we have been given is that they will do their best to save that money by means other than that. We are not making any comment on the accuracy of the budget or otherwise; we are simply saying that when we went to get advice, that was the advice that was returned to us.

MR GENTLEMAN: You are suggesting it is a reporting structure or a way of reporting—

Mr Purtill: It is a way of reporting a number. I guess it is the same as if you are dealing with superannuation shortfalls. If everybody made their claim on superannuation at exactly the same time then there would be a difference between what was claimed and what was in the pond.

THE CHAIR: It does seem to be unusual. Normally, from my understanding, if there is an efficiency dividend being imposed, essentially, it is labelled as such, and it would ask ETD to find savings of \$6.9 million or whatever it might be. I must admit that I have never heard of someone saying, “This is your efficiency dividend, and we will equate it in jobs.” Who did you get this advice from?

Mr Purtill: We sought advice from ETD following the tabling of the budget and that is the advice that has come to us. We have not interpreted or reinterpreted it; we have simply received that advice.

DR BOURKE: What proportion of the ETD budget is salaries?

Mr Purtill: That we have not gone to, but the overwhelming majority would be, given it is made up of teachers and staff in schools.

DR BOURKE: Do you believe that is probably why it is easier for the directorate to rationalise—

Mr Purtill: That is right, Dr Bourke. If your overwhelming asset is the labour you have and you are asked to make some savings, the first place you go to, or to look for some equivalent, is in terms of the major asset you have got. If your major asset was capital then you would probably go there.

THE CHAIR: I imagine we will follow up with ETD and we might get a further explanation of what is occurring.

Mr Purtill: You are welcome to, Mr Hanson.

THE CHAIR: Dr Bourke, do you have any questions?

DR BOURKE: I am right now.

THE CHAIR: You are right. Mr Gentleman?

MR GENTLEMAN: I do. Mr Fowler referred to some of the capital works earlier on. If we go to page 210 of BP3, we see there the capital initiatives for the Education and Training Directorate. You talked specifically about ICT, but can you give us your views overall on those levels of expenditure for the Education and Training Directorate?

Mr Fowler: Any capital investment is welcome, but we see this as a slow start to what was, as I said, a laudable set of election promises in regard to capital spending. The Canberra College cares building obviously is welcome; we see that it is a \$14 million project with \$5 million in the next year. And I guess what we see is that we have a number of projects that are in their infancy, and that is a possible explanation for the lower spend in the first year of a four-year program. For example, Belconnen High School modernisation is a \$28 million project according to the election promise, and there is only \$2 million here. So it is stage 1. And there are a number of things like that. Coombs primary school—only \$550,000 for the finalisation of design, but we will no doubt see increasing numbers in that area over the next three years as the project actually comes online.

But just to reiterate it, sustaining smart schools, the \$7.1 million followed by the 1½ and 1½, is welcome, because we know that there has been significant concern expressed, even at the directory level, about the ability of the networks to remain reliable and to properly service the employees. We hope that we will see our teachers doing less technical work, less emergency technical work, with improved reliability of that system. But we reiterate that an investment like this needs to be supported by having people on the ground in schools, in all schools, so that teachers work with ICT's educational focus and not technical.

MR GENTLEMAN: Thank you. I will just go to one more in my electorate. You did mention the Tuggeranong introductory English centre, the Wanniasa centre. Can you just give us a broader view on what you think the benefits are for the people in Brindabella, my electorate?

Mr Fowler: As I said, we welcome that investment and we appreciate the work done in IECs across the territory. Sue Amundsen might like to supplement this in a moment,

given that she has worked extensively in introductory English centres across the ACT. What we know about the project is very encouraging. But we reiterate the point that the majority of our EALD students are in mainstream settings; we need to see the investment in teaching to be able to appropriately service those students, and, for the long-term benefit of the territory as well as those individuals, we need to appropriately fund those students until they get to the language proficiency rating of 4.0 across all of our schools. And there are thousands of students with those needs. So we welcome the investment, but we now need the government to turn its focus to the terms of that parliamentary agreement with the Greens over the next couple of years, noting that Gonski is coming online in the ACT to appropriately resource those students, because the consequences of not doing that mean costs down the line. Did you want to supplement that, Sue?

Ms Amundsen: Yes, sure. The number of students in the EALD area has increased from 9.4 per cent of students in 2007 to nearly 13 per cent in 2013. It is a continual growth area in education in the ACT. Public schools especially carry the heaviest load for these students—100 per cent of new arrivals. The new Wanniasa IEC caters for some of those, but there are five IECs now across the ACT. This investment into the IEC at Wanniasa is really welcomed by the people who work in that area and who support those students, but the money is not going widely enough to support all the EALD students.

The setting up quoted from EDT was \$50,000 for the new introductory English centre at Charnwood-Dunlop. Now \$40,000 of that was spent on furniture for the new set-up, which left \$10,000 to resource a centre which now has five classes of students—which grew from three classes originally to five classes of students. If you look at the investment, it has to go widespread across the ACT. And, as Glenn said, in the mainstream classes in schools now we are looking at often up to a third of the students being EALD, coming from a variety of backgrounds—obviously not new arrivals. But the children who exit the introductory English centres and are moving to the mainstream classes have to have a certain level of English language acquisition in order to be able to function in a mainstream class. If that is not provided initially through the introductory English centres, and then again supported in the mainstream classes, and if the resourcing is not there, it drains the mainstream resources, so it is doubling the amount of support that is required.

They are stating now that research is moving into the area of up to 10 years for somebody to acquire a language proficiently. We are now providing two terms of support in introductory English centres. They can be extended, but most students will only receive two terms—two terms to acquire English in all literacy areas in order to function appropriately in mainstream classes. They then move into mainstream classes well below that LPR of four, which is considered average. Many are below two.

So we are looking at students who need a lot of support. In fact, we have some of the highest needs students in the community. The families often do not have access to transport. There is funding in here for disability for transport, yet there is no consideration that EALD students need that as well. They need that just as much as disability students. In fact, a lot of money is spent on servicing transport for EALD families and students in the community, because that is the only way that they can access the centres in order to get this quality education that we should be providing

for them.

THE CHAIR: Thanks. We might move to Mr Smyth.

MR SMYTH: In your submission you asked for \$12 million to expand this, and you want a literacy and field officer in every school. How many do we have currently?

Mr Fowler: Twenty-one.

MR SMYTH: Twenty-one full time?

Mr Fowler: We have got 21 full time, yes, at executive teacher level. We understand that about 15 of those are ACT government funded places and about six of them have come from commonwealth money.

MR SMYTH: \$12 million will allow how many full time?

Mr Fowler: That is a promise over four years, I believe. I do not know the answer to that; I am sorry.

MR SMYTH: You have got it here in your document.

Mr Fowler: We have asked the ACT government to move to the provision of one of these people in every single school—all of our 86 schools. I am sorry, but I do not know the numbers on how far the \$12 million gets us.

MR SMYTH: Okay, so take it from 21 to 86. The number that was used indicated that the number of kids with these difficulties has declined from 9.4 per cent to 13 per cent since 2007. What has driven that?

Ms Amundsen: Why has it increased?

MR SMYTH: Yes.

Ms Amundsen: There are a number of reasons. Obviously one is skilled migrant programs and the increase of skilled migrants coming to Australia. There has been an increase of families on refugee visas. There is an increase in people accessing programs such as AusAID scholarships with community-based programs that support them through training here in Australia. We also have students that come through defence, hospital and public service exchange programs. There is a whole variety of people that come that access these programs.

MR SMYTH: So it would be fair to characterise it as external influences or things beyond our control? It is not something that is coming through our system?

Ms Amundsen: We also cater for permanent residents in Australia that have families that do not speak English at home as their first language. That is another area that provides students into that area, because they also do not get English at home as their first language and they may not actually start using English until they start school. So there is a whole variety of reasons why we have this growing number of EALD

students.

THE CHAIR: It is probably a topic we could discuss for many hours, but, sadly, our time is up.

MR SMYTH: Sorry, just one—

THE CHAIR: No. I am sorry; no.

MR SMYTH: Just one last one question.

THE CHAIR: No. We are at time, Mr Smyth. Thank you very much for attending today. The secretary will send you a copy of the transcript for you to check and review. We will probably see you at the same time next year.

Mr Fowler: Thank you for your time.

IACOMELLA, MR LINO, Acting Executive Director, Property Council of Australia

THE CHAIR: Thank you very much for coming here today. I remind you that the proceedings are being recorded by Hansard; there will be a transcript produced and this is being web-streamed live. Have you read the privilege statement that is in front of you? Are you aware of the privilege statement?

Mr Iacomella: Yes, I am.

THE CHAIR: Thank you. Would you like to make a short opening statement?

Mr Iacomella: Yes, I would.

THE CHAIR: Thank you.

Mr Iacomella: I am the Acting Executive Director of the Property Council, ACT division. I should say, firstly, thank you for the opportunity to meet with you this morning and to present our feedback on the budget and engage in the discussion. Just very quickly, let me say in relation to the Property Council that we are the peak industry body for the property sector across Australia. Our members include building owners, development companies and building operators and managers, so we cover a broad spectrum in the property sector and, increasingly, services aligned with property across Australia.

I want to turn to the budget and present our feedback and reactions to it and also address a number of key themes that we have of concern. But also we would like to point out other matters of key interest.

We have described the budget as sweet but also very sour. The reaction to the budget in the property sector is one of being let down. That is primarily in regard to greater expectations built around the ACT's long-term tax reform plan, which we supported when it was announced last year. There is a feeling of being let down in terms of the progress of that from what we see in this budget. I will turn to that later on.

But at the outset I should say that the property sector, and certainly our members, applauds some key initiatives in the budget, particularly the change to the first home owner grant to make it one of supporting home building and first homebuyers who will receive additional funds to support their home purchase and construction, for both construction and newly built properties. This is not necessarily, from what we can see, new money; it is a reallocation from the existing scheme so that existing homebuyers or purchasers of existing properties will no longer receive the benefit. Nevertheless, it is a good initiative, and it should be noted that it should not be inflationary, which is an important thing, because it will lead, hopefully, to an addition to the housing stock, which is important, particularly in regard to home affordability. The increase in income cap levels for the homebuyer concession is also laudable and should be commended; it will also assist in that area of housing affordability.

The other important matter that we would like to applaud in the budget is the direction

given to greater consideration of public-private partnerships in the delivery of key infrastructure, with key capital works and urban renewal programs proposed for Canberra. This is something the Property Council, and generally the business sector, would be looking to and are keen to engage further with government on in terms of how that can be delivered. There are a number of other infrastructure delivery models or funding models that the Property Council in particular is investigating now which, in that process of discussion, we would be keen to also engage in.

They were the sweet matters. I now turn to the sour matters in the budget. They particularly centre on the increase in general rates. We note a 10 per cent increase in the general rates for residential property owners and a 20 per cent increase in the general rates for commercial property owners. We question the extent of those increases. We are aware, of course, that there is a process of reform going on whereby there are reductions in stamp duty. There will be progressive reductions in stamp duty rates to be offset by increases in general rates. We see this as being too one-sided, the increase in the general rates being far in excess of what we have seen in this budget as reductions in stamp duty rates. I did not mention earlier, though, that there are reductions in the stamp duty rates in this budget, which is also commendable, albeit that they are small in comparison to that large increase, particularly the 20 per cent increase in the general rates for commercial property, with an expectation now in this budget that we will see more in the years ahead, which is a particular concern.

Turning to those stamp duty rate adjustments, we have fixed in this budget that anomaly last year where in the one breath we had stamp duty reductions, or moves to that, and yet at the same time we had a significant increase in the top marginal rate of stamp duty. That top rate has now been reduced; however, it has now turned into a flat rate, which in fact is not a marginal rate. So although it is lessened, the impact is in fact reduced, because it is a flat rate so it will apply across all of the value of the transaction. For a large number of commercial property acquisitions, the actual benefit of moving to this lower flat rate is something in the order of five per cent. That is important, but certainly, again, very small compared to the 20 per cent increase in the commercial rate.

I will turn to one particular outcome in the budget which is related to the revenue expectations. The budget papers show that revenue from the general rates on Canberra property owners will rise by some \$46.5 million in 2013-14; however, the corresponding reduction in stamp duty revenue expected on property purchases is only \$9.2 million. That should illustrate that inequity in regard to, on the one hand, increases in taxation and, on the other hand, decreases in other areas of tax, which is what we were expecting in this tax reform program. I have a copy here of the statement in regard to that reform process, which, as I said, we endorsed, particularly in regard to commercial land tax being abolished and substituted by an increase in commercial general rates on a revenue-neutral and cost-neutral basis. On those numbers I have presented, that revenue neutrality does not seem to be apparent in this budget.

I move now to infrastructure investment in the budget. We note that 2013-14 is something of a record year in terms of actual rollout in infrastructure or capital works, which is significant and probably at the top end of the capacity of Canberra to deliver. But we are concerned that in the outyears, particularly beyond 2014, the infrastructure

investment program thins out significantly. The new money in 2013-14 is something in the order of \$272.2 million, which is some 50 per cent down on the five-year average since the global financial crisis. We note that the Treasurer did say that one of the reasons for this is to enable capacity in the outyears to fund big infrastructure like capital metro and work around Parkes Way, which we have supported through the city plan. We note that and we see that as important, but not having committed funds in the budget does leave industry concerned about the commitment and the reality of that infrastructure expenditure in those outyears. So it is just for noting and concern that that skinny infrastructure investment plan going in the outyears does cause concern in industry about the commitment to the funding in a period when it is expected that there will be some economic downturn given the expected public sector cutbacks in those outyears.

I will finish with a remark in regard to the lease variation charge. It is a matter that the Property Council has raised on a number of occasions. We note that the revenue in this budget is some 25 per cent down on the expected revenue in the budget of 2012-13. We see this as further evidence of the impact of the current lease variation charge framework, and further reason for it to be improved.

I should note that we are in discussions with government and agencies about the possibility of making those improvements, but nevertheless it is worth noting that the system we have now is starting to impact in terms of development—less development. And that is witnessed also in regard to declining revenue expectations coming from that for government.

I will conclude on that and I am happy to take questions.

THE CHAIR: Thank you very much for that. That was very informative. I turn to Dr Bourke.

DR BOURKE: With regard to the commercial rates that you talked about, how are commercial rates assessed?

Mr Iacomella: They are assessed on the underlying land value of the property.

DR BOURKE: Have land values been increasing in the ACT?

Mr Iacomella: Have they been increasing?

DR BOURKE: Yes.

Mr Iacomella: They have been increasing. We have come through a period of some growth but that period of growth has now changed. In the residential sector we are already seeing flattening in growth and, in some areas, a decline. In the commercial sector it is a bit harder to judge but certainly the growth is not there that we saw in the earlier years.

DR BOURKE: The valuation and the expected revenues from commercial rates increase is probably due to those, in part, increased values?

Mr Iacomella: In part, yes.

DR BOURKE: You did not talk about the other elements of the tax reforms such as the winding out of the insurance duty. Is that something that is welcomed by you?

Mr Iacomella: It is welcomed and it is noted. It does not necessarily compensate us, as I mentioned, in totality for those large increases in rates but it is noted and welcomed. And it is in line with that broader tax reform program that was announced by the ACT last year. So it is good to see that that has occurred.

But as I said, we are concerned about the integrity of that tax reform program, given the extent of the increase, particularly in the general rates compared to the modifications to the stamp duty regime, and in the outyears, particularly at the higher rate levels of stamp duty, the expected reductions or modifications are not there that we were expecting with this reform program.

DR BOURKE: But is that not related to the values of the properties in respect of transactions during that time?

Mr Iacomella: It is, yes, as well.

DR BOURKE: Whilst the rate is being reduced, the value of the property is going up, but of course in 20 years there will be no rate and therefore no stamp duty?

Mr Iacomella: That is something to see in 20 years time but what we would like to see is some evidence of that in the earlier years. Let us look at the top rate, that flat rate. Certainly moving to a 5.5 per cent flat rate at the top level for stamp duty is a significant advantage for those very large acquisitions, let us say, beyond \$100 million. And there have been some in Canberra upwards of \$300 million but they are very rare. There will be a handful of those, I think, maybe three in the last 24 months. So they are significant at that level. But the majority of transactions that are at the commercial level are between \$1 million and \$5 million. Then moving to that flat rate does benefit them, but not to the degree of, let us say, a similar reduction if there was a true marginal rate.

THE CHAIR: As you said, stamp duty has decreased less than you expected. Rates have gone up more than you expected. You have described it as an inequity and that it is not revenue neutral. I imagine an issue for you is that you have only seen what is now planned for the next four years?

Mr Iacomella: Correct.

THE CHAIR: And you do not know what is happening beyond that?

Mr Iacomella: Correct.

THE CHAIR: So you can only guess, make assumptions, and I imagine that that has an impact on planning for the property sector because you simply do not know the speed at which this reform is going to occur?

Mr Iacomella: Correct.

THE CHAIR: So you do not know whether that decrease is going to be rectified or not. Have you had any conversations with government to ask what happens beyond the budget, what happens beyond the four years?

Mr Iacomella: No.

THE CHAIR: What is the speed, what is the timeliness for that rates increase and the stamp duty reduction?

Mr Iacomella: No, we have not yet but we plan to. And we have been given an indication that those discussions will occur. I would like to repeat that the Property Council is a strong supporter of that 20-year reform plan. We came out with strong support last year when it was announced and we look forward to that, particularly as a model across Australia. So that is why we are as concerned as I have described today about progress of that in these early years.

THE CHAIR: Thanks. Mr Gentleman.

MR GENTLEMAN: Mr Iacomella, you mentioned some of the government's initiatives. Page 47 of budget paper 3 talks about targeted assistance for property purchasers, in particular the first home owner grant. What effect do you think this will have on the property market in the ACT?

Mr Iacomella: I said before that the residential market is already feeling the ill winds of economic change and we are seeing initially a flattening in growth in property values and, in some instances, some indications of declines, which is a result of fewer transactions and part of that cyclical nature of the market.

Part of what contributes to that of course is our housing affordability problem which is Australia wide and certainly is present in Canberra. The actions of this government in modifying the first home owner grant and focusing on and providing more money for people to buy new housing will significantly improve the capacity of particularly first homebuyers to enter the market and also add to the housing stock which, in economic terms, should ease marginally, at first, the housing affordability problem because there will be more supply of housing. So it is a beneficial thing for the residential sector generally and will support the ACT's broader land delivery programs.

MR GENTLEMAN: Do you have any concerns that the raise in the grant might have an effect on house prices?

Mr Iacomella: No. That is why I noted that it should not be inflationary because every transaction, every purchase, will be of a new home. By definition, it is adding to the supply and therefore should mitigate that inflationary pressure which you would find if it was just funding for the purchase of existing homes as well.

MR GENTLEMAN: And you mentioned in your submission that you thought that the lease variation charge framework should be improved. What sorts of

improvements would you like to see?

Mr Iacomella: There are a range of improvements. The most significant one is that the system should recognise the existing investments in an existing property when calculating the charge itself. At the moment, when the charge is calculated, there is a presumption that the property is a vacant development site when, in fact, in the commercial sector—and it is in the commercial sector that we are most concerned in regard to the LVC—there is, in most cases, a commercial building with tenants and there is an income stream there and there are improvements and investments that have been made by the existing owner or, through the owner's acquisitions, by previous owners. That is not recognised, and we would like to see an offset, a sufficient offset, to the charge to recognise those investments.

THE CHAIR: Mr Smyth.

MR SMYTH: The 20 per cent increase in commercial rates, will not the property owners just pass that on to the tenants?

Mr Iacomella: In some instances but that does depend on the leasing arrangements. Where there is a net lease arrangement, that may be the case. Where it is a gross lease arrangement, that is not the case. But in any event, there is a limited amount of capacity for income from a property and it will necessarily, if it is passed on, impact on the net rental that will accrue to the owner in any event in the longer term. So it does diminish the income that is derived from that property.

MR SMYTH: The commonwealth are the biggest lessee of properties in the ACT. My understanding is their agreements are all gross and, therefore, the commonwealth will not accept any hike in things like rates. So the owners will, therefore, have to absorb those charges?

Mr Iacomella: Yes.

MR SMYTH: And that will, of course, then affect the profitability margin for those owners?

Mr Iacomella: Correct. And in these outyears of the budget, they coincide with a period when Canberra will be aggressively marketing itself to attract investment in order to offset whatever public sector cutbacks may occur. We are aware of InvestACT and that the government are promoting and are engaging with that. And one of Canberra's advantages at present is that it is competitive in terms of its commercial land costs, but these actions, these significant increases, excessive, as we see, increases in the commercial rates diminish that competitive advantage that Canberra has.

MR SMYTH: In your submission you talked about commence and completion penalties and that often the factors that cause a delay in either starting or finishing are totally outside the control of the developer and the penalty should be abolished. The Treasurer did actually announce before the election he was going to abolish commence and completion, but did not quite—

Mr Iacomella: At one of our events.

MR SMYTH: At one of your events, but he did not follow through on that. What sort of burden is now being placed on developers who have purchased properties but now find their rates are going up? Of course, the penalties are rates based. Is this a double whammy for the industry in that regard?

Mr Iacomella: It is, and it is impacting in two ways: firstly, in a direct sense there are property owners and investors who are now looking at significant penalties for not meeting completion dates which, in large part, are beyond their control, given that, unlike in the residential sector, the capacity to proceed with a commercial development is largely dependent on market forces and pre-commitments by tenants. And they are not necessarily easily achieved, particularly in this market. And so it is very problematic, in many instances, to meet those completion dates.

The other area where it particularly impacts is in terms of the signals that it sends beyond the ACT to the broader Australian and international investment market in terms of the confidence of investors to invest in the ACT when they see these sorts of, what appear to be, restrictive regulations applying.

MR SMYTH: But if you do not have some sort of penalty, how do you stop land banking?

Mr Iacomella: We have said in the past that the ACT should have a mechanism to ensure that development does occur. It is a question of arriving at a balanced outcome in terms of doing that and not resulting in having a regime which we see as punitive and actually penalising parties who may not be able to proceed, for reasons beyond their control. There are mechanisms for not so much negotiating but coming to some alternative arrangement—we acknowledge that—on a one-to-one basis. Nevertheless, that is problematic and does not give the broader industry much confidence when those sorts of individual negotiations need to occur to overcome a particular problem. We would rather see a systemic outcome.

THE CHAIR: On the issue of lease variation charge, can you give a bit of an explanation on what impact that is having on the property sector, on new developments and on densification?

Mr Iacomella: I mentioned before that in the 2012-13 budget there was some \$25 million expected revenue from it. In this budget, that has been revised down to some \$17 million. We do not know the exact numbers of where that revenue is from but we anticipate that that will probably be coming from older developments based on the previous CUC system—change of use charge—and, in fact, very little of that development resulting in the revenue we are seeing in this budget is coming from the present lease variation charge. In fact, we would expect even that \$17 million to not be achieved in the outyears.

THE CHAIR: So it will not achieve that. Is it having a negative impact on the—

Mr Iacomella: It is in terms of development. It should be recognised that the market has changed and the economy is not favouring development of a broader scale right

now. That is cyclical. Nevertheless, the presence of the lease variation charge, as we have it now, is part of the problem and part of the reason why we are seeing fewer cranes in the Canberra skyline now.

DR BOURKE: Just coming back to Mr Smyth's question about land banking, you are saying there should not be a penalty. What are you advocating, a slap with a wet lettuce or something?

Mr Iacomella: Are you talking in regards to residential—

DR BOURKE: How are you going to motivate people to get on with the job and develop a piece of land if you do not have a penalty?

Mr Iacomella: In regards to residential sector particularly?

DR BOURKE: Yes.

Mr Iacomella: In regards to the residential sector, the Property Council broadly does not have a problem with the existing framework in regards to compelling development within a reasonable time frame. It is particularly so in regards to the commercial sector where development is often beyond their control, given changes in market and economic conditions, and that development may not occur or may not be realistically possible within the specified time frame. So it is in the commercial sector where it impacts particularly, and that is where we would like to see the modification.

In the mixed-use area, which is an increasing area of development, where there is a mix of residential and commercial, there should be a more reasonable system in place. The present one applies the current framework across that mixed use and we say there is scope for having a modified system in a mixed use where there is a bit of residential that is less severe than what we have today.

THE CHAIR: Mr Iacomella, we will have to cut it there. Thank you very much for appearing before the estimates committee. In due course you will be provided with a transcript of today's hearing by the secretariat for you to review and check and then provide any corrections to the secretariat. Once again, thank you very much for appearing.

Mr Iacomella: Thank you for the opportunity.

SINGER, MS ELIZABETH, Convenor, ACT Gifted and Talented Local Support Group

THE CHAIR: Welcome, Ms Singer. I should say welcome back; I think you have been here before once or twice.

Ms Singer: Thank you, I have.

THE CHAIR: Please be aware that the proceedings today are being recorded by Hansard and are being webstreamed and broadcast live. Can you confirm that you have read the privileges statement?

Ms Singer: Yes, I have.

THE CHAIR: Would you like to make a short opening statement?

Ms Singer: Yes, I would, thank you. I would like to thank you for having me here today. I speak for the ACT Gifted and Talented Local Support Group. Our organisation is made up of parents of gifted children as well as psychologists, teachers and other professionals who have an interest in gifted education.

Gifted children make up about 10 per cent of our school enrolments. They are a distinct group of students who need to be identified to be taught by a quality teacher who has knowledge, training and experience with gifted students. They need grouping strategies for all relevant academic subjects, an appropriately differentiated curriculum, opportunities for acceleration and access to advanced opportunities external to school.

Families of gifted students find these needs are unmet by most graduate teachers as the university program, including local universities, does not offer a compulsory undergraduate unit in gifted education. This shifts the need and the cost of providing training in gifted education to the ACT Education and Training Directorate, and thus the need for a line in the budget providing funding that is committed to this training.

Labor believes in a stronger, smarter and fairer Australia. Yet our gifted students are being treated unfairly due to the misconception that they do not need any help. Anyone who delves even shallowly into the world of the gifted comes across myriad issues that make this group of children such a complex set of students.

Many principals and teachers, having no training in gifted students and their need, often scoff or ignore the parents' pleas and label them as helicopter parents. Parents are continuously discussing research with each other and are forced into the position of being the presenter of professional development. They take copies of this research into their child's teacher in the hope that the teacher will learn from the research and put in place an appropriate program at their school for gifted students.

All gifted students have the right to be taught to the best of their ability. School boards can play their part in establishing appropriate programs, approving and encouraging identification so that all students, rather than just the wealthy, can be identified and

overseeing the design of an appropriately modified curriculum. However, they too need to be trained in the needs of gifted students.

I believe that a line in the budget for gifted and talented students would be able to provide funding for teachers of gifted students, possibly dedicated funding for the position of the gifted and talented curriculum officer at the Education and Training Directorate, free from concerns parents have that that position may be cut every time we have an efficiency and staff there are reduced. We also believe there should be training for school board members so that once people are aware of the needs of gifted students they would understand and they would put in place appropriate programs.

THE CHAIR: It seems that your concern is essentially that there is a lowest common denominator. The emphasis is on bringing people up, I suppose, to a minimum standard rather than identifying when you have someone who is gifted and talented what you then do to cater for their needs. Is the problem identifying those gifted and talented students, is it then providing the programs, or is it a bit of both?

Ms Singer: The problem is a bit of both. Recently families that have had their students identified external to a school identification task have spent up to \$800 getting their students identified, which means that only parents that have that much money to spend are able to have the identification done, then take that evidence back to the school and discuss it with the principal and their class teacher.

We are finding that there are a lot of students from a low socioeconomic background that are not appearing even where schools have these programs because they are not yet getting identified. There are tools on the market that are available for schools to run a class identification program. It is not as good as the \$800 individual one, but it can be run at a small cost per student. It would pick up more of the students from low socioeconomic backgrounds and from other diverse backgrounds that are not currently getting identified and therefore participating in any of these programs or who are not in the group at school that has a curriculum differentiated to meet their needs.

DR BOURKE: Ms Singer, you mentioned the work of the education directorate's curriculum executive officer for gifted and talented children supporting schools and teachers and developing programs. Are you happy with the direction of those school-based programs?

Ms Singer: Some schools seem to have programs and some schools do not. Really, it depends on your postcode, what your opportunity is in terms of those programs. Because of the small number of teachers that have been trained in gifted education, schools that run a whole class program like Kaleen Primary School seem to be able to attract teachers with the training to run the program. The role of the person in the directorate has been to assist with organising professional development, making sure that schools are aware of professional development.

My understanding is that until recently, because some of the roles have apparently just changed, that person has been able to go out and sit in meetings with school principals, teachers and parents where they are discussing the needs of a gifted child and how that school can meet them and help with that because unfortunately a lot of our

teaching staff and principals have not had this training. Therefore, they are not always aware of the best approach.

THE CHAIR: I follow that up with a supplementary. Kaleen Primary School is a little bit of a hub for gifted and talented in that sense. Given that the skill set might not rest in every school, is that a way to do it, that we identify a school that can be a bit of a hub for gifted and talented students which will then attract the right skill sets with the right teachers who do understand and who can run those programs? Would you see that as a way forward or do you think it needs to be done within every school?

Ms Singer: The research definitely says that the students get the best benefits when they are in a class of those students. It improves their concentration, it improves their social skills and it improves their academic results.

THE CHAIR: A class of other gifted and talented students?

Ms Singer: A class of other gifted and talented students. So schools like Kaleen and schools like Garran Primary School are currently just that; they are hubs for these students. I think that is a way to go. I think that with the parents of gifted students, like parents of students with a disability, while most of them would have a preference for being able to travel and get to a school with a class, you would still have a few that would say, “I’d rather just go to the local school”—because of something. So the best way to deal with it, because we have limited teacher training, is to have the classes in identified schools, but you would still have some students that were at a local school other than that.

DR BOURKE: So what sort of—

THE CHAIR: We might move now to Mr Gentleman, unless there is a supplementary.

MR GENTLEMAN: Thanks very much, Ms Singer. Could you advise of your group’s views on the national skills reform program that has been outlined in the budget papers? Do you think the Gonski reforms will affect your group?

Ms Singer: I do not know that it is the sort of thing that would attract a lot of gifted students. It seems to be designed for a different set of students.

THE CHAIR: Mr Smyth.

MR SMYTH: You mentioned that most teachers are not trained and that therefore the cost has to be borne by the ACT education system. I assume that in teacher education they are taught how to handle kids with learning difficulties. Is it not more appropriate that this be done at the university level?

Ms Singer: Look, it is our belief that it is more appropriate there be a thirteen-week semester-based subject on gifted education. There is one at the University of Wollongong. There is one at several universities in Victoria. There is not one in the ACT. Arising from the 2001 Senate inquiry on gifted education, one of the recommendations was that the federal government encourage that within universities.

They put out some money to encourage universities to pick that up. It was not picked up by either of our local universities. So the Education and Training Directorate, like all other education facilities, can say to the universities, “Look, we want you to put this in your undergraduate program because this is one of the things we want our graduates to have,” but they have not done that in the ACT.

MR SMYTH: So the only way to get it is to actually go and do the course.

THE CHAIR: Have you had any conversations with universities here to give them a nudge along?

Ms Singer: Andrew Leigh has spoken to the University of Canberra on our behalf. They have still chosen not to put a program in—a cert-only program in their—

THE CHAIR: Okay.

MR SMYTH: The other question I have relates to the database that you mentioned. How do you envisage that operating? In your submission you talk about a database that lists resources, placements, waiting lists et cetera.

Ms Singer: I think it is like any other web-based interface for families. I think it is one place where you can go and find out which schools provide what for your gifted child and which schools do not. So I think it would just be operated by the department so that parents could use it as a resource to find information on schools before you go to a particular school and also as a resource for teachers, maybe.

MR SMYTH: In relation to the preschool option and early entry to kindergarten, you mention in your submission that there should be groups of up to eight students. So is that viable to have children that young going into kindergarten?

Ms Singer: Look, it is quite viable to have children skip preschool so that they would start kindergarten when they are four or even maybe a little bit earlier than being four years old. There is a process in the ACT where that currently occurs in that the family has to consult a professional and have appropriate testing done. It is done by a specialist psychologist usually or a clinical psychologist. All that information is then sent in to the Education and Training Directorate, which then has a bit of a procedure.

What parents are finding, though, is, for example, that if you are at Kaleen or you wanted to get a child into Kaleen, Kaleen takes children in preschool as part of their program. Normally, your first enrolment is in preschool. Kaleen already has a set of students ready to go into kindergarten from preschool. If their preschool is filling their positions for kindergarten and those students live out of area, they cannot get into that school, because that school is already full. If you do not live in the postcode you cannot get in. So these students have, firstly, that disadvantage. It restricts their choice. They have to be at a school that has not already filled its kindergarten.

The second thing is that we have found that these students work better in groups of six to eight. There are studies on how well they do with English and how well they do with maths and whether there is an improvement in their social skills. One of the things that we find is that young children that are accelerated sit in a subgroup of

gifted students, if you like, that are normally introverted in terms of their personality. That does not mean that they have trouble making friends; it means that they have the friendship needs of an introverted child, and they are much better in a group of six to eight students.

In terms of a teacher who is preparing lessons for a class, a group of six to eight students forms a reasonable-size group. So where you have to actually create a curriculum for these students and dedicate teaching time to it, having your group of six to eight students is just the right size for that to work.

THE CHAIR: Dr Bourke.

DR BOURKE: In your submission you talk about the myths and misconceptions in the community and teaching profession about the needs of gifted children. What do you think those myths and misconceptions are?

Ms Singer: There is a long list. Where to start? For example, I think one of the first things is that gifted children do not need a specific curriculum designed for their needs. I think that is one of the misconceptions. I think one of the other misconceptions is that if you do not modify the curriculum, the child will still do as well as they can. That is a misconception. I think it leads to a misconception for people to say that gifted children should not be grouped together because it is elitist. It is not elitist; it is just meeting their needs. That is the best way—actually, really the only way—to meet their needs, to group them together, from an education point of view.

I think one of the other misconceptions is that we get tied up with the religious concept, maybe, of all children being gifted. I see that a bit like the use of the word “blue”. So we can say the sky is blue or I feel blue today. Same word, two different meanings. In terms of gifted, from a religious perspective, we can say that all children are gifted. That means all children have things that they can do that are better than others. But in terms of gifted students, it is the same word but it has a different meaning. It is talking about children who are in the top 10 per cent of the learning potential in terms of academic stuff.

THE CHAIR: Mr Gentleman?

MR GENTLEMAN: No, no further questions.

THE CHAIR: Mr Smyth? I think that has been a very interesting and informative discussion. Thank you very much for appearing. The secretary will send you a copy of the transcript for you to review for accuracy. You cannot change your answers, sadly. Thank you for appearing and we will see you next time.

Ms Singer: Thank you very much.

Sitting suspended from 10.20 to 10.46 am.

DARCY, MR JOHN PAUL, General Manager, Canberra Preschool Society Inc

THE CHAIR: Welcome. Have you seen the privilege card?

Mr Darcy: I have.

THE CHAIR: You are aware of it?

Mr Darcy: I am.

THE CHAIR: You understand it? That is fantastic. Would you like to make a short opening statement?

Mr Darcy: I would, thank you, Mr Hanson. I appear today as a representative of the Canberra Preschool Society. Our management council is a group of volunteers. They have day jobs and other commitments and unfortunately none of them were able to get to today's session. I have met some of you before. Dr Bourke is very familiar with the Canberra Preschool Society. He has been to a meeting of ours. He has heard us talk extensively about it. Mr Hanson and Mr Smyth have heard me speak before as well. It is nice to meet you, Mr Gentleman.

I am going to give some background about our current situation and issues as far as preschooling in Canberra is concerned. This background is necessary in order to illustrate what it is that we are particularly concerned about in this budget. The Canberra Preschool Society, which was established in 1943, for the first 65 years of its existence helped the establishment and support of every government preschool. The organisation was the adviser to and the advocate for localised preschool parent associations. At its peak, there were 80 preschool parent associations affiliated, encompassing 4,000 families involved in ACT preschools.

That was prior to 2008 when preschool administration was assimilated into primary schools and principals became directly responsible. This replaced a centralised system for enrolments, staff management and ancillary support. The advantages were obvious. Local administration means local and timely solutions for any issues that arise. Local enrolment procedures are closer to the people that matter—that is, the families and the children. Preschool teachers, as part of a primary school faculty, get professional development advantages, positive social dynamics as a member of a larger team and close access to relief and release teachers. And, finally, preschool students, who are the most important—I should have mentioned them first—gain benefits in transition with a close relationship of their preschool to the “big school.” In principle and action, there is no distinction. Preschool is a part of the school. Every school principal, every school teacher, will hold that line. This situation is unique to the ACT. Other jurisdictions have some four-year-old units attached to some primary schools but not the completely integrated system that we have here.

The negative aspects of this completely integrated system are not as transparent. They can be seen by parents in some cases because they are very close to the action, but in other cases you have to understand the regulatory framework and the curriculum framework in order to recognise what is not being done.

Preschool for four-year-old children is not merely an extension downward from kindergarten. The age of compulsory schooling is six years. Kindergarten is the year prior to the age of compulsory schooling and it is the starting or foundation year for formal schooling. In some states it is called foundation or prep. Preschool comes one year before that and is supposed to be quite different from classroom schooling. It is a part-time program. It is a sessional program and curriculum and regulation differences are significant.

The national curriculum, called the early years learning framework, is in place for early childhood education. That means two-year-old and three-year-old programs are part of the early years learning framework, as well as four-year-old programs. The guiding principles for this framework are being, belonging and becoming. The practice of early childhood education is play-based learning. Young children learn through interaction with each other and with the objects and actions of play.

At the Canberra Preschool Society we are concerned that the early years learning framework has taken a back seat to the every chance to learn school curriculum. The assimilation of preschools into primary schools has not helped; indeed, it has impeded the delivery of play-based education. Across the wide range of schools, principals are approaching this dichotomy between the preschool year and the mainstream school in widely varying ways. But one thing is evident: no primary school website carries a mention of the early years learning framework, even though 60 primary schools have a preschool unit or multiple preschool units as part of their set-up.

I mentioned the regulatory differences between preschool and “big school”. We have just talked about the curriculum differences. In terms of regulation, in 2012 the national quality framework for early childhood education and care came into effect. It is applicable to preschools. The regulations, 345 pages of them, include quality standards, which are 58 assessment elements grouped under seven particular quality areas. The seven quality areas are educational program and practice, children’s health and safety, physical environment, staffing arrangements, relationships with children, collaborative partnerships with families and communities, and leadership and service management.

We are concerned that educational program and practice will be problematic if the early years learning framework is being marginalised, that collaborative partnerships with families and communities will be problematic in the face of the closure of 50 dedicated preschool parent associations and the reliance on representation of the P&C association in each school only—in some schools that is a P&C association that covers all the parents from preschool through to year 10—and that the quality area of leadership and service management will be problematic if the school leadership is not across all the aspects of the distinct preschool program.

The quality area of collaborative partnerships also encompasses the enrolment process. Sixty separate enrolment centres have some practical advantages, but for the school and not necessarily for the parents. There is no flexibility in the priority placement area system and parents sending their children to four-year-old programs, part-time preschool programs, do need flexibility. This system acts to enforce separatism between schools rather than sharing of information and resources.

How does this all relate to the budget? The Canberra Preschool Society put a budget submission in. It is referred to in my initial survey response to this committee. At pages 11 to 14 of our budget submission we set out the need for schools to have greater support from above, not from within. Extra executive teachers and community liaison officers do not cover all the bases. Our submission called for the appointment of a network leader for preschool in each of the four school network areas. We costed this conservatively—\$80,000 for each of these people in the first year; \$1.34 million over four years. That may have been too conservative. If it costs \$110,000 each for these network leaders for preschools then that would be \$1.85 million over four years.

But, aside from the cost, the need is clear. A wider uniform approach and hand of guidance is needed to ensure curriculum and regulatory compliance. There is an early childhood unit at Education and Training, but one centralised small team is not sufficient. There is an assessment program under the national quality framework, but it will take years to assess all 77 government preschools. There are 310 early childhood service providers in Canberra all under the same national quality framework. Top level, knowledgeable and accessible field support is required, for the reasons outlined in our submission.

This proposal for network leaders for preschools was rejected. In fact, it was rejected by the director-general, Diane Joseph, when we spoke to her last November. So it came as no surprise to see it missing from the budget. But what did we see? We saw \$4.325 million for 2013-14 alone, and nothing in the outyears, for savings reinvestment for transition to Gonski—an unprogrammed, undetailed slush fund across 85 government schools to be spent in one year. In the absence of detail for the modes and methods of transition to Gonski, as it is headlined, it is certain that none of the money will be spent before, say, October, because there is no indication of how it is intended to be spent. By October, I think, the national plan for school improvement will itself be under serious discussion, for other reasons.

The Canberra Preschool Society is unhappy that the ongoing needs of nearly 4½ thousand children in government preschools and the 14,000 who will follow them in the next three years have been treated so lightly. Quality preschool education delivers lasting benefits throughout schooling. We have a good preschool system, but there are risks if the steady creep continues and preschool is treated by principals as just another year.

There were some useful budget lines for early childhood education. \$5 million is allocated over four years for grants to non-government schools to establish and upgrade preschool infrastructure. I am led to understand that one shovel-ready project will be the first one to get grant money, and that is a new early education centre at St Jude's at Holder. There are 17 preschool programs in the non-government sector—St Jude's would make 18—and only about 900 enrolments. This money, this \$5 million of capital grants, will not do a lot to increase capacity, but it will help.

The other initiative was preschool matters, which came out in the election campaign from the Labor Party, and Dr Bourke was instrumental in that. \$400,000 over four years was promised to aid and assist parent engagement in preschool. The Canberra Preschool Society welcomed the concept, because that is precisely what the Canberra

Preschool Society exists for. We submitted a bid for increased funding to our organisation partly fed by that \$400,000 so that we could deliver the program. Pages 5 to 10 of our budget submission outlined the purpose and work of the society and our plans to deliver services full time and more broadly in the community, provided we were given the resources to do so. In the budget itself the allocation for preschool matters is only \$318,000 over the four years and just \$45,000 in 2013-14.

In spite of several direct questions to the directorate, the society has had no answer on funding to our organisation. Our organisation will be in no position to continue its 70 years of work without appropriate funding. Whilst we still hope to deliver preschool matters, we deplore a further year's delay in its commencement. With the right resources, we could have been rolling it out even now for the families coming to preschool in 2014.

Those are our areas of concern—the rejection of our requests for specific support for preschools in the form of network leaders for preschools, the preschool funding allocation is less than what was promised and the complete uncertainty that remains about how it is going to be implemented and, indeed, whether the Canberra Preschool Society can be the ones to deliver it. Thank you for that. I am now open to questions.

THE CHAIR: Dr Bourke.

DR BOURKE: One of the budget initiatives is to provide support for up to 25 childcare educators to gain university degrees in early childhood education to meet the new qualification requirements under the national quality framework. Has it been welcomed by your sector?

Mr Darcy: Yes, we appreciate that. That is in the form of scholarships worth approximately \$10,000 each. It will apply across the entire early childhood education sector. So it will not just benefit government preschools; it will be evident in the entire range of child care across Canberra—the private sector as well. Three-year-old programs as well will benefit from that. In that context, when you think of the number of programs that are involved there, 25 scholarships are not very many. But it is a worthwhile initiative.

MR GENTLEMAN: Mr Darcy, in budget paper 4, page 303, there is an allocation of \$2 million for the COAG universal access to preschools. What does your association think about that?

Mr Darcy: That is a continuation of something that started more than two years ago when a little over \$6 million was allocated for capital works in nine preschools in inner north and inner south Canberra. Not all of those capital works have been completed yet. They varied in scope. It turned out that Deakin preschool had to be demolished and rebuilt, and that \$2 million relates to that. That is the tail end of something that started a couple of years ago.

Regarding the original capital works program involving the Watson, Lyneham, Downer, Hackett, Reid, Ainslie and Baker Gardens preschools, most of those works have been completed and delivered. They are still continuing work at Watson, which has had the positive benefit of doubling the capacity of that particular preschool. So

that is a good move. The rebuild at Deakin will be an excellent move as well.

MR SMYTH: You mentioned the incorporation of preschools into primary school campuses—83 per cent of the students covered by one system and 17 per cent covered by other frameworks. What sort of impact is that having on preschool education?

Mr Darcy: We are getting varying feedback. You would appreciate that we are talking about 77 different situations there—77 different preschools across 60 different primary schools. So implementation varies. It is not a strict relationship but it varies having regard to the size of the schools involved. Some of the schools are quite small, which means that the principals and the executive teachers are closer to the preschool program and the preschool forms a larger part of their total school complement. If you look at O'Connor Cooperative School, for example, which is an early childhood school, of course, preschool is an enormous component of that compared to, say, Chisholm. This year's numbers at Chisholm are 54 out of 276 up to year 6, but there are also years 7 to 10 at Chisholm, so it is a much smaller component. So that has an impact on how the preschool program is treated in importance by the school board, by the teaching faculty, by the parents and citizens association.

Also, the knowledge and experience of the principal and the executive teachers so far as early childhood education goes varies extremely widely. The new principal this year at Campbell Primary School was formerly in the early childhood education unit at Education and Training, out at Stirling, and has gone into a principal's role from there. So she has a very strong understanding of early childhood education. But for other principals in some schools—I am not going to name anyone and I am not going to single out schools—their understanding of early childhood education is much less. This has a direct impact on how the differences in the preschool program—differences which I outlined in my opening address—are seen within the school.

We do not necessarily get strong feedback. Our network is not what it was. As I said, 50 preschool parent associations have closed in the last few years, so we do not have an automatic network reach into every one of these preschools. That is a difficulty for our organisation. That is a difficulty for us in representing the views of parents. We get feedback sometimes where people do not wish to go on the record, especially if the feedback comes from a teacher. Teachers have code of conduct considerations. They cannot go on the record. If they whisper to us that they are not getting resources or that the children are being asked to sit at desks—God forbid that preschool children would be asked to sit at desks for their schooling—if we hear things like that and people cannot go on the record, there is not a lot that we can do with it. But those sorts of stories do come through.

MR SMYTH: What is the long-term view—to separate the preschools back out from the primaries or is it support for the principals to make it work better?

Mr Darcy: I think it is about support for the principals to make it work better. I do not think you can un-mix the cake. A lot of our preschools are co-located with their primary schools in any case. What good would it do to say, “This fence between the preschool here and the primary school right next to it is now a barrier which can't be crossed by the principal”? I mentioned that there are great advantages for preschool teachers and preschool programs in having a local administration rather than having to

look to a centralised administration as it was before 2008. Those advantages should stay. But the requirements of a preschool program have to be better communicated.

A related story: I was at a meeting of parents at a particular preschool, and a large school. On the program for that day the preschool teacher had some information for the parents about national quality standards. But the focus was on only two of the national quality standards—staffing arrangements and physical environment. It occurred to me that these were things that were objective in nature, easily quantified and easily pointed to—“We have added an extra staff member here,” or “We have built an addition to this learning space over here.” The more subjective areas of the national quality standards were not being communicated to parents.

Another principal at a different school told me outright, “We don’t need a Canberra Preschool Society anymore because the schools are now looking after the parents.” That experience at a different school later suggested to me that the schools do not have all the bases covered in looking after the parents.

MR SMYTH: You also recommended on page 3 of your submission an independent study into preschool session times. How important is that, and is it likely to get up at some stage?

Mr Darcy: We put it third in our submission because it was ranked third in importance. We did not have any great hope that Education and Training would recommend an allocation of money to investigate the allocation of sessions within its schools. We think that an external look at that is important. A lot of feedback comes from parents that it is difficult to manage. This has been a consequence of the move to 15-hour programs. How do you present 15 hours a week to children? You can do it as 2½ days a week, with six hours, six hours and three hours, you can do it as five days of three hours, you can do it as three days of five hours, or you can do it as three days in one week of six hours each and two days in the other week of six hours each. With 18 hours in odd-numbered weeks and 12 hours in even-numbered weeks, that is 30 hours across the fortnight, which averages 15.

These arrangements, which differ from school to school—schools manage them in the best way possible—do not always make it easy for parents to organise the rest of the week. If your child is in a preschool program that is 2½ days, so only three hours on the Wednesday morning or Wednesday afternoon, for example, you cannot get child care for only half a day. So that is a day on which that parent cannot work, for example. If it is Monday, Tuesday and Wednesday in an odd-numbered week and Monday and Tuesday only in an even-numbered week, again, there is an odd Wednesday. You cannot get child care only for alternate Wednesdays. You have to make the booking for every Wednesday session. There is a cost of money and there is a logistical cost for parents as well.

So there are questions about the management of session times and session allocations. And the priority placement area requirements for enrolment do not make it easy, either. If you are living in a suburb and you are required to enrol in the school that is in that suburb and that school has particular session times, you have no flexibility. As much as there is flexibility and choice if you look at the system as a whole, in practical terms there is not because you have to enrol in the local school, and the

school in the next suburb or the school in the next district of Canberra will not even accept your application because they are full up with local children.

DR BOURKE: They will accept an out-of-area enrolment, won't they?

Mr Darcy: Dr Bourke, our feedback is that a lot of schools are not even taking out-of-area enrolment applications over the counter because they know in advance that they are going to be jam-packed with local children and they will not have any opportunity to consider the out-of-area applications. So they tell the parents that it is not necessary to even bother. If you are in Fadden, Gowrie, Wanniassa or Monash then those are full. The closure of Macarthur preschool a few years ago now looks to be a very silly thing because there are capacity strains in that area. If you are in Gungahlin then the capacity strains are obvious. The opening of two new schools has assisted. There were 160 children in preschool in Amaroo last year; there are only 130 this year. Obviously, a bit of the enrolment has gone to Bonner. Again, the closure of McKellar preschool looks to be a little silly. That could have helped in that area. McKellar is not very far away from Crace, for example. As Crace starts to fill up, Palmerston preschool is going to come under extreme pressure.

DR BOURKE: If you propose a system whereby there are no area-based enrolments, how do you expect the system to manage demand and supply?

Mr Darcy: No, I propose a system where information is shared across preschools on a cluster or district basis, to enable parents to have a choice across that area. Preschool is the only level of schooling where there is a strict capacity requirement because there is a ratio of one educator to 11 children. Twenty-two is the class size. If 44 children enrol at a school that has two preschools in its program then that preschool is full. If 76 children walk up to enrol in kindergarten and they all live locally then the school has to take all 76 and make plans for how they are going to accommodate them and how they are going to teach them.

DR BOURKE: But how is a school with 76 children coming up from kindergarten going to manage the children who are out of area for that school but who have attended the preschool?

Mr Darcy: Locality of schooling is more important at kindergarten and beyond because that is a full-time program. Every day the child will be going to school from nine to three. Locality of schooling is not so important for parents at preschool level because it is only for half of the week. Going to the local suburb preschool may not be as relevant for a particular family as a preschool that they can drop their child off to on the way to work.

DR BOURKE: What you are saying therefore is that parents should be allowed to enrol their children in the preschool which suits them. But if that child is out of area, they cannot then go on to the attached primary school with their cohort from the preschool?

Mr Darcy: If I interpret your question correctly, you are assuming that the children will always want to transition from the preschool that they are attending, say out of area, into the primary school that that preschool is attached to—again, out of area?

DR BOURKE: That was the hypothetical question.

Mr Darcy: I do not think there is a one-to-one transition going on. Apart from some children who move on to non-government programs, there is also leakage from a lot of preschools into other primary schools. If you had an oversubscribed demand for a preschool close to Woden, for example—a lot of people work in Woden—and if there were an awful lot of people who wanted to go to Mawson because they are driving past it on their way, they would not necessarily be looking to stay at Mawson for the kindergarten year. As I said, locality of primary school, local to where you live, is more important at primary school level than at preschool level.

THE CHAIR: We might have to cut it off there because the time has elapsed. Thank you very much for appearing today. The secretary will send you a copy of the transcript of today's hearing for you to look at, to make sure it is accurate. You can send any corrections back to the secretary.

GOUDIE, MR IAN, President, Diversity ACT Community Services

QUIGLEY, MS DELIA, Committee Member, Diversity ACT Community Services

THE CHAIR: Thank you very much for coming along.

Mr Goudie: Thank you for having us.

THE CHAIR: You have the privilege statement in front of you. Are you aware of that? Have you seen it?

Mr Goudie: Yes.

Ms Quigley: Yes.

THE CHAIR: That is great. Would you like to make a short opening statement?

Mr Goudie: Yes. Thank you for having us here today. Diversity ACT is grateful for the funding that we have received in the budget that has just been handed down by Minister Barr—\$120,000 per annum, as well as a \$70,000 capital grant for the additional building for Kambah.

We did put in a submission for more funds than that. While we are grateful for what we received, the growth of Diversity over the last 18 months has been quite rapid and quite vast, having regard to the services being sought from within the LGBTI community of Canberra and what we can actually deliver. Basically, it is more to the point of going through this with you guys because questions are being asked by us of other directorates as to where the funds have come from and why they are attached to youth, yet we are delivering LGBTI services which range from youth right through to senior citizens. That was one of the things I have been asked to get clarified as well.

Ms Quigley: I have had some involvement in the LGBTI community and issues and other volunteer services for over a decade. I welcome the opportunity to be here with Ian and also to represent the Diversity ACT board before this committee.

THE CHAIR: Thanks very much. What services are you currently providing? Could you give me an explanation of what it is you are providing? And further to that, what is it that you are going to be able to provide now that you have got the budget—so what you are doing now with the budget funding, what you will do, and what it is that you wanted to do beyond that that you have not got funding for?

Mr Goudie: Currently, Diversity ACT, through ongoing, run a telephone support service that was launched by the government on 31 August at our gala event. We launched the 1300 number which has had in excess of 380 calls since August last year. We have saved, from an estimate, 12 youth from suicide, we have housed 18 youth, we have picked youth up from the street who have been kicked out because of their sexuality. We have had people ring us who are going through sexual needs, sexual orientation and sexual dysphoria, understanding their sexual needs, as well as people who just wanted to have a chat because they are lonely; people, seniors, who are just dealing with their sexuality after divorce or loss of a loved one, who are finally

coming to terms with their sexuality, and who ring up just because they finally can express themselves, who they have had hidden for many years. We have had other people who just want to ring up and say “Hey, I just need someone to talk to.” We do refer on to Lifeline, but through lack of understanding of LGBTI issues, they feel more comfortable—

THE CHAIR: So that is your current—

Mr Goudie: That is one of the programs that we currently run.

THE CHAIR: How much are you funded for at the moment?

Mr Goudie: We are not funded; this is our first round of funding.

THE CHAIR: So it is based on goodwill and volunteers?

Mr Goudie: Volunteers, yes, with training.

THE CHAIR: Are your operators who receive these calls trained?

Mr Goudie: Yes, we are. I have got my diplomas, advanced diplomas and I am finishing my degree in social work. Delia also does the phone. We also have some free social workers. They are all volunteers but everyone is getting burnt out.

THE CHAIR: Of course. In terms of housing, where do you house them?

Mr Goudie: We do major fundraisers, so when we get crisis calls we end up putting them into Formule 1 in Dickson, because there are no youth refuges that will cope with LGBTI sexual orientation. They feel discriminated in them, they feel bullied in them. Then we work with the directorate to try and get them into crisis accommodation, as best we can. We try and rebuild them back with their families and try and do some intermediary work. That has worked with a couple but others are just couch surfing and things like that. We do not have the resources that stretch to that need, which is something that the LGBTI Advisory Council is now taking on board as one of its priorities.

THE CHAIR: Are any of your board of volunteers taking youth in?

Mr Goudie: No.

THE CHAIR: That is what you are doing now, and then funding in the budget will allow you to do what?

Mr Goudie: The funding in the budget will not allow us to do that at all, not for \$120,000.

THE CHAIR: No, but it expands on the current service. Or what do you do with the \$120,000?

Mr Goudie: We get told to apply for grants, we apply for grants and we keep getting

knocked back. “You are not established, you do not have a track record.” We applied for the innovation grant because we were told to do that, they are a counselling line, we got—

THE CHAIR: Sorry, you got \$120,000 in the budget initially?

Mr Goudie: This budget, yes.

THE CHAIR: What are you doing with that money?

Mr Goudie: This money? It has been set aside for an executive officer, a part-time community development officer and admin costs as allocated in the budget.

THE CHAIR: And what is the process for hiring that executive officer? Is it going to be advertised?

Mr Goudie: Yes, it will be.

THE CHAIR: And then the \$70,000 is for capital?

Mr Goudie: That is for capital works. We are in a very tiny building. It was an old, little preschool—tiny, two rooms. You cannot swing a cat in half of them. That is just not the right facility. We have clients that are now walking in since we opened on 23 March. We had 1,500-plus from the LGBTI community of Canberra turn up to our opening, which is phenomenal, in Kambah of all places. We have had so many people just walking in the door, saying, “Hi, I need to talk to someone,” or, “Hi, I need help.”

From that we have developed ER on a Monday with UnitingCare and Communities@Work. ER is emergency relief where we have people who are going through desperate times and hardship come in and meet with our community development worker, who is also a caseworker, and we give them food, hamburgers, and try to assist and assist as best we can.

THE CHAIR: So what are you actually going to do with that \$70,000?

Mr Goudie: We are going to, with the directorate, buy a yurt, as just more of a meeting room and part-time counselling facility.

Ms Quigley: In addition to what Mr Goudie has already said, the space is very small. We would like to have some additional programs running. With the addition of either a portable classroom or a yurt-type building, we will be able to run more programs for people within the community.

We have done a community survey, which we have yet to finish pulling all the data out of, regarding the needs of the LGBTI community in Canberra and what types of programs they would like to have. We have had a number of people say that they would like to have a book club, a group for people that are starting to age, life skills for youth and moving out from home, those types of programs. Currently we have got a gardening group.

We have got a youth group that meet on Wednesday evenings, again in a very small space, but they do have an availability of coming in and sitting on some lounges, being able to access a computer and the internet, interact with each other as a youth group. We also have a junior board. We are trying to provide some skills to a junior board to assist them and work out what programs they need and their issues. We have had them involved in a program to inform others about homophobia. The youth group have also run a poster competition on homophobia: why?

There are a number of things that we would like to get up and running but our space is small. With this capital of \$70,000 to get a portable classroom or something else in place, we can then build on what the community needs and what they tell us they need.

THE CHAIR: I appreciate I am hogging the time, members, but the last bit from me, Mr Goudie, is the additional funding request you had in your budget submission that you did not get. What were you going to do with that that you will not be able to do?

Mr Goudie: We were hoping to run our programs. We are getting lots of requests from high schools, schools, colleges, social groups, other community organisations, for education, training and social group support. We have a women's group who have 30 to 40 people that want to run programs. They cannot do it from our facility. We have other community service directorates that want some of our staff to come out. The biggest thing that we need more funding for is a full-time counsellor, a counsellor that people can book into and that is there to meet their needs. This is just something we will not be able to offer this year.

I am taken aback by the amount of people who are calling up for social needs, counselling, support and casework. I did not expect it when I started Diversity ACT. We were quite surprised when we started it. It was operating out of my house just as a dream, and it grew. My personal phone was getting phone calls. "I need help. I was given your number." And I just said to my other half and to the founding board, "This is my home. I can't have people ringing my home at 10, 11 or 12 at night or 1, 2 in the morning." So we got a separate phone line put in. That then grew into the 1300 number. There is obviously a need for it.

We are not just coping with Canberra, we are also getting calls from Queanbeyan and surrounds as well. Through that, we have managed to talk with Twenty10 in Sydney. So any calls that come out of the ACT, we just redirect. Telstra became a corporate sponsor. We are able to hit a button which directs any call that comes out of us into their call centre, because we just do not have the facility to cope with that.

So we are grateful in that respect, but it is the people that are coming in that need help. They need counselling. Our current full-time staff member is there by herself with one part-time admin, and they are drained. They are there Monday to Friday. By that time, they are walking out and going, "What a week!" I have my own life, as well as a full-time job, as well as the other boards I am on. And then I have got to go and do debriefs with them. I have got to go and do everything. It is just—

Ms Quigley: It has grown.

Mr Goudie: It has grown quite rapidly. At first, I just wanted a little pond, a little

ripple in a pond, to let it grow. But it turned into a tsunami, bigger than what I actually anticipated that it would be. It actually showed a real, underclass need that was being hidden in Canberra. And it has brought a lot of things to light for me as well.

We claim to be the friendliest LGBTI city in Australia. We cannot make that claim if we are not looking after the LGBTI community of Canberra. If we are making this claim, we need to be backing it up as not just government but social businesses. So I have gone out to the businesses of Canberra and got support for Diversity ACT. A lot of it is not monetary. They are more than happy to give us some volunteers. Masters did a \$100,000 makeover of the Kambah site because it was in such disarray. It had not been used for two years. So it was totally run down. It is the money that we cannot get, because there is just no money in anyone's pocket in today's economic times within business. They are happy to give us goods and chattels, but not the monetary value.

THE CHAIR: Members.

DR BOURKE: Perhaps you could tell me what options you do have to apply for further grants in conjunction with other NGOs, perhaps partnering? You have mentioned that you have been getting some knockbacks regarding track record and those sorts of issues. Is there a capacity for you to partner with another NGO to achieve your objectives?

Mr Goudie: We are working very closely with Northside Community Services as well as Communities@Work and ACTCOSS. We have been working very closely with them and developing a fantastic relationship to build on, to start getting some services. One of the ones that we knew that we could not fund was the crisis, the ER. So we managed to get UnitingCare as well as Communities@Work on board to run that program. Again—and it is more to the point—they are more than happy to supply us with all the food hampers, the electricity vouchers, the assistance and that, but they cannot provide the physical staff to actually be the caseworkers.

As Simon Rosenberg put to me, we are all fighting for a slice of the pie, and they are more than happy to take our clients because it goes on their stats. And that is how it is. But we have got to have our clients to prove ourselves over 12 months so that we can say we need this service when we put in our submission next year. “This is what we have been able to deliver with the funds and this is the amount of people we have had.” So it a bit of toing and froing, but we are working as closely together as we can. And we are going to, hopefully this year, do some joint projects. And one of them will be the LGBTI youth refuge, and that will be in conjunction with Northside, Communities@Work, Diversity ACT and ACTCOSS putting in a submission for crisis accommodation for LGBTI youth.

DR BOURKE: What sort of youth refuge do you—

Mr Goudie: Just intermediate, short-term crisis accommodation, yes. That is something we are looking at.

DR BOURKE: How many beds?

Mr Goudie: Six is what we said, just an old ACT government house that is on the demolition list within the next two years. That could be used and managed by Northside as an interim place for young adults who are going through needs who have been kicked out because of their coming-out process.

DR BOURKE: You mentioned that before. What sort of demand do you think is there within the community for that kind of facility?

Mr Goudie: Since we launched a year ago, we have had—I cannot tell you, because I do not have it in front of me but from my recollection of last reading—about 25 youth contact us because they needed emergency crisis support.

DR BOURKE: Over a 12-month period?

Mr Goudie: Over a 12-month period. I would not care if it was one. I would rather them being housed than couch surfing or doing what I did when I was 17, living on the streets and being sexually active to get money, because I had nowhere to live because of my sexuality. And I do not want any Canberran to live like that, because that is a subclass we do not need in this town. It needs to be stamped out.

THE CHAIR: Mr Gentleman.

MR GENTLEMAN: Ian, you mentioned that you are all fighting for a slice of the pie. Is the pie getting bigger as well?

Mr Goudie: The pie?

MR GENTLEMAN: Yes.

Mr Goudie: No. I reckon the pie is getting smaller for the community services directorates. It seems to be getting smaller and smaller, the amount of money that we are all fighting for. There is more and more drain on the community services directorates throughout the ACT and not just within the LGBTI, and I recognise that. We have aged care, we have Indigenous, we have disability. We are all fighting for the same pie. Unfortunately, we live in a time now where economics is going down. People are living on lower incomes. Housing is getting dearer. The cost of living is getting dearer. People are struggling.

But on top of that, the highest cause of suicide in Australia currently under the last stats is dealing with sexuality. More people commit suicide from dealing with their sexuality than they do for any other reason. And we should be addressing that right at the very grass roots. Yes, I can sit here and fight for marriage equality and all that. No, let us stamp out homophobia and get acceptance of us first before we start wasting money on stuff like that. We need to look at what is there first.

THE CHAIR: That is an interesting point. Your view, from Diversity ACT, is that there are some fundamental issues that need to be resolved before we necessarily focus all our attention on the marriage debate?

Mr Goudie: I agree. I will say that is a personal view. While Diversity ACT supports

marriage equality and equity, because it is a valued part to us as human beings, we need to look at the health and wellbeing of the LGBTI community of Canberra before marriage equality. It will come. Let us stamp out homophobia, trans phobia, intersex phobia and bi phobia, because that will come just like everything else. It is a natural progression. Let us look at how we can work together and make everyone accept each other. Marriage will just come with it. My personal view is that we are starting at the wrong end but, again, that is my personal view.

THE CHAIR: That is interesting.

DR BOURKE: So you do not see marriage equality as being a step in that process?

Mr Goudie: Chris, I do. I am married to my husband, okay. I have been married to my husband for three years under the Civil Unions Act of the ACT. But we also went to Canada because we wanted a marriage certificate of our love and our dedication for 12 years being together. We have a daughter. It is our recognition to each other. I can now go to New Zealand and be married. Yes, it is important. But we need to have a look at where it is all starting from, and that is in the home. The home is where the homophobia, the transphobia, starts with the parents. It is the education. As we have found through the “Homophobia, why?” classes that we run at Diversity, we have got these high schools ringing us saying, “Can we book in?” We are booked out for six months.

I do it voluntarily. I am in there on a Thursday afternoon with six kids. There were 12 kids from Lanyon high last week. They were all learning about homophobia, transphobia, acceptance and sexual dysphoria. They go home and talk to their parents. They say, “Hey, you can’t talk like that.” It is about re-educating. It is working. I am absolutely blown away with the “Homophobia, why?” project. I did not expect it to work. It was my uni major thesis. It has been rolled out. It is now being used in the United States—my project—and I am stoked about it. But it all comes to the point that we are the nation’s capital. We should be doing it. We should be leading the way in everything here in Canberra.

THE CHAIR: It is appropriate for me to hand over to Mr Smyth who is renowned for his support of the diverse community here in the ACT. He is a regular attender at every event including the Mardi Gras.

MR SMYTH: How big is the need and has there been any attempt to quantify it? You seem to be asking for what appears to be funding for bandaid solutions. Has somebody attempted to quantify what the needs exactly are and how much is required to meet those needs?

Mr Goudie: I believe that everybody would have got our submission.

MR SMYTH: Yes.

Mr Goudie: Through our initial one-off funding through our grant, which is coming to an end, we did our public analysis. We did a survey. We have done lots of engagements and through that a lot of the needs have been developed. It should be finalised shortly. But through the management of Northside Community Service,

Diversity ACT's board and ACOSS, we developed our—based on what we currently had—submission for budget.

We do not believe in duplication of services. We want to work with existing services but there are existing services that just do not cater for LGBTI. Through that, we have found that there is a need. The biggest need is—we keep getting referred back to why we cannot work with the AIDS Action Council. The AIDS Action Council is for HIV blood-borne viruses. The stigma is that all faggots have AIDS. We are trying to remove that stigma. Not all gays have AIDS. Heterosexuals carry more HIV than homosexual men; so that stigma needs to be stamped out.

We are the only country that is still backwards where we have still got the AIDS councils working on LGBTI health and wellbeing. The United States, England and even Asia are now segregating the LGBTI health and HIV/AIDS apart and allowing them to work purely on what they are funded for.

In the ACT, I believe that we have the best AIDS Action Council in Australia. They have got a fantastic team of staff there and they are doing a brilliant job. But that is their core focus. That is what their funding is about. While we will develop with them and work on programs, we know from the surveys that people do not want to go to the AIDS Action Council. I do not have AIDS. I do not want to go SHFPACT. I do not have sexual health needs. I have my health and wellbeing needs as a person. So while we work with them on health issues, it is more on the wellbeing side of it.

MR SMYTH: Sure. You have got the section in your submission on the need but how big is the need? As you scratch the surface—

Mr Goudie: The scratch—well, it is getting deeper and deeper and deeper. Statistics say one in 10, don't they?

MR SMYTH: I do not know.

Mr Goudie: In the last statistics to come out, one in 10 males identify as either bisexual or gay; so how many Canberrans are there?

MR GENTLEMAN: 370,000.

Mr Goudie: There is a big need.

MR SMYTH: But how many of those are at risk or in need?

Mr Goudie: At risk? It is hard to say. It is really hard to say.

MR SMYTH: Right; so some sort of attempt at trying to measure the need would be useful.

Mr Goudie: And then there are those who do not want to be a stat, who will come to us in confidence. They do not want people knowing. There are people who I was totally surprised about, that I never thought would be struggling with sexuality, who have come to the centre or rung up because they need help. I am grateful that we are

offering the service but the board has to review whether we can even keep the phone line operating past the next six to eight weeks. We just do not have the funds or the capability of keeping it running.

Ms Quigley: One of the things too is that it is hard to quantify when you still have people who refuse to identify as being gay because of cultural or religious beliefs and they are struggling with their sexuality. The one in 10 or even one in eight goes back to Kinsey and those types of models. How big is the actual need for our service? We find it very difficult to quantify. We have done a community survey. There is something like 700-odd people.

Mr Goudie: We had over 1,180 responses to the survey but only 780 were ACT responses. So we removed the New South Wales components of that survey because we want to keep it to our region.

Ms Quigley: As we said earlier, we still have to work through the results of that survey. But we are certainly finding that there are people calling in, ringing up and just indicating to us that they need our services. In recent weeks we did a blanket drop. We had people from the community dropping in blankets for those in need. We have had a considerable uptake of that service already because of the winter months being upon us.

We are really in our infancy as an organisation and saying what the real need is and having an ability to quantify that is very difficult for us at this particular point in time. But we do know that if we offer it, they will come, so to speak. We have had people come to us from southern New South Wales to use our facility because they come from a cultural group that if people had an awareness of their sexuality they would be, in their own countries, killed for that sexuality. They are very hidden in what they are doing here as migrant groups. So they come to Canberra away from those southern New South Wales environments to meet in our little rooms as a group. They are even paranoid in our rooms in Canberra a couple of hundred miles away from where they live.

There are those types of things that are going on and those types of nuances in people's mind when they are trying to deal with the LGBTI community. There is still a lot of fear. They are concerned about what people think, losing their families, all those types of things that the average heterosexual does not have to think about. They just get on with their lives. They are who they are. They are going to marry, they are going to have children and they are going to be the person that they believe society wants them to believe they are, whereas for the LGBTI community it is a whole different kettle of fish. They have got their own internalised fears—loss of family, loss of religion, of faith and of support. That loss of support from family is the thing that we are starting to see that Ian has highlighted from the youth.

Mr Goudie: We have had more interest more from CALD groups over the last several months and the CALD group that we were discussing was a Sudanese group that came to us wanting to use the facility. The fact is they are coming not just from the ACT but surrounding areas. We have got people who drive up from Albury-Wodonga and Sydney to come and meet once a month. They close all the blinds because they do not want anyone seeing them. They are the facilities that we are

starting to get people using. We do Rainbow Essentials through Farm Fresh in Fyshwick. We take hampers to people living with serious illnesses who identify as LGBTI. We take them a food hamper of fresh fruit and veggies, milk and bread through our volunteers. We just drop off a hamper and have a chat. It is like, you know, just seeing how they are.

They are just little things that we have started to do but we are just at that point where we are growing too big, where we cannot—we do not have the funds or the facility or staffing to cope with that. I am petrified that we are going to have an influx and we are not going to be able to cope with it. We are going to be missing that one who then just goes off and tops themselves. That is my major concern.

THE CHAIR: Thank you very much.

Mr Goudie: Thank you, Mr Hanson.

THE CHAIR: It has been very informative. Unfortunately, we have run out of time. The secretariat will send you a copy of the transcript for you to review. If you have any corrections to that you could liaise with the secretariat. Thank you very much for attending and we will probably see you next year.

Mr Goudie: Thank you very much.

Ms Quigley: Thank you for the time.

LINKE, MR MICHAEL, Chief Executive Officer, RSPCA ACT

THE CHAIR: We will now move on to the RSPCA. I was expecting Michael Linke to attend but it seems that his younger, far-slimmer, more handsome younger brother is attending.

Mr Linke: Thank you, Jeremy, for that compliment.

THE CHAIR: Before I get into the formalities if I can compliment you on your fitness regime. It has been well noted in the community. The proceedings will be live webstreamed and also recorded by Hansard. Are you aware of the privileges card that is there before you and its details?

Mr Linke: Yes, I am aware of the privileges card.

THE CHAIR: Fantastic. Would you like to make an opening statement?

Mr Linke: Thanks very much for the opportunity, again, to chat to the estimates process here in Canberra. We put a submission in each year. The feeling that we get each year is that although the knowledge inside government is growing of the length and the breadth of the work that RSPCA does, there is still not acknowledgement of that in the budget process. We have received very small increments, CPI-based increments, over the last number of years despite significant work with the government through an audit process with government-appointed auditors and a very detailed process articulating RSPCA's needs and the services that RSPCA delivers on behalf of the government.

Our concern is that each year, although there is a recognition of that length and breadth of services and a cost analysis of our costs and the services that we deliver, government's language to us is still that, "We just want to provide a contribution to RSPCA to assist with some of those services." That concerns us on a number of fronts going forward. If funding is just a contribution, if we want to expand services or look at merging services or look at development of a new facility in Canberra, what sort of confidence can RSPCA have if the government is continually only willing to make a contribution to those services that we will have in moving forward into delivering additional services? So there is a little bit of uncertainty internally that that process has caused us.

Moving away from that direct budget process, at RSPCA things are running fairly smoothly. We continue to see increases in some animal species coming to us—dogs and puppies—but we are starting to see a softening of the numbers of cats coming in and wild animals coming in, which is commensurate with our marketing and campaigning in and around Canberra to try and reduce some of those numbers coming into the shelter. So in terms of that, it is really good.

The industrial climate is quite good, although the budget constraints mean pressure on salaries at the organisation which then, in turn, puts pressure on staff who have been there. We see significant turnover from time to time of staff who start to build a career in the animal care sector and then the salaries do not meet their cost of living and their

lifestyle going forward. So they take a decision to leave the organisation. That is part and parcel of what we do and how we run our business. But it would be nice to have government recognise the work that we do and allocate additional budget so that we can allow staff to progress through the ranks and through the animal care and veterinary services award. They are probably the three key points as an introduction that I would like to make.

THE CHAIR: Thanks very much. The first question I have is with regard to the facility. My understanding is that the government has said that they are going to provide an alternate site for you to move to. Can you give me an explanation of where that process is currently at?

Mr Linke: The process has been going on for eight years now, and I think each year I talk about it in this room. But I suppose every year we are closer, and in the last six months we have seen a greater level of movement where two directorates—the Economic Development Directorate and the TAMS Directorate—have both come together, because EDD needs to fund it in terms of the capital costs of the project and TAMS needs to look at the service model and the service delivery model. We are currently in discussions with both those directorates around an alternate facility.

We have recently provided the government with about a 70-page submission that details what is an ideal facility, how that process could be followed, a time line of that process for government to look at and some of the options that are involved in that. So is a merge with the local Domestic Animal Services an opportunity? How do we work with volunteers and rescue groups? What are some of the due diligence aspects that RSPCA needs to go to if we are to merge with the ACT government? What are the due diligence aspects that we need to go to if we are going to build a new facility in Canberra?

I think now more than ever that facility is going ahead. Our concern is that we are getting increasing pressure from the community. Our board members are often asked, our staff are often asked, “When are you moving?” We cannot make an announcement. We cannot make a statement about that. It is just, “Well, it’s in the hands of government.” That can, I think, impact on our brand and our image, because it appears that RSPCA does not know what it is doing when, in fact, the hold-up has been the government hold-up in terms of selecting a block of land, allocating the appropriate budget and getting the ball rolling.

I did have a very positive meeting with the EDD minister, Andrew Barr, earlier this year. He indicated that he is all keen for it. We are just waiting for, I suppose, cabinet to get together, allocate the actual funding and then put a process, a master plan, together to get that process moving. That is probably where we are at now. I do have a meeting with EDD and TAMS next Friday to talk about the submission that we submitted to see what the next step is. But the ball is fundamentally in the government’s court now. We have done all our homework, bundled all that up into a proposal and said, “This is the next step that needs to be taken.”

THE CHAIR: Do you have a preferred option in terms of whether you amalgamate with government animal services, move to a greenfield site, do it by yourself? Do you have a preferred model?

Mr Linke: A greenfield site would be better. It is always better if you build new. Where we are now is an ideal location. It would be cheaper to develop the existing site where we are, because there is significant infrastructure already on that site, but it would need significant investment. Obviously, the cost to develop a new site is fundamentally probably two times, three times greater. So either/or; I would probably prefer to stay, given the location. I do not think that is feasible given the master plan for the Molonglo development. We are pragmatic about that. We know that development. We know what is happening over the next 15, 20 years in Molonglo.

We are sort of accepting of the fact that a move is the preferred option for government. But if that is to go ahead, the facility needs to meet the needs of animal welfare, not the needs of RSPCA. I think there is some confusion there. It is the needs of animal welfare in the community going forward. RSPCA just happens to be the tenant and the organisation that will manage and run that facility. If that is a merge with the local Domestic Animal Services, I think there is some great potential for that. But we do need to be cautious and we do need to do our due diligence to say, “Given the government’s history in saying that we are just going to contribute a little bit of funding, what certainty can you give us if you do merge that service with us that funding will be forthcoming into the future?”

That is a significant risk for RSPCA. What if we take on a workload and then the government says three or four years later, “We just want to give you a contribution to this workload,” and we say, “Hang on a sec; we have taken on a half million dollar workload and you are only giving us \$200,000; where are we going to find the other \$300,000?” So merging with the local facility is a significant risk unless we have certainty in a contract or a memorandum of understanding that funding for that merged facility is forthcoming.

DR BOURKE: Just a supplementary, if I can. So you do not see the growth in development in Molonglo really affecting the facility at its current site?

Mr Linke: It has been affecting us, significantly. The roadworks have had a significant impact on traffic flow into our facility, and if we do not get people through our facility, we do not make money. Over the last six to 12 months we have had a significant downturn at various times during the year because of the significant roadworks along Cotter Road. The houses are impacting. I think there is a greater risk to government by leaving us there because, as people buy houses, as we say, under flight paths—if you buy under a flight path, too bad, but people still complain—you will find a significant increase in the number of people complaining about the noise and odour of the animal shelter down the road from their nice new house that they have just built and purchased.

So I think there will be some negative risks to government if the facility stays there. That is why I think it is becoming a more urgent problem for government to solve and allocate the appropriate funding for. You do not build an animal shelter overnight. It is at least an 18-month build process, and that is notwithstanding all the land approvals, adjustments and technical variations that we need to do to a future block of land that we may use. You are looking at a three, four or five-year project. Look at the rate of development at Molonglo now. There are going to be lots more homes there in

the next three or four years. So it will be a significant impact.

It is great for us, because we get lots of people living nearby—purchasing from our shop, being donors, being potential adopters of animals. In terms of that ready audience, it is a real positive thing. But during the process, there is significant disruption to our services. We have had significant work health and safety issues with the asbestos removal and the nervousness of staff working adjacent to a site that has been infected with asbestos. That has been a concern to us. We have had to put in place significant measures to ensure that our staff are safe.

And we have had a significant impact of rabbit damage on our site, because all the rabbits have been moved as a result of the development, and they all come across to our site. We did seek remedial funding from the government to help us with a rabbit eradication program, but that was not forthcoming. That was quite disappointing at the time. We thought a small investment or a small contribution from government for that specific problem could have solved a problem for us, but we have had to solve that ourselves.

DR BOURKE: What percentage of your recurrent funding comes from government?

Mr Linke: It is about 14 per cent, 15 per cent. It is \$590,000 on about a \$4 million budget.

THE CHAIR: Mr Gentleman.

MR GENTLEMAN: You mentioned perhaps, in the new facility, fitting in with the government Domestic Animal Services. What advantages would there be for RSPCA in working alongside DAS?

Mr Linke: I think having a central facility provides you with significant economies of scale in terms of animal care, animal welfare, staffing and cleaning and disinfecting regimes. It gives a single point of call for the community. Right now, people in the community, if their lose their dog, have to make two or three phone calls. They go to DAS; they come to RSPCA. They have to go to two facilities to try and find their lost dog. There is no central lost and found facility. Merging them gives the community a single point of call to find their lost dog. It gives certainty about people bringing in animals. They do not need to make a decision—“Do I take it to RSPCA or do I take it to DAS?”—based on geography or based on how they can get there or whether they know where the facility is. So I think in terms of the community appeal, it has significant community appeal.

Internally, for us, if the budget is appropriate, it has the economies of scale that I mentioned in terms of savings, in terms of looking after animals. It also gives you capacity to increase your pool of work with volunteers and rescue groups across Canberra—and, really, build the high profile that we already have as the state leading the way in terms of animal welfare rehome rates. DAS and RSPCA are in the upper echelons of homing close to 100 per cent of animals.

So in terms of our outcomes, it is very positive. We could continue that, and we could strike a model that we could demonstrate to other jurisdictions. We could say: “Hey,

here's a model. Let's move away from the traditional council pound and RSPCA model. Here's a merged model that really presents some animal welfare benefits"—on-site vet care that DAS does not have, on-site qualified behavioural training that DAS does not have. It is all those value-adds that RSPCA could build in that will improve outcomes for dogs.

MR GENTLEMAN: On another topic, what are your thoughts on the government's cat containment program for new suburbs?

Mr Linke: It is quite good. We are supportive of cat containment and the long-term strategy for cat containment. We have had significant input into a cat welfare, cat management, paper, through TAMS recently. That paper is near finalisation. There are a number of recommendations coming out of that paper that we are very supportive of. One of those recommendations is cat containment. The cat containment in Forde and Bonner is fantastic. The new suburbs, Coombs and Wright, in north Weston will be cat contained. And I think, over time—this is 15 or 20 years, I think—Canberra will be a cat containment area overall.

That is a positive thing for welfare, as long as we can meet the welfare of the cats. And that is where RSPCA's position is. It is about the welfare of animals. It is about providing the appropriate advice to people to look after their animals in an appropriate environment. I think we can do that, and you can successfully contain cats. I have got a number of cats, and they are all contained successfully. It is about meeting their welfare needs. It is not just shoving them in a laundry and saying, "Well, my cat's contained." That way you do not meet their welfare needs. As long as containment meets the welfare needs of the cats, we have not got a problem with it.

THE CHAIR: Mr Smyth.

MR SMYTH: Just on animal policies, does the RSPCA have a policy or a view on the kangaroo cull?

Mr Linke: We have got a national policy on culling of animals, full stop—not kangaroos specifically, but general culling of animals, all animals. RSPCA does not treat animals differently. Animal welfare is not selective. That is the important thing that we say. Whether you are culling kangaroos, brumbies, camels in central Australia, rabbits or pigeons, so long as the process is scientifically thought out and the evidence is there for the decision-maker—in this jurisdiction, the decision-maker is the minister at TAMS, Shane Rattenbury; as long as he is satisfied that the information he is presented with allows him to make a decision to proceed with the cull, RSPCA has no role to play.

Our role is making sure that any culling that is done is done so that the welfare of the animal is maximised. It is about ensuring that. If you are doing aerial shooting of camels in central Australia and the camels are rendered killed first shot, there is no welfare concern. Similarly, with kangaroos, if you are going to cull kangaroos, shooting is the best method. There are no welfare concerns with a quality shot to the head. That is RSPCA's position, and that is where we stand. It is about the welfare of the animal, not necessarily about the cull.

MR SMYTH: Inside your shelter and Domestic Animal Services, what percentage of animals are put down?

Mr Linke: Inside our shelter we will euthanase vicious and aggressive animals and irredeemably suffering animals. In terms of percentages, you are looking at about six per cent of dogs, about five per cent of puppies, about nine per cent of kittens, and about 14 or 15 per cent of cats. In other animals, it is about 20 per cent. But those euthanasia decisions are for the health and welfare of the animal. We do not euthanase healthy animals at the RSPCA in Canberra.

With DAS, I recently saw them advertise a rehoming rate of 96 per cent in an article that was published. I think that figure is of rehoming animals, which means that four per cent of healthy animals at DAS are getting euthanased. I do not know what numbers of other animals are getting euthanased at DAS; that is a question that you guys could ask through the process to get those figures released. My understanding is that about 15 to 20 per cent of other animals, other dogs, are euthanased—adult dogs. Remember that DAS only manages adult dogs, not puppies, cats or kittens. The RSPCA does 100 per cent of that workload.

MR SMYTH: And the eight years of delay—what has that cost the RSPCA in not having a new site?

Mr Linke: It has cost us significantly in terms of delayed infrastructure improvements. Uncertainty is the key thing, I think. The government has said to us a number of times, “Yes, we’re going to build.” We were even told a couple of years ago that the opening of the new facility would be in June 2014. So we were given deadlines before there were plans or master plans or anything. It is this indecisiveness about the move. We have had to make piecemeal adjustments to our site—repairs here and there and shipping containers. I am still working in a shipping container, as I was the day I started at RSPCA, because we were going to move: “Let’s not build a new administration facility; let’s just all work in the shipping container until the decision is made.” In term of costs, it is an uninsulated shipping container so you have got direct costs of heating and cooling in that facility that are wasted. That is one example.

But there are costs in terms of “Let’s not put a new \$15,000 or \$20,000 air conditioner in the cattery; let’s just get it repaired every year.” Every year it breaks down it costs us \$4,000 or \$5,000, because we think that in two or three years time we are going to move. That two or three years now has turned out to be eight years; it is probably going to be 10 or 12 years. There are significant costs.

That has impacted our capital reserves. We have had two draws on our capital reserves. Lack of funding from government means we have to tap into our capital. And then there are improvements—unbudgeted improvements when equipment breaks down. Had we moved to a new facility, we could have made the appropriate decision to invest more heavily in capital, we would have had that funding available and it would not have drawn funding away from our operational budget.

So it has cost us significant delays. It is something that frustrates me, and it frustrates our council—to the point where we are very frustrated now and we want the government to either make a decision or “back burner” this idea for the next five or 10

years and let us get on with our job. That is where we are at right now. Make a decision soon. Make an announcement soon—hopefully this financial year—about “Yes, we are moving forward; we are going to create a new facility.” If you cannot do that, if you cannot commit to it, let us not talk about it for five years and we will just get on with the job of looking after animals.

THE CHAIR: Thanks. You talked about your recurrent funding from government and that you put in your submission this year. You are only getting a CPI increase?

Mr Linke: Yes.

THE CHAIR: Can you give me a view of what programs you are unable to run now that you would otherwise be running or what constraints it has for your current operations?

Mr Linke: It is transference of funds. Because the government fund us for about 50 per cent of the services that we deliver on their behalf, it means we have to find that 50 per cent elsewhere. It is replacing vehicles and buying new computers, because we tap into our capital reserves to fund the shortfall that government should have provided us. Instead of staff getting a new computer every three or four years, they get one every six or seven years, and then they are working with outdated technology. Instead of replacing vehicles as often as we need to, we delay. Instead of 15,000 kilometres, we will hang on to them for 40,000 kilometres.

It is decisions like that that we make to make sure that our dollars stretch to deliver all our services. You cannot stop delivering services. It is not like widgets, where you are building widgets and the factory is not profitable, so you close down section C of your factory and stop producing those widgets. Cats are still going to come in to us. So I still have to employ the staff, I still have to have the food, I still have to have the litter and I still have to have the accommodation for those cats, irrespective of the funding. That is the frustrating thing.

If we started to close down parts of the facility and said, “Well, the government funding only gets us through till January or February; let’s close down half of the facility for the next three months,” animals are going to die and suffer. We are not going to let that happen, so we take decisions to tap into our capital reserves and spend that money on the government’s services. But we forgo other things that do not compromise animal welfare. So we forgo painting our buildings where there is paint peeling or staff come in and paint on the weekends of their own accord. Or staff do not get new uniforms every 12 months; they get new uniforms every 18 or 24 months or we recycle uniforms as staff leave. It is things that most businesses and most government agencies would just replace new. We make those decisions that we need to make in the absence of appropriate funding.

I suppose the biggest frustration is the government not understanding the length and breadth of our services. We have said this for a number of years. A \$200,000 or \$300,000 additional investment into RSPCA guarantees future sustainability into the long term. This really drip-fed CPI increase of funding is at some point going to put so much pressure on the organisation that our capital reserves will diminish and we will not be able to deliver services. Now that is not imminent; that is not going to

happen in the next one to two or three years. But if I am thinking of a 15 or 20-year plan, that is the type of stuff I am thinking about. It could be solved with a \$200,000 or \$300,000 annual investment, and it—

THE CHAIR: So you think that the appropriate level of funding is based on about quarter of a million dollars?

Mr Linke: Yes. On our \$4 million budget, we believe we are delivering about \$1.3 million worth of services for government. We are currently getting \$590,000 in the year going forward, so just under 50 per cent of that. But we believe that if we get up to \$900,000 worth of funding—we have got business models, and we have opened cat boarding facilities and stuff like that—we can fund the other bit through normal operations. It is this shortfall in our budget, this capital shortfall, that concerns me.

We are not saying, “Fund 100 per cent of the service”. It would be nice if you could, but we are pragmatic and we understand government has significant imposts on it. We are not saying, “Fund us for 100 per cent.” We are saying in our submissions, “This is the real cost of delivering the services.” But we are also saying we should be getting more funding than the 50 per cent or less. Costs of those services should be up 70, 75 or 80 per cent; it should be a bit higher.

THE CHAIR: Thank you.

DR BOURKE: Thank you, Chair. You talked before about rabbit eradication at your facility. How were you proposing to do that?

Mr Linke: We would propose to do it in the most humane way possible. We would cover rabbit warrens with traps, we would get rabbits out of their warrens into the traps and we would humanely euthanase them. Once we knew their warrens were empty, we would demolish their warrens so they would not reappear and we would put additional measures in to keep them off the site. We have had our workplace health and safety committee review it. They have looked at a number of projects for doing it. The cost was between \$8,000 and \$10,000. We took that to Economic Development, who are doing a lot of the works across the road, and said: “Hey, this is an impact of what you guys have done. You should provide us with some funding.” They considered that request, and the request was denied.

DR BOURKE: How do you get the rabbits to get out of the burrows?

Mr Linke: You either put gas down there or you flood them.

DR BOURKE: Right.

Mr Linke: Not to the point where the rabbits drown, but something that is a bit annoying for the rabbits, to get them to remove themselves from the burrows. It is not an easy process. It is not. And being on site, with staff who care and are compassionate about animals, we do it in the most careful way—similar to rat and mice eradication on site. We take measures there to make sure that it is done in the most humane way possible. It is a delicate balance, when you are working in a shelter, looking at pest animal management.

DR BOURKE: What sort of gas do you use?

Mr Linke: I could not tell you off the top of my head. It is a gas designed not to kill the rabbits but to get them to remove themselves from their warren.

DR BOURKE: Tear gas for rabbits?

Mr Linke: Something like that, yes. My work health and safety committee has reviewed all that and made recommendations to our management committee and RSPCA about the most humane process for doing it.

DR BOURKE: Thank you.

THE CHAIR: Mr Gentleman?

MR GENTLEMAN: No further questions.

THE CHAIR: Mr Smyth, any further questions? No? I would just like to highlight that I will be looking for a kitten around August if you can just make a note of that. I appreciate, again, your updates on where you are at with the RSPCA. The secretariat will forward you a copy of the *Hansard* for you to review. If you have any corrections to that, you can provide those back to the secretariat. Thank you very much and keep up the good work at the RSPCA.

Mr Linke: Thank you for your time.

Sitting suspended from 12.08 to 1.58 pm.

BARBETTI, DR ANNETTE JOSEPHINE, President, ACT Branch, Superannuated Commonwealth Officers Association

THE CHAIR: Welcome.

Dr Barbetti: Thank you very much, Jeremy.

THE CHAIR: I just remind you that this is being recorded for *Hansard* and will be broadcast live through web streaming. There is a privilege statement in front of you. Have you seen that or are you aware of that?

Dr Barbetti: Yes, I did see that; I was sent a copy. I have read it already.

THE CHAIR: You were sent a copy. So you understand that?

Dr Barbetti: Yes.

THE CHAIR: Fantastic. Would you like to make a short statement?

Dr Barbetti: I am representing the Superannuated Commonwealth Officers Association. This association represents retired commonwealth and ACT public servants. Most of them belong to the two defined benefit superannuation schemes—the CSS and the PSS. The weighted average CSS pension for 2011-12—the last year for which we have information available—was \$30,652 per annum, and the average PSS pension was somewhat less than that. Those pensions are taxed, but there is a 10 per cent tax offset.

Comparing these numbers to the current minimum wage, they are less than the minimum wage, which is \$31,533 per annum, and also less than the current maximum rate for the age pension for a couple. The point of these statistics is to show that the average retired commonwealth or ACT public servant is not terribly well off. So we are very pleased when we see anything in the budget that helps us to handle increases in living costs.

Our pensions are indexed to the CPI. They only increase, on average, by about 2.5 per cent per year, whereas wages and the age pension usually increase by somewhere in the vicinity of four per cent a year. Of course, many of our retired public servants over the age of 65 are already getting a part age pension and the rest of them will eventually qualify because our pensions gradually get eroded over time. The age pension safety net does not quite make up the difference.

The main concerns of our members are cost of living pressures, particularly increases in energy prices; transport and parking issues; and waiting times for things like public dental treatment and elective surgery for public patients. Most of our members cannot afford private health insurance. Also, there is some difficulty in getting access to GPs, particularly with the sorts of things that happen to older people, which means that they often find themselves turning up in emergency departments. We are pleased to note that there is some funding in the budget to continue to improve waiting times for elective surgery. I realise we are still trying to cut down on waiting times in

emergency departments.

There is also a lack of footpaths in some suburbs. There is not anything in the budget that I could find that has anything to do with that. The reason we have asked for this in successive ACT budgets is that, for older people, particularly those using walkers, it is rather difficult to get out and about if there is not any footpath there to get out and about on. If you have got a walker, you do not dare go out on the road in case you get knocked over, because you cannot get out of the way quickly enough. In those suburbs where there are no footpaths, often the verges of the roads, which you could theoretically use, are not really suitable for people with walkers to walk on. Some of them are not even suitable for people who are quite fit to walk on.

The good news in the budget, which we were very pleased to see, is the 10 per cent increase in the energy concession. We were very pleased to see that there has been a 12-month extension of the bulky waste collection. We were very excited to notice that people over 70 are going to get free access to public transport. We noticed in the budget that there is design work being undertaken for car parks at Calvary hospital and Cooleman Court. I understand that the reason there is no money in the outyears is that there will be money in next year's budget when the design work has given some idea of how much it is going to cost. Is that right?

THE CHAIR: Possibly, yes.

Dr Barbetti: We also noted that there is funding in there to have a mobile dental clinic. Quite a few of us have elderly parents in nursing homes and the like and we appreciate how difficult it is to take them to dentists. We think a mobile dental clinic is a jolly good idea. We noted that there is a community transport study underway. We think that is a very good idea because we do have some problems with access to transport, particularly those of our members who are older and have mobility issues.

I have also got some questions. In our pre-budget submission, SCOA asked the ACT government to seek further examination by the federal Department of Finance and Deregulation of the indexation of commonwealth superannuation pensions. I know that there has been a review of this already, which said, "Do not do anything," but we are not happy with the way the review was conducted. We think it should be redone. I was just wondering whether the ACT government was planning to do anything about approaching the federal government.

THE CHAIR: Certainly, we can follow that up with the government. We can either ask them during the hearings or we can put it in the report and ask what the status is in terms of a response to what you put in your submission. I would be happy to do so.

Dr Barbetti: Good. It is all in our budget submission that we have sent to you already. We also ask that, even if the federal government does not come to the party, perhaps the ACT government itself can consider providing an indexation supplement for those ACT government retirees who otherwise would be only getting CPI indexation. I was wondering whether the ACT government was thinking of looking into that possibility. I realise that it would probably be much more sensible to do the first thing that I mentioned first.

I have also got a question about the 12-month extension to the bulky waste collection. When the original 12-month pilot test of the bulky waste collection was conducted, people who were eligible were those who had the gold concession card—that is, those who are over 75. If the gold concession card is going to be given to those over 70, will those over 70 be able to access the 12-month extension of the bulky waste collection? I was unable to work out from the budget documents just what was going to happen there.

THE CHAIR: We will follow that up as a question, as I said, in either the estimates hearings or as part of our report that we provide to government.

Dr Barbetti: This is vaguely to do with the budget, but the ACTION buses website says that the gold concession card for those over 75, which does have photo ID, will be replaced by a seniors MyWay card without photo ID. Is that correct? If that is so, how will ACTION be able to detect whether the person using the card is its rightful owner?

THE CHAIR: Again, we will follow that issue up for you with the government in one form or another. Maybe some seniors do not want their photo on their MyWay card!

Dr Barbetti: I do not know, but the problem is that once you do not have a drivers licence anymore you do not have an ID card that you can use at banks and other times when you might need an ID. It is a bit of a problem. If you have not got a passport or something, what are you going to use?

THE CHAIR: Sure. We will follow that up.

Dr Barbetti: It is just a thought.

THE CHAIR: Thanks very much for your opening statement and your questions, which we will endeavour to get an answer for you on. I have a question. You have not mentioned the rates increases.

Dr Barbetti: That is something that our members are not at all happy with. They feel that it is not fair because most of them bought houses long ago and paid the stamp duty and now they are having to fork out for extra rates so that other people can be spared the stamp duty. They are not very happy about that.

THE CHAIR: And that is a pretty consistent view?

Dr Barbetti: Yes. On the other hand, they are quite pleased that the charge on their house insurance, the tax on the tax, has gone. They are quite pleased about that one.

THE CHAIR: Dr Bourke.

DR BOURKE: Just a supplementary off that question about the stamp duty. Do your members appreciate that, as we get older, we are probably going to end up downsizing our homes and buying something smaller?

Dr Barbetti: Yes.

DR BOURKE: Do they appreciate that they will not be paying conveyancing duty, perhaps?

Dr Barbetti: I have asked some of them about that. Most of them do not see that there is much point in downsizing because it costs so much to do it. They would be saving on the stamp duty, but the problem is that once you have downsized, the way things are at present, if you get a bit of extra money in your bank account then you lose some of your pension. There is this new federal thing that has just come in if you own a house for 25 years and then you downsize. So far I have only run into one person who thinks that they would be ahead doing that. The others all said things like, "I haven't owned my house for 25 years" or "Suppose I did sell the house, I wouldn't be able to keep my hands off the up to \$200,000 for 10 years. I would be at it almost immediately." Then it would be counted towards the age pension and all that.

DR BOURKE: With regard to your submission about more funding for home and community care programs, did you notice the hospital in the home program that has been announced in the budget?

Dr Barbetti: I did not notice that; I must have missed it.

DR BOURKE: It was in the health budget. It is about hospital in the home beds, which will be operated from Canberra and Calvary hospitals. Would you have an opinion about it?

Dr Barbetti: It sounds like a good idea to me. Perhaps you could explain a bit more about it, Chris.

DR BOURKE: Indeed, I have the budget paper in front of me.

THE CHAIR: What we might do is move on to questions. I am not sure this is an opportunity in committee for members to actually—

Dr Barbetti: I can give you my card, Chris, and you can send me something.

THE CHAIR: That might be an opportunity out of session. This is about finding out from you rather than—

Dr Barbetti: I think that is good.

DR BOURKE: Thank you, chair; I appreciate that.

MR GENTLEMAN: My question runs along a similar vein. In your submission you have said that we should provide more funding for the ACT home and community care program. Are there particular aspects of the program that you think need to be improved or is it just generally more accessibility?

Dr Barbetti: It was actually some time ago when people talked about this. I think some of the problems might have been dealt with because I have not had many

complaints in the last 12 months or so. It was over a year ago. It was to do with delays in getting access or with renovations to homes after people had accidents. They wanted people to come in and fix up their showers or put rails in and things. There were some delays with that because it ran out of money at one stage; there were delays waiting for the next lot of money to come in and that sort of thing. It just happened to coincide with when people needed the service. They wanted it now and they had to wait and put up with something less than ideal for a while.

I did not write the submission that our organisation sent in. The person who sent it in actually recycled most of our submission from the year before. I do not think that the situation really warranted what was in our submission this time. I think we could have left that one out because I have not had any complaints in the past year or so.

I have also noted that there have been some changes in the financial arrangements to do with home and community care. The federal government, I believe, is now providing the funding for people over 65, and it is only people under 65 that the ACT government is looking after. I am not sure that the person who wrote that was aware of that change because I only found out about it myself today.

THE CHAIR: Thank you very much for coming in. It was most informative. We will try and follow up on those questions for you and get back to you. The secretariat will send you a transcript of today's hearings for you to check that it is accurate.

Dr Barbetti: Thank you.

THE CHAIR: You can liaise with the secretariat on that. We will get back to you in due course, as I said, hopefully with some answers to your questions.

Dr Barbetti: Good.

Sitting suspended from 2.14 to 2.30 pm.

McLEOD, MS EVOL, Co-Coordinator, the Childers Group
STACEY, MS CAROLINE, Member, the Childers Group

THE CHAIR: Good afternoon. Welcome to the estimates committee hearings. The proceedings are being recorded for Hansard and also are being broadcast and webstreamed live. Just be aware of that. Can you confirm that you have seen and read the privilege statement?

Ms McLeod: Yes.

Ms Stacey: Yes.

THE CHAIR: I have seen your submission; thank you for that. Would you like to make a short opening statement?

Ms McLeod: We have a brief introduction. As co-coordinator of the Childers Group, I was interested to know whether you would appreciate a very brief context of why the group was formed and who we are.

THE CHAIR: Yes, please.

Ms McLeod: In 2011 it was decided that we needed an advocacy group for the arts. I will take that back to the fact that, although there was an ACT Cultural Council, what we were clear about is that advocacy for our sector was actually missing in the ACT and the region, and that was borne out at the time by the former Chief Minister and arts minister, Jon Stanhope, who made it very clear at a public gathering that there was no such group.

We are a group of 12 people and we are fairly diverse. I will very briefly state that it ranges from Professor David Williams, who is the former head of the ANU School of Art, right through to young contemporary musicians, and the editor of *BMA*. So we tried to cover all sectors of the arts—dance, film. Film is represented by Michael Tear of Bearcage. That is probably one of the largest film, interactive media, TV outfits in Canberra, and possibly even in Australia. The idea was to be fully representative of the sector, and that we are a very diverse group. We have held a number of forums. We communicate with the Australia Council for the Arts and also ACT government.

That is probably enough about the group. As I said, there are 12 of us. We range in age and experience.

THE CHAIR: In terms of what you see in the budget, in terms of outcomes for the arts and what you think should be in there, do you see gaps? Are there issues you think are not being addressed that should be or things that are being provided, like *Skywhale*, that perhaps should not be there?

Ms Stacey: The first point we would like to make in terms of responding to the budget is that we acknowledge that it was a hard budget to put together and we were really pleased to see that arts funding that was there was retained. We see that as being a really positive affirmation of the work that is done by a whole range of

individual artists that have chosen to live and work in the ACT as well as the many arts organisations that are here. We can see that there are definitely opportunities ahead and there are some issues that we think should still be on the table. That is why we wanted to come here today, to make sure that you have a chance to ask us questions around what we put forward.

Many issues came up in the Loxton report that have been addressed as part of the budget process. The ACT Cultural Council is certainly one of those issues. Our feedback has been that certainly the general feeling in the arts community is that that is a positive thing and that it actually responds to a changing context that we are working in.

What we would be keen to put on the table is continued peer assessment across all areas of funding. We also raise the issue of multiple mechanisms. There is talk of a ministerial arts advisory council within the budget. The point that we would make is that maybe one mechanism is not necessarily the best response and that mechanisms that allow for advice around issues or a particular focus, whether it is genre based or facility based, can be equally useful. So we would continue to argue for that.

We see a gap perhaps in the area of initiatives to connect the private sector and business sector with the arts sector. I would also like to make the point that arts organisations are businesses. There is absolutely no doubt about that. We are at the pointy end of business, as much as any small business in Canberra. Certainly, as we look at a changing landscape in relation to Fairfax Media and the pod-like nature of Canberra in the way that communication happens, all arts organisations and, indeed, individuals need to be able to maximise their digital literacy and also the sort of information and communication technologies that are available to them—and, I guess, digital content strategies, not just for the arts but for the way that small businesses connect in the ACT in general.

We mentioned seed funding. We see two or three areas. It would be terrific to enable arts organisations and artists in the ACT to build strategic alliances with major technology partners, with a view to leveraging greater public and private investment in infrastructure in the arts. I am talking about digital virtual infrastructure. This is an area where we can also work with Canberra Business Council, who have a number of initiatives rolling out as well. There probably is a need, whether or not it is ACT, for a specific individual that is wholly focused on this area and has a brokering function in terms of looking at a suite of initiatives that might bring arts organisations together with private business in this area. Of course, Canberra has a lot of research and leading practitioners within the ACT area. That is something that we would like to say is really important for the future livelihood of the sector.

DR BOURKE: You have talked about philanthropy in the ACT, particularly in part 4c of your submission. I know you would be aware of the work that CAPO, the Capital Arts Patrons Organisation, has been doing for the last 22 years, in raising nearly \$2 million for local artists. Do you see Creative Partnerships Australia, which was launched in February this year, addressing some of the issues that you have identified?

Ms McLeod: Certainly, in that I think the majority of the key arts organisations have

been working with Creative Partnerships Australia and, indeed, prior to that when it was Artsupport and the Australian Business Arts Foundation. I think we are fairly clear about that role and try to keep informed. It is good work, and it is a good thing that it is being rolled into the one organisation.

I would like to touch on one other matter that we have touched on in the submission but it is probably the most critical for us. We have enjoyed very much bipartisan support in the ACT. Liberal, Labor and, indeed, the Greens were supportive as well. One of the things we are aware of is that it is a stretched budget. We are very clear about that. The ACT government has invested in some fantastic facilities. Indeed even in this budget there is investment, and it is marvellous.

The Childers Group is really concerned that we not only retain CPI, in particular for the key arts organisations, but CPI-plus, if it is possible. The reason for that is very recently a number of us have been trying to recruit skilled personnel to our facilities. The facilities have been built, they represent a significant investment by the government, and in order to attract skilled personnel we have slipped. We have actually slipped in terms of being able to retain and attract expertise to manage and maintain those facilities. My most recent experience of it is that I am aware that the Tuggeranong Arts Centre needed to recruit, as did the Belconnen Arts Centre. We did find that there was pressure to match salaries in other places.

When we talk about increased costs, I will just mention a couple here. I am talking about utilities. Where you have facilities and you have utilities such as workers compensation, it is up 66 per cent, communications by 42 per cent. When we come to basic cleaning, waste management is up 14 per cent. These are the things that it is very difficult to control. We are, I think, very good as a sector at cutting the cloth, but there are certain things where CPI alone is making it hard for arts organisations, particularly where there are facilities. That would be something we would stress in our submission.

Ms Stacey: Just to go back to your question about Creative Partnerships Australia, in the ACT one of the things that we have to do is to actively encourage individual donations across the board. I know CAPO have been incredibly successful at this. Indeed, Artsupport, ABAF and now the new Creative Partnerships Australia have certainly put that on the radar of both individual artists and organisations.

I do not know whether it ties into a whole-of-government strategy around volunteerism, donations and giving across a whole spectrum of areas, including the arts, but somehow we do need to encourage all of those levels of participation. Five dollars, as we all know, can make an enormous difference if it has a sort of multiplier effect.

If I can go back to the information and communications technology point, that is obviously a very effective way of communicating within our community. Certainly, we see it as being primary in that area of fundraising.

I also go to the notion of events. We saw within the budget that \$3.6 million has been put towards the Enlighten festival for the next three years, which we certainly applaud. What we would like to articulate as part of that applause is that it creates an

opportunity for ACT-based artists and organisations to be commissioned to be part of that festival, perhaps to look at some sort of pitch mechanism that actively connects our independent individual artists on the ground with some of these ACT-run events in a more formal and structured way.

I know that there have certainly been informal discussions around this and we would just encourage the continuation of this, so that there is the capacity for work that is to be made here, to create employment, to create activity and energy and be part of the cultural vibrancy of the sector here.

Enlighten absolutely does that. Of course, there is Floriade. We have the National Multicultural Festival. We would also say that there is an enormous opportunity there for all of our arts organisations to be actively part of giving voice to the diverse community that we have within that sort of context. So there are great opportunities.

THE CHAIR: I would like to go back to an earlier point you made, Ms McLeod. You said that this is a stretched budget. I am interested in your analysis that leads you to that conclusion, because when you look at the revenues coming into this budget, there is about an additional \$250 million a year. So between what the budget was last year compared to where it is at the end of the four-year budget cycle, the government will be receiving an extra \$1 billion a year. When you look at that over the four-year period, they are getting an extra \$2 billion compared to revenues now. In addition to that, they are spending an additional \$600 million more than that revenue. So there is an extra, essentially, \$2.6 billion being spent in addition to what is being spent now. Where do you, based on that, draw a conclusion that it is a stretched budget?

Ms McLeod: Historically, with the arts and the development of the arts and cultural sector, not only in the ACT but perhaps in each state and territory, there is always a suggestion that education, hospitals, roads, all these other things, are tremendously important and they will be the focus, and must be the focus, of government.

We are actually aware that in the ACT the arts has done pretty well. I said to Caroline earlier today that we are a little bit like the Scandinavia of Australia in relation to arts and cultural development. We can be very proud of it. But I do think we risk slipping behind. We have had the highest participation rates by the community in the arts in Australia, and that is a fantastic thing. We had a tremendous investment in arts and education. We have slipped a little bit there. In terms of attendances, of course, it is swelled by the national cultural institutions being here, but we do very well. I think in the ACT there is a tremendous pride in that.

I am just flagging that when we are looking at the budget and allocation it would be good to have that investment not only in CPI but additional, to make sure that our key arts facilities and organisations are not disadvantaged in what is a five-year funding cycle, because CPI is not enough over five years.

MR GENTLEMAN: I would like to come back to your submission and response to the survey where you talked about pay for arts workers, and you did touch on that earlier, in ensuring that there is enough funding going to the arts organisations to pay their workers appropriately, so that you can attract the right people. Have you looked at or thought about trying to link those wage structures with other structures that

already occur? For example, in the community sector, you may be aware that the SACS award changed a couple of years ago. It has moved into an increased funding arrangement so that those community workers end up on the correct wages for the service they provide.

Ms McLeod: Thanks for the question. We most certainly have looked at that. In terms of the staffing structure of the organisation that I am chair of currently, the Belconnen Arts Centre, we do not have the funding to move to the community sector rate. So the arts remains significantly below the community sector rate.

Ms Stacey: I would also say that there is an argument to benchmark what is paid in the arts sector against the arts sector nationally because the conditions of work do not necessarily parallel aspects of, say, the community sector. But the point that Evol makes is correct: really, what we are talking about here is resilience and the capacity to build resilience in our arts community, which means that it is actually about multiple strategies on a whole lot of levels, including the capacity to galvanise our community in terms of its relationship with the artists that are here.

We are all focused on strengthening the professional and independent sector so that we have more people living and working here and contributing to our community on every level. We have excellent participation rates in the ACT, so we know that we live in a place where people absolutely see the arts as central to their lives. But it is a changing context, as you know, and communication is extremely difficult in the ACT in terms of the scope of activity that is on, when it happens, where it happens, how it happens, and actually having a narrative around that at territory level as well as the geographical and social community level.

MR SMYTH: On page 2 of your response to the survey you talk about concern about the financial sustainability of the key arts organisations. How large is the threat to their sustainability?

Ms Stacey: With the issues that we face, I would talk about the capacity to build resilience, not just sustainability. We have the issues that all small businesses in the ACT have—skilling of staff, retention of staff, capacity to offer competitive rates to staff in cultural leadership positions, the communication challenges within a massively changing context, and the need to diversify income streams and the time and energy and resources that need to go into that. I would say there are some significant challenges there.

I would also say that the new whole-of-sector government approach has absolutely changed the landscape and we would anticipate that the next three or four years will see those changes, even from, say, an asset management point of view, having quite a big impact.

The key issue is always operational budgets, certainly from an organisation point of view. So it is operational budgets and the sense that you can not just survive but actually grow, develop, respond, innovate and collaborate. What we want for the ACT is continued and sustained recognition at local and national level, so that it feeds into the bigger narrative about the place that we live in, who we are and how we want to be.

MR SMYTH: The other question is: most, if not all, of the ideas that you put forward for funding from the additional funds for the You Are Here Festival, the Dancehub, the arts centres do not seem to have been funded. If we are talking about that resilience and building capacity, how do we do that if the government will not fund it?

Ms McLeod: I think, in terms of the ideas that the Childers Group has put forward, there was not anything that was totally blue sky. I think we are very active within the arts sector. On occasions I know an organisation I was associated with worked with 18 different agencies in order to remain viable. It was not just arts funding but in forming links with education, the Office of Multicultural Affairs, Health and so forth. I think perhaps the best answer to that question would have to come from the Assembly, because I truly believe the significance of the arts and the development of the arts in the cultural sector in this region is very important.

The fact that there has been bipartisan support means that possibly it could be revisited so that the ideas that we put forward could be funded, if there is more money that could be found. We applaud the things that have been funded. But why we are here today is to say there are a number of things that have not been funded.

But in particular, to come back to Mick's question, there are also challenges that I think at the moment we may face within the next five years. One is that CPI will not be enough. I cannot stress that enough, I really cannot, in terms of the best development of facilities. Whether it be the Street Theatre, Gorman House, Tuggeranong Arts Centre, Belconnen Arts Centre, the Glassworks and, indeed, places like Strathnairn, there are so many beautiful facilities.

So coming back to that broader paper that we submitted and looking at it, we would strongly encourage that to be done. That would be the only way I could approach your question. Caroline?

Ms Stacey: It is a matter of will and prioritisation and it is a whole-of-Assembly issue, understanding the role that the arts play within this community and what the arts can actually do. A world-class artist in residence program is one of the programs that we put forward as needing investment and to be supported, and to be supported over the long term. As everybody knows, you can have something that is in place for sort of three years but actually what we want is longevity to ideas, the capacity to stick to them and to see them through and see them develop. And that is certainly something that has been identified as a great focus area for the ACT but it certainly needs more money put into it in order to enable it to develop and flourish.

I would also say that we have talked a lot about organisations but let us not forget that many professional and independent artists in the ACT work on a project basis. They make their money from teaching and from individual projects that they source money for, including project funding from the various funds that exist.

We actually want to see more artists living and based in the ACT. We want them to be here. The more artists that we have living here, the greater our creative capacity and our capacity to respond to larger, significant events like Canberra's centenary. We need to build a community of workers that want to be here and that are part of the

fabric of life here. And the only way that we do that is actually by ensuring that there are opportunities for people to earn a living here.

MR SMYTH: So post Loxton, are we doing enough? Is the vision there? Is the government's arts strategy adequate? And perhaps in a centenary year—and I think you opened by saying a centenary year is a great time to have a think about this—is the lasting legacy from a centenary year, from the point of view of the Childers Group, that we have a vision and a commitment to growing arts and culture in the ACT?

THE CHAIR: And answer in less than one minute, please, just to challenge you.

Ms Stacey: I think the centenary year is a rites of passage moment. It is a moment where we talk about ourselves differently, to ourselves and to everyone else. It has absolutely created momentum and energy on the ground within the arts community. I hope it is something that we can hang onto and that we can actually work with all of the parts of our community to push and maintain the momentum into the next 10 years, 20 years.

THE CHAIR: Very good, you did well. Thank you very much for attending today. Thank you also for your submission, which was quite detailed. That was very useful for us, very informative. From here, the secretariat will send you a copy of the transcript for you to check for accuracy and liaise with the secretariat if there are any issues that need to be corrected in that evidence. But thanks for attending and we will certainly pay heed to what you said. Thank you very much.

Ms Stacey: Thank you very much.

Ms McLeod: Thanks so much for the opportunity. Thank you. It is very useful.

SALTHOUSE, Ms SUE, Convenor, Women with Disabilities ACT

THE CHAIR: Ms Salthouse, welcome. Before we start, I will just go through some housekeeping issues. Have you read the privilege statement?

Ms Salthouse: Yes, thank you.

THE CHAIR: Probably a number of times now.

Ms Salthouse: Yes.

THE CHAIR: That is fantastic. And just be aware also that these hearings are being live-streamed, broadcast, and they will be recorded by Hansard, obviously. Would you like to start with an opening statement?

Ms Salthouse: Yes. Thank you very much, and thank you to this committee for the opportunity to speak to you all today. I do commend the government and its budget, in fact, because it contains a commitment to and allocation of funding to fulfil our obligations as a launch site for DisabilityCare Australia. This year of course, from 1 July, we are facing our readiness year, and it concerns me that within the budget we do need to specifically nominate that resources will be allocated to ensure that women with disabilities do have equitable access to DisabilityCare Australia.

As you would know, in the ACT at the moment, only 34.3 per cent of disability service users are women, and this is in the face of the fact that population-wise, from 25 years and upwards, there are more women than men with disabilities. So I was a little concerned that there was nothing specific in the budget that would say this is going to be taken into account in our rollout.

The ABS surveys do not serve us well in policy, because by the time we cut and dice, for both disability and gender, a survey that is done nationally for disaggregation, we actually end up with a standard deviation which is greater than the actual value we are looking at. So I think we need to look at the budget allocations that are there. I just wanted to alert the Assembly to a need to look at addressing inequities within our DisabilityCare deliberations, to address things for women with disabilities.

I would like to touch on the Official Visitor Amendment Bill, which was passed prior to the budget, and note that there is an increase in funding to the visitor scheme in this budget. But our concerns within WWDACT are that that will be taken up by staffing and that one of the things that will make the official visitor scheme work really well is to ensure that there is good collaboration across all the operational sections of the official visitor scheme. WWDACT was concerned that there was not sufficient additional funding in the budget to address that.

I would like to touch briefly on a couple of other budget items for which I commend the allocations, but I would like to also place on the record that we need to ensure that there is equitable access within the items for people with disabilities. Specifically, they are the micro credit scheme, the mobile dental facility which is to be set up by purchase and refurbishing, and the allocation of money to the common ground scheme.

I think that most of the other items that we might talk about today are put in my post budget survey. So I will leave my opening comments at that.

THE CHAIR: Fantastic. Thank you very much for your opening statement. One thing that is a difficult thing to get across is exactly what NDIS or DisabilityCare is going to look like, who is going to be a winner, who is going to be a loser and what need it is going to meet. I would like you to express if you have any concerns in that area. The other issue is that there is a sort of transfer, I suppose, from government agencies delivering services through to organisations providing service on a fee-for-service type basis and the capacity issues in the ACT for those organisations to actually deliver that.

Ms Salthouse: I think that within the DisabilityCare allocations within the budget there is capacity for assistance to be given to service provider organisations to transition, and certainly there is some money in the budget in that DisabilityCare allocation for more attention to be given to help people to transition to a new way of thinking. I do not have particular concerns about the existence of the money in those spots, but I do think that it will need the attention of the Legislative Assembly, I suppose, to have a watching brief on government-public service activities so that we can be sure that sufficient assistance is given to individuals with disabilities to start to operate in a different way. And I am not denying that that is a challenge for all of us. It is a challenge in our thinking across the board, from people with disabilities themselves to the people who provide services.

THE CHAIR: Dr Bourke.

DR BOURKE: I notice that you welcomed, amongst other things in the budget, the \$2.2 million for upgrades to bus stops and shelters. But you called for consultation with disability groups on how this should be done. What are some of the improvements you would like to see?

Ms Salthouse: I think, with the best will in the world, people who have qualifications in access auditing sometimes just do not make those little practical adjustments which can mean the difference between a bus shelter working for someone with disabilities and not. We have had the example of the bus shelters that were put in on Kingsmill Street for the Village Creek centre, where the tactile markers directed someone along the footpath and not towards the centre and where a bus shelter on the far side of the road was upgraded but no pedestrian crossing was put in.

So I think for those reasons, unless you are actually vision-impaired or in a wheelchair, there are things which you can do to the letter of the standards but just not think of the last practical implementation, and that is why I think it is important to have consultation with people who actually have those disabilities, because it is very easy to make an error.

DR BOURKE: Do you think that is an implementation issue or a policy issue? What is the bottom line?

Ms Salthouse: I think it is a policy issue at the level of ensuring that people with

disabilities are consulted. That is the policy issue. And then it becomes an implementation issue whereby the actual tradesmen who stick the things in the ground also have sufficient awareness that they are going to interpret and implement those Australian standards correctly.

DR BOURKE: So you think there is some more training for tradesmen in that area?

Ms Salthouse: Definitely. But I do not know how you address that. You will notice in my budget survey reply I did mention the Livable Housing Australia guidelines. And as you know, within the ACT, in public housing there is quite a high adherence to accessibility concerns. But where in policy it could be improved in the private sector would be for government policy to encourage builders to adhere to or adopt the Livable Housing Australia guidelines. And they are like a universal housing and accessibility guideline. Master Builders have adopted them. But the rollout is not high. Bill Harnisch, who is the CEO of the Master Builders, says that the biggest difficulty is that tradesmen actually do not know how to do these accessibility things.

So actually at a national level, we are giving those Livable Housing Australia guidelines some time to be adopted by builders and people who are doing private housing. But if there is not a higher adoption rate, I think you will see agitation from the disability sector to have those sorts of guidelines rolled into the accessible premises standards, which only at the moment cover public buildings.

THE CHAIR: Mr Gentleman.

MR GENTLEMAN: Ms Salthouse, in your response you have applauded the government on the allocation of \$11.2 million for increased supports for children in non-government schools but you show a concern there for the criteria of allocation of funds and say that it should be equitably distributed amongst students with a disability. Can you just go into that a little more?

Ms Salthouse: When I looked at the budget papers, that is a sizeable amount of money and that is commendable, but there are a lot of disadvantaged groups of students. Again, one of my reasons for wanting to come today is just to say that, in amongst those disadvantaged students, I would like to ensure that in that money there is encouragement given for classroom supports and teaching supports for children with disabilities.

THE CHAIR: Mr Wall.

MR WALL: Ms Salthouse—

DR BOURKE: On a point of order, chair, we have a visitor and I do not believe under standing orders we agreed that we will allow visitors to ask questions.

THE CHAIR: As the chair, I am allocating Mr Wall a question and he is—

DR BOURKE: I do not feel you have the authority to do that, chair, and I would ask you to reflect on the standing orders.

THE CHAIR: I am sorry about this, Ms Salthouse. Dr Bourke, are you indicating that you are uncomfortable with Mr Wall asking questions?

DR BOURKE: No, it is about the process, chair.

THE CHAIR: I would say, and I have been on committees for five years now—

DR BOURKE: I realise that, chair.

THE CHAIR: It is the first time I have come up against this sort of obstruction within the committee, I have to say.

DR BOURKE: It is not an obstruction, chair; it is just a clarification of one of our mechanisms, which has not been dealt with at this point.

THE CHAIR: Sure.

DR BOURKE: At this time I withdraw my objection to Mr Wall asking a question, but this is something we do need to deal with.

THE CHAIR: My apologies again. Mr Wall.

MR WALL: Thank you, Mr Chair. Ms Salthouse, in your opening statement you mentioned that 34.3 per cent of the current service users are women in the ACT, whilst in your budget submission you mentioned that 56.4 per cent of people with a disability in the ACT are women. Why do you think there is such a disparity in the number of people with a disability against those who actually access the services that are available?

Ms Salthouse: The population figures for people with disabilities show that, in fact, we have a far higher population of women with disabilities in the ACT. I cannot tell you whether that goes across the severe and profound categories because that information is not publicly available from the ABS. You would be able to purchase that from the ABS, but for an NGO we have not gone to that cost.

This is something where eventually, probably under DisabilityCare Australia, we will need to do targeted research to find out why it is that, despite the population indications, the uptake or the requests for services has been for decades a 60-40 per cent split; and within the ACT it is usually about 63-64 per cent for men. At the moment it is 65. We need targeted research done within the ACT.

This is something that the committee for the Convention on the Elimination of All Forms of Discrimination against Women has specifically asked the Australian government for, and that goes to the ACT jurisdiction as well—to undertake both targeted measures as well as mainstream things that will try to tease out exactly what is happening for women with disabilities. There has been such a lot of talk about gender disparities in our community and when you start to look at the intersection of both gender discrimination and disability discrimination, that can be it, but at my barbecues it is one of the topics that we try to tease out. I really do not know why.

Another thing that is important is that DisabilityCare Australia is not the answer to everybody. At the moment women with disabilities within the ACT graduate with post-year 10 qualifications at a higher rate than men, yet their employment levels are at about 13 percentage points lower than for men—their workforce participation. That is another thing we need to look at.

One of the things that the budget submission from WWDACT asked for was some allocation of money to some leadership and capacity building, because at a gender level women do not promote themselves well. At a gender and disability level, I suspect that is what is happening with women with disabilities in terms of trying to get into the workforce and maintain their position in the workforce. We would ask again that in future budgets we have something to assist, maybe a mentoring scheme or special classes that will lift women who will not be accessing DisabilityCare but who need and want to be contributing citizens.

MR CHAIR: I will defer my question to you as well, Mr Wall. Do you have another one?

MR WALL: Thank you, Mr Hanson. I just wanted to touch briefly, Ms Salthouse, on the implementation of the NDIS—to get your feedback, as a representative from WWDACT, on how you are finding the flow of information from the ACT government and whether there are still a lot of unknowns.

Ms Salthouse: This is a very biased answer because I am the community co-chair of the expert panel which is advising the government on the rollout of our readiness year. My opinion is that we have developed a very good communication strategy and that the dedication of task force and Disability ACT people is very high. As community co-chair, I attend a great number of community information sessions and community conversations. National disability services here in the ACT are cooperating both with ACTCOSS and with the department to roll out information sessions for service providers. I have to say that I was somewhat astonished at the disability quarterly forum for service providers yesterday; it was specifically to give information on disability care and service providers stayed away in droves.

I think that the avenues for getting information are well developed. Where I think it is difficult is that we are still very dependent on information coming from the commonwealth level. An MOU was signed just the day before yesterday with the ACT; I cannot remember quite what area it was. For people who are in the launch sites which will commence on 1 July 2013, instead of our readiness year, they are still waiting; we still do not have rules. Where the information gaps are has a lot to do with the launch transition agency not having information yet. Here we are starting to get on top of the information for our enhanced service offers. That is perhaps why service providers yesterday were not at the information session, because they feel they have enough information about the enhanced service offer. This is conjecture; I am not a service provider.

MR WALL: That is okay.

MR GENTLEMAN: Just off the back of that, the NDIS and DisabilityCare, how do you think that will positively affect women with disabilities in the ACT? It is more of

a global question, I guess.

Ms Salthouse: I think it needs to address that inequity that I have outlined. There need to be targets for employment of women with disabilities, of people with disabilities, within the DisabilityCare task force—within the DisabilityCare work force. It is not a task force; that is an incorrect term. We may need to make this new set of operations at government level an exemplar of how we can employ women and women with disabilities. We have got guidelines in place that come from our Human Rights Commission on how to do that, on how to make a gender equitable workforce. We have information on disability employment.

I think this is a tremendous opportunity to set up a new workforce, which is a leading light for other departments in Australia. In the ACT, we have a good possibility of doing that. I also think that we should not shy away from quotas, eventually. Targets are a good start—to have in the back of our mind that we will reach certain targets. We know within the ACT public service that we have a disability employment strategy. It has targets and we are not yet reaching those targets. The targets can be a bit soft for actually achieving things.

THE CHAIR: Dr Bourke.

DR BOURKE: You talk about the initiatives for the mobile dental clinic, the common ground project and microcredit. You are saying that they really do have a need to target those programs to women, or to encourage women. I am not quite sure what you are saying and how do you think it would be done.

Ms Salthouse: In the budget we do not see the detail. It would be good to make sure that when those programs are further fleshed out—and I am presuming that existing mechanisms within the ACT will be given some sort of allocation to roll out those microcredit programs—those consultant organisations who receive the budget money are asked to get the information out to women with disabilities, to encourage women with disabilities to apply, along with encouragement for other groups, such as Aboriginal and Torres Strait Islanders, and those programs are all going to be targeted at vulnerable groups. But within that, sometimes you need to have an extra reminder that putting out a brochure does not reach people with disabilities, that when you put something out over the internet, if you just put it out in PDF then all the people who are blind cannot read it. Those are, if you like, the KPIs that you would put into contracts with people. That is all I am asking—that we take that into account when that money is allocated to people who will be the implementers.

DR BOURKE: Are you able to give any examples of where that has been done, perhaps, in the ACT government?

Ms Salthouse: I am not able to give examples as to when that has been done, but within contracts that can be used as a push factor, if you like. I cannot give you specific examples at the moment. I will get back to you if it comes to me afterwards.

DR BOURKE: It is always useful to see it.

Ms Salthouse: I think we have done it before in various areas, maybe not in the

disability area but where the deliverables in a contract have specified particular areas. I will get back to you with that.

THE CHAIR: Mr Gentleman.

MR GENTLEMAN: Ms Salthouse, you have also raised concerns—and you touched on it earlier—about access for women with disabilities to the Village Creek Centre. Can you just expand on that and tell us exactly what the issue is?

Ms Salthouse: Yes. I would like to expand on that because it is a touchstone example of where planning did not take into account the needs of people in the lower socioeconomic groups, where women with disabilities are over-represented and are certainly in the lowest income quintiles. When people are reliant on public transport and something is not on a direct public transport route or located near a town centre, it becomes costly to get to and from it by taxi or it becomes time consuming to get to and from it via public transport. Situating an aged-care rehabilitation centre in an area that is difficult to access has meant that potentially vulnerable people have had a lowered ability to have their health care and their rehab needs addressed. In the long run, some mechanism needs to be put in place so that people who are particularly vulnerable have equitable access to health services. Village Creek is an example of that.

MR WALL: You mentioned the issues of public transport and disability and accessibility. I understand that there have been some issues in the ACT surrounding the taxi booking system for accessible wheelchairs. Have there been any representations that you have received from your members about some of the challenges they have had with the system?

Ms Salthouse: No. However, I think that WWDACT would not be the body that people would come to. We are known in the ACT amongst our constituents for looking more closely at things concerning housing, safety, violence and access to services rather than transport and taxi services. In the last six months, or in fact since that new booking service was started, there have not been any specific inquiries to WWDACT. I think those inquiries have gone to People With Disabilities ACT. The extent to which WWDACT is involved is that we have a representative on the ACTION advisory group and we share with PWD a representative on the accessible public transport advisory group, and that is Margo Hodge, who has been a national leader on the access to public transport standards development. We did not double up. She is our representative there. I should say too, Andrew, congratulations; I think you have just acquired the disability services portfolio—

MR WALL: A matter of hours ago.

Ms Salthouse: as of yesterday.

THE CHAIR: Thank you very much, Ms Salthouse. We might leave it there; we have run out of time. Thank you very much for appearing today, for your submission and for the ongoing work that you do in our community for women with disabilities. Good on you.

Ms Salthouse: Thank you, and thank you very much for this opportunity to make those points this afternoon.

THE CHAIR: From here, you will be sent a copy of the transcript by the secretariat. There will be an opportunity to correct any errors that you find, so if you can just liaise with Nicola about those issues.

Ms Salthouse: Thank you.

Sitting suspended from 3.28 to 3.44 pm.

GREEN, MR PHILLIP, Electoral Commissioner, ACT Electoral Commission
MOYES, MR ANDREW, Deputy Electoral Commissioner, ACT Electoral Commission

THE CHAIR: Good afternoon. Before we start, I would just like to go through some brief housekeeping issues. Be aware that these recordings are being transcribed for Hansard and are being webstreamed. Have you read the privilege card in front of you?

Mr Green: Yes, I have.

THE CHAIR: Fantastic. Would you like to make an opening statement?

Mr Green: I do not have a prepared opening statement. The commission is currently working on a detailed report on the 2012 election; I am hoping that will be finalised fairly soon and given to the minister so that he will be able to table it in the Assembly, possibly in the next sittings. Other than that, I am very happy to take questions.

THE CHAIR: The first question I have is on the report that you provided to the Chief Minister on her plan to increase the size of the Assembly, of which you were a co-author. Have you got a copy of that?

Mr Green: Yes.

THE CHAIR: I have referred to a few articles. There is one by Professor John Nethercote; he refers to this as the Green report. He makes the point, broadly, that we have a situation where the independent Electoral Commissioner essentially is an author of the report now and could be seen as advocating the Labor Party's position on electoral reform. As an independent statutory authority, you now find yourself an advocate of Labor Party policy, in essence, pending the decision of other parties as to what they want to do. Do you feel that this has put you in a position that perhaps it would have been better not to have been in?

Mr Green: I do not agree with that assessment. And it is not my report as in myself; it is a report of a working party, of a group of people. So it is a consensus report.

THE CHAIR: Yes.

Mr Green: There were several reports leading up to the Chief Minister commissioning this report. I cannot remember which report it was—it might have been one of the Hawke reports or it might have been the report by Philip Pettit—that actually suggested that it would be appropriate for the Electoral Commissioner to be on a review panel looking into the size of the Assembly. The view I took in agreeing to be on the panel—and it was a view that was taken by the whole three-person ACT Electoral Commission—was that it would be appropriate, given our advisory role under the Electoral Act, to provide the kind of advice that is included in this report. It is a non-partisan report. It is an objective report. The fact that one of the recommendations aligns with a recommendation put forward in a submission to the inquiry by the Labor Party I do not think is indicative of the commission supporting that recommendation. It is a recommendation that was put forward by many different groups. Most of the submissions to the inquiry suggested that the Assembly should be

increased to 25 members. I think that is it. It is an objective thing and I do not accept that it has compromised our independence.

THE CHAIR: In drawing your conclusions when you did your analysis, did you develop any indicative electoral boundaries? When you looked at the five electorates, have you drawn up indicatively what they would be?

Mr Green: We did some very rough modelling of what the boundaries might look like, really just to get a handle on what kind of impact that might have on the communities of interest, because one of the things that was raised in submissions was the possibility that dividing the ACT into five electorates might better divide the ACT to communities of interest. It is a fairly easy exercise to do, in a sense, because all you need to do is to divide the ACT's enrolment evenly into five equal sized electorates. And the geography of the ACT is such that you have got to either start in the south and work north or start in the north and work south. If you start in the south and work north, the whole of Tuggeranong is too large to be totally enclosed in a five-member seat. The whole of Belconnen is too large to be enclosed in a five-member seat. So it fairly quickly dictates that dividing the ACT into equal five-member electorates is not going to keep whole districts together necessarily, at least in the case of Tuggeranong and Belconnen.

THE CHAIR: Would you be able to provide those indicative electorates for the committee?

Mr Green: It was very rough. It was back-of-the-envelope stuff. I would prefer not to be seen to be endorsing any particular set of boundaries.

THE CHAIR: So that is a no?

Mr Green: What I would say is that I would prefer not to provide them, because they were really very rough, back-of-the-envelope estimates—

THE CHAIR: I am asking you to provide them. Are you saying that you will not?

Mr Green: I am saying that I would prefer not to. If you are going to push me, I might even need to go and talk to my fellow commission members to see if they would be happy for that.

THE CHAIR: Right. It is just informative as to what is being developed. When you did that analysis, did you run any numbers through that to see what the implications will be? I have heard that there are a number of people who have done analysis—I do not know whether it is correct or not—in the public domain who have said that that would be an impediment to the minor parties, that five and five may result in there not being any independents or any minor parties like the Greens. Have you done any analysis to confirm whether that would be the case or not?

Mr Green: No.

THE CHAIR: You have not?

Mr Green: No.

THE CHAIR: Dr Bourke.

DR BOURKE: Thank you. Mr Green, how would your budget be affected by more electorates in an expanded Assembly?

Mr Green: Probably not hugely, to a great extent. There would be implications in the sense that we would be printing more ballot papers if we went from three electorates to five electorates, in terms of different ballot papers. So there would be a certain amount of set-up cost, but most of that is automated these days. The count is centralised. We do not have divisional returning officers the way they do in some other states. So the fact of whether we have three electorates or five electorates is not going to change the administrative structure that much. Do you agree with that?

Mr Moyes: Yes. I think there would be some cost in programming; we would need to adjust some of our support programs. But again I do not think that would be great.

DR BOURKE: So you are talking about, say, some program adjustment that may be a one-off capital cost—no recurrent moneys?

Mr Green: I do not think it would be a significant cost. We have recently reprogrammed most of our computer systems and written them in such a way that the number of electorates is not hard coded into them, so it is something that would be fairly easy to accommodate.

DR BOURKE: Thank you.

THE CHAIR: Mr Gentleman.

MR GENTLEMAN: Mine is on a different theme. Mr Green, budget paper 4, page 218, refers to 94 per cent of people who were eligible to vote. Do your records show that a level of youth enrolled—eligible to vote, so those, I guess, between 18 and 21?

Mr Green: Sorry, what was the question?

MR GENTLEMAN: Do you have records that show the amount of youth that were enrolled to vote?

Mr Green: Yes, we do. This will be included in our election report, but I do have those figures here.

MR SMYTH: When is that report due?

Mr Green: Because I am about to head off on leave—and I was going to thank the committee for fitting me in today, because I am actually going on leave from Monday—the report is very close to being finalised. We just need to get it cleared by the other two commission members, probably in the next few weeks. Then that will go to the minister, and the minister is required to table it within, I think, five sittings days of receiving it. So I would imagine it would be tabled in the August sittings.

DR BOURKE: Just while you are there, how will the count-back election that is being conducted shortly be managed in your absence?

Mr Green: The count back? Andrew Moyes, as the Deputy Electoral Commissioner, automatically acts as Acting Commissioner when I am on leave, so Andrew will be conducting the count back.

There were estimates of the proportion of various age groups who were enrolled at the time of the election. These are actually figures calculated by the Australian Electoral Commission using the Australian Bureau of Statistics estimates. We estimate that at the time the roll closed for our election, about 67 per cent of 18-year-olds were enrolled. About 56 per cent of 19-year-olds were enrolled. The next age group was 20 to 24, and that is estimated to be about 80 per cent. And then it goes up from there: 25 to 29 is 88.7 per cent; 30 to 34 is 96.1 per cent; 35 to 39 is 93 per cent. All the age groups above that are close to between 98 and 100 per cent enrolled.

MR GENTLEMAN: So with those first age groups, there is quite a drop in enrolment. Have you begun any practices to try and encourage those groups to enrol?

Mr Green: Obviously before the election was when we would rather have got those people on the roll rather than after the election, so we did do a lot of work on attempting to get young people to enrol. Those strategies worked to an extent, because those levels were much lower than they were a few months out from the election. So we did succeed in getting the enrolment up to a degree. We did work in schools. We did work on social media. We did a lot of publicity. We did two different mail-outs to households. We worked with the Australian Electoral Commission to do direct mail targeted at people in young age groups. Right across Australia, people in those younger age groups are not enrolling and not participating. It is not just an ACT phenomenon; it is an Australia-wide phenomenon.

The main strategy that has recently, after our election, been adopted to get young people on the electoral roll is the changes that have been made to the Commonwealth Electoral Act which allow the Australian Electoral Commission to directly enrol people using trusted data sources. That is already having an impact on getting people on the roll in those younger age groups. Figures as at March this year are showing that in those younger age groups higher and higher proportions of those people are getting enrolled. The fact that a federal election is coming up is obviously going to generate interest in people getting on the electoral roll as well.

The challenge for the electoral world now that we have got this direct enrolment process is whether those people who were directly enrolled who might not otherwise have enrolled of their own volition will either vote or not vote, depending on the threat of the fine. That will be an interesting thing to watch, and it is certainly something that we are going to be examining, particularly with the federal election coming up. There are various state elections over the next couple of years, also, where the direct enrolment will have an impact on their enrolment rates.

But overall, when you compare the participation rate in the ACT to other states, we are actually on the high end of participation rates. Most of the other states have lower

participation rates than we do. New South Wales and Victoria have had direct enrolment for a longer period than at the commonwealth level, so their young people enrolment is at a higher level. But I think that the direct enrolment process is a game changer in the sense that it is going to get people on the roll without them having to actually go out and do something. The test now will be those people who are enrolled not of their own volition—whether they turn up and vote is going to be the next thing we need to look at.

MR GENTLEMAN: And what have those numbers been like historically? Has it degraded?

Mr Green: Previous elections—it always fluctuates with the electoral cycle. Generally enrolment does increase with a roll close, with all the publicity around the roll close. It is a reason to get on the roll. Our feeling and our analysis is that it has declined, particularly at the last election. It has been declining for some elections now. It is hard to know, because there is not any hard evidence out there, but I think it is indicative of people declining to participate in the formal electoral process, for probably a whole variety of reasons.

MR SMYTH: Budget paper 4, page 213, is on the electoral services output. Understanding that the approximately \$2 million drop is because you do not have an election in the coming year, has your budget gone up or gone down in real terms for the coming year?

Mr Green: Our budget has gone up, because we received additional funding for the new campaign finance reforms, and we have also rolled over some money that we did not spend last year on the campaign finance reforms into this coming financial year.

MR SMYTH: So how much is the increase?

Mr Green: The budget that is in the budget papers is the electoral services budget that gets given to the department of justice and community safety. We will not know what our actual budget that we get is for some time. So we cannot absolutely put a number on the actual increase. But because of the campaign finance funding, it is several hundred thousand more than it was before that money came along.

MR SMYTH: So you might not get the total amount appropriated? Is that what you are saying?

Mr Green: No, we never do. Part of that money appropriated goes to the department of justice and community safety for corporate overheads.

MR SMYTH: If we do not go to a larger Assembly, there was some talk of the larger electorate going to Ginninderra. Is that still a consideration, if the larger Assembly did not appear at the next election?

Mr Green: If the size of the Assembly is not changed and we retain two five-member seats and a seven-member seat, as happened at the last redistribution—one of the proposals, you might recall, was moving the location of the seven-member seat. That is always an option. It is entirely up to the redistribution committee and the

augmented Electoral Commission, in consultation with people through the public submission process, as to how those boundaries are drawn. So yes, it is always an option that that seven-member seat might move location.

MR SMYTH: When will that process start?

Mr Green: It is due to commence at the end of 2014 and to finish in 2015.

THE CHAIR: If the will of the Assembly is to increase the size of the Assembly, in order to effect that change—what is the last safe moment for the Electoral Commission, in order to make that happen, to get the electorates ready to go and do whatever processes you need to do to effect that? When would you—not when is preferable, because probably right now would be your answer—

Mr Green: Yes.

THE CHAIR: But when is the last safe moment?

Mr Green: Assuming that the formal processes in the redistribution provisions set out in the Electoral Act are not amended, that process takes about six months. It can take longer if there is more than one proposal of the augmented commission, so you might be looking at eight or nine months. Again, there is a timetable set out in the Electoral Act for when the redistribution process is to start, and that is to start as soon as practicable after two years out to the next polling day. That is October 2014.

THE CHAIR: Right.

Mr Green: So in the normal course of events what we tend to do is try and avoid the Christmas-new year period for a public consultation process. We normally invite submissions in February. If we invite submissions in February 2015, we would be looking at finishing the boundary process six to eight months after that. So we are looking at July, August, September. In the normal course of events the Assembly could always amend the Electoral Act to start the redistribution process later if they wanted to have the boundaries decided later than that normal timetable.

An issue with changing boundaries quite close to polling day for us is that we need to get our systems in place. We need some notice so that we can make sure our computer systems are all in place. In terms of the parties, parties will need time in which to preselect candidates. So if the number of electorates is going to change I would imagine parties would like to know not only how many electorates there would be but where the boundaries are going to be in order for the parties to do what they have to do to select their candidates. There is a process of informing the electorate about the changes; so ideally the longer there is for that the better.

I think what I am saying is that in legal terms if you wanted to amend the Electoral Act you could change the boundaries just before the polling date, just before the official election period is started—

THE CHAIR: And as the act currently stands, the date is?

Mr Green: As it currently stands, the redistribution process is due to commence in October 2016—2014.

THE CHAIR: 2014. That would be—

Mr Green: Yes, sorry.

THE CHAIR: 2014; October 2014.

Mr Green: Two years before polling day.

THE CHAIR: Thanks very much. Dr Bourke?

DR BOURKE: Mr Green, just returning to the theme of Mr Gentleman's question with regard to enrolments of those younger voters, you mentioned 67 per cent of 18-year-olds were enrolled to vote. Do you have any data about what it was like 10 or 20 years ago so we can see if there is actually a time line there?

Mr Green: We have been doing this over a number of elections. I cannot remember when we started doing this, but we have been reporting this in our annual reports and election reports for some time. That is all on our website; so we could go back over time and have a look at that.

Mr Moyes: We could go back as far as we can or as far as it has been captured. I am not sure how long that is.

DR BOURKE: A couple of years is probably not too interesting, but an in-depth look back over 10 or 20 years would provide an idea of what is happening in that age group and in that electorate. I am also interested in the fact that you have 60 per cent of 18-year-olds but only 56 per cent of 19-year-olds. How do you account for that?

Mr Green: I cannot, really. It might be that 18-year-olds are more inclined to be at school at the time when the election was happening; so there might have been more encouragement within the school system to get people on the roll, whereas 19-year-olds might have left school by that stage. It is speculation. I really do not know. In terms of going back over time, if you would like us to take that on notice we can see how far back those figures go.

DR BOURKE: Thank you.

Mr Green: But I am pretty confident if you go back, say, to the 2004 election, if my memory serves me correctly, the level of 18 and 19-year-old enrolments was at least 80 per cent. That is my memory, but we can confirm this. I think this fairly dramatic drop has just been in the last two election cycles.

MR SMYTH: Just back to your budget, although you have got extra funding because of the changes to the Electoral Act, has the commission been asked to find any savings in the coming years?

Mr Green: We have not been advised by the directorate as to what our internal

budget is going to be for the next financial year. That is the process where we find out whether we have been asked to make any cuts in our normal budget. So you might be able to ask the directorate that question.

MR SMYTH: I am sure you will read the answer with interest. Can you just talk us through the process of finding a new member upon a resignation? So you get a letter from the Speaker saying a member has resigned. Then what happens?

Mr Green: So the casual vacancy provisions are in the Electoral Act. A casual vacancy process is triggered by the Electoral Commissioner being sent a letter from the Speaker informing him of the fact of the vacancy. Then I am required to place a notice in a newspaper circulating in the territory advising of the notice. That was published today in the *Canberra Times*. That notice is to be sent to all of the unsuccessful candidates in that electorate.

We have also written today to all of the unsuccessful candidates who stood in Brindabella, and those candidates have until noon on the 10th day after the publication of that notice to indicate whether they wish to contest the vacancy. That will expire at 12 noon on Monday, 24 June. At that point the names of the candidates will be declared by Andrew as the acting commissioner. That is going to be held here in the reception room in the Assembly. Then once the names of the candidates contesting the vacancy have been declared, those names will be entered into our computer system where all the votes are stored from the election last year. That will calculate the winning candidate. Do you want me to go through the actual Hare-Clark process of how that happens?

MR SMYTH: You can if you want, but I—

Mr Green: The most preferred candidate will win.

MR SMYTH: So the 24th you announce; on the 26th the recount calculation occurs—

Mr Green: Yes, sorry. The 24th is when we will do the declaration of candidates and the actual count of the votes. We are proposing to actually do the declaration of the poll on Wednesday the 26th, I think 3 pm—

MR SMYTH: 3 pm.

Mr Green: is when that is scheduled. The reason we do that is twofold. One is that, as you probably all recall, we also do this for a normal Assembly election. We leave a few days between the final determination of the result and the declaration of the poll to enable any candidate who might hold a public service position or other office of profit to resign their position before they are declared elected, otherwise they would be in danger of being ineligible at the point where they are declared elected. Also, any unsuccessful candidates who wish to ask for a recount can only do that up to the point where the poll is officially declared. So that also leaves people a couple of days to think about that.

THE CHAIR: For example, let us say you write your letter to everyone and

Ms Bresnan, for example, does not respond, but then someone from the Labor Party later on resigns and then she does respond. She has not precluded herself at all by not getting involved in the initial process?

Mr Green: No, each casual vacancy is taken on its own.

THE CHAIR: So it is all completely separate. So regardless of what happens in the first one, the second one just kind of—

Mr Green: Indeed, yes. And Andrew just reminded me to point out that when we are doing a casual vacancy, it is only the ballot papers of the vacating member that are considered when we are counting the vacancy.

THE CHAIR: Sure, okay.

MR SMYTH: So then you write to the Speaker to tell the Speaker who is the successful candidate?

Mr Green: There is official notice, which I think goes to the Clerk of the Assembly, if I remember correctly, in the same way as a similar letter is written after a general election.

MR SMYTH: And then that person can be sworn in by the Chief Justice?

Mr Green: I think it is the same process as Dr Bourke—

THE CHAIR: Dr Bourke would remember that one.

DR BOURKE: I remember it very well, but I am not here to give evidence, chair, as you know.

MR SMYTH: Thank you.

THE CHAIR: Thanks. Are there any more questions? Thank you very much for attending.

Mr Green: Thank you.

THE CHAIR: I appreciate it. Enjoy your holiday, Mr Green. It sounds delightful. It is a good time of year to be in Scotland.

Mr Green: Yes, thank you.

THE CHAIR: A copy of the transcript will be sent to you by the secretariat for you to check the details to make sure they are correct. Thank you for your presentation this afternoon.

Mr Green: Thank you.

COOPER, Dr Maxine, ACT Auditor-General

STANTON, Mr Brett, Principal, Performance Audits, ACT Auditor-General's Office

SHEVILLE, Mr Bernie, Director, Financial Audits, ACT Auditor-General's Office

THE CHAIR: Good afternoon and welcome. I imagine that you have appeared before, but I will just go through some housekeeping issues. Have you seen the privileges card? You should hopefully have been sent a copy of that. Is everyone comfortable with that and everybody understands what that means?

Dr Cooper: Yes.

THE CHAIR: Fantastic. And be aware that the proceedings will be recorded by Hansard and live-streamed through web-streaming. Would you like to make a statement?

Dr Cooper: I would, if I may.

THE CHAIR: Of course.

Dr Cooper: Thank you very much. First of all, I would like to introduce the committee to a new member of our team, David Hughes. David has just joined us as director of performance audits. Brett has been acting in that role and has done a superb job. I would also like to focus on Bernie Sheville and Mal Prentice, in terms of the financial work that they have done, which is really the topic for today.

The audit office revenue budget for 2013-14 is \$6.4 million, up from the previous year's budget of \$6.2 million by \$206,000, which is 3.3 per cent, and \$150,000, 2.4 per cent, higher than the estimated outcome. The audit office revenue for the 2013-14 year at \$6.4 million largely consists of \$3.8 million for financial audits, which comes from fees, and \$2.6 million from appropriated funds for performance audits and corporate matters, which means around 60 per cent of the revenue budget comes from financial audits and 40 per cent from the appropriation. The financial audit revenue budget is provided from fees charged to those entities we audit. These fees—and I would emphasise this—are designed to cover our costs. They are not a fee that is equivalent to what a private sector person would charge.

Our performance audits and other demands include audit support services, and they are covered by the \$2.6 million appropriation. Most of this actually goes on performance audits, somewhere in the vicinity of \$1.7 million or \$1.8 million. However, we would like the committee to know that it is also used for preparing reports to the Assembly, liaising with ACT Assembly committees and other entities, reviewing representations—of which I think we received about 28 this year, three of which turned into PIDs—looking at PIDs, developing the performance audit program, preparing the annual report, quality assurance work which the audit office has to do, we feel, of our financial and performance audits, liaising and consulting with government agencies, providing financial and performance audit seminars, providing advice to Treasury Directorate on draft accounting policies and its model financial statements, and corporate functions such as internal audit, risk management, learning

and development programs and staff management.

I am just going to now do three lumpy pieces for you in terms of further information in an opening statement, our financial results, and then I am going to talk about governance and then performance audit operations, if I may. On financial, the operating budget statement, budget paper No 4, page 24, shows that the audit office expects to incur a deficit of \$96,000 for the year ended 30 June 2013. This is actually lower than the budgeted deficit. The lower than expected deficit mainly results from cost savings resulting from not needing to use as many contractors as expected to complete the financial and performance audits as a result of successfully recruiting employees to undertake audit work. If we were sitting here several years ago, we would be saying how hard it was to recruit staff. The market has changed out there; so it does get a reflection in our budget.

As shown on page 24, budget paper 4, supplies and service costs, which include financial and performance audit contractor costs, are expected to be \$312,000, 14.6 per cent below the budgeted costs, due mainly to a reduction in the use of those contractors. This is partially offset by higher than budgeted employee expenses, including superannuation, as a result of successfully employing more staff. We estimate that—and I think this is our major message to this committee—essentially, we are going into a break-even operating result.

On governance, we have reviewed our strategic plan, which is on our website.

In terms of performance audit operations, we are on target to achieve seven performance audits, possibly eight, this financial year, one more than we had targeted. There are the audit reports that we have delivered—and you are probably familiar with them—the emergency department one, the recruitment one, grants of legal assistance, care and protection. We also had one on the executive remuneration disclosed in ACTEW Corporation Ltd's financial statements and one on ACT government parking operations. We are about to present to the Assembly the audit on homelessness and we may this financial year also be able to give the Assembly the one on the ACT's bushfire preparedness, but it might actually end up being in July. We are working on that.

Most of these audits were subject to what we call a hot quality assurance audit, which means we have ourselves audited them before we give the reports to the Assembly. We are in the process of finalising our performance audit program for 2013-14 and beyond, and we are currently in a consultation process taking in the considerations of other people.

Thank you for the opportunity to give that opening statement.

THE CHAIR: Fantastic. Thank you very much. With regard to your performance audits—you have seven or eight—do you allocate a specific amount for performance audits?

Dr Cooper: We try. As I said, we get about \$2.6 million in appropriation, and of that it is around about \$1.7 million, \$1.8 million, that we do try to focus exclusively on our performance audits. But the \$1.7 million means actually producing the report that we

end up putting in the Assembly. There is a lot of pre-planning that goes on and then there is also some evaluation and systems and all of the rest that you need to have in place to support the production of those.

THE CHAIR: Yes, certainly. And I assume that some audits cost more than others.

Dr Cooper: Absolutely.

THE CHAIR: Some would be quite inexpensive, some quite expensive?

Dr Cooper: Yes.

THE CHAIR: Do you have an aggregate amount that you expect, on balance, performance audits over the years will cost?

Dr Cooper: No. It varies. It is incredibly variable. And it depends upon the objective and it depends upon our criteria. For instance, we have just done the care and protection audit this year, which really is three audits in one. That was by far the largest we have ever done. And if you actually look at the report, you could pull out the chapters and say, “This could have been one performance audit and this another and this another.” But that was a macro one.

The parking audit that we have just done has been a very targeted, focused audit. So it would be about a third of the care and protection audit. What we do try to do is have an array of small, medium and large, and what we then try to do—as you know, we have got criteria for the performance audit—is make sure that we are affecting different agencies or at least are not far away from any one agency. Given the fact that we actually are able to do only around six or seven performance audits a year, we really have to look at it over a three-year or beyond period in terms of the coverage we can try to get. So it is not possible at all, with only seven performance audits a year, to cover all the areas of the ACT government.

THE CHAIR: Of course. On the amount that you have got budgeted, I assume that the more performance audits you do, there are economies of scale, are there?

Dr Cooper: Absolutely, because—

THE CHAIR: If you were to double the number of performance audits you did, it would not cost as much, 14 would cost less than seven?

Dr Cooper: That is right, because you have got a certain number of corporate overheads that you have got anyway. So if you want more performance audits done, you are actually going to optimise the corporate support that you have got.

THE CHAIR: I just want to get across what an increase in the number of audits would mean in financial terms to the budget. And you might not be able to do this now—

Dr Cooper: I can do it.

THE CHAIR: If we were to double the number of performance audits, based on the rolling averages of small, medium and large audits that you have been doing, what would be the cost of doing that for 14, for example?

Dr Cooper: I could come back to you, but we try to average it at about \$200,000 an audit and work around that. And that is a pretty good figure to work on. What you would do in doubling it, is that you would not necessarily double your staff—or I would not. You would actually look at how you might do that through some contractual arrangements. The quality would always be controlled and the end product is always controlled in house. Since I have been Auditor-General, we are doing more contracting out, and you can do that in many ways. You can actually contract out just for the field work to be done. You can contract out for the field work and an initial writer. But then you marry your team with the contractor, because it is we who are accountable at the end.

THE CHAIR: On that, you said you cannot cover all of government, and I appreciate that. But I assume that you have a list of audits that you would like to do and then you have the ones that you actually do because you prioritise. In terms of the list of what you would like to do, what is the percentage of those that you can actually get to do because of the resources you have got? Are you doing half the audits you want, a third of them, a tenth of them?

Dr Cooper: Probably more around the 20 to 30 per cent.

THE CHAIR: Twenty to 30 per cent of what?

Dr Cooper: Colleagues?

Mr Stanton: Through our internal processes we have got a bottom-up and a top-down approach. So we have got what we call a long list of anywhere between 100 and 120 audits. They are just germs of ideas perhaps, and then we go through our performance audit planning process to turn those into far more tangible audits that we might want to do.

Dr Cooper: And one of the things we are finding—and it may not continue—is that the Legislative Assembly will be asking us to think of doing audits in particular areas. It is very hard to be responsive. I know we are independent and we always will be, and we will look at the need and the benefit. But it is very hard to be responsive to those kinds of requests when you are already partially through some of the audits. Whereas, if you have got a bigger audit program, you can actually have more flexibility.

THE CHAIR: More capacity to, say, put one on at short notice?

Dr Cooper: To be responsive. The other thing we do try to do, as I said before, is that if we have done ACTEW and it is involved in, like we are currently, the review of water pricing—the ICRC and that issue—that is now a performance audit. There are other issues that have been brought to our attention where people would say, “Why don’t you do a performance audit?” We would probably say, “Look, we’re in that particular area now. Maybe we should be in the hospital infrastructure more than

doing two audits in the one area.” Does that make sense in terms of coverage of portfolios?

THE CHAIR: Yes, thanks for that.

MR SMYTH: I have a supplementary on that. I notice in the outyears on your operating statement on page 24 that beyond CPI there is no increase for additional performance audits. Why is that?

Dr Cooper: Because we are not the—we do not determine our budget. Our budget is determined through processes that we have absolutely no control over. So it would be up to the public accounts committee to put forward suggestions for increases in the budget. We have put forward what we think on current trends it is likely to be, Mr Smyth.

MR SMYTH: But this year you dealt with the government before you dealt with the public accounts committee. Did you request additional funding for additional performance audits?

Dr Cooper: We decided to take a pragmatic approach this year. Last year, as you know, we did get some additional funding—not all of the additional funding we had hoped for. As you know, it takes a lot of effort to put up budget bids and put them through the system. This year, given what was happening across the whole of government with budgets, and at this particular time it was around the same time as we had the executive remuneration disclosure issue happening, we decided that we are a small office and we put our efforts into that, because the probability of getting, I thought, some additional budget given the current climate was limited through the system we used last year.

Mr Sheville: We did, not in the current year but the previous year, put a budget submission up to increase our appropriation funding by \$383,000 for two additional audits and I think we increased that over the outyears to get a balance of funding between financial audit and performance audit. We were successful in getting an additional \$250,000 per annum in that funding. It seems that the arguments are still there for why the funding should be increased. But the case was pretty much settled last year when we put up the funding case. We put the case forward and we got an additional \$250,000 over the forward estimates.

MR SMYTH: Yes, but the government got an additional \$250 million in revenue this year. Surely given the international standard and the commonwealth standard—the British claim that for every dollar you spend on the audit office there is a nine-fold return. The commonwealth, I think, said \$10 in improved efficiencies and savings resulting from audits. In tight financial times, does it not actually make sense to fund an auditor’s officers better?

Dr Cooper: Mr Smyth, if we are given additional funding, we will just increase our performance. So—

MR SMYTH: Yes, but you did not ask for additional.

Dr Cooper: No, we did not actually ask for additional, but we would not be backwards in taking additional.

THE CHAIR: Right. Dr Bourke.

DR BOURKE: Mr Stanton was talking about the germ of an idea of audits that you may want to do. What does that exactly mean? Does that mean that there are issues that you think need to be looked at or are there areas that you think ought to be looked at?

Dr Cooper: It is mainly around the areas that ought to be looked at. One of the things coming up for us, which I think is a significant advance for the auditor's office, relates to the amendments to the new legislation, for instance. We will be able to look at non-government entities that receive government funding. So what is being asked in terms of transparency and accountability is expanding, but it is mainly the areas—if you look at the seven performance audits, the types of activities that we can cover are very limited. Look at all the complaints that you get through the Ombudsman's office. Look at all the issues that come up in different areas. There is always a suite of performance audits that you could do that would help the system.

The whole process for the PA is quite focused. We will look broadly; we will pick topic areas. Within the topic areas, we will then pick topics. We will then do some background papers to make sure, because you do not want to invest money in an audit that averages around 200k. So we will pick it. Then we will do a whole lot of background work and decide on the objective and criteria to make sure we are adding value.

DR BOURKE: So just exploring that a little bit, do you think that these—what do we say?—are areas you are concerned about or that you think, as a proper process of audit review, these are areas that should be looked at?

Dr Cooper: I think there is a mixture. So it is not one or the other. I think it would depend upon which area it is. There is a mixture of both of those.

DR BOURKE: But you certainly prioritise according to things where things need to be done.

Dr Cooper: Yes, and we also try and listen to the Assembly. We also listen to what is going on at the agency level. We do try and pick the priority issues that will affect the community at large.

THE CHAIR: Mr Gentleman.

MR GENTLEMAN: Dr Cooper, you mentioned in your opening your strategic plan, which is on your website. I have had a look at that. In the strategic plan, one of the objectives is performance in your office itself, in the audit office. The strategy for that is to develop, implement and periodically review branch action plans to ensure ongoing alignment with the audit office strat plan. Can you tell me what branch action plans are?

Dr Cooper: I will actually ask my branch heads to talk to that. But, essentially, we have got three branches: the performance audit area, we have also got the financial area and then we have got the audit support area. What we want to do is hold ourselves to account. So each of those will have an action plan. I am actually going to ask Bernie, who has handed me his plan, the financial one, if we could leave it for the committee to have a look at. It simply takes the objectives from the strategic plan. It puts them into actions. The actions then have a responsible officer with a timing. So it makes sure that all the functions across the office are actually able to feed in to deliver the strategic plan. I do not know whether you would like to add more, Mr Sheville.

Mr Sheville: The strategic plan is also monitored by our executive team. Periodically, I have to report on our progress against the plan. If we are having difficulties in meeting some deadlines, I report those. If we are meeting our targets, I report those as well. So it is a way of just monitoring, I guess, my operations. We feel that if we deliver this action plan, then we are actually meeting our strategic objectives.

MR GENTLEMAN: And then those indicators come up in annual reports.

Dr Cooper: That is right. It is all quite integrated. We have just done a review of our corporate area. We have found that given the resourcing we have got actually some of the corporate activities and the support audit services have to be shared between the financial area and the performance area. We just do not have the capacity to deliver on all of them. That is reflected in the plan. It gives more transparency to where money is being invested.

THE CHAIR: Does any other member have any questions at this stage? I am sure Mr Smyth does.

MR SMYTH: Do I ever. The audit office website says that you are conducting an audit on the government's administrative arrangements for the regulatory review of water and sewerage prices in the ACT.

Dr Cooper: That is correct.

MR SMYTH: And it goes on to say that the performance audit will include consideration of matters that have been brought to the attention of the audit office.

Dr Cooper: Yes.

MR SMYTH: What are those other matters that have been brought to the attention of the audit office?

Dr Cooper: I feel it would be inappropriate to be explicit on those matters other than to say—I have not got the dates in front of me. If you just give me a minute, I will get some material because this will all come out in the report we give to the Assembly.

It is a matter of investigating issues that have come to my attention. Issues in October last year were brought to my attention by the ICRC that gave me concern to then look at whether or not a performance audit was an appropriate mechanism to look at those issues and in looking at those issues to more broadly do three things: look at the

clarity of the roles and responsibilities between the entities involved in the regulatory review of water and sewerage, primarily the ICRC and ACTEW; look at the efficiency and effectiveness of ICRC's administrative processes for undertaking the regulatory review of water and sewerage; and look at the efficiency and effectiveness of the communication protocols between the key entities.

If you do not mind, committee members, I would prefer to let the performance audit investigate the issues that were raised with me, give it a fulsome consideration and all that will be revealed in a performance audit report that we hope to table in the Assembly in December.

MR SMYTH: So the December time line is still valid?

Dr Cooper: We are a little bit concerned at the delay at the moment in terms of the regulatory review process. But if it manages to come in at the end of June and we can go on with our performance audit, we will do that. My colleagues might like to add anything? No, okay.

MR SMYTH: Is there a terms of reference being issued?

Dr Cooper: There is an objective and criteria, and I will just read that out, if I may?

THE CHAIR: Yes.

Dr Cooper: The objective is to provide an independent opinion to the Legislative Assembly on the efficiency and effectiveness of the processes for the regulatory review of water and sewerage prices in the ACT. And it does include what I have just mentioned—clarity of the roles and responsibilities, looking at the efficiency and effectiveness of the ICRC administrative processes, and the efficiency and effectiveness of the communication protocols between key entities. That really sums it up. I could send it to the committee, the written component, if you would like.

MR SMYTH: Thank you.

Dr Cooper: Okay, no problems.

DR BOURKE: With regard to the changes and the follow the dollar initiatives, what changes do you anticipate in working with private and non-government organisations, beyond the front door of government?

Dr Cooper: First of all, let me say that I do not think we will use that a lot of times, but when we do use it, it will be in areas where it will only benefit the whole of the community if we actually look into those. So I think it is a significant step forward in terms of our powers. I think it will have to fit in with one of the performance audits. So it will be competing. We do not have additional money to do that, so it will be just another performance audit in terms of scheduling, if that is what you mean, Dr Bourke.

DR BOURKE: I was interested in how you were going to do it.

Dr Cooper: We are going to do it exactly how we do all of our performance audits.

We will be fair, we will be tough, we will be caring and we will do all the due process. So we will do the usual introduction, we will go in, we will source the material and they will get a look at the draft report. Sometimes I think my office over-communicates, but while I am A-G we will always over-communicate. When they give us back their comments on the draft, we will give them a “proposed” report for their comments, then we will give them the embargoed copy. So we will treat it in the same process that we do the ones for any other entity that we audit.

DR BOURKE: Will those inquiries be self-generated by you or are you looking to the Assembly to point you in directions?

Dr Cooper: I think it will be just like the current ones we do. We are always independent. If the Assembly recommends any, of course we will look at that very seriously. In fact I have already got one that is in my sight at the moment. The day that we have got that legislation, because of issues that have been raised already, representations that have already been made, your antenna goes up and you say, “If this is so, this is something that is significant.”

DR BOURKE: Do you have much of that kind of thing—people bringing issues to you before this proposed legislation change was made?

Dr Cooper: Yes, we have got a bit. But you have to be very circumspect and say, “Is it a personal issue or is it a systems issue?” If it is a personal issue, maybe they should go to the Ombudsman or somewhere else. So we are always scanning as to what the issue is before we take it on one person’s perspective.

DR BOURKE: Where have people taken those issues previously? Obviously you were not able to investigate.

Dr Cooper: I do not think there is anywhere to take them. They can go back to the agency, but sometimes they do not want to do that. For instance, if you are a service deliverer for somebody in the ACT government, sometimes the people who are in those service delivery entities say, “There is a problem. Do you realise this?” They can do that now with the government agency that is buying the services. But whether they would feel comfortable, I do not know. One thing we do give people is the security of confidentiality if it is needed.

DR BOURKE: Do you think this will be in the financial or performance audit area?

Dr Cooper: This will be performance audit. It will be nothing to do with our financial; this will be absolutely performance audit. We will develop the objective, criteria, just the way we do for everything else.

MR SMYTH: Does that mean that if the amendments to the act are passed, a performance audit on the list already would have to be dropped to enable you to do such—

Dr Cooper: That is correct; absolutely, Mr Smyth.

MR SMYTH: With the powers that you might gain if the amendments are passed, do

they require additional funding to enable you to exercise them?

Dr Cooper: To exercise them concurrently with the performance audit program we have got, yes.

MR SMYTH: But that is at the expense of a different audit?

Dr Cooper: Yes. Under the Financial Management Act and with respect to the Assembly, you have so much in the budget and you deliver it for the outcomes that are expected of you.

MR SMYTH: Clauses 36 and 37 in the proposed bill have a sort of reform process for gaining additional funding. But at the end of the day, even if it is passed, if the Treasurer does not agree to the additional funding, there is no additional funding, is there?

Dr Cooper: That is my understanding.

MR SMYTH: Were you consulted on the amendments to the act?

Dr Cooper: I have been consulted, yes.

MR SMYTH: Was there any consideration of, for instance, the Assembly setting the budget for the audit office?

Dr Cooper: I stayed out of those broader policy issues. I focused, when I was looking at the consultation on the legislation, on the performance audit, the timing and things like that, because I think the role of the Assembly is to deal with that broader policy issue. Where it affects me and my job in looking at that legislation is to give guidance as to how practically it could be implemented.

MR SMYTH: If the act is amended, at the end of the day it will still depend on whether the Treasurer gives you the money or not?

Dr Cooper: Absolutely, Mr Smyth.

MR SMYTH: So is the amendment superfluous in that regard? That is exactly how it is now.

Dr Cooper: No. If you look at it longer term, it gives you the option to plan something in your performance audit program. At the moment we cannot do that. For instance, when we did the audit of the hospital, the emergency department, we also looked at Calvary. Technically, we are restricted from doing that without their cooperation. The changes would allow an audit like that to occur and, even if we did not have their cooperation, we would have the power to do it.

MR SMYTH: I understand that power, but if you need additional funding it will only come at the behest of the Treasurer.

Dr Cooper: Sorry, yes. I think that is a matter more for the Assembly to work out in

terms of that broader governance structure. My job, when I look at amendments to legislation, is to make sure that, with the parts that I have direct control over, I can actually deliver them for the Assembly. So I approached it in that way.

DR BOURKE: Going back to the start when you talked about it being easier to recruit people and a reduced reliance upon contractors, which has affected your bottom line, in that you have got a \$96,000 deficit, why do you think that is?

Dr Cooper: I think it is the general change in the workforce climate. I think it is changing all around the place. We have got our retention rate, Mr Sheville, down to 15 per cent?

Mr Sheville: Our current turnover is 15 per cent. We lost much fewer people this year. Last year it was 21 per cent, so it has come down. Also the level of interest when we have done recruiting rounds has been much higher, and with better fields. Previously we may have done a recruitment round and found very few people; now we might have 60 or 70 applications. We still do not have enough people with the magic three to five-year experience, so at that level we still struggle. But more broadly, we have done pretty well and that has a significant impact on our costs. It is generally much cheaper to recruit people than it is to engage people at 150 bucks an hour.

Dr Cooper: That is for the FAs. For the PAs, for a whole host of reasons, it is also good for us to consider using consultants for a couple of the PAs and for them to work with us, because that gives you a bit more resilience if you do get some staff change. With the PAs in particular, you want staff from beginning to end. You would like that too with the FA, but it is absolutely critical in the PA because with a team of one or two, if you lose them, you actually have to start the PA again. So we are trying to build resilience into the way we manage our PA program through outsourcing a couple of the PAs.

THE CHAIR: We might finish there. Any further questions can be put on notice. Thank you very much for attending this afternoon and once again providing a comprehensive brief on what is happening. I would like to also pass on my personal thanks for the audits that you have provided this year. I think they have provided a great resource for the Assembly in a variety of different areas. So it is very much a positive in terms of the good governance of the ACT. Well done, and keep up the good work. If you could pass that on to your staff, it would be much appreciated. I am sure that would be a sentiment on behalf of all the committee members.

You will be sent a copy of the transcript of today's hearings and you will have the opportunity to correct the record where there are any transcription errors, and liaise directly with the secretariat in doing so. Once again, thank you very much.

The committee adjourned at 4.43 pm.