



LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY

SELECT COMMITTEE ON ESTIMATES 2014-2015

(Reference: [Appropriation Bill 2014-2015 and Appropriation \(Office of the Legislative Assembly\) Bill 2014-2015](#))

Members:

MR B SMYTH (Chair)
MS M PORTER (Deputy Chair)
MRS G JONES
MS Y BERRY

TRANSCRIPT OF EVIDENCE

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THURSDAY, 12 JUNE 2014

Secretary to the committee:
Dr B Lloyd (Ph: 620 50137)

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 9.30 am.

WATSON, MS LEIGH, Executive Officer, ACT Shelter Inc

O'DONNELL, MR JAMES, Research and Policy Officer, ACT Shelter Inc

THE CHAIR (Mr Smyth): Good morning and welcome to the first public hearing of the Select Committee on Estimates 2014-15. Because you are the very first attendees, you get the full spiel. This morning we will be hearing from the Youth Coalition, UnitingCare Kippax, ACT Shelter, the Superannuated Commonwealth Officers Association and the Belconnen Arts Centre. This afternoon the committee will hear from the Auditor-General and the ACT Electoral Commissioner.

There are some housekeeping matters I will run through: first, please be aware that the proceedings today are being recorded and transcribed, and will be published. After hearings, proof transcripts will be circulated to witnesses to allow requests for corrections. Corrections are made at the discretion of the committee.

Witnesses are asked to familiarise themselves with the privilege statement provided at the table. When taking a question on notice, it would be useful if witnesses used words like, "I will take that question on notice." Then we can mark the question and follow up on it. This will help the committee and the witnesses to confirm from the transcript the questions taken on notice.

By resolution of the committee, time frames for questions taken on notice and questions on notice are as follows: witnesses are to provide responses to questions taken on notice taken at public hearings within five business days of the hearing, day one being the first day after the relevant hearing.

Non-executive members of the Assembly may lodge questions on notice with the committee support office within three days after receipt of the uncorrected proof being made available, day one being the day following the day the uncorrected proof transcripts are circulated.

Witnesses are to provide responses to questions on notice within five days of questions being lodged with the committee support office, day one being the first business day after the question is sent to the minister.

The committee would also like to acknowledge that this is Ray's last estimates. Yes, Ray, there are 12 days to go before you are free of estimates hearings for the rest of your life.

MS PORTER: We could have a couple more call-back days.

THE CHAIR: Yes, we could have call-back days just to make it more fun for Ray, but let us not go there yet. We will now start. The committee welcomes ACT Shelter. Good morning. I need to confirm that you have read the privilege statement on the table in front of you and that you understand its implications.

Ms Watson: Yes.

THE CHAIR: Would you like to make an opening statement to the committee?

Ms Watson: Thank you for inviting us here today to provide further evidence to your inquiry. Both myself and James O'Donnell from ACT Shelter will speak. Firstly, I apologise. We probably really will not be able to keep it to the stipulated five to seven minutes. We have tried and we will try to be as precise as we go and speak quickly, but we feel we have a lot to say.

First, ACT Shelter is an independent peak community organisation. We are funded by the ACT government to provide strategic advice and advocacy on housing policy issues that affect people on low to moderate incomes for the purpose of creating a fairer and more just housing system. So we feel that we are well placed to provide feedback on the housing and homelessness issues arising from this budget.

Our reason for appearing today is to express our disappointment and concern over the lack of financial provision for the funding of housing that is affordable for people on low to moderate incomes, particularly at a time when the ACT is experiencing a severe housing crisis. Not only is there no provision for the growth of social housing, but there is no commitment to expand on the government's current initiatives aimed at increasing housing affordability for first homebuyers.

Nor is there any commitment to expand the amount of community and affordable housing for rent that could alleviate the financial pressures on those Canberrans currently experiencing mortgage stress. The lack of financial commitments to increasing such housing will, of course, also have an impact on the number of people who are slipping to homelessness. Yet while the ACT government has matched the federal government funding for the national partnership agreement for 2014-15, there is no long-term investment for homelessness beyond this time.

Despite a commitment in the budget vision to supporting our most vulnerable people and to providing Canberrans with opportunities to prosper, we believe that this lack of adequate commitment to housing and homelessness in this budget will have a devastating effect on many Canberrans.

To summarise, our main areas of concern with this budget are that there was no provision for the expansion of social housing, which we see as a lost opportunity given the current activity around investment. There were no allocations for improving housing affordability and there was a lack of commitment to support the homelessness services' sector beyond 2014-15. I make the point there that given the strong intersection between the lack of affordable housing options in the ACT and the number of homelessness, that is significant. I will now hand over to James O'Donnell.

Mr O'Donnell: ACT Shelter welcomes the ACT government's commitment to supporting a strong and resilient economy. We do believe though that there is a lack of commitment to invest in housing in this budget and we do feel that that is a missed opportunity. Housing is a fundamental human right. We also make the observation that housing is a platform for achieving social and economic independence.

Existing research indicates that a community which is well housed is less likely to

require services that are a cost to government, less likely to require ambulance services, hospitals, mental health, welfare support and even justice services. So in that sense, we firmly argue that housing is a platform for achieving that sort of independence. Therefore, we feel that the investment for adequate provision of housing in the budget would have sat well with the overall vision to create an economically vibrant community.

I will provide a summary of the housing issues that we would put forward: there are currently around 2,300 applications for public housing in the ACT. We think this will continue to grow in the current economic outlook. The homelessness system is currently stretched to capacity. Every night one out of every two people who seek emergency accommodation is turned away. 1,785 people in the ACT are experiencing homelessness and a further 9,910 households are in housing stress and at risk of homelessness.

For a family household earning a combined pre-tax income of \$80,000 and that has a mortgage of \$374,000, which I point out is the highest threshold under the affordable housing action plan, mortgage payments would consume around 40 per cent of the disposable income of that family, which would place them in considerable housing stress.

Our research shows that homelessness is not confined to a small group of people. It is a broad problem that affects many. We carried out a survey of women who are single, 45 years or over and who did not own their own home or were unlikely to do so before they retired. Ninety-one per cent of the 77 respondents were concerned about finding safe, secure and appropriate accommodation as they age. Interestingly, 73 per cent of women who took the survey were in employment and 75 per cent had completed tertiary study.

While this is probably not representative entirely of women facing housing vulnerability and homelessness in the ACT, it does suggest that many women will be experiencing difficulty in meeting housing costs, particularly those that do not have employment or high education levels.

According to the ABS, there were 7,494 single women in the ACT who were aged 45 years and over on low-medium incomes who do not own their own home. This housing cohort has been referred to as a tsunami waiting to happen. Our research would seem to prove this to be the case.

In other research we have done on student accommodation in the ACT, none of the student-specific accommodation in the ACT can be considered affordable when compared with the ability of students to pay. While the construction of unilodges near ANU and UC have provided a large number of beds, they remain unaffordable for the majority of students.

According to ANU Students Association 2012 survey, the average unilodge resident in 2012 paid 52 per cent of their income towards their accommodation costs. So many students turned to the private rental market where they face tough competition from families and professionals. Students, who typically have lower incomes and the challenges of fitting work around study, are among the most vulnerable participants in

the market, especially in the context of the lack of affordable student-specific housing.

According to Anglicare's pilot study on student housing affordability, while 56 per cent of all respondents felt that housing costs were taking up too much of their budget, the figure was 81 per cent among share-house students in the private market.

Ms Watson: In summary, I will outline what we would have liked to have seen in this budget, and we have categorised this according to categories. Social housing which, as has just been explained, is public and community housing. We believe that the government has an ethical obligation to return profits from the sale of land with public housing properties sitting on them back into the expansion of the sector.

By all accounts, the land along the Northbourne corridor is deemed to be valuable, especially in the context of the light rail development. So we believe that the government's plan to capitalise on the investment opportunity, which is welcome but which is presented by the sale of these dwellings in connection with the light rail plus the other areas slated for development, should see the profits turned back into investment in expanding the social housing portfolio.

We also must point out that we do welcome the recent commitment by government to replace the existing public housing numbers on a dwelling-for-dwelling basis in the vicinity of the corridor, which is an improvement on previous government statements. But we believe that there could be more.

In the social housing space, we also appreciate the ACT government's recent moves to undertake a deep analysis of the community housing portfolio in the ACT for the purposes of establishing a strategic plan to support an environment to encourage growth in the sector. However, we stress that this growth can only occur with government support that includes a financial commitment. Such a strategy may well take advantage of the initiatives in the affordable housing action plans, but the link here needs to be drawn more clearly and the actions across the responsible directorates need to be more proactive.

I now move to affordable housing, although these two housing types are not always separate categories. There are crossovers but in this context we feel that there is a general commitment by the ACT government to improving affordability for housing for sale or private rent, including through measures as outlined in the affordable housing action plans. We welcome that commitment and the progressive taxation reforms.

But while they may help some prospective moderate income buyers over the line, they do not address the structural drivers of housing unaffordability. We would like to see the recommendations of the affordable housing action plans more strongly and transparently implemented. We would also like to see a commitment in the budget to the development and exploration of innovative models to assist housing purchase.

We applaud affordable rental schemes such as those provided by CHC and the savings they provide to tenants. But because they are based on a percentage of market rent, these are not always at subsidies low enough to meet the needs of those on low incomes due to the ACT's high market rents. Also, these dwellings are not available

in adequate supply to meet the need.

We believe that the government should undertake measures that see an increase in affordable housing provided at various rent banding levels through a range of models such as community housing, co-ops or congregate living. While we applaud the innovations of the land-rent scheme, by its nature it presumes an ability for the purchaser to enjoy an increased income over time.

For many people though, such as older women who we referred to earlier, this is not the case. We would like to see the government investigate other innovative models that would allow people to gain access to the equity to be gained through housing purchase such as through shared equity, affordable housing loans, community land trusts, community land-leases or perhaps even turning the land-rent scheme into a rent-to-buy scheme.

In summary, we urge the government to invest in the growth of community housing to expand the total number of dwellings in the social housing system, as well as retaining the number of public housing dwellings. It should use the profits from public housing redevelopment areas to invest in an increase in net public housing dwellings in the system. It should implement the affordable housing action plan more rigorously and transparently drive true affordable housing for both sale or rent, and commit to ongoing funding of the homelessness support sector. We note, though, that increases in social and affordable housing and general affordability would decrease the required level for a homelessness response in the ACT.

Thank you for taking time to hear our views on the ACT government budget.

THE CHAIR: That is okay. Thank you for your opening statement. We will get right into the questions. You mentioned that one out of two homeless people miss out on emergency housing each night or are turned away. How do you collect that data and what is required to address that?

Ms Watson: First Point is the central access point for people seeking emergency accommodation in the ACT. They turn away 50 people a month—people who are seeking accommodation—because there clearly are not enough places. And the reason there are not enough places is not that the ACT government has not put in a fairly solid homelessness response, because they have; it is just that the lack of affordable housing exits means that people are staying in the homelessness sector longer than they need to.

People have crises. For example, a woman leaving a violent situation may end up in a women's refuge. Once upon a time, after a few months, when she had got herself together and maybe got into employment, she would have been assisted to move out of that into transitional housing or into the private rental market. But now that is not possible. So people are sitting around in the homeless sector, still in crisis and not able to get on with their lives.

THE CHAIR: You talked about the structural drivers. What are the structural drivers that are stopping people getting into their own accommodation?

Ms Watson: It is very complex, as you know, but it is the whole affordability problem. It is also connected to federal government instruments around the investment and taxation of people who own homes. That is obviously in the federal government arena, but there are things that can be done at the local level to mitigate that.

THE CHAIR: I will just put in a plug here for the public accounts committee. They are having an inquiry into the response to homelessness; you may want to take that issue up further with them.

MS PORTER: I wondered if you could talk about the number of Aboriginal and Torres Strait Islander people that you believe are in this homelessness cohort or in danger of being in that area. Then, if I can have a double go, I want you to unpick the issue around older women a bit more for us and give us a bit more detail about that profile of the older woman and where you see her. Some of them may purchase or that kind of thing.

Ms Watson: I might answer the first question and then I will get to the older women. I do not have the figures on me about Indigenous housing—

MS PORTER: Could you take that on notice?

Ms Watson: We certainly will take that on notice. We do have them; I just have not brought them.

MS PORTER: That is fine.

Ms Watson: The figures of Aboriginal homelessness are very high in the ACT. They are higher than anywhere else. The problem is a complex one. There once was an Aboriginal hostel in the ACT that closed down; I am not quite clear why that happened. We hear, anecdotally, a lot of information about the situation. Unfortunately, we missed out on the funding for remote rural areas, because we are not actually a remote area; we are a city. But at the same time we are situated within a region. So we are having the issue where we are almost acting like a big country town: people are coming from the outer areas to the city for things like medical appointments and to visit relatives, and because there is no hostel, there is nowhere for them to stay, they end up staying with relatives. So overcrowding is happening. Sometimes those welcomes are worn out and those people end up homeless. If you go and spend a couple of hours at the Winnunga health centre, they can certainly tell you things.

MS PORTER: So the purpose-built housing that is mentioned as something the budget is going to fund for Aboriginal and Torres Strait Islander persons is not going to solve the short-term accommodation need that you are talking about for people who need to come here for medical treatment et cetera. Is that what you are saying?

Ms Watson: No; that is another problem.

MS PORTER: It is another issue on top of that one?

Ms Watson: Yes.

MS PORTER: Thank you. And the women—

Ms Watson: We were not actually clear about that housing in the budget.

MS PORTER: Right.

Ms Watson: How many people that was actually going to house.

MS PORTER: So you need some detail on that.

Ms Watson: Yes; we need more information on that. In terms of stories that we have heard, we have heard of a 14-year-old girl, for example, who Winnunga were working with, who was pregnant. They could not get her into any accommodation. She ended up having to stay at the tent embassy.

MS PORTER: Right.

Ms Watson: It is a huge problem.

MS PORTER: Thank you.

MRS JONES: Just as a supp to that part of the question, if that is all right, was the statement you made that we have a worse issue with Aboriginals finding shelter and housing than the Northern Territory?

Ms Watson: There is no comparison.

MRS JONES: I think you said it was the worst in the country.

Ms Watson: We have got the highest homeless figures in a metropolitan area.

MRS JONES: In a capital city.

Ms Watson: Yes; sorry.

MRS JONES: Thank you.

THE CHAIR: Ms Berry?

MS BERRY: I will be super fast.

Ms Watson: And on older women—

Mr O'Donnell: I guess I will have to be super fast. The older women study is a current project that we are doing, a current piece of research. We hope to publish the report in the next month. We received generous funding from the Office for Women to perform this research. We have performed the survey; we have done some focus groups and some one-on-one interviews with the lead researcher. We had about 80

responses to the survey and, as I say, there were several focus groups and interviews, exploring people's experiences. As we mentioned, we are finding that a surprising number of responses are from people who should be in a good economic position—who have high levels of education and are employed—but have such a low level of savings that they are worried. They might be renting; they are worried about when they retire—what will happen to their housing situation.

MS PORTER: There will be more information as that study is completed and we could look at that through the inquiry we are going to do. Thank you for that.

MS BERRY: You raised some concerns in your submission and this morning about the Northbourne corridor—the Gungahlin to the City corridor and those inner city public housing developments. Is your concern for the people that are currently in the system?

Ms Watson: Yes. That is a good question. We have done a paper on that, which I can send you a copy of. We were concerned about that, but we are pleased that the government has now set up a task force and has committed to working with the community groups who are working in the area to ensure that that is done as well as possible. So that is not our overriding concern at the moment. Our main concern in terms of this budget is really the hardcore stuff about the actual numbers of housing. As I said, it has been seen as a bit of a cash cow to sell that land. That is great if it is well and good, but we believe that money should be churned back into increasing public housing, because it is public housing land.

MS BERRY: With some of the public tenants, what we are hearing is that not all of them want to stay where they are—that some of them do want to move.

Ms Watson: Yes, sure.

MS BERRY: Does that play out with the work that you have been doing?

Ms Watson: No; that is a separate issue. As I said, that has been dealt with, and we believe that will be done as well as it can be. It is a separate issue. With the number of public housing, as I said, the bottom line is that there is not enough affordable housing and certainly not enough public housing. It has now become just targeted for the very disadvantaged, but there are people who still cannot afford private rent and who would certainly benefit from social housing. We need more, not less. And we believe there is an ethical commitment: that land is public housing land; if it is going to be sold, surely it should be for the benefit of increasing housing for people on low to moderate incomes.

MS BERRY: You talked before, and also in your submission, about how there is demand to move to other sorts of models of public housing, like social housing, community housing, co-ops and things like that. Do you have a number in your mind about what additional housing is actually needed?

Ms Watson: Yes. That is also a good question.

MRS JONES: That was going to be my question.

Ms Watson: It all connects. A good start, obviously, would be the 2,000-plus people on the public housing waiting list. There is far more beyond that, but it does not all have to be public housing; there are shades in between. What happens in the ACT is that we have public housing, which there is not enough of, and then it really jumps from there—up to our small amount of affordable housing, at 75 per cent of market rent, and then to private rental. In between, there is this whole area. I am sure you all have friends and family who are struggling to pay rental, to purchase a house—people who may not have any problems particularly in their lives, but who may not be public servants at EL1 and above, people just working normal jobs who cannot afford to get a house.

MS BERRY: What do you think is stopping the market from developing affordable housing—proper affordable housing, not affordable housing as it is described?

Ms Watson: There are people who are much more qualified than me to answer; it is a very complex answer. As I said before, it also connects with federal government policies. It has been said in the ACT that because land is connected strongly as the income base for the territory, the government keeps a strong hold on it and undertakes measures that affect the market. As I said, there are probably economists with many more skills than I have who could say whether that is the case, but it is a complex issue.

I guess the other reason is that we have a high income base in the territory with public service salaries. That sort of sets the demand, and the developers and people who sell houses know that they can price it at that market because they are going to sell.

MS BERRY: Thanks.

THE CHAIR: Mrs Jones?

MRS JONES: I have got two parts to my question. The first one is: have you done any research to give yourself an actual figure that you are aiming for with public housing—a percentage of housing or an actual number? I think we are all aware that the 2,000 on the list will quickly be replaced by 2,000 more if they are all given housing tomorrow.

Ms Watson: Yes.

MRS JONES: The second part is: would you like to comment on the LDA's budget statement that they are, I think, 15,000 blocks short of the target of land release. There has been a statement I have read in the budget, or in the reflections that we have had on the budget from a private accounting firm, that that is intended to keep the market slightly under-supplied—and the ethical situation that the ACT government is in, given that it is accepting that that is an action of its own agency. So it is two parts.

Ms Watson: I might just start, and Mr O'Donnell can jump in. In terms of your question about how many public housing—in short, we have not actually undertaken any research.

MRS JONES: Do you have a rough idea of where you are aiming?

MS BERRY: Just more houses—right?

Ms Watson: Just more houses, yes.

MRS JONES: Great, but if there is going to be lobbying of government more and more, we could have 100 per cent social housing. What are you aiming for? What do you want?

Ms Watson: You are right; it would be good to actually have some figures. We certainly do have figures about the amount of people who are struggling to pay their mortgage or their rent; that would certainly—we could work it backward and work out the figure.

MRS JONES: Would you be able to take that on notice and come back to us with an actual figure.

Ms Watson: We certainly would. Could I just point out, though, that it is not just the public housing; there is—

MRS JONES: No, of course, but even maybe what you would like to see in both sectors in the public and the lower cost.

Ms Watson: It is a good question. Did you have anything to add to that, James?

Mr O'Donnell: I would just like to add that it can be difficult to say, especially in the current outlook for the ACT, because of the different flows in and out of the ACT that we might see, particularly with less and more graduates coming in and that sort of thing, changing the housing structure and the housing continuum. That is why we are very strong on a housing continuum—from public to affordable, standard rental and then mortgaged properties—that is really responsive to what has happened on the ground at that particular time. It is difficult to model, but we can take that on notice and try to get you some figures.

THE CHAIR: Any final questions?

Ms Watson: There is the second question. I think I alluded a bit to that before. Again, I am not an economist. My personal view is that there is a vacancy rate in the private rental market at the moment of three per cent, so there does seem to be enough supply, but it is at the expensive end rather than at the affordable end; there is not that diversity that exists in other cities around Australia. James?

Mr O'Donnell: I talked also about the missed opportunity. Part of it, perhaps, is that instead of holding release back—that is perhaps an opportunity where you could say, “We have 15,000 which we do not think we could put to market.” That is really an ideal time where the ACT has not so much lost what they would make if they did put that towards investing in social and affordable housing—in terms of less of an opportunity cost, lost revenue from selling it, putting it on the market.

THE CHAIR: We might end the session there. I would like to thank you for appearing. We will get you a transcript as quickly as we can. If you have any corrections you would like to make to that, could you please inform the secretary. If we have any further questions, we will be in touch. Thank you very much.

Ms Watson: Thank you.

Mr O'Donnell: Thank you.

RAMSAY, REV GORDON, Executive Minister, UnitingCare Kippax

THE CHAIR: We will now move to UnitingCare Kippax. Welcome to UnitingCare Kippax. There are some housekeeping matters. There is a pink card there on the table. It is the privilege statement. If you could please confirm for the committee that you have read the statement and understand its implications?

Rev Ramsay: Yes, I do.

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

Rev Ramsay: Certainly, thank you. UnitingCare Kippax appreciates the opportunity to appear before the committee today. I have distributed a printed copy of the opening statement. I will not read the whole thing through. I will move through in some places.

We certainly acknowledge the difficult circumstances in which this year's ACT budget has been presented. We draw to your attention that UnitingCare Kippax has substantial experience, particularly in but not only in relation to west Belconnen, and it is our belief that west Belconnen has these days a stronger sense of identity and community than has been the case in previous years but is also experiencing as strong if not stronger elements of marginalisation and social exclusion.

We note that there are many initiatives in this budget that we warmly endorse. As long-term advocates of streamlined and joined-up services, we certainly strongly welcome the human services blueprint and the launch of the local services network in west Belconnen. We believe that this will lay important and long-term foundations for a different form of delivery of human services and a way that a broad range of organisations can work efficiently and collaboratively to increase the quality of life of people who are being supported. We anticipate that it will have positive and innovative ways which the network can draw on, invest in and value the experience of all participants in the human services system.

As equally keen supporters of the target assistance strategy, we welcome the increase in concessions in this budget and on the assumption that it will aim to further the work of the targeted assistance strategy, we also welcome the substantive review of concessions in the ACT. We look forward to a streamlining of concessions. We anticipate a simplified eligibility and a single form of application in relation to concessions.

We welcome the reduction in administrative charges for those who pay vehicle registration periodically but we remain concerned that we have not seen the full implementation of the targeted assistance strategy recommendation, and that is that this would be available without any administrative costs to those who are experiencing financial hardship.

In relation to emergency relief, we remain particularly concerned that our submission in relation to the increased funding of the emergency financial and material aid program in this budget has not been implemented and that the review of this program has not been acted upon at all over the past 12 months. This has become even more

important in light of the Australian government's budget which we, along with many others in the community sector, believe will inevitably mean that these services will experience a continued increase in demand. UnitingCare Kippax remains underfunded for these services, and that means that people who are in financial stress will experience both deeper and longer vulnerability and isolation.

We know that budgets are not actually about programs or organisations and they are not really about statistics and dollar signs. We believe that the best measurement will be in the way that the lives of real people are changed, hopefully for the better. So I draw to your attention the real situations of real people and I invite the committee to consider the ways in which these and other people will be impacted. I am not using their real names.

Kelly and Jarrod have a one-year-old baby, Zach. Zach was born prematurely. Kelly and Jarrod are struggling financially with bills, debts and a car loan. They have been homeless, though they are currently in a Housing ACT property. Jarrod's father died suddenly at the time of Zach's birth and their car was stolen on the day of the funeral. Jarrod developed appendicitis, and the Centrelink payments relating to Zach's birth took six weeks to be paid.

Jarrod, who is an apprentice, became unemployed when his employer cut staff and Jarrod is very hesitant to follow through with his former employer for a statement of the hours that he has worked towards his apprenticeship. His confidence is low. He believes he will be ignored. Both Kelly and Jarrod are now looking to enrol at CIT to do a community services certificate IV.

Jenna is the mother of four young children aged seven, five, two and one. Her former partner is violent and has spent their income and their savings. Jenna has lost her housing and her possessions. She has been withdrawn, defensive and resistant to receiving help. She has experienced great shame that she could not adequately feed her children with the basics of meat and fruit and that she was not able to afford school uniforms for her children.

The stories of Kelly, Jarrod and Zach, and Jenna are common stories. There are many others like them, and we know that the quicker that people are able to move out of financial and other vulnerability, the stronger and more sustained their recovery will be. We remain concerned that people in these circumstances and many other similar circumstances will remain in difficulty for longer and their recovery will be slower, without sufficient ongoing attention to the most vulnerable members of our community.

My hope is that the generosity of these people in sharing their stories and the strength that they and others continue to demonstrate in particularly difficult circumstances may lead this committee and others to ongoing conversations about the ways in which our most vulnerable can be most effectively supported.

THE CHAIR: Thank you for that. You mentioned in your submission on the budget, and it is on page 2 of the document you have distributed this morning, the emergency financial material aid program. What is the impact of that not being funded?

Rev Ramsay: In the 12 months leading up to this time last year, we experienced a 41 per cent increase in demand for services in emergency financial and material aid. We have since then been operating at and beyond capacity. So we are not able to measure the increase anymore because we are simply operating at capacity.

What we can demonstrate is that there is a longer period that people have to wait before they are able to access the emergency relief that we are able to provide for them. We have had a longstanding principle that no-one would ever get turned away and that we would work immediately with people.

The reality these days is that we can provide the absolute minimum at the time that people first make contact with us, and it is regularly about a week's delay in being able to see one of our emergency relief counsellors. So that means that people remain in high level of crisis for that longer period and it is longer before we are able to start to wrap around the services, the advocacy, the other forms of support that we are able to do. And the evidence is that if we are unable to respond as quickly as we have in the past, people remain in that circumstance for a longer period.

THE CHAIR: What drove the 41 per cent increase? Did you do any work on what was driving the increase, in the lead-up to last year's budget?

Rev Ramsay: It was a range of opportunities. The key driver is the inadequacy of the Centrelink payments for people who are on income support, in particular the unemployment benefit. We know that that is simply not enough to be able to live and survive on. So that was a key driver for us.

What we have noted also in terms of the age range is that the key driver over the past 12 to 18 months, or the age demographic that has been the key one, is people in their late 20s, early 30s, young families.

THE CHAIR: A supplementary, Mrs Jones.

MRS JONES: Can you please describe the actual emergency care that you give?

Rev Ramsay: Our emergency financial material aid program, which is one of eight different programs that we operate, is run with three trained counsellors who work with people. We provide immediate-level food support. We are able to provide that. We are able to provide some limited assistance with medical and pharmaceutical bills. We are able to provide some assistance with the purchasing of school uniforms and with the meeting of school fees.

Then our counsellors will sit down with the people and do the rest of the advocacy work that we might be able to do to be able to help them into housing, to be able to help connect them to the other levels of support. We operate with a financial health and wellbeing model, rather than an emergency crisis model, to be able to help people back on their feet as quickly as possible.

MRS JONES: Are you able to get back to us with a copy of the model that you use, just for our information? Would that be possible?

Rev Ramsay: An absolute delight, yes.

THE CHAIR: A substantive question, Ms Berry.

MS BERRY: Thank you for coming in and sharing those stories with us today. It puts a human face to a budget. It puts a human story to the numbers. I wanted to check in with some detail about the funding, what the estimate funding was during the last budget, if you know that, and what level of funding would you need to cover the assistance that is needed?

Rev Ramsay: Our current annual contract with the ACT government in relation to the EFMA project is about \$315,000 a year. We are running a \$400,000 program on \$300,000 a year. In reality, we would need about \$90,000 to \$100,000 additional funding for that contract to be able to meet the current levels of demand adequately. Then there are still the considerable philanthropic and public donations that are added in on top of that.

THE CHAIR: Ms Porter.

MS PORTER: With regard to the loss of youth benefits that is predicted, have you got any idea—and probably not, I would think—what impact that will have on demands, in this particular region in which you work, by young people needing assistance because it has been already forecast by the federal government that they are going to have to put in some additional funds to provide relief? I wondered whether you believe you will be able to access any of that money. It is really about what you are anticipating, how you see the demand, what you see as the blueprint with connecting services and whether or not some of that could be addressed in connecting up services and these services being a little more effective in assisting those young people?

Rev Ramsay: Starting at the end and working backwards, we certainly hold high hopes with the blueprint. We believe that it opens some great possibilities for future collaboration. I think there is some time delay in regard to the implementation. In reality, the next six months is going to be doing all of the back-of-house work to be able to work out how that might be able to be implemented. I think it will have some impact.

In relation to the potential changes, depending on what happens with the Australian government and legislation up on the hill, we certainly remain extremely concerned. We have not done high levels of research and checking at the moment as to what the likely impact in west Belconnen is. We do note that a significant driver for people accessing our emergency relief services is the current inadequacy of the support payments in the area of youth support and unemployment. So anything that impacts on that must inevitably have a deleterious impact on our services as well.

We are also aware that the Australian government is redoing the way that it is funding both family services and emergency relief at the moment. We are currently not funded for anything in relation to emergency relief through the federal government, and our organisation is looking at those possibilities at the moment.

But we would not be holding out great hopes that there will be significant increases. There might be a reordering of the ways that that funding is provided into the ACT. So we would still be concerned that the demand is going to increase beyond what are currently unsustainable levels.

MS PORTER: Part of the question was to do with the review of the concessions. There is the demand that you experience at Christmas time, when a number of us were out there working with you. You mentioned that you were experiencing a lot of demand from people who would not normally be coming to the service—people from, I presume, a different income stream who are now experiencing financial stress. Is this continuing? Are you finding that there is an increase and a change in the nature of the demand and that you are getting people who you would not necessarily expect to come through the door or on the phone? Do you see any possibility that the review of concessions could address some of that?

Rev Ramsay: I will take on notice the question in relation to the increase in demand. I will be able to get back to you with further evidence of the demographics on that one. Certainly, the evidence at the moment is that there is a cyclical nature as to who accesses support services at different times of the year. The first part of the year is a key time for young families, especially for people with school costs. It changes along the way throughout the year somewhat. Over the last two to three years we have noticed that there has been a significant increase in people who are accessing emergency relief or related services for the first time. They would be people that we would class as underemployed rather than unemployed.

We welcome the review of the concessions and the ongoing implementation of the targeted assistance strategy. We know that there are people who do not access all of the concession supports that they are able to because of the complexity of how to apply for and qualify for those. Any work that can be done to streamline those—as has been flagged in the current budget and as was recommended in the targeted assistance strategy—and make it so that there is a consistent way of qualifying and applying for those will certainly have a very positive impact.

MRS JONES: Is that ACT concessions only, or are you hoping for that to also occur with federal types of payments and concessions?

Rev Ramsay: We will take it step by step; and we welcome the initiatives that are happening with the ACT government review of concessions. We know that the Australian government is looking at a whole range of things in relation to human services and support. The evidence that we have seen so far is not that that is going to be having a particularly positive effect on the way that people are accessing services.

MRS JONES: I just remember the number of pages I have had to fill out on things and how overwhelmed I have felt.

MS PORTER: As to the other part of applying for concessions and asking for assistance when you need it, regarding the people that come in for the first time, my experience has been that there is a reluctance on their part because they have never done it before and they find it an extremely difficult thing to do. In your consultations with government about the review of the concessions will you be unpicking that so we

can really understand that and address that? We can have all the structures in the world, but if someone is not going to come through the door or pick up the phone then it is really self-defeating. I am just putting that out there for you to respond to now or to input into the process as you go forward.

Rev Ramsay: We have not seen the way that the review of the concessions is going to be conducted. We would be hoping that there would be strong and positive collaborative work both with government and with the community sector. There was a significant amount of work done at the time of the targeted assistance strategy work in relation to what some important guidelines for that form of review would be. We would be keen to be involved and to share the experience of people, such as some of the people whose stories I have shared today. They demonstrate also that sense of reticence of people to access support that they are not only entitled to but need and that would make a significant difference. We would be very keen to be involved.

THE CHAIR: Ms Berry?

MS BERRY: Thank you. Can you talk a bit about the human services blueprint and the cooperative approach in developing the blueprint? Can you talk us through how this was different from your previous experiences with this sort of work?

Rev Ramsay: As I say, we really welcome the human services blueprint. You may be aware that I have been on the human services blueprint task force, which has been offering some of the high-level strategic guidance for the process. One of the things that we have been particularly impressed with across the community sector, and UnitingCare Kippax in particular, is the strong cooperative way that government and non-government organisations have been drawing together to try and build something that looks quite different—to actually use the ACT as a lighthouse for other parts of Australia. We figure that if we cannot get it right in the ACT, it is going to be phenomenally difficult in other parts of Australia.

There is a lot of work that is yet to be done and the local services network, I think, is going to be a very positive way of trialling that and learning from that. It is helping to shift the thinking and the practice of organisations, both government and non-government, to make sure that the person is at the centre, rather than issues of organisational structure or funding or reporting at the centre, which too often has been a driver in the past. By placing the person at the centre we lessen the likelihood that people are going to feel like a number in a system or a problem to be solved. Rather, they can feel that they are a person who has the right to belong, to be valued and to participate in the community.

One of the things about the local services network and the human services blueprint itself is that, because it is actually starting the design with the person at the centre, at the moment we cannot say exactly what it is going to look like because we do not yet have that framework there. It is going to be a case of building a plane while it is flying, so to speak. There is some work for us to do on that one. I think it is a positive thing. There is a lot of learning for us to do over the next six to 12 months.

MS BERRY: The way that this blueprint was brought together from the community services sector rather than from the government down—how do you think that has

made a difference to putting the people at the centre of this? Has this been an improvement on the way things were done previously? Could you see this done in other parts of government?

Rev Ramsay: I think this has been an enormous improvement. While the community sector has been strongly advocating for this and working towards this for some time, it is important to pay appropriate respect to Natalie Howson from the Community Services Directorate who has been an absolute key driver on this. From the community sector we would want to acknowledge her key leadership on that as well. It has been a leadership that has been open to collaborative leadership, not a determination of where we had to get to. That has been an important part of the process. It has been an openness to be able to work together in the knowledge that when we started the work with the human services blueprint task force we did not know where we would end up. I think that openness and generosity of approach has been an important learning point for both government and non-government.

MS BERRY: Thank you.

MRS JONES: Thank you for bringing your expertise here. I have learnt a lot, so thank you.

Rev Ramsay: It has been a privilege; thank you.

MS BERRY: Could I ask another question?

THE CHAIR: Sure; two minutes.

MS BERRY: You have just mentioned this, but do you think that the sort of process that you and the community services sector went through in developing this blueprint could be transferable across other government department services?

Rev Ramsay: Yes, I think it can and should, because what it does is it values the expertise that is developed in a range of different areas. It values the fact that much of the wisdom and expertise resides in the community sector and much of it resides in the shared experiences of people who are living in vulnerable circumstances; and it is the valuing of that expertise into the design of policy, framework and service delivery. Those same principles are applicable right across areas of government.

MS BERRY: Thank you.

THE CHAIR: We might call a halt there, Executive Minister Ramsay. Thank you for your attendance this morning. We will forward you a transcript as soon as it is available. Please read it. If there are any corrections you wish to make, please forward those to the secretariat. Any questions you have taken on notice, we look forward to your further answers. Thank you for your participation in the estimates committee today.

Rev Ramsay: Thank you for your time.

Sitting suspended from 10.26 to 11.17 am.

MINES, MR FRANK, ACT Branch Secretary, Superannuated Commonwealth Officers Association

THE CHAIR: Good morning and welcome to the estimates committee for the 2014-15 appropriation bill of the ACT Assembly. There are a few housekeeping matters we need to go through. If you take any questions on notice during this morning's hearing, if you could please respond with answers to those within five days.

Mr Mines: Yes.

THE CHAIR: We will forward you a transcript of the hearing this morning so that you can check it for accuracy, and if you have got any corrections you feel the need to make, please do not hesitate to contact the secretariat.

Mr Mines: Yes.

THE CHAIR: And with that, we will now start with the Superannuated Commonwealth Officers Association and invite you to make an opening address.

Mr Mines: The Superannuated Commonwealth Officers Association is an organisation representing serving and retired public servants in relation to retirement issues. Among the issues we are involved with is the proper indexation of the public service pension. We are very heavily involved in taxation issues as well, and also with the seniors benefits as well.

We also have a heavy commitment to helping people who are on workers compensation. We have two people who are on the committee and who are devoted to that work. One of them is a lawyer and the other person is actually better than a lawyer. He is a walking encyclopaedia of information on workers compensation and when he dies there will never again be anyone in Australia like him. I was in the union when I was in the public service, and I was very interested in that issue, and I was staggered when I first came across him. He is great.

But there are a whole lot of other issues we are involved in, and specifically at the federal level we are lobbying the federal government. We have also been involved in that as well. But in the ACT, of course, we are lobbying on a whole range of issues, even on things like footpaths and seniors concessions and all that sort of thing.

THE CHAIR: In regard to the budget, are there any areas of concern or priority that your association has?

Mr Mines: Very much in the area of concessions, as you know, these break down into three groups. There are the concessions attached to the part or full age pension, there are the seniors card benefits and then there is the commonwealth seniors health card, and we are very concerned about what happened with the federal budget. The fact that the federal budget is not yet settled really makes it difficult.

We normally put in a submission on the ACT budget. We did not this year because we could not see anything where we were likely to get anything anyway, and I would

normally write a report, and circulate it through our members, on the ACT budget. I have not done that so far this year, because I think that the uncertainty with the federal budget actually casts a bit of a cloud over what is going to happen at the ACT level. So I am hanging off, waiting to see how everything pans out before I actually make a report on the ACT budget situation.

As mentioned here, we have concerns about the rise in rates, although we were happy that there was some assistance provided for people who were going to downsize their housing and, as I mentioned, seniors concessions.

At our monthly meeting of the executive committee of our branch, we were going through various matters in relation to the ACT budget, and there was a lot of concern expressed about the light rail proposal. Those fall into about three categories. One is that there is a belief—and I think this has been in the media today—that there will be a negative return on the investment. That is one thing.

The second is that there will be a lot of inconvenience for people travelling along Northbourne Avenue because of the construction of the light rail, and there is a proposal for replacement of housing along there as well. And it is thought that people in Belconnen will be forced to come down through Barry Drive. That was quite a sticking point. We have not consulted our members yet, and we will be doing that through our quarterly newsletter and through our meetings.

The third concern was the loss of urban amenity through the destruction of trees and other vegetation on Northbourne Avenue. So those are the concerns that we had.

THE CHAIR: In regard to the ACT seniors card, what were your concerns there?

Mr Mines: The seniors card? The benefits that are associated with that. My understanding of what is happening as of 1 July is that the commonwealth government is cancelling or ceasing the agreement it has with the states to provide money in relation to that. I understand that that is only about 10 to 15 per cent of the money spent by states and territories on concessions for aged pensioners and seniors. One of the difficulties I find, in fact, is locating a consolidated list of all the benefits, say, on the internet or so forth. We discussed that at our meeting on Tuesday, and there were suggestions as to how we might better get an idea about all that sort of thing.

When I went on to the part-age pension in 2000, at the time I think I worked out that it was worth to me about \$3,000 or something or other. So it is one of the more significant benefits for retirees, and I was very relieved to see that it looks as though the states, at least for the coming financial year, will be maintaining the concessions. As I said, there were three sets of concessions. So we will be looking into that. It was only when I started—we had researched individual concessions—looking for consolidated ones, I realised just how difficult it is to pin down all the things that are involved.

THE CHAIR: And is that at the ACT level or the commonwealth level where you say—

Mr Mines: The ACT branch are doing this. We have not had a federal council meeting since the federal budget, but there will be one coming up in September. I am sure that this will be raised. But we are of course at the front line of issues like that. So we are already into that sort of thing.

MS BERRY: You mentioned just then a couple of concerns around concessions and cuts to pensioner health concession cards that the federal government is intending to impose in the current budget makeup. Are there other things that would flow on through the ACT government's budget, as it stands now, that you are concerned about that would affect your members?

Mr Mines: One of our problems, of course, is that we do not know the final outlines of the federal budget. We are following that. But we will know after 1 July who is going to be in the Senate and what the attitudes of the senators are going to be. But that is one reason why I have not put pen to paper on writing a commentary on the ACT budget.

The ACT Council of Social Service ran two things. On Wednesday of last week they had a consultation at Weston Creek, and I went along. That was very good. We identified a list of questions. I had a question about concessions. I understand the ACT government will be providing replies by 13 June, I think it is. So that was a very good thing. I think it is important that there be someone from a retiree organisation there because those sorts of gatherings tend to be dominated by much younger people.

I went on the Thursday to the post budget briefing that was held here in town, and that was less satisfactory in a sense because I think there is some uncertainty on the part of the ACT government about what is exactly going to happen. Probably the main thing I took away from that was that the Treasurer actually is in charge of the concessions program in the ACT.

But apart from that, they did not actually get too deeply into the thing there. They promised they would answer our questions. But given the uncertainty about the outlines of the federal budget, I am not sure just how much certainty they can give us.

THE CHAIR: Ms Porter, a question.

MS PORTER: I want to discuss the concessions issue. The government is going to conduct a review into the concessions, as you are aware. What do you see is the role of your organisation in that review if you had an opportunity to provide some input?

Mr Mines: We would want to have an input into a review like that. In fact, in the past we have made representations on all sorts of things like seniors card benefits—we did quite a lot of work on that—and the whole business about recognition interstate of seniors cards and things like that. So we would want to have an input into that. We would be interested to know what the terms of reference of such a review are. We noted that it looked as though the whole thing is really, after this year, up for review. Obviously, we will be taking an interest in that.

MS PORTER: You mentioned cross-border. Is it your understanding that the New South Wales government has just made a decision to cease the access by ACT

residents to free rail travel?

Mr Mines: I think I had heard something about that, yes. That is unfortunate because that is something we had worked for. That is the sort of thing that we will be concerned with.

MS PORTER: So you are hoping that the ACT government would make a representation to the New South Wales government?

Mr Mines: Yes. When all these things become clear we will be asking the ACT government to take up these issues not only in New South Wales but what is happening in Queensland and all the other places as well. Everything seems to be thrown up for grabs really. In fact, what has happened is that all the issues raised by the federal budget—sometimes it sounds more like an ambit claim—are issues about budget and taxation issues not only at the federal level but at the state and territory level as well.

So it seems to me to be a very fluid situation. A lot of things we thought were solid are not. We were going along thinking the concessions were there for forever and a day, and this is now no longer the case.

MS BERRY: I had a question. You had some concerns around rates. I wondered whether your members were concerned about the reform to the taxation system as a policy area or whether your members were concerned more about the individual cost of the reform?

Mr Mines: On Tuesday we did not actually discuss this. The tax reforms, I think, were done previously, and the only thing that people raised was that they were quite pleased that there is some assistance to people who want to downsize. That was the only thing really at that time. But really this is only the beginning because we will be, of course, having another monthly meeting in July and maybe we will be able to talk a bit more about these things. I think the tax thing is quite interesting, yes.

MS BERRY: Just on the point that you raised about the opportunities for people to downsize, is that something that your membership have talked about before those announcements were made for this ACT budget about making it easier for people to downsize if they choose?

Mr Mines: This was discussed before because it is actually very difficult for people to downsize. There are a whole lot of costs involved in selling a house and buying another one, and a lot of people have looked at that and decided it is just not worth it; they might as well put up with the overly large house and stay there and let the children inherit it.

MRS JONES: I have got a supplementary to that, if that is all right, regarding the rates. Have you spoken with or surveyed your members or do you have any intention to talk to them about the rates increases and how that may affect people who are living in—what comes to mind, for example—houses on blocks in older suburbs which have now gained a large amount of value on paper but they are living on a pension or on commonwealth superannuation?

Mr Mines: We have not actually surveyed our members. In fact, this is sort of just the beginning. We obviously will, now that the ACT budget is out and when we have the federal budget as well, be talking about this. We have a quarterly newsletter, we have general meetings and we have other ways of consulting members. So we will be talking to them about this sort of thing. That is a real problem where people are asset rich but income poor. People are in a bit of a bind because if they then try to dispose of their rather valuable house they are going to have all these charges that go with that.

MS BERRY: It is complicated for a normal person to sell or to buy a house. But if you happen to sell your family home and then downsize, you are saying that that process is complicated. But the opportunity that the ACT budget provides in making it easier, at least financially, is something that is a positive outcome for your members?

Mr Mines: Yes. We will have a talk to the people about that. The committee on Tuesday thought that that was a positive thing but we will have to get feedback. We do get feedback all the time. People ring us up, email us or whatever. So we will have to talk to them about that to find out what is going on. Of course, we run into people all the time. People not only contact the office but I go to clubs and so forth. I run into our members in that manner. People will approach me and talk to me about some of these issues.

THE CHAIR: Mrs Jones?

MRS JONES: I really am interested in asking my supplementaries. I am fine at present.

THE CHAIR: Earlier you mentioned that issues like footpaths are raised. What sort of issues are being mentioned there?

Mr Mines: Particularly our branch president, Dr Annette Barbetti, has followed that up for quite a while. In parts of Canberra there are really no proper footpaths. That can be a problem for older people stumbling when they go over rough ground and so forth. That is a particular issue and she has followed that up over a period of time.

I think she has had some occasional success on that. I know that it costs money to make footpaths. Out where I live in Nicholls and Gungahlin, at the front of my house there is no real footpath. You really have to walk on the road, and some people say that the road is not wide enough either. Yes, footpaths are a problem for older people. Annette Barbetti has a mother who is 104 years old. She is getting beyond walking over rough ground.

THE CHAIR: Just to follow up on the rates, what were the concerns that your members had about the rates?

Mr Mines: Mainly the fact that there is an increase because that means they have to pay more money and in some places that might be a significant amount of money. But we have not looked into the quantum of that as yet.

THE CHAIR: All right. I go back to the light rail. You said that you intend to survey

members. How many members do you have in the ACT?

Mr Mines: I have got the figure here in our latest bulletin. We have 2,584 members. But of course there are a lot more public servant retirees who benefit from our representations and who are grateful for our efforts, even if they do not bother to actually join us.

MS BERRY: Out of curiosity, is your bulletin electronically sent out to people or do you mail it out?

Mr Mines: We send out our newsletters both electronically and in hard copy form. Some people choose to have them in hard copy form; some choose to have them in electronic form; and some want both. So we cater for all tastes in this. You can have a copy of this. That is our brochure as well. I can leave these with you if you like?

MS BERRY: Yes, that would be great.

THE CHAIR: That is very kind. I have a last question to finish off. It relates to the interstate recognition of seniors cards. It varies from state to state. Is this something that should be taken up at the national level for a consistent approach?

Mr Mines: We have been pressing for years for a consistent approach, which would involve the commonwealth government obviously. We feel that it is very much a bits and pieces sort of thing. We have been pressing for recognition. We realize that the best thing would be a national arrangement whereby the cards were recognised right around the country.

Of course, what you run into in practice around the states is variable. I used to go up to Queensland. I am sure that at the time, years ago, the seniors card, or whatever the ACT card was then, was not recognized there. But in fact I was getting that there and down in Victoria I was getting that as well. But I think that at that time that was not strictly valid.

THE CHAIR: So a national approach would be—

Mr Mines: A national approach would be very desirable.

MS BERRY: Can I ask a supplementary on the footpaths?

THE CHAIR: Yes.

MS BERRY: The reason I was asking about whether or not you send your notice out electronically related to how many of your members have access to internet?

Mr Mines: It is about 50 per cent actually. We are quite good compared with other state and territory branches. We have about 50 per cent who are on email. That is great because we actually send out bulk emails. This is very good because you cannot always wait for a quarterly newsletter. There are some issues that we really need to deal with straight away; so we send out a bulk email and people really appreciate that. We can get feedback. People will then give us feedback on the particular issue.

MS BERRY: I was going to mention something to you. I do not know whether you are aware of the ACT government's fix my street app. You can use it on a smart phone but also you can access it via the internet on your computer. You can identify the spot where there is a crack on the footpath, take a photo of it if you have got a phone or identify it on a Google map. Then you can feed that back into the government for them to build a strategy around how they repair it.

Mr Mines: Yes.

MS BERRY: I wondered whether your members were aware of that because a lot of the time people say that older people do not have the internet, but that is proving not to be the case.

Mr Mines: That is not true. So what is this?

MS BERRY: It is available through Canberra Connect. It is called fix my street.

Mr Mines: I think people would like to know about that.

MS BERRY: I think for older people who are not working as much, they are spending a lot more time out in the community. So they can see things that perhaps government rangers or whoever do not see. They can identify it and bring it to the government's attention.

THE CHAIR: We might finish there and move on to the next evidence. Thank you for your attendance today. We will send you a copy of the *Hansard* when it is available so that you can proofread it. If there are any corrections you would like to make, contact the secretariat.

Mr Mines: I would love that, yes.

THE CHAIR: You always like to do the proofreading? We thank you for your attendance this morning.

Mr Mines: Thank you.

McLEOD, MS EVOL OAM, Chair, Belconnen Arts Centre Inc.

BALLANTYNE, MR DANIEL, Chief Executive Officer, Belconnen Arts Centre Inc.

THE CHAIR: Welcome to the committee hearings for the 2014-15 estimates committee. Before you is the pink privilege card which details the obligations and privileges the Assembly affords. I need to know that you have read it and understand the implications of the card. Acknowledged. Thank you. The proceedings are being recorded and broadcast, so everything will be on the record. At the end, we will send you a copy of the transcript of the meeting and you can let us know of any corrections required. If any questions are taken on notice during the course of the morning, could you please respond within five working days. Would you like to make an opening statement?

Ms McLeod: Thank you all for agreeing to see us today. I thank you on behalf of the board of the Arts Centre for the invitation to come and share some of our concerns with you today. We very much appreciate that. I would like to say straight up that we are very conscious of the environment in which the ACT government is operating. We are very aware of the pressures on health and education, in particular. But because we made a submission, and because we are very hopeful of a positive outcome at some point, I would like to quickly go through four points that are my key points. They are very brief. Daniel has some matters that he would like to raise. Then we would like to hand over to questions from you if that is all right. Would that be a reasonable way to proceed?

THE CHAIR: Certainly.

Ms McLeod: On behalf of the board, the first thing I would like to say is that we are very aware of community expectation in our region in relation to, I would say, a fully integrated arts centre. It has been in the planning since 2004, approximately, and at some point we are very hopeful of having a performing art space to complement our beautiful gallery and our beautiful art studios.

The second point, and this is quite important, is cross-subsidisation. Probably members of this committee would be aware that where there are spaces, where there are arts centres, where there is gallery only, it will always require subsidy—government subsidy but also internally generated income from spaces that can create income, for example, theatres. At the moment, the board would hope very much that we get that chance at some point in the future for cross-subsidisation.

The third point is philanthropy. Cultural events—I am talking about theatre openings and concerts; the Canberra Symphony Orchestra and the Canberra theatre are great cases in point—attract donors and attract sponsors. That is the nature of cultural events. For a community organisation to be well managed and sustainable, philanthropic campaigns are absolutely essential.

My fourth and final point is the growth of this region. It is quite phenomenal. It is dynamic; it is exciting; it is youthful; it is multicultural. It requires cultural investment.

I will just leave it at that for the moment and ask if you would be happy for Daniel to

speak now. Would that be all right?

THE CHAIR: Definitely.

Mr Ballantyne: I will make a basic point. When the ACT budget came out, we noted that Treasurer Barr presented a \$2.5 billion four-year infrastructure program for the ACT. Belconnen Arts Centre stage two would represent, if funded in that program, less than 0.48 per cent of that forward budget. We were disappointed, in reading the budget papers, that we could not see any evidence that the arts centre's funding had been planned in any way. The arts centre is potentially a stranded asset in the sense that it is half complete and there are definite constraints of the type that Evol has just outlined in terms of developing income streams and attracting interest in the facility.

What I would like to do is to provide you with a presentation that could provide some material for consideration by government—as to how to prioritise this as a worthwhile community, cultural and, indeed, urban renewal investment. I will bring this over. There should be enough for everyone; some may need to share one between two. The intention is to zip through this presentation. If you are able to read it at your leisure later, that would be pretty handy.

Firstly, the presentation has an overview of the impacts of arts centres. It gives you some case studies; what we think the impacts of the arts centre are in a positive sense, in terms of our own modelling; and a bit of background about the north Canberra region, in terms of the demand and growth that Evol has just mentioned. Then there are some elementary drawings from the current design overview.

As you will see from the second page, cultural facilities provide a lot of benefits. Some of them are obvious, in terms of employment and artistic content, but they also improve economic activity, urban amenity and economic spin-off.

I have got two case studies in the presentation. One is of a very well known facility, the Salamanca Arts Centre in Hobart, which has recently been the subject of an economic benefit-cost analysis which had its foreword written by Saul Eslake. There is a terrific quote there; he quotes from John Maynard Keynes in terms of the value of arts and cultural investment. Essentially that report found that for every dollar spent on an arts centre there is a potential \$3 return to the community. In terms of cost-benefit analysis, in my experience anything over two is considered worthy; three is exceptional. Furthermore, the report, in general terms, found that you did not have to be a user of the arts centre to appreciate it, to want to have it there and to have its funding supported.

The second case study is the Wangaratta Performing Arts Centre. This one has been included because it is very similar to what is intended for Belconnen, which is a combined live performance and function and events centre. They also have recently produced an economic benefit-cost analysis. They came up with a ratio for that—a fairly modest and conservative ratio—of a 1.8 to one benefit. It also drove a number of other non-economic benefits, including visitation to the precinct and a surge in volunteer participation in the community, which was valued on an annual basis of about \$28,000. Belconnen Arts Centre currently has a one FTE equivalent volunteer contribution in the order of about 70 to 50,000, so to add another facility would

increase that again.

There is a page on the positive impact of stage two of Belconnen Arts Centre. There would be two broad impacts if the project was to go ahead. There is the construction impact, which has a benefit to the ACT construction industry of about \$12 million. It would make a significant contribution to the renewal of the Belconnen town centre and it would also, of course, improve the shore of Lake Ginninderra.

In terms of operating impact, the basic modelling that we are looking at—and we believe this is conservative—is some 40 weeks of activity, around about 100 events. We think about 68 of those would be arts and cultural; another 32 would be civic and private functions. It would boost attendance into the precinct and the arts centre by more than 50 per cent, and revenues would increase by at least half a million, with a net operating revenue improvement of about \$130,000.

If you were to take the Wangaratta multiplier and use that against just the operating subsidy that currently exists, you would see about a \$1.2 million benefit. If you take the more sophisticated analysis from the Hobart report and use it as a multiplier, you would be looking at a \$2 million-plus benefit on the money that the government currently spends on operating the arts centre.

I will go into the demand side in the community. North Canberra is a growth region. The Belconnen CBD is expected to grow in excess of seven per cent through to 2019; Gungahlin-Hall by 58 per cent, with the Riverview developments and so on; and north Canberra more broadly at 17.6. Just pausing on those points, I am unaware of any other substantial community cultural infrastructure proposed for the region.

Furthermore, the University of Canberra's expansion includes a further 20,000 accommodation on site. You would be familiar with the high profile unit developments going on through Belconnen, Lawson et cetera. And our own experience in a short period of time, less than five years operation, is growth in attendance from 28,000 to 40,000 plus—and we are on track to exceed that through the arts centre this year. Furthermore, our government has located a program specifically designed to bring people into the arts centre—people that would not normally access it—through the community cultural inclusion program.

There are some diagrams which show the catchment, the electorate of Fraser, and there are some tables which break down the demographics. But in particular, they show the diversity of the region.

There are two points here. Firstly, 21 per cent speak English as a second language, and 26 per cent of the community were born elsewhere. Furthermore, in part of our five-year planning preparations, we have just had feedback from our supporter and visitor base. The thing they really want to see us doing is cultural events. That is a very broad category, but when they are asked to identify it, it is typically activities like we had only recently, when the Chinese consulate did a major presentation of Chinese culture. Another event which was a bit of a landmark for us, which was part of the centenary, was "One River". The entire Murray-Basin community came to the Belconnen Arts Centre and did this whole-of-site presentation, which was extremely well received. A larger performing arts centre would be able to deliver on those kinds

of community cultural events, because live performance is an integral part of them.

Let me give an update on the current situation. Evol mentioned that it has been in process since 2004. The facility was opened in 2009. We are currently at the very tail end of spending a \$300,000 allocation from the budget before last, which was spent during the period of the last budget, if you know what I mean. It was funded in the budget before last, and we spent it in the last period.

Cox have prepared plans that have been costed. We are looking at a 400-seat facility. It has some interesting features, with further workshop spaces, a café, community kitchen and an outdoor performance space as well as the theatre. On 27 March this year, which was relatively late in the budget formulation process, Cox delivered the final sketch plans and the cost plan. The cost plan produced a facility in the order of \$12 million. Procurement—who, along with artsACT, are managing this process—are putting in a DA. As part of the consultation around the DA, we will be talking to the Belconnen Community Council on 17 June as part of the DA.

There is a list of the design tender details. There is a statement about our programming vision for the centre, which includes community and commercial use, independent in-house production, and the presentation of touring works. Then there is a series of diagrams which allow you to take an overview of the site. In particular, there is a diagram of the Belconnen foreshore, which is yet to be completed. That is a separate proposal to this again. It remains an eyesore that we sit on a piece of incomplete foreshore. You cannot walk that particular piece of foreshore. We believe that there is actually a developer return potential on the land if reclaimed as proposed by the TAMS study from about two years ago.

There is a bit of detail about a multipurpose auditorium, some of the seating configurations, and then the PSP drawing of the design of the facility. I have spoken to some of you in your offices, but if any of you, including Yvette and Giulia, would like some more detail, I would be happy to bring in the full suite of drawings and give you a briefing on that. There are a couple of isometric views, including showing stage two without the foreshore development and stage two with the foreshore development.

I think it is a very compelling case. It is a long-running project. What we are seeking is ACT government support that this becomes a priority, and a known priority, in the forward projections.

THE CHAIR: Thank you.

Mr Ballantyne: We welcome questions.

THE CHAIR: The costings would indicate \$12 million to completed it?

Mr Ballantyne: Yes.

THE CHAIR: What is the cost for completing the foreshore?

Mr Ballantyne: I am not fully conversant with that but it is in the order of \$2 million to \$4 million.

THE CHAIR: Is the DA ready for application?

Mr Ballantyne: The DA has been put together currently. Prior to submission, consultation will occur, and that starts on the 17th.

MS PORTER: 17th of what, sorry?

Ms McLeod: June.

Mr Ballantyne: This month.

THE CHAIR: So in all regards, would it be reasonable to say that this project is shovel ready, that it could start immediately?

Ms McLeod: Yes.

Mr Ballantyne: It is a cliché, but yes.

THE CHAIR: A shovel-ready cliché.

Ms McLeod: We actually have not described it that way, Brendan. We indeed have been assured that it is shovel ready. We are disappointed in terms of lack of capital investment in our sector, I would say. We think that we are very worthy.

THE CHAIR: As I think you said, there is no other community infrastructure in that area.

Mr Ballantyne: Community cultural infrastructure.

Ms McLeod: Not in the area.

MS PORTER: With regard to the foreshore as well, do you see it as something that needs to happen at the same time, or does the foreshore need to happen first and then—is one dependent on the other? That is my question.

Mr Ballantyne: They are not dependent—

Ms McLeod: I think we will probably both have a turn at this. One of the things we have quite strategically done, Mary, is invite the vice-president of the Belconnen Community Council, Tara Cheyne, to come on to our board. The hope is that we are going to work with the Belconnen Community Council and, indeed, with TAMS and the whole of government to have an integrated development of the foreshore, because that is the best way of doing it.

MS PORTER: So work in tandem?

Ms McLeod: Absolutely.

Mr Ballantyne: That is the preferred outcome. The design can proceed without the

foreshore development. There will be minor earthworks to provide access around the front of the building, because it takes up most of the site. Yes, it is entirely preferable that we complete—

MS PORTER: To keep on this theme, the arguments that you put for the development of the second stage of the arts centre itself stand alone for me. But what impediments or what barriers does the current site present you with, given that the foreshore has not been completed at this stage?

Mr Ballantyne: Essentially it prevents us from having an outward-looking activity program on the lake side of the building. The ground is not accessible in any strict sense in terms of mobility access. Basically, we have a very rugged set of rocks going down to the lake. There are probably presentation, security and identification issues around that as well. In terms of being a landmark building, you can look at it on one side and know that it is the Belconnen Arts Centre. But if you are looking at it from the lake side or across the lake, you cannot identify it.

MS PORTER: That is true.

Mr Ballantyne: We see people coming up from the eastern or western sides, either side of us, going round the front of the building and then going back down again. If they are walking, their visitation is frustrated. There are a whole lot of things that are not happening because of that. It was always intended that there would be an outdoor performance space and the natural location for that is on the lake side.

Ms McLeod: I think I would also like to add something, and I think I am on record as raising this before too. Brendan would be aware of the location of the Tuggeranong Arts Centre. Whilst it is very beautiful, there were considerable safety issues when we conduct things like the Moon Festival. I believe that the foreshore at the moment, at the rear of the Belconnen Arts Centre, does present some risk factors were similar events to be held on dusk. Ideally we are appealing to a very youthful community— young couples with children. I would like to see greater safety precautions put into place at the rear of the Belconnen Arts Centre.

Mr Ballantyne: The two fundamentals are access and safety and security.

MS PORTER: Let us think of older people too. Let us not forget us.

Mr Ballantyne: You are a core constituency of the centre, Mary.

Ms McLeod: But you do not very often run off into the water, Mary.

MS PORTER: No, but I can trip and fall. I had some other questions, but we will go on to other members now.

MS BERRY: I wanted to get some detail from you. How many people right now does the belco arts centre employ?

Mr Ballantyne: 8.25.

MS BERRY: You mentioned how much the construction would cost. Do you know how many construction jobs would be created out of that stage 2?

Mr Ballantyne: I am sorry; I do not.

MS BERRY: That is okay. Do you know after the construction, if it had been completed, how many ongoing jobs would be created?

Mr Ballantyne: Directly, probably another one to two. The multiplier is probably in the order of four or five; so you would be looking at another 10 or 12.

MS BERRY: That is in the arts centre itself, is it not?

Mr Ballantyne: Indirectly, you have got jobs that come up from casual labour. You have got jobs that come up from people producing.

MS BERRY: What did you say that the estimated financial cost was—\$12 million?

Mr Ballantyne: Yes.

Ms McLeod: Yes.

MS BERRY: Including the lake foreshore?

Mr Ballantyne: No. Not including—

MS BERRY: Right.

Ms McLeod: No, they are separate considerations.

MS BERRY: How much do you expect—

Mr Ballantyne: Between \$2 million and \$4 million.

MS BERRY: That is right. What would it have done, do you think, to develop the localised economy in Belconnen?

Mr Ballantyne: The impacts are listed in the presentation, but they are considerable. Belconnen, of course, is going through a significant renewal, particularly in urban high rise. Those facilities require a backyard, so to speak, in terms of alternative activities. It adds directly to the value of that. In terms of the multiplier effect, it is in the order of two to three. Just the operating subsidy alone to run the arts centre is in the order of about \$600,000. So you multiply that out to give you an idea of the kind of knock-on effect.

Ms McLeod: One of the things I would like to add is that we are talking really good economics here. But there is also another part of this, and that is the community cultural development side.

MS BERRY: That was my next question.

Ms McLeod: Because of my very, very happy experience with the Tuggeranong Arts Centre, it is almost hard to find the words about how that place became what I would call an enabler. You have marginalised members of the community. It is a place where they can come, where they can be engaged. It becomes an enabler in terms of employing artists.

You very often become a co-producer so that you are developing something that gives the community heart and they develop a colossal ownership of that facility. It is not just bricks and mortar. It is an amazingly creative hub for that community. I think that is one of the key roles. I am very grateful that the ACT government included community cultural inclusion officers. It has worked, as it did at Tuggeranong, yes.

MS BERRY: You beautifully answered my next question. But very quickly, what functions are unable to operate? You have touched on them a bit because this stage 2 expansion has not occurred?

Mr Ballantyne: The chief one is live performance and in particular an interest in dance, movement, physical theatre. The particular design is focused on enabling that sector of arts practice. Canberra has a full suite of live performance venues, except for one that can deliver great dance and movement presentations. We have got a dance studio. We try to present, and do present ably, a number of live performances which feature dance, dance classes, dances on the edge and various other dance festival activities. But they are constrained to the dance studio.

The other thing is the presentation of cultural events, things that allow a community to put on a show. Invariably the thing that is most portable and close to them is their music and dance.

MRS JONES: I have only one short question about the cultural events. I have been interested in everything you have said but is there a space in the designs for catering—

Mr Ballantyne: Yes there is.

MRS JONES: to be done by communities on their own?

Mr Ballantyne: Yes.

MRS JONES: Is there a stand-up space that would fit more than 400 or is it just a seated 400? Is there an area for a drinks event or something? Can the theatre be opened up with some open standing area as well? This is what I am wondering. Some of the cultural communities we are dealing with are very large, much more than 400?

Mr Ballantyne: Indeed.

MRS JONES: Also, is the seating tiered? Is it stable or can it be taken out? What is the plan to make it maximally flexible for those larger groups?

Mr Ballantyne: A very good question. In the design all of those are answered. It is a

flat floor flexible space with tiered and removable seating. The space that is available just in the theatre alone is in the order of about 400 square metres. It will seat 400. The ratio of two people per square metre would indicate that it can contain upwards of 800.

MRS JONES: So the whole tiered seating can be removed.

Mr Ballantyne: Yes, the design includes a recess for setting the seating back and storage for any seating that is laid out on the flat area of the auditorium.

MRS JONES: Is there a section that is tiered that would stay? Is that what you are—

Mr Ballantyne: No. It would retract back. That is, in fact, mobile. It can be brought out and turned around 90 degrees.

MRS JONES: This is something I am hearing about all the time. We need a facility big enough for these types of events.

Mr Ballantyne: I think the flexibility of this facility is outstanding. A lot of thought has gone into it by us and Cox Architects. One other feature I would like to point out is that it is not just a black box with a very large foyer. It in fact has a glass wall on the lake side and there will be a curtain to provide a reveal to the lake.

In fact, one of the features of the art centre which is dearly loved is that you can see right through to the lake. Through the existing foyer in the theatre you have the capacity as you enter from the entrance to see right through to the lake if everything is allowed to be open.

Ms McLeod: Giulia, we had two members of our board who were very keen to have a town hall for Belconnen—for that region. Part of that had been incorporated into the design. That was a very important function. It is a gathering place for that region, because we do not actually have one.

MRS JONES: Finally on that front, have you costed this? If this was able to go ahead with the funding that you want, would the rental of that space be equivalent to halls and venues that are around so the community would come?

Mr Ballantyne: We have used a standard benchmark of approximately 10 per cent of gross revenue to pay for rent and operating costs. We have also used very modest percentages of other revenue streams such as food and beverage.

THE CHAIR: The committee welcomes Dr Bourke.

DR BOURKE: Thank you, Chair. We have already heard that this is a stunning location, which I absolutely agree with. You have talked about it being a landmark building that is easily identifiable from across the road. We have heard about the practicality of the plans that are involved but when I look at this drawing on the back page I see something that is no doubt practical, which no doubt has endless views over the lake. But looking from across the lake, there is nothing there that tells me this is an arts centre. In fact, it could be described as boxes put together rather than

something that is an architectural inspiration to match the aspirations of our community. We have already seen other people put on the drawing board and bring to fruition an exciting design for the town centre. Why is that not happening here.

Ms McLeod: That is a question for Minister Barr I think, Chris.

Mr Ballantyne: It is a very valid question, Dr Bourke. Certainly in the preliminary design exercise where there was no budgetary constraints, and in particular access constraints, one of the great successes of Belconnen Art Centre is that it is on entirely one level. To create buildings of impact—one of the preferred early concepts was a stacked building. If I had more time I would bring illustrations of art centres from Europe and the United States where they are truly architectural.

Ms McLeod: And which we looked at.

Mr Ballantyne: And which we looked at. You are looking at a design that is a consequence of a nominal budget constraint. I think that is not the end of it, though. Finishes and lighting can provide a profound effect if done well.

Ms McLeod: I think that we would also stress at this point that we have had quite a lot of discussion on philanthropy. We actually believe there may well be a stage 3 further down the track. Do not get frightened. It is quite simply that where you involve your community you involve sponsors, donors, philanthropy. Very interesting signage can be considered as well, creative marvellous signage and public art. We would not want to see two boxes forever.

THE CHAIR: Any final questions, members.

MS PORTER: You talked about Wangaratta. Are there a lot of similarities such as population and the catchment group between Wangaratta and Belconnen?

Ms McLeod: No, it is much smaller.

Mr Ballantyne: It is much smaller.

Ms McLeod: Which probably—my memory would be about 15,000-20,000.

MS PORTER: And yet it still has that return?

Mr Ballantyne: I beg your pardon.

MS PORTER: Even though it is a smaller catchment, it still has that return?

Mr Ballantyne: Yes, indeed.

Ms McLeod: I think historically there has been an investment in the arts in Wangaratta.

MS PORTER: Yes, of course,

Mr Ballantyne: There is an arts precinct.

THE CHAIR: Thank you very much for your attendance today and for the information you have given us. I am sure the committee will consider it. There may be some interesting recommendations in the report. We will send you a copy of the transcript when it is available. You can review that. If there is anything you would like to correct, contact the secretariat. I do not think we have questions on notice; so there is nothing to respond to. With that, we say thank you for your attendance here today.

Ms McLeod: We thank you very much. It was lovely to have the opportunity. Thank you.

Sitting suspended from 12.12 to 2.28 pm.

COOPER, DR MAXINE, Auditor-General, ACT Auditor General's Office
STANTON, MR BRETT, Director, Performance Audits and Professional Services,
ACT Auditor General's Office
SHEVILLE, MR BERNIE, Director, Financial Audits, ACT Auditor General's
Office
PRENTICE, MR MALCOM, Principal, Financial Audit, ACT Auditor General's
Office

THE CHAIR: Good afternoon, ladies and gentlemen, and welcome back to the afternoon hearing of the Select Committee on Estimates for 2014-15. Before us this afternoon we have the ACT Auditor-General and then the ACT Electoral Commissioner. We will go to the Auditor-General first. Good afternoon, Dr Cooper, and staff. I have to ask if you are all familiar with the privilege statement on the table in front of you and that you understand its protections and implications?

Dr Cooper: Understood.

THE CHAIR: Everyone nodded they understand. That is fantastic. You need to be aware that the proceedings are being recorded and broadcast so we have a record. At the end, any questions that you take on notice we would like a response back within five days, if we could. As soon as we have got the transcript we will forward that to you. If you have any corrections or clarifications that you would like to make known, you can do that through the secretariat. Auditor-General, would you like to make a brief opening statement?

Dr Cooper: Thank you, Mr Chair; yes, I would. The audit office revenue budget for 2014-15 is \$6.6 million. That is up from the previous year's budget of \$6.45 million by \$150,000, which is 2.3 per cent, mainly due to the enterprise agreement increase that we were given and CPI. It is also \$50,000, one per cent, lower than the estimated outcome of \$6.64 million, that being primarily due to a Comcare payment.

The office revenue budget for 2014-15, being \$6.6 million, largely consists of \$3.79 million for financial audits and \$2.72 million from appropriated funding for performance audits and corporate matters within the office. Around 60 per cent of the revenue comes from the financial audits and 40 per cent from the appropriation.

The financial audit revenue budget is provided through fees charged to those entities we audit, and I think it is just under 70—to be exact, it is around 67—entities we audit. Our performance audits and other demands, including corporate management, are covered by the \$2.72 million appropriation from the government. Most of this is directed to producing performance audits. However, it is also used to meet an ever-increasing array of corporate-type activities; for instance, preparing the December report to the Legislative Assembly on our financial audit program, liaising with Assembly members and committees and attending hearings.

We are also reviewing representations received from members of the public and the Assembly, developing the actual audit performance program, preparing the annual report, handling disclosures under the Public Interest Disclosure Act, quality assuring our work, liaising and consulting with government agencies and doing things such as

attending financial audit meetings in agencies, so we understand what the issues are, corporate functions, such as our internal audit risk management, and participation in activities of the Australasian Council of Auditors-General, referred to as ACAG.

Going specifically to the last year, our financial results for 2013-14: the operating statement, budget statement page 12, shows that the audit office had expected to incur a surplus of 22,000 for the year ended 30 June. This exceeds the budget deficit of 88,000 by 110. The surplus mainly results from additional interest and unbudgeted workers compensation recoveries, largely beyond the control of the office. However, I will say that in recent months this surplus is likely to increase because we have had some staff leaving and also we have reprioritised some of our performance audits. So that will go up a little bit, but overall it is much on schedule.

As shown on page 12, supplies and services costs, which include financial and performance audit contracting costs, are expected to be \$107,000 above the budget cost, due to more than expected use of the financial audit contractors. The audit office estimates that it will achieve, essentially, over the next forward years a break-even operating result.

In terms of our governance, the strategic plan that governs how we work was reviewed this year and it is supported by action plans in the various units within the organisation. Moving towards performance audit operations, we are on target to achieve our seven performance audit reports.

So far this financial year we have presented to the Speaker of the Legislative Assembly the bushfire preparedness one, the management of funding for community services audit, the speed camera audit, the water and sewerage pricing process audit, the single dwelling development assessment audit, the gastroenterology and hepatology unit audit, and we are on schedule in the next few weeks to present the capital works one.

Most of these performance audits, which is where some of the moneys go, apart from staffing, involved engaging subject matter experts and were subject to quality assurance review. In other words, we have an audit of our audits before we present them to the Assembly.

There are two audits already underway and, therefore, planned for tabling in the 2014-15 financial year. The audit of the Alexander Maconochie Centre is to assess the effectiveness and efficiency of the planning, management and delivery of rehabilitation programs and services provided by that centre, specifically for men.

Issues to do with women have been the subject of a review by the commissioner for human rights. The audit will include specific consideration of Aboriginal and Torres Strait Islander people and people with a disability. We expect to be able to table that in late 2014 or early 2015, depending upon the complexities that we may encounter.

We have also commenced the planning for another audit, the management of debtors. The objective of this audit is to provide an opinion on the effectiveness of the management of debtors by ACT government agencies. It will cover many agencies and be reliant on information in financial statements' accounts receivables. It will

involve surveying many agencies but undertaking detailed assessment of six agencies, being the Chief Minister and Treasury Directorate, the Justice and Community Safety Directorate, the Environment and Sustainable Development Directorate, the Community Services Directorate, the Territory and Municipal Services Directorate and the Commerce and Works Directorate. We are aiming to try and get that in in late 2014-early 2015, but it is more likely to come in in 2015 with that many auditees.

We are currently in the planning stage for an audit on ACTEW's Bulk Water Alliance. Previously it was in our forward program as the Cotter Dam. We have expanded that. We are looking at the Cotter Dam, the Murrumbidgee to Googong pipeline and the spillway projects that were delivered under that alliance. We think that will shed more light on those kinds of arrangements and we are hoping to deliver that in the first quarter of 2015.

The audit office is also in the process—I can see you looking at my colleague, Mr Stanton; as the director in that area he will be delivering it with me—of finalising its performance audit program for 2014-15 and beyond. We are taking into account in developing it the consultation that we have just been undertaking, and the types of audit under consideration are very wide ranging.

We are also considering for the very first time the merits of undertaking an audit of a non-public sector entity, particularly given the changes to our legislation in February this year. We would be looking at things like who provides maintenance of public assets? Who provides services to the government from the private sector of a significant nature, and should we actually be looking at that?

We propose to release that program in the next few weeks. However, if you want, I can expand on the types of areas we are looking into. Importantly, in the next year, for the funding we have, on 1 July the role I occupy, the Auditor-General one, becomes an officer of the Assembly. That will reinforce our independence and the special relationship we have with the Assembly.

This forward year too I have been the convenor and a committee member of ACAG. I have now served my time on that particular group. I hope to use in-kind support from my office to focus on supporting the Pacific Association of Supreme Audit Institutions—PASAI—particularly looking at Kiribati, to see how my office can support them in terms of developing their audit ability. That is, if you like, a broadening, where we have not been before, but I think we can do that through the in-kind support. Thank you for giving me that opportunity, Mr Chair.

THE CHAIR: Thank you. We will move to questions and I might start. The number of performance audits: the lack of real growth in your budget, I assume, will mean you will still be able to do seven performance audits in the coming year?

Dr Cooper: I think that is realistic, particularly in as much as we are doing audits that involve many agencies. The consultation time trebles when you have got more than one auditee. We are certainly targeting seven. If ever we can find more creative ways to do more, we certainly will, but we are going to try and continue to scale them. There will be some particularly large ones. In the last year I would say our water and sewerage pricing one was a particularly large one in terms of the time and resources it

took up. For instance, the GEHU one, the hospital one, was quite a pointed, focused one. Both of them have equal value, but they were just different in resource intensity.

THE CHAIR: The GEHU came from a public disclosure?

Dr Cooper: Public interest disclosure; correct.

THE CHAIR: How are public interest disclosures affecting the way you set the performance audit agenda?

Dr Cooper: The ACTEW one was also through a PID. We had actually had that on our forward audit program, so it reinforces, on that particular occasion, that that is an appropriate thing for the audit office now to do an audit on. For GEHU, the issues were of such significance that they were matters I thought should be brought to the Assembly's attention. If we did not have a PID role and somebody had made a representation to us, we would probably still do a performance audit in that arena because of the relationship we have with the Assembly for the types of issues it brings out.

The advantage of being a PID is that before we decide to do a performance audit we do a fair bit of work to see whether or not the issues are valid, because PIDs may actually be brought to our attention from a particular perspective. We then have to check whether that perspective is matched by facts.

THE CHAIR: So how many PIDs did the office receive in the last year?

Dr Cooper: Five, and of those two ended up being able to be dealt with through a PA, and we had 11 representations. A representation is where somebody contacts us. We may be able to refer that to an agency—it does not fit PID criteria—and it may be resolved. Otherwise, if it fits PID criteria under the legislation then we may refer it to the agency and ask them to keep us in the loop, which we have done on three of them, in terms of what is happening so we can monitor it. With the GEHU, we referred it to Dr Brown. Dr Brown then asked us to look at it under the PID legislation and we broadened it into the PA.

THE CHAIR: So in one case you got the PID and you decided to make the inquiry. In the other case you got a PID, sent it to the government and they sent it back.

Dr Cooper: Requesting—and, given the reasons, we thought, yes, this is appropriate for the audit office to invest its resources in.

THE CHAIR: And the other three, what happened with them?

Dr Cooper: They were referred to the agency. The agency undertook an investigation and then informed us of what happened. We looked at that and considered what they had done was most appropriate and took no further action.

THE CHAIR: All right. There was a PID that went to Mr Rattenbury's office concerning the unlawful provision to cabinet of confidential taxpayer information. Was that referred to you? What happened with that?

Dr Cooper: That was copied to us, but not referred.

THE CHAIR: All right.

Dr Cooper: So we were copied in, which is not the same as, “Dear Auditor-General, I am referring this to you.” That is my understanding.

THE CHAIR: What action did you take there?

Dr Cooper: I think it was to the commissioner, that one; correct me if I am wrong. We contacted the commissioner, or whoever it was sent to, to make sure that they would manage it under the PID legislation.

THE CHAIR: When that is done, do you follow up—

Dr Cooper: No, we did not on that particular one.

THE CHAIR: With the 11 representations, what sort of issues did they involve?

Dr Cooper: I do not have the representations with me; I have the PIDs with me, I think. They are quite far-ranging. We had one about ACT roads, to do with chicanes, and the expenditure of money on those. Another was development applications. We had one to do with another airport for Canberra, the Williamsdale airport proposal. I think those people have sought a hearing in many places. There was the long-stay caravan park and the Alexander Maconochie Centre. Tourist information—no, that was a PID. Taxation disclosure, ACTION buses, and we currently have one in care and protection.

THE CHAIR: Where it is a representation, your first port of call is to send it to the relevant directorate?

Dr Cooper: Consider what the issue is first, and then if we think it is not a public interest disclosure but a complaint, we send it to the relevant agency, or we might go back to the person involved—if, for instance, it is to do with children and young people, if they have been to CSD we might say, “Look, go to the commissioner for children and young people.” With these, and with respect to public resources, we very carefully respect the privacy of everyone but we will mostly ask them whether they have been to the Ombudsman or find out where they have been, so that resources are not being doubled up.

THE CHAIR: Is this an increase in terms of PIDs and representations that you have had over the last year?

Dr Cooper: I cannot remember, I am sorry.

Mr Stanton: The number of representations that we have received over the years has been much the same. I think we have more PIDs this year than we had previously. My personal opinion is that, given the nature of the PIDs, and given the nature of some of the representations, it is a little more resource intensive than it has been in the past.

THE CHAIR: Does that come at a cost to other services?

Dr Cooper: Yes, it certainly does. The PIDs do take more time because we want to follow up and we want to make sure that whoever put it in is being fully respected under the legislation.

MS PORTER: My substantive question was around this area, as a matter of fact. I was reflecting on what you referred to in your introductory remarks, Dr Cooper. You talked about performing those other activities referred to earlier. What plans have you put in place to take account of all of those activities in your strategic plans that you were talking about? Obviously, as we have just been discussing, they do place a demand on your office, and you are talking about an increase in a certain area of demand. What plans do you have in your strategic plans and action plans to cover these additional activities? Do you believe, following on from what Mr Smyth was commenting on, that you have enough resources to cover those?

Dr Cooper: We have policies to cover things so that we can quickly look at what the issues are to deal with them. Also, as I said before, with respect to the other entities, such as the commissioner, the Ombudsman or wherever else they could go, we check that they are not going to several entities. In terms of us, we do have a procedure in place.

One of the upsides of us having PIDs is that it can then inform the PA program. There is a very nice nexus there in that if it is of such significance, we have, where other people do not, the ability to look into it in depth, if you like, around accountability and improvements, in a deeper way than you might through saying, “It’s a PID, it conforms,” and an assessment is done. In terms of resourcing, while it does take resources, it is not, by any means, I do not think, consuming excessive resources. We can balance it within the office.

MS PORTER: My question was a bit broader than that. It was in relation to all the other activities. That includes, of course, that important role that you were just talking about. But you have all of these other roles that we are very much aware of, particularly those of us that sit on PAC. We are very much aware of those—briefings et cetera—and they do take up resources and time. I want to know what you have put in place in your strategic planning, in your action plan, and in looking at your resources to make sure you can cover all of this.

Dr Cooper: It is about prioritisation and looking at the risks to the office in terms of what we do and do not do. Our key priority, of course, is the financial audits and performance audits. They are clearly there, and the next one is the PIDs. So it is about looking at it in terms of priorities. Sometimes we might not get to do something in as much time as we might like, and we just program it in for when we can get to it.

I do not have a magical answer. We simply use the resources we have. We skill our staff, we multiskill our staff, and put it in priority. As an executive, we will meet every week to talk around what our priorities are and what we should be focusing on. From my perspective, it is about financial audits, performance audits and PIDs. PIDs are just a little bit lower in terms of priority because the core business of our office is

delivering those audits, but they are still important and they still get addressed within the time.

MS BERRY: I think I understand PIDs better than I did before. I want to ask about data collection. In completing the audits that you do, you are reliant on the data collected by ACT government departments. Does adequate record keeping or management ever impact on the efficiency of your audit process?

Dr Cooper: Without a doubt, yes.

MS BERRY: Do you think there is a particular need to increase education around data collection and management within the ACT government and its agencies?

Dr Cooper: We have mentioned that many a time in our financial audits and our performance audits. My colleague Mr Sheville will give some examples. That is an area that can always be improved. On some of our audits—in fact, both financial and performance—I would say it has added to the cost of the audit significantly because of a lack of data management.

Mr Sheville: On many of our audits, in particular in relation to the maintenance of people's performance information, the quality of data collection to support performance measures is based on localised systems. Often the systems do not have the capacity to have proper safeguards over controls, over access, over the changing of data entry and that sort of thing. As a result, that means we have to do more work on our audits in order to be satisfied that the information that they are reporting is correct. When we audited the performance information at the hospital some time ago, it illustrated the sorts of issues that we are encountering in relation to some of the systems that we deal with.

Many of the systems that we have in the ACT government, it is fair to say, are fairly old and they do not have built in within them the sort of security that you would like to see in a modern system. They do not have the capacity to do proper password control, they do not necessarily have people reviewing access to those systems to make sure that the people who have access to the systems are those that should have access, and that they are blocking those that should not have access. For a number of years now, we have been reporting those sorts of weaknesses in IT systems. There is no easy fix because in many cases to remediate or address those control weaknesses, you would be looking at a new system or a modern system.

MS BERRY: Do you provide advice on what sort of data it would be useful for the government to keep?

Mr Sheville: Yes. We do not advise what systems they should be putting in place, but if we identify that, for example, a system does not meet the requirements of the government in relation to password complexity—if we identify that they are not changing the passwords frequently enough, those sorts of issues—it gets reported directly to the agency in our audit management reports. We make very specific recommendations as to what they need to do to address those. We obtain management comments in relation to those findings, including who is going to fix it and when. In our annual report that we table in the Legislative Assembly we normally have a

chapter not on specific agencies but on the sorts of issues that are facing agencies in relation to the information system.

MS BERRY: So that is on security issues?

Mr Sheville: Yes, because security can affect the quality of your data collection.

MS BERRY: Do you also provide advice on the actual data that it would be useful for the government to collect?

Dr Cooper: No.

Mr Sheville: No. In the financial audit space, the information is determined by the reporting standards. So they are producing their financial statements and they have systems to produce that information. That is as far as we go. The other information that might be produced or would be useful—for example, performance information in the budget papers that agencies report in their statement of performance—are settled through the budget process. We really do not, in the financial audit area, have any input to that at all. At that stage we are basically trying to ensure that the information that is being reported on an agency's actual results is correct.

Dr Cooper: However, in the performance audit arena, by the very identification of not being able to secure information in a particular way or a particular specific area within a broad topic we might look at, that will highlight to the government that maybe they need to collect data in that area.

MS BERRY: Because it is becoming easier now to keep bulk records, are there areas where you think there is scope for the government to improve the depth of their records and data management in a way that could improve accountability?

Dr Cooper: I am going to put on the auditor's hat for you here. We would do an audit and make specific recommendations. I would feel uncomfortable about giving a general comment. We can go back over our previous audits where we have suggested what they might consider worth collecting and how that would help to improve their governance or their management, but I would not give general comments.

Mr Stanton: Just to add to that, the care and protection system audit report is probably an example in the performance audit space where we made specific commentary around the records that were maintained.

MRS JONES: Regarding the capital works inquiry that is underway, can you update us on where the office is at with regard to this report? Which aspects of capital works has the review focused on and do you have any preliminary findings in that area?

Dr Cooper: All will be revealed in a few weeks time. It is only a few weeks away. We are focused in that particular audit on high level reporting of the capital works program. We are not getting into project management; we are looking at the flow of information at the high level on how capital works projects are reported.

MRS JONES: You will give us no more details now?

Dr Cooper: I think it would be unfair because at this moment we are with the agency and checking the facts. So we will check the facts and then we will prepare our “proposed”, which they will get, and then the Speaker will get the final.

MRS JONES: And for a snapshot then, what are the other reports that you are working on at present?

Dr Cooper: The other reports at the moment that we are working on—let me just go over them—include the management of debtors, an audit of the Alexander Maconochie Centre, and we are also doing quite a bit of planning work to do an audit on ACTEW’s Bulk Water Alliance. That will take us forward.

However we are also going to be presenting to Assembly members in a few weeks time our forward performance audit program. I am not going to say what is in that but I can list a whole lot of things that are currently under consideration. They range from workers compensation, maintenance of public housing, pests and animals and invasive weeds, the University of Canberra’s borrowing arrangements with the ACT government, direct land sale, ACT government shared services. It is interesting. That was what we put out to Assembly members for some consultation.

We have had some feedback that has put another two in the arena for us to consider. They are traineeships, particularly with the big spend on capital works coming up. That was certainly brought to our attention very recently. And the other one that was brought to our attention recently was the management of the lower Cotter catchment, because if you look back to 2003 there was a whole lot of activity out there. That one has been brought to our attention. They are sort of the suite. Some of those will be proposed for the next year, but beyond that we like to give a picture of what we do over a long time.

There are other things being looked at: the national disability insurance scheme; one which has not been looked at by the audit office, full stop, is art, culture and heritage facilities; climate change programs; chronic disease managements; the activities of the Property Group; statutory office holders—we have had that on and it always seems to slip—and the implementation of agreed Auditor-General audit recommendations. You will also recall that there were some issues around contaminated sites.

Capital metro light rail: we thought we might have started on it by now but we think it is more appropriately done at a later stage. Again, because of the capital works that is currently being proposed, in the outer years we would certainly be looking at the implementation of major capital works that might come to fruition now.

MRS JONES: Just as a supplementary there on capital metro light rail, why do you think it would be better to do it at a later stage?

Dr Cooper: Because we are seeing, at the earlier stage if you like, a policy agreement to go in a particular direction. We would like the agency to actually have set up some of their governance to actually have put it quite firmly. I know the *Canberra Times* is not the authority on these things, but we do notice in the past few days that there are statements around commitments to certain expenditure. When you have got more

certainty around something, from an audit perspective you can then go and look at how did that particular figure get derived. So we will be getting us more auditable material.

MRS JONES: So you are talking more about the agency that has been set up and how it is working?

Dr Cooper: You could look at that and then you could also look at the fact that there have been total costings put in the paper recently around how much it does, what will be our ceiling. We can look in depth at the assumptions in that and how were those figures derived. So it becomes more auditable.

THE CHAIR: Just to follow up on another performance audit, the bushfire preparedness report that you did, recommendation 2 said:

The Emergency Services Agency should comply with the Emergencies Act 2004 requirements for the Strategic Bushfire Management Plan by including in this Plan an explicit statement of all resources needed to meet the objectives of the Plan.

Could you tell me what you think an explicit statement of all resources would entail?

Dr Cooper: What it would entail, as far as I can see, is all the resources the agency would deploy as well as those that it would need from interstate or from other agencies. I think that answers it in a succinct way.

THE CHAIR: So would it be adequate for a statement of resources to say, “We have got a rural fire service, we have got an emergency service and we have got a helicopter”?

Dr Cooper: If I were auditing that kind of statement—I do not want to particularly say what I think would be adequate—I would be looking for more detail.

THE CHAIR: And can you tell us what sort of detail you would be looking for?

Dr Cooper: I would be looking for the actual numbers of people that would be involved, the expenditure and the machinery, quite a bit more detail. I think in our report—we have got some working papers on it—we might have explained that to the commissioner.

THE CHAIR: That is okay. I am not sure whether you are aware there was a motion in the Assembly last November asking the minister to actually make explicit the resources that we had and the response simply was: “I have got an RFS, I have got a couple of tractors, I have got some bulldozers and a couple of helicopters,” which does not seem to be quite explicit. Do you follow up on recommendations?

Dr Cooper: No, we do not follow up on recommendations. As I indicated, it may be worth an audit. Again, it is the seven number. You have got seven. How do you add more value? We do recognise the public accounts committee’s role in looking at whether or not things are being implemented. And talking of that bushfire

preparedness audit, we have recently had a briefing from the commissioner around some of the outcomes as a result of our audit.

Mr Stanton: We understand that the ESA is currently working on the new version of the SBMP and that that will be put out in due course.

Dr Cooper: Strategic bushfire management plan.

Mr Stanton: Strategic bushfire management plan.

THE CHAIR: You might have to speak up. You are very soft.

Mr Stanton: Sure. So that SBMP will be put out by the ESA in due course for public consultation.

THE CHAIR: But in that you would be hoping the government would have quite a detailed list as to—

Dr Cooper: I am going to say we would not hope they would have that. I am being very much the Auditor-General here in my role. The government puts out what they put out and the agency puts out what it puts out, but if we were to ever audit it we would be looking to see the details to support what was meant by specific terms or what they were claiming.

THE CHAIR: On a new tack—and Mr Prentice comes to these meetings and he does the wonderful trick of being the silent public servant—on page 11 of the budget statements, what is the general saving of \$4,000 in the coming years?

Mr Sheville: The general savings—

Dr Cooper: Mr Sheville would like to answer that, but Mr Prentice is going to answer it.

Mr Prentice: The saving is in relation to the whole-of-government initiative in relation to the Shared Services Procurement area where we have essentially, along with most other agencies, handed back some money for the activities that they perform on behalf of the whole of government.

THE CHAIR: Over the page, on page 12, other revenue is listed. You have \$73,000 this year and nothing in the outyears. What was the \$73,000?

Mr Prentice: That is the workers compensation recovery that the Auditor-General referred to earlier. We are never quite sure whether we are going to receive any money for that. So we tend to not budget for it and if it does come in, it makes our result look better.

THE CHAIR: Long may it come in. On page 14, the improvement in the net cash—I love seeing big percentage increases—is from minus eight to plus \$39,000. What is driving that?

Mr Prentice: Sorry, which part of that page are you looking at?

THE CHAIR: The net cash line, the summary of the cash flows from the financing activities.

Mr Prentice: Essentially that is just generated by the fact that we got a capital injection for the \$67,000 which was a one-off due to the EBA adjustment. Normally that line is a negative because we just have finance lease repayments and that. So we do not normally have revenue in that area.

THE CHAIR: Again, on page 15, the total comprehensive income shows a decline of 241 per cent. What is driving that?

Mr Prentice: As the Auditor-General mentioned earlier, our result has turned around from the budgeted position to our estimated outcome. It is twofold. We have the unbudgeted revenue come in. We also have fewer employee expenses because we have had some senior members of staff leave and they have not been replaced immediately. So there are some cost savings with the employee expenses. Our result has gone from a minus 88 to a plus 22, which creates a very big variance in the percentage column.

Dr Cooper: Essentially we have had 10 staff, I recall, leave and six come on.

THE CHAIR: But your expectation for the end of the coming year is that there will still be 39 staff?

Dr Cooper: Yes. It fluctuates according to the financial season requirements.

THE CHAIR: Ms Porter.

MS PORTER: On page 10, under the business and corporate strategy, the third dot point from the bottom talks about providing staff with learning and development opportunities to improve their performance. You were talking about staff changes there before, in the little book, and how much turnover you have in that area. You have explained that to us before, I think. Also you were mentioning multi-skilling amongst the staff. I was just wondering whether you could tell us a little more about the plans that you have in relation to this and whether or not you think this is an area where you have to continually put resources in because of that turnover or whether you ever feel you have painted the Harbour Bridge. I believe that is a mythology, the painting of the Harbour Bridge.

Dr Cooper: A good analogy. Every year we paint the Harbour Bridge. I will now rethink how I visualise my office but I do think we have got to provide the training. We are holding others to account. We need staff who are fully trained. Even if we train them to the point that they are a good, marketable product to walk out the door, it is a complex issue and I think we have just got to keep on training them to keep their standards up because I think that is what the Assembly would want of us.

Being a small office, we actually had a staff survey about do you intend staying here. And a couple of the staff came to see me after it because it said 20 per cent or so are

planning not to be there. And one of them came and said, “We really quite enjoy working here but we need to get out of a small office in order for us professionally in the longer term to be able to get jobs in diverse areas,” because they did not want to be there so long that they were branded just an auditor. They wanted to have the diversity of skills. I have listened to that and I guess our philosophy is that we hope some of them will recycle back and the training will come out.

The other thing is that the training benefits everyone because they often end up in financial areas or audit areas in other government agencies. So if you view the money we get as part of the pool for the society we are in, it is swings roundabouts.

So it is quite a philosophical answer but I guess that is how we approach it. What is it, 14 days training on average per staff member? Has someone got the statistics there? Brett, you will have it over on the right hand side. On average, the number of staff days of training is about 14 and we spend about \$700,000 on training but that includes hours. The actual cash out the door is about \$87,000.

MS PORTER: Per year?

Dr Cooper: Per year, yes. So if we look at what we are delivering, we are keeping our skill base up.

Mr Sheville: Quite a few of our staff are in their first two to three years of their training too. What you find is that they are not as expensive to acquire but the expectation is that you train them well in their early years. They are put on these post-graduate qualifications, whether it is doing a CPA or going into a charter if you are young, doing some IT qualifications. In the early years it is an expensive process.

MS BERRY: As a supplementary to that, have you ever found yourself in a position where you could ideally maybe contract that work out?

Dr Cooper: We do contract work out. We have a mixture. We try to do that. We do it for practical reasons—we are a small office—but also it is another way of learning. You get other people to look at what is going on; they might have a skill base in a different area. And we definitely contract out specialist areas. There is no way our office could have the specialists in some of the audit areas that we need, both for performance and for financial.

MS BERRY: Do you have the funding?

Dr Cooper: Yes. That is part of our budget funding. And we will look at adjusting that funding according to the numbers of staff that we have got. If we have got staff that can do it, fine. But we do not hesitate to use consultants and contractors. In some other audit offices, that is certainly not a practice that they adopt, but they are usually extremely big audit offices.

MS BERRY: I want to go back to the question on your audit plans. You listed a whole bunch of them. You may have been asked this question before, but this is my first year so—

Dr Cooper: We welcome any question.

MS BERRY: I wanted to know how you determine which audits you actually go ahead with.

Dr Cooper: Do you want to take that?

Mr Stanton: I am happy to start with the general process. We have a performance audit team. The team itself generates ideas, generates topics for consideration. We have a topic list of anywhere in the order of about 100 or so topics for performance audits that we may do across all agencies and directorates. We go through our own internal processes. That is also informed through consultation with agencies. We attend some audit committees and other management meetings in agencies where we get to obtain an insight into the agency or the directorate.

That is the process that we go through. Then we develop a shorter list of topics for consideration. This year, initially we went out for a call for ideas from a wider range of stakeholders, including members of the Assembly and directorates and agencies. We used that information. We got some responses there. And there were our own internal practices and processes in other directorates. Then we generate the draft PA program. That went out in early May, and we got some comments back on that in early June.

Then it is just a matter of us working through what we think are those higher priority topics and scheduling those for the forthcoming year. We take into consideration a range of considerations—where we think we can add the most value, make the most difference, have the most leverage in improving public administration practices.

MS BERRY: Do you do a similar thing to what you do with the PIDs? Do you check in with the agency and then think “Actually we do not need that; that is already happening” or “That is a process happening so we do not need to audit”?

Dr Cooper: I would not use the words “check in”; I would use the words “we consult with them to see what they are doing”. They may have done a review, in which case we would ask for a copy of that review, Ms Berry, and we would analyse that to see if it really was addressing the issues that we thought should be examined. We certainly consult, and we are quite open about that. The other thing is that when we are consulting with them, even if it is on our list, if we have just done two audits with them we might wait another six or nine months, just because of the resourcing. We also try and get coverage across the different agencies. If we have spent a lot of time, say, at TAMS, we would certainly be looking elsewhere, to spread the audit impact.

MS BERRY: Okay.

MRS JONES: Just as a supplementary to that, is bullying on the radar at all in the ACT government as something that is worthy of review?

Dr Cooper: Bullying is much broader than a performance audit, but performance audit can cover anything. I would hope it is picked up by a whole range of issues. For instance, it certainly was something picked up in cultures, through some of the ones

we have already done. The emergency department one certainly gets to be—I will not say it is bullying, but I would say behaviours.

MRS JONES: The minister has agreed that there is bullying.

Dr Cooper: I would not want to pick a particular area. That is certainly an issue that comes out in the different cultures through different parts of government. But I think we have to be very careful in the use of the words “bullying” and “harassment”. You have to look at what exactly is going on, because one person may view a directive as bullying and harassment. It does have a particular meaning.

MRS JONES: What would be your definition for bullying or harassment?

Dr Cooper: I would go to the respect, equity and diversity guidelines, and before I even quoted one here I would be looking around and saying, “What does that mean, and where is the evidence around that?” Inappropriate behaviour is something I think everybody must immediately deal with, and there are various levels, because by the time you get to bullying and harassment you want to do the preventative earlier up by having a culture that has zero tolerance for just inappropriate behaviour.

MRS JONES: Thank you. My question was regarding your audit of speed cameras in the ACT. Would you be able to talk us through this concept that the ACT is unlikely to have the right number of speed cameras in the right places. And also, where is the government up to regarding addressing these issues, from your perspective?

Dr Cooper: As to the second one, I cannot answer where the government is up to.

MRS JONES: You do not get any reporting back?

Dr Cooper: We probably could get it if we wanted, but in terms of the performance audit process, it is with the government. And again, the PAC may have a particular view that they might want to monitor, and I am not even sure whether an inquiry is being done there.

In terms of whether there are the right number of speed cameras in the right places, I think the four systems that we looked at—the mobile ones, the point to point, the traffic light ones, and there is one other; I have not read the report—

Mr Stanton: Fixed.

Dr Cooper: Thank you: fixed cameras. Looking at that across the network, you can see that with each of those systems there were issues. We have brought those out quite factually in the report, and the government agreed with everything. It raises the question across the whole network of whether there is the right number of speed cameras in the right place. I really think that is a question for the government to answer in the strategy that they are saying they are developing on that issue.

MRS JONES: Yes, and obviously you had a concern about reliability.

Dr Cooper: For some of those, yes; but, as we said, it did not impact upon

infringements, because of the process.

MRS JONES: No.

Dr Cooper: Yes. There were a whole range of issues around the speed cameras.

MRS JONES: Have you painted a picture for them of where it could be—what a recommendation would be for how the system could run in a way that actually reduces speed?

Dr Cooper: I think the idea of the “anywhere, anytime” philosophy that underpins some of the ways you plan to manage speed cameras—

MRS JONES: As in where people are not expecting them to be?

Dr Cooper: Yes. There is a philosophy, as I think we explained in that report, that some jurisdictions have, and which I think the ACT has also got, which is “anywhere, anytime”. All of us, everywhere we are driving, would never know when to expect to be penalised for our speed; therefore we would all conform. That is certainly one of the road safety type philosophies around using speed cameras. I think we have detailed a fair bit of that in the report.

MRS JONES: Yes.

Dr Cooper: Also, the expert we used is someone I understand is well known to the agency, so they have access to all of that. And there would be models from other jurisdictions. But again, having said that, you would need to tailor it to the ACT. What works somewhere else may not necessarily—

MRS JONES: Of course; you have got that test, I guess.

Dr Cooper: Yes.

THE CHAIR: If we are looking at reports, I would like to go to the gastroenterology and pathology report. In large, rather than in some of the detail, what went wrong where you had to make statements like “The governance is inadequate,” “The outpatient waiting list has not been managed effectively,” “Patients have not been receiving treatment in the time frames”? From the reading, it does not seem that it was resources, but is it just a system that did not mature—where we always did it that way and doing it that way is now inadequate? What went wrong?

Dr Cooper: I cannot answer what went wrong, but I can tell you what is not there. The right reporting arrangements were not in place; there was not the sharing of the information up and down as you would expect. Those kinds of issues just simply were not there.

In terms of addressing the waiting list, which is the service delivery, Mr Smyth, there were a whole lot of areas that the staff themselves worked with my staff to identify. There were triaging issues that were identified—not receiving treatment within the time frames recommended by the Health Directorate’s triage category. There was

clinic organisation. Again, some of these are technical, but if you have more initial rather than review clinic appointments, you are likely to be able to manage your waiting list better. There was equitable access: access to that particular unit's consultants by patients did not occur according to the patient's medical condition; it occurred according to the basis on which they were referred. That is a systems issue.

There were referral processing and triaging targets not being guided by criteria. If they were, some may have been sent back to the GP rather than needing to be referred into the clinic. Our hospital is a tertiary provider of medical care, not a primary, so there were issues around that. And again, if they had had referral criteria, that could be addressed. There was scheduling: if they are not booked immediately, a patient is not informed of their probable waiting time to see a consultant, or given alternative treatment options. They may then go back to their doctor or seek something else.

I can go on. There was strategic use of data. That was not evident. Incident reporting could be improved. With their IT systems, there was a lack of integration between IT system use within GEH, and that caused some inefficiencies.

We tried to identify within the system what was not happening. I must commend the Health Directorate; they were incredibly cooperative. Some of the GEHU people actually worked with my people to identify how the system could be improved. That is why we said, "You can manage that waiting list by looking at these types of actions." I think that is something they are seriously considering, and in fact they have started to take action on some of these issues.

THE CHAIR: But going back to my first question, how does it get to that stage, where it required a PID and it required investigation?

Dr Cooper: Strategic management. Again, I am sure Dr Brown could provide the information. They did have some key positions that they had problems filling. But it does depend upon a person in charge of a particular unit or area beyond sort of the D-G level to make sure strategic management occurs.

THE CHAIR: Fine, but how does the health department assure itself now that every other unit is getting the strategic management that it deserves?

Dr Cooper: Can I leave that to Dr Peggy to answer?

THE CHAIR: No; I am asking from the point of view of the audit office?

Dr Cooper: I would hope they would take this, look at it and ask themselves: "Are we thinking strategically. Have we looked at all the options to reduce the waiting list right across all of the outpatient areas?"

THE CHAIR: Ms Porter?

MS BERRY: It sounds like what you have been saying, though, is that the Health Directorate have accepted your findings with open arms and—

Dr Cooper: No, the government is the one that accepts the recommendations.

MS BERRY: You are saying that the directorate was really helpful in identifying the issues and is keen to sort them out?

Dr Cooper: Absolutely, the staff, yes.

THE CHAIR: The directorate or the staff?

Dr Cooper: The directorate and the staff. Again, an area like this focuses on the health aspects. On that, although we could not do anything really conclusive, we did try and get a specialist to see if there were any health issues associated with the long waiting list, but we could not really follow that through. We did for a select few, but it was too small to draw general conclusions. But for those that we did look at, there appeared to be no health issues linked with what had happened on the waiting list.

MRS JONES: With gastroenterology, so people who have chronic—

Dr Cooper: No, we cannot draw conclusions.

MRS JONES: No, I am just asking the question: the people on the list are the types of people who have stomach disorders and that kind of thing, and you are saying you could not draw any conclusion that waiting on the list had a negative impact?

Dr Cooper: The expert that we had for the ones looked at could not draw that conclusion. Maybe a long-term study is needed. Also, maybe they presented at other emergency departments and we only had the data on Canberra. That is why we could not—

MRS JONES: Inconclusive, essentially.

Dr Cooper: That is right.

THE CHAIR: Has the new public interest disclosure legislation affected the way your office operates and have you received a financial adjustment to help you cope with it?

Dr Cooper: I think it affects the way everyone who is subjected to it operates. Yes, we are making sure our policies are right, we are putting in place procedures and we are really making sure that we will be compliant. And we are getting a few more than we have had in the past. Yes, of course that has a knock-on impact and, no, we have not got additional funding, Mr Smyth.

THE CHAIR: Have the recent changes and the proposed changes to the Auditor-General Act had an impact on the job that you do? Are you sufficiently funded to cover those changes, particularly to follow the money into non-government organisations?

Dr Cooper: Any money we would get would be around doing more performance audits. In order to do ones of non-government entities it would mean that one of the government entities would have to wait. So it is always a priority issue. If more

funding were available to us, we would do more performance audits.

THE CHAIR: To date the office has not done an audit of a non-government sector organisation and that is likely in the coming year?

Dr Cooper: No. Certainly, given contracting arrangements and the importance of that relationship, that is one that we are taking seriously to have a look at. Clearly, the Assembly, for the legislation to be amended, thought that that was an area for the A-G's office to have the availability to consider.

THE CHAIR: The average cost of a performance audit is now how much?

Dr Cooper: They vary, but it is usually around 200 or 250.

MS BERRY: That would be audits on anybody that the government contracts work out to?

Dr Cooper: Going back to the non-government ones?

MS BERRY: Yes.

Dr Cooper: Yes. It allows us, Ms Berry, to go beyond what we call the "door". We usually audit the government entity, but this allows us to go that step further and audit the people who supply those services to that government entity. There are some pretty significant dollars for some of those services and contracts.

MRS JONES: Whether that be ACT-based contractors or external to the ACT?

Dr Cooper: Where the ACT dollar goes, we can go.

MRS JONES: With the 200 or 250 that you were talking about, is that thousands?

Dr Cooper: Yes. Some of them will go to 300 and even over that. It depends upon the experts and the amount of consultation. For instance, with the water and sewerage pricing one, as you probably know from reading that particular audit, we employed some people who knew the esoteric area legally, to help us understand. So we will always employ the experts that we might need to help us understand the information that is presented to us. For the hospital one, we did employ a gastroenterologist.

THE CHAIR: The target of the office would still be to spend as much on performance audits as you spend on financial audits?

Dr Cooper: We would always feel that that would be a good balance. I understand that the public accounts committee also has that particular goal.

THE CHAIR: And the cost of financial audits is how much?

Dr Cooper: Let me get that figure for you. It is \$3.79 million for financial and a \$2.72 million appropriation for performance audits and corporate matters. I have not broken out the corporate component of that.

THE CHAIR: So we still have a little way to travel before we have the fifty-fifty ratio.

Dr Cooper: A little way.

THE CHAIR: There being no further questions, thank you, Auditor-General, and your staff for your attendance today. I do not believe you took anything on notice, so well done in that regard for being incredibly well briefed. A copy of the transcript will be available in a couple of days. Could you review that, and if you have any corrections or additional information, forward it to the secretariat. The committee will now suspend for a short break.

Sitting suspended from 3.30 to 3.45 pm.

GREEN, MR PHILLIP, Electoral Commissioner, ACT Electoral Commission
MOYES, MR ANDREW, Deputy Electoral Commissioner, ACT Electoral Commission
CAMPOREDO, MS REYNAIDA, Acting Finance Manager, ACT Electoral Commission

THE CHAIR: Welcome to the final session of the estimates committee for 2014-15 for this day.

MRS JONES: That was quick.

THE CHAIR: Over in a flash! With us we have the ACT Electoral Commissioner. Welcome, Mr Green. Before you, you have a pink privileges statement. Are you acquainted with the statement and its implications?

Mr Green: Yes, I am.

THE CHAIR: That is good. There is some housekeeping. If you take anything on notice we would like an answer within five days. At the end of the proceedings when the *Hansard* is available, we will make that available to you so you can peruse it and make any corrections or suggestions, as you see fit.

MRS JONES: People upstairs are having trouble hearing us; so can we all speak up a bit?

THE CHAIR: I was just about to say that Ray is having trouble hearing us on this side of the committee room. It surprises me that four politicians can be silent or softly spoken but could we all speak up as well? Commissioner, would you like to make an opening statement?

Mr Green: Thank you. I do not have a prepared statement. I am very happy to take questions.

THE CHAIR: I guess the big question for all of us is the redistribution and the increase in Assembly representation. Mr Corbell, on behalf of the government, has tabled a number of acts to give some effect to that, which I assume the government will bring on in August. What is the implication of that for you? What is the process you will follow in the lead-up to announcing a redistribution?

Mr Green: The first thing that has to happen is that the Electoral Act has to be amended. So there is a bill before the Assembly to provide for an increase in the size of the Assembly to 25 members, consisting of five electorates returning five members each. There is also an inquiry into the Electoral Act which is also looking at that. So I imagine that the Assembly will want to look at that inquiry report before it makes its final decision on whether to adopt the changes that have been put forward in the government bill.

Assuming that the bill is passed in essentially the format in which it is in, the result for the commission from that bill being passed will be that the redistribution that is

happening automatically under the Electoral Act, starting from the third Saturday in October this year, will take place as normal, but it will be on the basis of the Assembly returning 25 members with five electorates, each returning five members each.

The normal process for redistribution will follow. The fact that the number of members has changed does not change the process for doing the redistribution. So it will be exactly as in the past, but obviously the numbers and the numbers of electorates will mean that it will be quite a different redistribution happening.

What we have tended to do in the past has been to hold off on inviting suggestions and comments until February, simply to avoid the Christmas-New Year period and holding submissions over that period. Given the amount of interest in the change in the number of electorates to five, the commission's view at the moment is that we are intending to call submissions in November. There is a four-week period for calling for suggestions. Then there is a two-week period for calling for comments on those suggestions.

Our preliminary timetable at the moment is that we would call for suggestions early in November and then we would call for comments on those suggestions for two weeks in December. So that would all be over by Christmas in terms of making submissions available. In order to facilitate that, the commission has to work with the Australian Bureau of Statistics and the Australian Electoral Commission to come up with projected enrolment figures for October 2016, that being the time of the next election. We are going to get moving on those fairly soon. We want to have those available before we call for public suggestions in November.

What that would mean is that we would be able to work on a suggested redistribution. Realistically, because of the holiday period, we would be looking at January-February. We would probably look at getting a suggested set of boundaries out for public comment, realistically probably at the end of February. There is a four-week period for making objections to that suggestion put forward by the redistribution committee that I would chair. The process then would be that there would be a four-week objection period.

The augmented Electoral Commission, which consists of the four members of the redistribution committee, plus the two part-time members of the Electoral Commission, would then consider any objections to that proposed set of boundaries. If the augmented commission decides to accept those boundaries as substantially unchanged, then those boundaries would become law and that would be the end of the process.

If, as happened at the last redistribution, the augmented commission proposes a set of boundaries that is significantly different from the set of boundaries proposed by the redistribution committee, there would be another four-week period during which people would be able to object to that second set of boundaries. At the end of that process, the augmented commission has to make a final decision.

One new thing that we are looking at doing for this redistribution, and we have yet to go out to industry to find out if it is possible, is putting an interactive program on our

website where people will be able to come on and actually draw boundaries and get the website to do all the maths to make sure that the boundaries that people are looking at actually conform with the numerical constraints in the Electoral Act. That is one thing we are looking at implementing between now and November so that people would have that as a tool that they could use when they are making suggestions.

MRS JONES: So is that March-April next year that you think you would likely get them finalised by?

Mr Green: So what that would mean is that the suggestions would be out towards the end of February, possibly into March depending on how long it takes us to do that. Then there is another four-week period for objections and then the Electoral Commission has to consider the objections and may well come up with a different set of boundaries. The very earliest we would get a final decision on the boundaries is probably April. But if there is another round of objections, then we might be into April, May, June, July.

MS PORTER: Good afternoon, Mr Green. In relation to the consultation period, the second part that you are referring to, which should happen from February onwards, I recall last time that you held some public consultations. Would you be thinking that you would be doing that again? Would you hold that in a central location or where would that be held? There are now going to be five. So there may be quite a lot of public consultation, one would imagine. Would you be going around and holding more than one public consultation on that process?

Mr Green: Yes, looking back at what we did at the last redistribution, the augmented commission held public hearings into the objections that were made by people. I think there were even two rounds of that because there were two rounds of objections.

MS PORTER: Yes.

Mr Green: They were formal hearing processes, a bit like a committee hearing where the augmented commission invited people to come and speak. I would envisage that we would be most likely to do that centrally. I think we actually did them in the Assembly last time. In terms of providing information sessions—I have done a lot of redistributions now; they all blend into one another after a while—I am very happy to offer briefings for community groups. I think I actually went to the meetings of the community councils and gave them presentations on the redistribution process.

MS PORTER: Can I just clarify that comment you made before about people being able to look on the website? Could you just explain a little more how that works?

Mr Green: There are a number of stages where the public can make submissions and make comments on the redistribution process. The very first thing that people can do is actually suggest where they think the boundaries should be. Typically, political parties will make submissions, private citizens will make submissions and community councils make submissions at that point.

What we are planning to do is to make available on our website not only the raw

statistics that they will need to work out whether their boundaries are within the tolerances required of the Electoral Act, but also we are happy to put an interactive program where people will be able to actually look at a map of the ACT and to somehow draw boundaries on that map, which would then do the maths for you. So it would automatically tell you whether what is being proposed is within the tolerance.

MS PORTER: That is a great idea.

THE CHAIR: Just on that; how many voters are there currently?

Mr Green: Roughly 250,000 to 260,000.

THE CHAIR: And how many would you expect by 2016?

Mr Green: I have not actually started to look at projections, but it has been growing steadily around about 10,000 to 15,000 a year. Particularly as 2016 will also be a federal election year, which is a good thing for getting the electoral roll up to date, I would expect that the roll would have grown, but by how much I cannot say.

THE CHAIR: So the electorates will be approximately 50,000 to 55,000 people. What prompts a redistribution? What are the factors that you would take into account to get balance? How does one suburb get in and how is another suburb excluded?

Mr Green: There is a range of things in the Electoral Act that we are required to take account of. The self-government act provides that at the time a redistribution is made, each of the boundaries has to be within plus or minus 10 per cent of the average. That would be at the time of actually making the redistribution. So we are looking at May-June 2014. We are also required to estimate what we think the enrolment will be at the time of the next election in October 2016, and the requirement is that the boundaries have to be within plus or minus five per cent of the average at that point.

Those two numbers are the main constraining factors in terms of where the boundaries can be because we cannot go beyond the plus or minus five per cent at the time of the next election. That is actually the tightest thing that we have to meet. Then in determining where the actual boundaries go, in addition to getting the numbers right, there is a range of considerations listed in the Electoral Act. The one that is most often quoted is “community interests”—plural. There is a list. Do you want me to read the list to you?

THE CHAIR: Why not?

Mr Green: The requirement in section 36 of the Electoral Act is:

(c) duly consider—

- (i) the community of interests within each proposed electorate, including economic, social and regional interests; and
- (ii) the means of communication and travel within each proposed electorate; and

- (iii) the physical features and area of each proposed electorate; and
- (iv) the boundaries of existing electorates—

which will be problematic, given we are going from three to five:

- (v) the boundaries of divisions and sections fixed under the Districts Act 2002

Essentially, that is suburb boundaries and section boundaries within suburbs. There is not a requirement in the Electoral Act to take account of district boundaries as in Woden, Belconnen, north Canberra, south Canberra and so forth. Obviously, that is one of the considerations that we do take into account, but one of the most contentious topics that always arises is the splitting of districts.

MS PORTER: But it is what it is.

Mr Green: It is what it is, and I think we have to be aware that geography and numbers do not always fit neatly. There will no doubt be some districts that will need to be split simply because the numbers dictate that.

THE CHAIR: On the redistribution, any supplementaries?

MR HANSON: I do have a sup.

THE CHAIR: Mr Hanson.

MR HANSON: Commissioner, you spoke about your time line for the initial date for sending out the call for submissions. Did you say October or November?

Mr Green: Early November is what we were looking at.

MR HANSON: Early November. We will be debating the legislation in August. I have indicated that the Canberra Liberals will be supporting this legislation. Why is there three months of delay between the anticipated passing of this legislation—I accept that you cannot send it out to us before it is passed—and your sending that information out? You would understand I think that everybody wants to see this done as quickly as possible, including yourself I am sure.

Mr Green: The Electoral Act provides for the timetable. For the conduct of a redistribution, it actually states in the Electoral Act that we cannot start a redistribution until the period starting two years before the next election. So the earliest under the Electoral Act that we can start is the third Saturday, or the third week, in October.

MR HANSON: If that legislation were to be changed, if options are on the table to say that that could be brought forward by six months or three months or an appropriate period, then that would still allow you to do your job in accordance with the act. It would just start a little bit earlier to anticipate the fact that there is this more significant change occurring. If there was a consensus view in the Assembly that that would be the way to go, would you see that that would assist you in the process of

getting this done sooner?

Mr Green: Certainly, the Assembly has the power to amend the Electoral Act to give the commission the power to start the redistribution early. The difficulty I see with that is that we have not yet got projected enrolment figures from the Australian Bureau of Statistics. We need those before we can start the process. We have deliberately not sought those now because the later we leave it the more accurate they will be. At the moment we have timed it to get those in October ready to start the submission process happening in September. If I was to be asked to do it earlier, I would need to know that pretty quickly because I would need to get on to ABS and get them to do those stats much earlier than we had anticipated.

MR HANSON: Right. I guess the issue is that if legislation was going to be introduced, we could get a day in August, because it is two sitting weeks, so we could get it done. But I would probably suggest then that there would need to be some form of correspondence, you are saying, from members of the Assembly to you to indicate that that was the intent of the Assembly, so that you could get on with that process if that was going to be something that was going to be—

Mr Green: I would suggest—

MR HANSON: What would be the trigger for you to then do that body of work?

Mr Green: I would suggest to you that bringing it forward is not going to give you a lot of extra time because of the Christmas and New Year period being in the middle of that process. Even if we called for submissions in September, I would be very reluctant to bring out proposed electoral boundaries just before Christmas, because the four-week statutory period is a period when you do not want people to be on holiday.

MRS JONES: You cannot extend that because it is a statutory period?

Mr Green: No; it is a statutory period.

MRS JONES: Right.

Mr Green: I would be very reluctant to put out proposed boundaries before the Christmas period anyway, and I am not sure that there would be time to do everything up to that point, simply because we are looking at a month for suggestions, and two weeks of comment; then the redistribution committee has to go away, come up with a proposed set of suggested boundaries and then have a four-week period for inviting objections. I doubt very much that we would have time to do all of that before Christmas.

MS BERRY: And did you not say—just to clarify—that the longer you leave the stats the more accurate they are for then creating the maps around the boundaries?

Mr Green: That is right. The shorter the period of time in which you are projecting forward, the more accurate your figures will be.

MR HANSON: We are only talking about six weeks.

Mr Green: Yes, true.

MR HANSON: I would not imagine there would be a huge differential there from the ABS.

Mr Green: No; it would not make a lot of difference. But that is the reason why we have not sought them yet, because we were working to this timetable.

MR HANSON: Could you reflect on that? I think it would be useful for this committee to get a view as to whether, if you had the ability to do it sooner, you could get things done by Christmas. Could you just have a look at that and let the committee know, sooner rather than later. Then maybe members of the Assembly can give some consideration as to whether that might be an option that we would want to consider. I think there is a desire across the board to make sure we follow due process, but also to get this done as soon as possible.

Mr Green: Yes, I will do that, but the main constraint will be the statistics with ABS. I will get on to ABS and see how quickly they can do that.

MR HANSON: Thanks a lot.

Mr Green: It may be that they simply cannot do that in time.

MR HANSON: All right, and you will let the committee know.

Mr Green: I will let you know.

MRS JONES: Just again on the redistribution, I want to ask about electorate names. Have you given some consideration to names—whether you will carry on names from the past, whether you will allocate the original names to new electorates or whether you will start again? Are you going to use the Australian Electoral Commission principles, as in place names being avoided, or are you going to use another method?

Mr Green: The question of what the electorate names will be is a matter for originally the redistribution committee to propose and then the augmented commission to finally decide; it is not for me personally to decide anything about that.

MRS JONES: We will not have an electorate of “Green” then?

Mr Green: Pardon?

MRS JONES: No electorate of “Green” then?

Mr Green: No, not likely. But in general terms, the first thing to say is that that is one of the things I would expect people to put in their public submissions to us—what they think the electorate name should be. That is certainly something that we will be encouraging people to make submissions on.

MRS JONES: Can they already do that now?

Mr Green: The formal process will be the formal period for inviting suggestions during that four-week period and then making comments on those suggestions. So there is really a six-week period during which people can make those suggestions. That is the appropriate place and time to do that.

In terms of whether the existing names will be continued, it is entirely up for grabs. It is an option to keep them; it is an option not to keep them. There was a conscious decision made when the boundary names were first adopted for the 1995 election to use Aboriginal-based names as the electorate names. There would be some logic to continuing that. I would certainly support the Australian Electoral Commission notions of naming electorates that they have adopted over time, particularly avoiding the use of geographic names. The reason why you would do that is that, for example, if we were to have an electorate called “Belconnen,” because the boundaries neatly fitted around Belconnen—not that they will, because Belconnen has got more than a fifth of the territory—over time, the boundaries will change and it will not just be Belconnen anymore. That is the reason why you do not use geographic names.

MRS JONES: Yes.

Mr Green: For that reason, I am a bit disappointed that they named the new district the Molonglo district. We have got an electorate of Molonglo, and we have now got a geographic district called Molonglo that we did not have when we first created the electorate.

MRS JONES: So you may not be able to stay with that, essentially.

Mr Green: It is entirely optional. We can do whatever we want, effectively, but that might be a reason not to use Molonglo, just as an example.

MRS JONES: We might not have an electorate of the mighty Molonglo anymore. Shocking.

THE CHAIR: The redistribution committee—who is on that?

Mr Green: I chair the redistribution committee. The chief surveyor of the ACT is a member of the committee. The chief planner is another member. At the moment, I think the director-general of the relevant directorate has that statutory role. Then the Electoral Commission can appoint a fourth person to the committee; the person we have tended to appoint over the last several redistributions has been the ACT director of the Australian Bureau of Statistics.

THE CHAIR: This is obviously a big process. What additional resources have you been given to carry it out?

Mr Green: We have not been given any additional funding for this. We will be doing the work out of our funding, but we have been given additional funding for a range of other matters so that we have got capacity to do this. Essentially the work involved will require us to pay ABS for the processes that they do to come up with projected enrolment statistics for us. We are looking at buying some software services in order

to come up with this redistribution tool that we are wanting to put on our website. We need to publish the proposed boundaries in a newspaper. And we also produce a report and put information on our website. Costs involved are not huge. Mostly it is work for people in my office, and it is just work that we do as part of what we do.

THE CHAIR: Have you done a budget? What is the likely cost?

Mr Green: I do not think we have actually come up with a budget for the redistribution. I can take that on notice and give you a rough estimate of what we think that would cost.

THE CHAIR: That is kind. Thank you. Any further questions on the redistribution? No? All right; we all wait with bated breath on the redistribution. On a new issue, Ms Porter?

MS PORTER: Yes. In budget paper 3, on page 135, it mentions that the office is allocating some money to upgrade the election ICT system in readiness for the next election. Could you talk a little bit more about that?

Mr Green: Yes. We have been given capital funding for upgrading our election ICT systems. Those systems include the electronic voting and counting system. We are essentially looking at re-using the same system that we used in 2012. We may increase the number of pre-poll centres where the electronic voting system will be used. It will still be based on standard personal computer equipment. We are looking at upgrading the bar code readers that we use to make them easier to use. We are looking at using larger screens, which will help with the ballot paper layout and with simply seeing the size of the print on the screen. Essentially the electronic voting system will be very similar to what was used in 2012, but money will be used to upgrade the system to ensure that it operates on the hardware that we will be using in 2016.

The election results system will be upgraded to particularly take account of the fact that we will have five electorates rather than three, so that is the system we use to display the electoral results on election night. We have a range of election management systems that are mostly Microsoft Access databases that we maintain in house; we will be upgrading those systems and making sure they are fit for purpose for the election in 2016.

We have our electronic certified list of electors and polling place management system, which is the netbook system that we use in the polling places for marking people's names off the rolls. That is a network system, so when your name is marked off a roll in one location, over the 3G wireless network it gets marked off the rolls across the territory.

An element of that system is a system where the officer in charge of the polling place can do all of their management of the polling place on the computer, which enables them to help the computer do all the maths they have to do with ballot paper reconciliation and so forth. They can do all their assessments of polling officials on the system. It has got a checklist built into it so that it tells the officer in charge everything that has to be done in the polling place. That system will be upgraded to

make it a bit more efficient.

We are also going to introduce a new system for what we call our polling area managers, who are responsible each for about 10 polling places. They drive around on election day making sure that everything is going smoothly in all the polling places. For the first time we will give them a netbook system that they can use for the processes that they do.

Finally, we will be upgrading the scanning the ballot paper system, again to make it agree with the fact that we will have five electorates rather than three. We are also looking at some enhancements to that to enable us to scan all of the informal ballots that in the past we have not scanned. We are going to be able to scan those so that we will have an electronic copy of every single ballot paper in the whole election process. So if, heaven forbid, we were to lose any physical ballot papers, we would have an electronic image of all of the ballot papers.

One enhancement we wanted to make to the electronic voting system is to make it more difficult to cast an informal vote. At the moment, we have some people who inadvertently cast an informal vote, because if they swipe their bar code, hit the keys at random on the keypad and then swipe the bar code again, if they do it in the wrong order, or the right order, you can actually inadvertently cast an informal vote if you are not reading what the screen is telling you. We are looking at making it more difficult to do that, by making the keystrokes involved in getting to an informal vote more complicated than they are at the moment.

So there is a range of upgrades we will be doing to those systems. But as far as the actual voting process is concerned, most voters will see a similar experience to what they saw in 2012.

MS PORTER: You are thinking about increasing the number of pre-polling places where the electronic system will be used. How will you come to that decision?

Mr Green: What we need to do is to look at what gaps we might have in the spread of the pre-poll centres at the moment. For example, we could look at putting something in Weston Creek; we could look at putting something in somewhere like Kippax. If we could find a location in Tuggeranong other than the Tuggeranong town centre, that might be something that we could do. We did look at increasing the numbers at the last election. The only additional one we used was one not far from the Dickson shopping centre, just across the road in Downer. A difficulty we have is actually finding locations that we can use for that three-week period in those regional centres, because—

MS PORTER: That are vacant?

Mr Green: There is just not a lot of accommodation that is available. We would have liked to have used more last time, but we simply could not find the locations. It will be a question of seeing whether we can actually find those locations in those centres.

MRS JONES: I have a supplementary on that when you are finished.

MS PORTER: I just have one question. You are saying that you are going to make it more difficult for people to be able to lodge an informal vote electronically. Did you say that is because you are going to make it a bit more complex? Is that what you said?

Mr Green: In terms of keystrokes is what I meant by that. At the moment, what happens is that you swipe the bar code to bring up your ballot paper. Pressing the finish key without selecting any candidates will bring up a screen that says: "You have not selected any candidates. If you proceed, you will cast an informal vote." If you swipe your bar code at that point, that casts an informal vote. So someone who swipes the bar code, randomly hits the keypad, hits the finish key and then swipes the bar code again will cast an informal vote. Some numbers of people did do that at the last election, because they were going at it without paying any attention to what they were doing, essentially.

Now what we are going to require them to do is to swipe the bar code, not select any candidates, press the finish key and get a screen that says, "If you proceed this will be informal." Then they will have to hit another key combination to bring up a second screen that says, "Do you really want to cast an informal vote?" And then swiping the bar code will cast an informal vote. It is just adding an extra step in there to try and stop that inadvertent thing happening.

MS PORTER: In the last election, for instance, did you find that you had a lot of staff that were occupied in trying to assist people to work out how to do that, or were people getting distressed because they found that they had in fact not voted when they thought they had?

Mr Green: The process in the electronic voting centres is that we have at least one staff member whose job it is to watch people while they are casting their electronic votes and help them if they look as if they are in difficulty. They are wearing a bright yellow vest with "E-vote helper" written on it so that people can know to ask someone if they need help. I cannot recall what the numbers were, but we are probably talking about fewer than 100 people who have been inadvertently casting informal votes. Some of them, because they were not paying attention, did not know what had happened. People who were in that situation were offered a declaration vote. But what we are able to do with the system is to check whether the bar code that they have used has been used to cast a vote. If we find that the bar code had been used, we cannot tell what kind of vote has been cast. You cannot tell it is an informal vote, so we are not able to count it in that context. Otherwise we are giving them two votes.

THE CHAIR: A supplementary, Mrs Jones?

MRS JONES: Yes. You mentioned the system which crosses people off electronically. What if somebody is incorrectly marked off the list and then goes to vote at another place? What have you got as a backup in that situation: either two people with the same name and the wrong one gets marked off, or someone pretending to be someone that they are not?

Mr Green: That does happen. It happens with paper rolls, as well as electronic rolls. The situation is that if someone goes to a polling place and attempts to vote and their

name has already been marked off anywhere in the ACT, because of the way that the roll is networked they get offered a declaration vote, which means it gets put in an envelope. They have to fill in their details and sign it. We process those in the office after polling day. We check signatures back against the electoral roll to verify that they are who they say they are. If we have got any doubt—we ask for a phone number on that form—we ring people up and verify it.

We did the same process at the last election. I cannot remember the numbers, but there were one or two hundred people in this category. I did a lot of those myself and we did not find any evidence of anyone deliberately voting more than once, using those methods. I think everyone who voted in that situation had their vote admitted, provided they had filled the declaration vote in correctly.

MRS JONES: Okay. You mentioned pre-poll voting. Is the theory on pre-poll voting going to change at all? At the moment there is an expectation that people who pre-poll have some reason to do so and they get asked the question, “Are you not going to be here on the day?” Are we evolving in any way to a place where people may just choose which day they would like to vote on by preference?

Mr Green: The requirement in the Electoral Act is that people have to declare that they are unable to get to a polling place on polling day in order to be qualified for a pre-poll vote, but I think you will find that people have an expectation that if they vote early and make that declaration they will vote. It is happening not only in the ACT but right across the country, and this is a general expectation.

The other committee that is currently looking at the amendments to the Electoral Act has also been making inquiries about these issues. I have actually given them some written thoughts about this issue. It is simply a phenomenon that people are choosing convenience over necessarily being forced to vote on election day. More and more people are wanting to vote early. We have done some graphing of attendance. Of the people who are voting pre-poll, most of them are voting in the week before polling day. Each day during the week before polling day, the turn-out goes up, so most people who vote are voting the Friday before polling day.

MRS JONES: Is it the ACT Electoral Act that states that?

Mr Green: That they have to declare that they cannot?

MRS JONES: Yes.

Mr Green: Yes, it is.

MRS JONES: So that is something the committee could look at. Thank you.

THE CHAIR: Ms Berry, a new question?

MS BERRY: Thank you. I have a question regarding resourcing as well. Do you believe, Mr Green, that the Electoral Commission is properly resourced to enforce the disclosure of donations and spending laws, given that from time to time some political parties have not done the proper disclosure of donations and spending? What more

can the Electoral Commission do to ensure that political parties comply?

Mr Green: I think we are sufficiently well resourced to do everything we have to do. We have been successful in the budget bids that we put forward for additional funding for the ICT capital money and for the conduct of the election. Leading up to the 2016 election, we have been given additional funding for one additional full-time employee specifically for campaign finance issues, and we have been given additional funding for another 1.4 staff from 2015-16 onwards. So I think we are resourced to do what we have to do. I think we are still the smallest electoral commission in the country, but we are also one of the most efficient. I do not have any doubts that we are well resourced to do what we have to do.

MS BERRY: 1.4 from next year?

Mr Green: We have got an additional one FTE for campaign finance reform from next year onwards. The year after that we have got an additional 1.4 FTE for election readiness.

THE CHAIR: Just as a supplementary to that: since the changes to the act in 2012, have any issues emerged that you think need further refinement?

Mr Green: Yes, there are several things that we have identified. We have actually put in a submission to the other inquiry that is looking into the Electoral Act that specifically relates to campaign finance reform.

THE CHAIR: Mr Hanson.

Mr Hanson: Thanks. The time it takes to get a result after the day of the election can be pretty excruciating for all of us. Have you given any thought to how that can be shortened?

Mr Green: I think you will find that for electoral systems that are a multi-member single transferrable vote like the ACT, we break all the records. We do it faster than anyone else. Because we have so many votes cast as electronic votes in the lead-up to election day, it means that on election night we can distribute—I think a quarter of the votes for the last election were electronic—a quarter of the votes as preferences all the way down to a notional allocation of 17 seats to the candidates, and probably the 25 key seats will be what happens next time. That gives you, on election night, a much better sample than has ever been possible when all you were doing was counting first preference votes on paper ballots. So that is already giving you more information on election night than has been possible or is possible in any other system in Australia.

Then we are required to wait until the Friday after polling day for postal votes to come back through the mail. Traditionally, if you look at the Tasmanian system, they do not start distributing any preferences until all the postal votes are in and checked. They cannot even strike the quota and start distributing preferences. Because from the Monday after polling day we scan our ballots and start putting preferences on all ballots into our database—from the Monday after polling day we are doing interim distributions of preferences every night—it gives you, over time, an indication of what the likely result will be. If it is a close election, obviously the more votes that are

in, the more certain the election result becomes, and you cannot trust the early results.

MRS JONES: Don't I know it!

Mr Green: But it does give you an indication of what the likely result will be, and it is something that is only possible because of the way that we computerise our count. The only way to get a faster result in an ACT election, because of the way that we do it, is to have postal votes finishing on Friday. We data enter the last of the postal votes on Friday. We do all our verification to make sure that everything is in and correctly verified on Saturday morning, and we are able to have a final result by Saturday lunchtime one week after the polling date. No-one else in Australia does it that quickly. The only way you could do it quicker is to have a shorter period for postal votes coming back through the mail, which means you are going to disenfranchise people.

MR HANSON: So you would suggest that the 2016 time frame would be similar then to the 2012 Assembly, simply by virtue of the fact of those postal votes and that there is no way to get around it?

Mr Green: It is very difficult to shave much more time off that. We could shave a few hours off it, which is what we achieved between 2008 and 2012.

MR HANSON: How many postal votes do we get? Do we get many of them?

Mr Green: It is about four per cent, and it has not changed that much over the last few years. The number of pre-polls has gone up. The number of postal votes has stayed about the same.

THE CHAIR: A new question: on page 21, on your balance sheet, the total current liability is \$357,000, declining over the outyears. Why is it declining over the outyears?

Mr Green: We are looking at page 21?

THE CHAIR: Page 21, about halfway down, the total current liabilities and, indeed, the line above it, the employee benefits. You have \$267,000 for the coming year but declining—well, not declining; a flat line in the outyears.

Mr Green: You will appreciate this is the first time we have done our own budget.

THE CHAIR: We do appreciate this.

Mr Green: So these things are a bit new to us.

THE CHAIR: Indeed, all your lines seem to decline over time.

Ms Camporedo: The main factor in our balance sheet, our non-financial statements, is basically the Justice and Community Safety financial transfer between our budgets, our budget estimates for the outyears. So all the figures in the outyears are basically prepared and transferred from JACS.

THE CHAIR: Okay.

Ms Camporedo: They assume that our current liabilities, especially the payables, will be declining. As of last year we only have around \$102,000 as our accounts payable for the last financial year. So they assume that this is based on the expenditure that we have in supplies and services—that we will have less payables and more cash payments.

THE CHAIR: All right. If we go to page 19, the second line on page 19, the electoral ICT system upgrade for the 2016 election, the only number on that line is in the 2017-18 financial year. Why is that?

Ms Camporedo: This is assumed that the \$85,000 would be the maintenance costs for the ICT systems. If you have a look at the capital injections, the ICT systems will be finished before the election in October 2016.

THE CHAIR: Right.

Ms Camporedo: So the \$85,000 would be the recurrent expenditure for maintenance of these systems.

THE CHAIR: All right. If you go down, then, to the changes to appropriation, you have got the electoral ICT system upgrade for 2016. So you are assuming it is built over three years?

Ms Camporedo: Yes.

THE CHAIR: The line in the upper section is then the ongoing maintenance?

Ms Camporedo: Yes.

THE CHAIR: All right. Ms Berry.

MS BERRY: You talked about the work that you are doing on computer systems, on electronic voting, to try and encourage people to vote formally. Is there anything more that the Electoral Commission can do to encourage people to vote?

Mr Green: Again, this issue has been addressed in the other inquiry that is going on at the moment. This is not a very popular thing to say, but it does appear to be a factor in the turnout in our elections that the \$20 fine for failure to vote is no longer the disincentive that it used to be. That number has not changed since the commonwealth introduced the fine back in the early 1980s. Twenty dollars in 1983 was worth a lot more in those terms than it is in today's terms. If you look at the number of people who are prepared to pay the \$20 fine, that went up significantly over the last election—and that was also an increase on the election before that. So it does seem that the size of the penalty is no longer the incentive to vote that it used to be.

Other than that, the Electoral Commission always puts a lot of effort into publicising the election and making it obvious that the election is happening. Parties and

candidates put up signs all over the ACT. I think it would be hard to live in the ACT during an election and not be aware that an election is happening. When you look at the fact that we get an 89 to 90 per cent turnout for our elections, and a 95 to 96 per cent turnout for federal elections held a year apart—as happened in 2012 for our election and 2013 for the federal election—that says to me that people are getting the message that an election is happening, but people have less incentive to vote for ACT elections than they have to vote for federal elections, for a whole range of reasons.

MS BERRY: What is the fine for the federal one?

Mr Green: It is the same as ours—\$20.

MS BERRY: Do you think that if there was an increase in the fine that could put people off even more?

Mr Green: My feeling is that if the fine was higher, people would be less willing to cop it. If you look at the numbers, there are more people willing to cop a \$20 fine than previously.

MRS JONES: I have a supplementary on the fine. Is it possible that our fine will end up bigger than the federal government fine and that it will be weighted heavier than for not voting in a federal election?

Mr Green: If our fine was to be increased, it would be higher than the federal fine, because the federal fine is the same as our fine at the moment. But if you look at the fines across the various jurisdictions in Australia, \$20 is the smallest and most of the other states and territories have larger fines than we do.

MRS JONES: Can you get back to us with a breakdown of that?

Mr Green: That is in the submission.

MRS JONES: Okay.

Mr Green: Actually, I think it is in the 2012 election report from the commission.

MRS JONES: Okay, thank you.

MS BERRY: Regarding the federal election and the ACT election both occurring at the same time in 2016, or at around the same time, what happens with that? How does it work? If the dates turn out to be the same, what happens?

Mr Green: It happened a few elections ago that the federal election and the ACT election were one week apart.

THE CHAIR: In 2004.

MS PORTER: It did.

Mr Green: When that happens, we simply have to cope with that, and the poor

electors have to cope with that as well. It is tricky for us, in the sense that we cannot do things like share pre-poll voting centres, because we have a ban on canvassing of 100 metres from the polling place that the federal elections do not have. They have a six-metre limit. So we are not able to share pre-poll centres, and that makes it difficult for each of us to find appropriate locations, because they are difficult to find in some areas. If the federal election is called for exactly the same polling day as our polling day, under our Electoral Act we get bumped to the first Saturday in December. But other than that, we just have to make it work.

THE CHAIR: I have a final question. On page 95 of budget paper 3, and it appears on page 19 of your portfolio statement as electoral services funding, you get \$200,000 this year, \$864,000 the following year and \$4 million in the election year. What is the \$200,000 and the \$864,000 for? What do we get for it?

Mr Green: The \$200,000 in 2014-15 consisted of \$150,000 for campaign finance reform, and that is essentially one FTE, additional staff member. The other \$50,000—

THE CHAIR: \$150,000 for one FTE?

Mr Green: Yes, that is with all the corporate overheads and everything else. The other \$50,000 is supplementation to our budget for the fact that we have become an officer of the Assembly from 1 July, and that is to assist us with the corporate overhead burden that previously JACS looked after for us.

THE CHAIR: What about in the following year, 2015-16, the \$864,000?

Mr Green: That \$200,000 keeps going; it is an ongoing amount. The additional amount in 2015-16 is additional funding for an extra 1.4 FTE. So we have one position that we are going to have from 2015-16 onwards who is going to be our ICT manager and our election projects manager. We have had that position staffed since the 2012 election using ICT capital funding, but because that ICT capital funding ceased last year we needed that additional funding to enable us to keep that person going. With respect to the additional 0.4 FTE, we are converting two part-time positions into full-time positions.

In 2015-16 the other thing we are doing is that we are going to commence the ramping up of our accommodation and our staff from 1 January 2015, which is new. At the last election we started to ramp up from 1 July in the election year, which meant we only had a couple of months between getting our new accommodation to encompass our bigger staff and getting our initial staff members on. That was just a couple of months before the election. So we are getting them started six months earlier than that, which will take quite a lot of pressure off our permanent staff.

THE CHAIR: There being no further questions, we might finish there. Thank you very much for your attendance today. I think you took at least one question on notice. The committee would be pleased if there was an answer within five working days. A copy of the transcript will be provided. You might like to check that. If you have any clarifications, make them known to the secretariat. With that, we thank you for your attendance today. That ends today's hearing.

The committee adjourned at 4.35 pm.