



LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY

**STANDING COMMITTEE ON PLANNING, ENVIRONMENT
AND TERRITORY AND MUNICIPAL SERVICES**

(Reference: [Annual and financial reports 2011-2012](#))

Members:

MR M GENTLEMAN (Chair)
MR A COE (Deputy Chair)
MR A WALL
DR C BOURKE

TRANSCRIPT OF EVIDENCE

CANBERRA

WEDNESDAY, 20 FEBRUARY 2013

Secretary to the committee:
Ms V Strkalj (Ph: 620 50435)

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.

APPEARANCES

Economic Development Directorate.....	1
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Amended 9 August 2011

The committee met at 9.32 am.

Appearances:

Barr, Mr Andrew, Deputy Chief Minister, Treasurer, Minister for Economic Development, Minister for Sport and Recreation, Minister for Tourism and Events and Minister for Community Services

Economic Development Directorate

Dawes, Mr David, Director-General, and Chief Executive Officer, Land Development Agency

Reynolds, Mr Chris, Acting Deputy Director-General, Land Development, Strategy and Finance Division

McNulty, Mr Hamish, Executive Director, Infrastructure and Capital Works

Walsh, Mr Dermot, Chief Finance Officer, Strategic Finance, Land Development, Strategy and Finance Division

Hudson, Ms Cathy, Deputy Director-General, Economic Development, Policy and Governance Division

O’Leary, Mr Shane, Executive Director, Tourism, Events and Sport Division

Guthrie, Mr Neale, General Manager, Venue and Event Services, Tourism, Events and Sport Division

Priest, Ms Jenny, Director, Sport and Recreation Services, Tourism, Events and Sport Division

THE CHAIR: Good morning everybody, and welcome to this public hearing of the Standing Committee on Planning, Environment and Territory and Municipal Services inquiry into annual and financial reports 2011-12. Today the committee will be examining the annual report of the Land Development Agency and the following components of the Economic Development Directorate annual report: infrastructure and capital works, sport and recreation services, and venue and events services.

We will commence with LDA. Can I have confirmation from those attending that you have read the privilege card that is on the table before you and that you understand the implications of the privilege statement? Thank you. Before we go to questions from the committee, I will ask the minister if he would like to make an opening statement.

Mr Barr: No, chair. I am happy to go to questions.

DR BOURKE: On page 20, minister, the report talks about the housing affordability initiatives involving the LDA. Could you outline these initiatives for us, please?

Mr Barr: Thank you, Dr Bourke, for the question. There are a number of initiatives within the broader Economic Development portfolio that the Land Development Agency has a particular role in delivering. OwnPlace is a significant one. There is also the role that the LDA plays in relation to the land rent scheme. I will invite Mr Dawes to give you some further detail on those particular programs.

Suffice to say that members would be aware, in the context of the supplementary appropriation that I introduced into the Assembly last week, that one of the key features of the particular bill related to the land rent scheme and the significant

success that the scheme has had in attracting interest and providing opportunities for Canberrans to enter into home ownership. It is a scheme that has been perhaps more successful than was initially anticipated. I think that shows the confidence that the community has in the scheme and the support of the financial institutions who are providing finance for the scheme. Because of the innovative nature of the scheme it is opening a door to home ownership that would not otherwise have been possible for many Canberrans. David will have some key stats in relation to the particular programs.

Mr Dawes: We might have a tag team here, minister, with myself and Chris Reynolds. Since the affordable housing action plan that was launched back in 2007, there have been a number of initiatives that the LDA has embraced. One of the very successful ones has been OwnPlace. OwnPlace has so far delivered 426 homes under thresholds of \$300,000 and, as we have reviewed the CPI index, that has grown to \$328,000 since the 2007 period. Currently the last 26 are under construction. That has provided homes for younger families that were experiencing difficulties in getting into home ownership. We established a panel of builders and we have had a number of events whereby people have been able to choose their block and choose their builder. We are in the process of refreshing that program moving forward, because of its success rate.

The minister has already touched on the land rent scheme. The land rent scheme has been a very popular initiative that has certainly provided people with the opportunity of home ownership at a lower entry price than normally people have had to pay for the land and get a house built on it. To date, we have had 988 contracts settled at a total value of \$257 million, and we have a further 374 that have been exchanged, to the value of \$123 million. They are currently waiting to be completed.

Obviously, we are reviewing all of these initiatives from time to time. As the minister outlined, the affordable housing initiative was originally launched in 2007 at a figure of \$200,000 to \$300,000; over time that has been adjusted and for the last CPI it was to a maximum value of \$340,000. But a further initiative there is working with the industry to try and ensure that we have a diversity of product in the affordable housing area. We brought in some size thresholds as well. So it was up to 80 square metres, 80 to 105 square metres, and above 105 square metres. Also, it had different price points—homes under \$300,000, \$340,000 and then \$374,000. So that has made a difference to delivering a variety of product into the marketplace.

With the land rent scheme, over the last couple of years we have tweaked that to ensure that the blocks are getting to the relevant people. We have put certain restrictions on how many people in ballots can pick up blocks in those ballots. We have also now announced a new initiative whereby we will be taking surety payments of up to \$10,000 for the people that are not eligible for the concessional rate. We believe that will enhance the land rent scheme even further and ensure that we are getting to the individuals that we need to.

All of these things are under constant review to try to improve, implement and make sure that the appropriate housing is being targeted.

Mr Reynolds: Within the affordable housing space, in the LDA part of the directorate we have very much had a strategic focus on and a central commitment to the delivery

of affordable housing that goes back some years before the current annual report that we are looking at.

With respect to one of the other major pillars of that, I refer to the HAF grants that were made available by the commonwealth government and the commitment that we put in to three grant applications. We were successful on each of the three occasions. So we successfully secured \$13.2 million from the commonwealth government to help with the delivery of affordable housing in our estates. Bonner, Crace and the Flemington Road estates were the beneficiaries of those funds. That certainly helped a lot with some of the gains that we have made in delivering not only land and blocks but also OwnPlace.

Bonner was the second estate where we delivered OwnPlace. The first one was Franklin. Some of the initiatives that we originally set ourselves were that this was still to be quality housing. It was not to be cheap housing. At the time, as the first government to introduce an affordable housing policy, there was a bit of misinformation and concerns about what was affordable housing. So we very much set ourselves a target that we would not be able to drive through the estates and be able to pick, through the qualitative elements of the built form. We wanted to integrate into the estates for good social reasons. We believe that we have achieved that. We believe that was demonstrated when we were successful in winning the Urban Development Institute of Australia award for the best national affordable housing estate, and that was Bonner. We secured that award and that recognition from our industry peers in the 2011-12 financial year.

THE CHAIR: On OwnPlace, you release the blocks to the builders and then they allocate the blocks to the purchasers; is that the case? It has changed a bit since I was last here.

Mr Dawes: Some years ago we established a panel of builders. What we have done there is to work with the builders. Obviously there were stand-alone smaller blocks and also terrace-type blocks. In the past we have allocated the blocks to the various builders, because not all the builders want to build terrace housing, for example, so we ensure that we are targeting the right blocks to the right builders and that they are going to build and construct the right product.

We then have an event whereby the eligible purchasers can meet the builders, talk to the builders and at the same time at those particular events we have representatives from the finance area who are able to assist in providing some guidance around loans et cetera. The applicants are able to choose what style of home they want, whether it is on a stand-alone block or a terrace block, and then they start talking to the builders, who have a different range of plans, and they can choose what plan and which builder they wish to go to.

So it is quite a good process and to date it has been very well received, not only by the participants but also by the builders panel and the other people, such as the financiers, that attend those events.

DR BOURKE: Could you go through the criteria for selection of people to participate in OwnPlace—the home owners, not the builders?

Mr Reynolds: I will answer what I can now, because, as I understand the criteria, I think there is an income threshold of around \$120,000. I will have to check what the latest criteria are. I am happy to take it on notice.

THE CHAIR: Take it on notice.

MR COE: What is the rationale for the \$10,000 surety for the land rent blocks?

Mr Dawes: That is to ensure that when people are purchasing the blocks they fully understand; they have actually completed a TAFE course as well, to ensure that the blocks will be completed. It gives a further understanding. This is an attempt as well—again, it is improving some of the processes that we have had to date, to ensure that the blocks are going to people that are serious and to stop any potential land speculation as well. This was a concern that was raised by industry and we have worked with industry to ensure that we get to improve the processes as well.

What we are also trying to do there is to ensure that in the first lot of ballots, even though the ballot system that we use these days is generated through a computer, and that is under the guidance of a legal panel, Gambling and Racing, people that are entering those particular ballots are only getting potentially one block out of that. So we have a screening process in the ballot system.

We also, as a result of some other tweaking, ensure that anyone entering into those ballots is not acting for a third party. So they sign a stat dec to say they are not acting for a third party. It is just to ensure that the blocks are getting to people who are genuinely wanting to build a home. In some cases builders are eligible for that but they can only get one block in those ballots. So they can actually target; they have an opportunity then to target people in a land rent situation. They also have an option to convert the land rent block to a normal block, depending on the circumstances.

After settlement of the block that surety amount is transferred to the ACT Revenue Office and credited towards their land rent payments. That is an important initiative as well. It means they will then be in credit for their land rent payments coming forward.

Mr Barr: It is important to add that the \$10,000 security deposit relates to those in a non-concessional—

MR COE: It is \$2,000 for everybody else; is that right?

Mr Dawes: Yes.

Mr Barr: But both payments are credited against future land rent requirements in terms of future payments. Those who are eligible for the two per cent concessional rate are paying a lower amount. This \$10,000 figure applies to those who are on the four per cent rate.

MR COE: Mr Dawes mentioned that there was a perception of potential for speculative acquisitions. Did that happen?

Mr Barr: There would be some evidence that the fairly quick transition from land rent to a standard lease after a period often of less than 12 months probably indicated that.

MR COE: Can you please take on notice how many were transferred?

Mr Barr: Yes.

MR COE: Perhaps less than six months and then less than 12 months or thereabouts?

Mr Barr: Yes.

MR COE: Or a convenient breakdown in the system.

Mr Dawes: I can tell you that there are 82 blocks that have been purchased initially and that have been converted to a standard lease, of the ones we have sold. Out of the 988, there are 82 that we can actually further break down.

MR COE: If you can also tell us how many have been returned, handed back, that would be good, and by how many people. Have the hundred been handed by just 15 or 20 people or whatever? Going to my substantive questions, with regard to section 47 Belconnen, which is where the Geocon tower is proposed, last night there was a good meeting of the Belconnen Community Council. I believe EDD representatives were invited but did not attend. I am wondering why that block was sold without a maximum GFA and why there were no limits placed on the size of the hotel component.

Mr Dawes: Obviously, when the leases were granted there, we had a maximum number of units that were in that particular proposal. Under the lease conditions, when you sell these sites, there are a number of other activities that they can put into those sites. One permissible use under that particular lease is a hotel. It has actually been sold. I think this is where we have got to be careful about stifling innovation in the private sector as well.

Obviously the purchaser of that particular block has had a look at the scheme and looked at what he can develop on that particular site in accordance with the lease. He is doing a residential component and a hotel. It is then back to the planning department to approve or disapprove that particular application. Geocon, before they submitted the plan, were actually engaging. I think this is something that we as a government have been encouraging the private sector to do before developments are lodged with the ESDD, to go out and consult the community. I was pleased to see Geocon taking the bull by the horns and going and starting to talk to the community and getting some feedback.

MR COE: It was a good meeting and quite informative. It is interesting that you should say that government would not want to stifle innovation. In that case, why do you have a cap on the number of units for residential? Why do you say you can have up to 235 units, yet there is no cap on the hotel component?

Mr Dawes: Obviously, when we did some initial work, that was what we felt could be

obtained on that particular site without actually imposing any other sorts of restrictions on the site. With these sites we are trying to encourage some mixed use. I think the days of planning back in the 1970s and the 1980s have long gone, where you tended to have retail, commercial and residential. Today, when you walk through some of those spots, some of those old centres, that is what appears. You have got these dead spots in the middle, which become unsafe as well.

By trying to encourage mixed use development where you have got activity 24/7, it means that, for any potential retailers that might be in some of these ground floor areas, they are active both day and night. Quite often when you walk around the city here at night, there are large pockets of buildings that are closed and there is not that integration. I think it allows that sort of potential innovation. When you see some of the developments that are coming up, Belconnen is a very good example of the exciting things that are coming up.

MR COE: I have got no issue with mixed use; I think it is a good thing. I am curious how you got to the figure of 235 residential units. If you can have 235 residential units and a 168-unit hotel, why not say 320 units? The capacity is obviously more than 235 residential units. How did you get to that number and did you consider the possibility that there could be a hotel on the site as well?

Mr Dawes: There could also have been an office building as well, just as much as it could have been a hotel. Again, that is a permissible use for a commercial building. You then allow the market to determine the highest and best use from their perspective.

MR COE: Sure. But how did you get to 235?

Mr Dawes: That was what we were looking at for residential uses on that particular site without impinging on any other potential development on the site, whether it is commercial or something of another nature.

MR COE: If you did not have any other commercial area on the site, could you not go to more than 235 units?

Mr Dawes: That particular development could have then applied for a variation and would have then submitted that to ESDD.

MR COE: How set in stone are these leases?

THE CHAIR: Mr Coe, there are a number of us who would like to ask questions as well. I am happy to come back to you.

MR COE: Sure.

DR BOURKE: Perhaps you can explain to us the difference between the usage of a hotel unit and the usage of residential apartments in a development like that and the impact it will have on the surrounding area?

Mr Dawes: We are getting into some of the fine detail of planning and you would

probably need to ask ESDD some of the finer points. The nature of hotels means that they are different. You have got different styles of hotels. You have only got to look at what is occurring around the city. We were wanting to ensure that we did get a residential component because one of the key things that we were trying to ensure was a mixed development. We wanted to see some units there which would be a mix of one, two and three-bedroom units.

Hotels or commercial offices are a different floor plate altogether. In some cases it can be a serviced hotel. In some cases it may be just your traditional hotel. Again, that would be left to the private sector to determine the appropriate use of the sites. It allows that sort of innovation to occur.

DR BOURKE: Do you separate those? If you look at Kingston, it is mixed use, residential and commercial. Did you have a ratio there?

Mr Dawes: To be honest, I would have to go back and look at the lease that we took to the market there. We tend to do that. We try to encourage that. Kingston is another prime example as well. We will see that start to transform, where we have got ground floor retail—and I think a couple of the buildings out there have attracted some restaurants, cafes and all of that—when we have got people living above and that sort of integrated activity there as well. That was what we were trying to encourage in that part of Belconnen, the opportunity to transform. It would also allow the people that own their own block of land—and there are a number in that particular precinct; there is a 10-pin bowling alley, for example—to look at what they might be able to do to transform their site in the coming years as well.

MR COE: I am a little curious how you can value a block if you do not take into consideration all the potential uses of that block. I commend the builder for coming up with a very innovative design and taking a risk. We need more risk takers in Canberra. What they have put together is really a lovely design. However, I am curious about the genesis of that block of land and how you actually value it if you do not put any limitations on the hotel component. You can easily work out a value by working out how many units, looking at GFA times construction costs and all those sorts of things, but, if you do not have a capped GFA and you do not have a capped number of hotel units, how do you get there?

Mr Dawes: This is the black art of valuation, if I can put it in that term. We have all of our sites valued before we take them to the market. They do actually value them for what is a residential component and what will be other mixed uses as well. In the case of this particular site, it was valued for a number of different uses. That was the price that was set on that particular block.

I think the other thing we need to be conscious of as well is—and it is the great thing about our leasehold system as well—if it goes over and above the unit development, they would have to seek a variation and pay 100 per cent lease variation as well. If they wanted to put 400 units on that site and we capped it at 235, we would actually put it up in value. With the fact that he is putting a hotel on it, that will improve it. If you look at where he is wanting to go with that site—and it is a little larger than what was anticipated, and that was due to his innovation—there will probably be some upside for the LDA in that case.

MR COE: How could it be larger than anticipated if there weren't any limits? What could possibly have been anticipated if there were no boundaries?

Mr Dawes: We would have to go back and look at the lease development conditions on that particular site. It was all clearly up front in the marketing material.

MR COE: From what I gather about the lease and from most of my recollection of last night, there is a maximum of 235 units and a maximum commercial GFA but no restrictions on the size of the hotel.

Mr Barr: A hotel is obviously a much lower value use than residential or commercial.

MR COE: Regardless of the value, there are still 168 units that are proposed here. That is a sizeable development.

Mr Barr: The value is all set. That is the highest and best value for the site.

MR COE: But if there are no limits, what are you—you are timings what by what?

Mr Barr: There are limits in relation to the residential component.

MR COE: Right.

Mr Barr: And there are limits then on the commercial value of the land. The valuer would assess the value of nearby blocks and they go to the highest possible use that is contained within the lease. Then, of course, there are restrictions within the territory plan in relation to what can occur on the site.

MR COE: Well, I am—

Mr Barr: Yes, there are because, although the height is not limited, there are a range of other limitations. There are other rules within the territory plan—for example, car park generation et cetera—that would have some impact on the value of the block and obviously the economics of development up to a certain height. There are clearly limitations in relation to the available construction technology as to how high buildings can go.

MR COE: Obviously not because it is 112 metres and there are buildings being built much bigger than that around the world.

Mr Barr: Yes, but it is not going to be a 10 kilometre high construction because we do not have such capacity, do we?

MR COE: There you go. That is what I was getting at, obviously.

THE CHAIR: There is a limitation on height levels in the ACT, although it is an old—

Mr Barr: Not in the Belconnen town centre.

Mr Dawes: Mr Coe, just to put it in perspective, if you were to talk to some of the valuers, traditionally a hotel site is 60 per cent less value than a commercial site. If it is \$10 million for commercial, traditionally a hotel is about \$6 million. These are decisions that particular builders and developers will make on how they develop. These are commercial decisions they make when they are actually doing these proposals.

So we have actually valued it, as the minister says, for its highest and best use. It has been up to the purchaser of that site to work out what he is going to do.

MR COE: Do you think all potential bidders for that site knew that a hotel was a possibility?

Mr Dawes: I would suggest that anyone that was interested in that site would have seen a copy of the deed and the marketing to them, yes.

MR COE: So if it was known, can you give me a reason why there was not, if it was known and it was advertised as a potential hotel site, a maximum number? It is as simple as that. Why was there no maximum number of hotel units?

Mr Dawes: That is traditionally how we take those things to the market. What you have to understand is that there was a commercial space opportunity and they have obviously transferred the commercial capacity of that into a hotel. I assume they have done their analysis, obviously, of that site.

MR COE: So you are saying that the hotel component is covered under the commercial GFA.

Mr Dawes: No, it is one of the uses that are permitted on that site. So it is up to him or her—whoever is developing the site—to make those commercial decisions.

MR COE: Why is there a commercial GFA maximum?

Mr Dawes: Sorry?

MR COE: Why is there a limit on retail space or on commercial space if it is not a hotel? Is that not stifling innovation?

Mr Dawes: No, I would not have thought so. Actually, I think he has come up with a very innovative proposal with that particular development.

MR COE: But how can you support a capacity on a number of units or a capacity of commercial space but not a capacity on the hotel space.

Mr Dawes: Obviously, he has actually made a decision to do a hotel rather than a commercial space. That is a decision that he would need to make.

MR COE: There is commercial space in there as well.

Mr Dawes: Yes. Obviously, he has got some retail space because you would want an active street frontage.

THE CHAIR: We might come back to the report that we are inquiring into, actually, and see whether we can ask some questions from our side. I know you are very interested in it but there are some other ones that I am interested in. In particular—

MR COE: Is Mr Wall going to get a question?

THE CHAIR: Yes. Mr Wall, do you want to ask a question?

MR WALL: Yes. Mr Barr, on page 36 of the annual report, on the income statement for the year, it shows that revenue was only 63.8 per cent of the budgeted figure. What was the reason behind this?

Mr Barr: It would have been delays in land sales—in settlements.

MR WALL: Right; a second question, still on the same page. The share of operating profit calculated from joint ventures, how is that figure arrived at?

Mr Dawes: I will get Mr Walsh, our CFO, to provide you with that information. I think what we have to remember in the 2011-12 financial year is that total revenue is \$431 million, which is the second highest that the LDA has achieved since its inception. The previous year that beat that was in 2007-08, when we got \$92 million for a car park in Civic. So I think that when you look at what has occurred, what has actually pushed that around is—I think the minister explained this in the paper the other day—environmental issues. We actually had to put off some sales. We had forecast around 5,500 sales. For that particular year, we ended up achieving 2,466, I think is the exact number, for that particular year.

So we moved a major englobo parcel of land—Denman Prospect—that was due to go to auction last financial year to this financial year. We have only just recently received all the environmental clearances and we are actually now promoting and taking Denman Prospect to the market in April. These things have actually moved around a little. As well, we also had some income forecast for Moncrieff. But I will hand over to Chris.

Mr Reynolds: The other significant site that we were expecting revenue from this financial year was Campbell, and again in Campbell there are commonwealth environmental issues where we need clearances under EPBC. There is also a requirement for an amendment to the national capital plan. Again, the approval authority for that is the commonwealth through the NCA. Those two were the major contributors to the impact to the bottom line in that financial year.

THE CHAIR: Can you go through some of those environmental concerns that you had to address?

Mr Dawes: We can. In Gungahlin, for example, where we have had some sites that we have actually had to delay. We are hoping to get all the environmental clearances for Gungahlin about June this year. We are hoping to have those approvals through.

That is the time frame we are working to. But in Moncrieff we have got quite a lot of work done, so a lot of the preparatory work is done so we are ready. Once we know the footprint and how we can move forward with those environmental clearances, we will be able to then finalise the work. We have actually had consultants doing quite a bit of work.

You take Lawson, for example, which is another prime one that we have had to move from one year to the next, because it has been two years. It was two years to August last year that we were waiting for environmental clearances for the suburb of Lawson. Obviously, it is frustrating from our perspective. I know exactly how the private sector feels, and I think you might recall at COAG there was a move to try and reduce some green tape, because we are not alone in this. This is happening right around the nation.

Right at the death knock when we were expecting our approvals for Lawson, a new team came in to do some of the environmental clearances and they wrote to us saying they did not particularly like our application and they wanted us to go back and start again. So that was two years' worth of work where we would have had to go back to the start. Obviously common sense prevailed after some meetings with some very senior people within the department. We finally got our approvals for Lawson.

But we have also had to do some additional things within Lawson. Some of the land we had zoned for park land we have had to increase. We have had to rejig some of the numbers as well. These are all important issues that we have to comply with as far as the law is concerned, but these are the things as you go through. The great advantage and some of the lessons learned out of that was the approach that we have now taken in Gungahlin whereby we are doing a strategic assessment for the whole of Gungahlin. We are working with the commonwealth department and the ACT environment department to run processes in tandem to get those clearances. That will then give us the certainty that is required.

In Molonglo, for example, when I first joined government the first anticipated land release there was going to be in 2007 and people were going to be living there in 2009. Those sorts of things did not eventuate. But, again, there is quite a lot of infrastructure to go into Molonglo. There were 46 considerations for the environment, and we are meeting all those targets not only for the infrastructure but also for the estate itself. So these things take time.

Obviously, with Gungahlin we are going down a particular path through that strategic assessment, and that is the way to go in the future. We are looking at doing that right across. But it is a matter of just getting on with it and complying with the law. You have to comply with the law at the end of the day.

Mr Barr: I think the important point to make, though, is—taking a step back from the individual environmental assessments and the variety of development fronts that we have in the territory—to recognise that we have a four-year program. We want the flexibility to be able to respond to changing market conditions. There are different products that will be attractive to the market in different locations. So the greatest amount of flexibility within our program is important.

The government's intention over this four-year term will be to have a rolling program, so in each budget we will update a further year into the future in terms of a rolling four-year program and make further assessments as part of the budget review on a six-monthly basis in between the budget period.

You will see from time to time over the course of the four years revenue projections moving from one fiscal year to the next. The important thing is the integrity of a four-year program, the capacity to respond to changing market conditions and the reality that the government can, through a variety of different policy levers, bring forward other areas for development.

Within a strategic planning context, the policy setting has been to have a balance of roughly fifty-fifty between urban infill sites and new greenfield estates. We have with Molonglo and Gungahlin, for the first time in a while, two greenfield development fronts and the possibility, of course, to add some further development fronts in the coming years as well as releasing targeted infill sites. Campbell is obviously an example as is the work at Kingston Foreshore, Eastlake, the Canberra brickworks and Tuggeranong town centre. So there is a variety of sites, and we will make decisions over the next four years based upon responding to market conditions as well.

There is a little bit of talk in the newspapers and around the town about the sense that we have pretty well hit the equilibrium when it comes to apartments on Flemington Road, for example, in the Gungahlin area. But there certainly is demand for more apartment living within town centres. Clearly, there is a very strong call coming from Tuggeranong for new development opportunities in and around the town centre. We are very keen to pursue that. That work has been underway for a while.

There are master planning exercises in the town centre and in Erindale that have gone through the appropriate processes, and that will allow for new development. What we are observing in terms of the public commentary is a little bit of a change away from a NIMBY approach to development. There has still been a little bit of that going on, but I think we are going to head into a cycle over the next three or four years where people will actually welcome new investment, new housing and population growth, because that will underpin the economic viability of town centres and group centres. That will be important.

We have come to the end of an era where people take for granted employment and prosperity, and the threat of an Abbott government is certainly running through the business community in this city. If you take 10 per cent of the employment out of the city, it is going to have significant economic impacts, and we will be in a period where we want new investment. So we are ready for that. We will have variety of options to be able to take to the market over the next four years.

DR BOURKE: On page 179 of the annual report you note an additional yield on the west Macgregor development. Could you outline that and the overall progress of the development?

Mr Dawes: With west Macgregor, people would be aware the Village Building company developed that area. Part of the decision made several years ago was for stage 2 to be sold to the Village Building company by direct sale to enhance and boost

affordable housing. Obviously when the Village Building company has gone in and developed that west Macgregor precinct it has done more detailed work and looked at the requirements there—the design and sizing—and it has increased the yield there. I think that project is just about coming to completion; it is in the final throes. It has been highly successful in providing opportunities for people for affordable housing.

As we know, the Village Building Company has certainly been one of the key drivers of affordable housing. There have been a number of others as well, but certainly Village has been at the forefront of trying to provide affordable housing, not only there but in north Watson and other parts as well. It is doing some things in Jacka, and it also did some developments in Dunlop. So it has certainly been at the forefront of affordable housing, as have a number of other developers, like CHC in our estates and joint ventures at Crace. But Village has had an emphasis and a focus on that end of the market.

MR COE: Going to Campbell, the two reasons which are given for that block not coming on line are the environmental issues and an NCA variation, which is required under the national capital plan. Was the government of the view that the NCA was just going to send the variation through quickly? Why was it not anticipated that there would be a delay to the national capital plan?

Mr Reynolds: The site at Campbell already had a zoning that would have allowed the site to be released. That had existed in the plan for many years. What actually happened is that, as the LDA went through its community and stakeholder consultation process, an enhanced master plan option was identified that struck a better balance between the community and the stakeholder interests around the use of the park that is now incorporated in the current plan. What actually happened there was that, in response to that new master plan, there was a need for the amendment known as amendment 74. So what happened there was that, as we engaged with the stakeholders and we listened to them—in that process came a better design outcome, and that was the trigger to amend the national capital plan for that site.

MR COE: What was the anticipated time frame for that to happen?

Mr Reynolds: If the amendment had not been required—in other words, if we had stayed with the original zoning that several of the stakeholders had flagged some concerns about—we would have been able to achieve the revenue that was forecast against it.

MR COE: Going back to page 36, which is the page on which Mr Wall's question was based, the operating surplus was still around 92 per cent or thereabouts. How was that achieved given that the revenue was much lower than expected?

Mr Walsh: The reason for the higher profit margin is related to a greater proportion of LDA estate developments that were developed and sold in that financial year. There was a greater margin on those. In the original estimates we had some englobo sales and some commercial sites, which have a lower margin. The main driver is the mix of the actual settlements we had in that financial year, which had a higher yield.

MR COE: How does that change the outyears? If the LDA-controlled properties were

going to be sold next year or the year after, or this current year or the year after, does that mean that we can expect that the projections for this year and the next year might be less than what was originally expected?

Mr Walsh: To some extent. There are other changes in the program, in the budget review that recently came out. Those changes have been reflected through the estimates. There has also been a change in some of the mix in terms of the privately developed sites and the LDA-developed sites. The minister mentioned some of the development fronts that will be coming up in the next few years. So there will be some changes, but we have responded to fill some of those gaps.

Mr Barr: We retain the capacity, through the LDA, to, if we want, undertake all land development in a fiscal year. We could do that and maximise all of the development profit, but we have chosen not to as a general rule, and you will see a large englobo release scheduled for this fiscal year. But these are matters that the LDA board will consider and provide advice to government on. We can, of course, through the various instruments and policy guidance tools, put in place particular requirements on the LDA. These are evolving questions and obviously depend a little on the interaction of supply and demand—the sort of market that we face and whether there is particular demand for a certain product.

So we can retain the capacity to have that mix. An example of this is that the Canberra brickworks site in Yarralumla is not one you would target for affordable housing, as the value of the land is so high that it would be impossible to achieve housing product there at \$300,000. We can have a look at the mix of our land release, because there is a revenue component and there is a housing affordability component. We are not making a huge amount of money out of our affordable housing component; that is a social objective that we are seeking to achieve there. The challenge is that the organisation is not just about maximising profit; it is also about achieving social and other community outcomes. You see that in the mix of estates and the way that we undertake our development. These things will vary from year to year and are driven by a number of different factors.

MR COE: The actual revenue from land sales was 430 and the original budget was 689. The notes give some indication as to why that is so. I am just wondering when all those factors were first known. If you are cruising to receiving \$200 million less than you expect, did that really all happen in that financial year or, prior to the budget, was there some indication that maybe we will not get \$689 million?

Mr Barr: In setting the budget targets—they are ambitious. You want to set a challenge for the organisation. There is no doubt that if we go through this process we have a degree of surety around some elements of the program and others where we know when we make this decision, often 12 to 18 months in advance, that we recognise that there are some risks associated with the full delivery of the program. Those risks have been outlined.

There are two examples of where we have had to delay release. The first is a result of the environmental clearance process. You can have a reasonable assessment. In the case of Lawson, we had an expectation that we would be able to release land in a particular time frame, and there had been years of engagement with the

commonwealth. Then at the last minute something changed. That is unfortunate but it is a reflection upon the current process. The other example, which Mr Reynolds gave, is that through community consultation we have made changes.

In an ideal world you could have 100 per cent surety over every element, but this ain't an ideal world and there are a number of different variables and factors that we have to balance in looking at a program. That is why I made the statement I did earlier: that we very much want to look at this as a four-year program and have as much flexibility and capacity as possible to respond to changing market circumstances and to changing circumstances in relation to environmental approvals—and also what comes from community consultation, because if you are genuine around that process there is always a degree of uncertainty in relation to particular projects.

Another contemporary example is the decision the LDA has taken in relation to Woden—to proceed with one of the three projects on the particular blocks of land identified in the Woden town centre. That is not to say that the other proposals will not emerge again following that consultation process—maybe in a different form or a different structure—but we still retain that capacity, over a four-year program, to release those sites. This goes ultimately to a question around how we look at this program. In my view we need to take a four-year view, and that is certainly how the government is approaching it in relation to our budgeting over the next period of the Assembly.

MR COE: Just one final question: it may well be ambitious or challenging, but the Financial Management Act would suggest that it has to be achievable. Just as with any company, you cannot have unachievable figures.

Mr Barr: No.

MR COE: You also said that over the rolling four-year period that is the most important thing. Does that mean that we can expect to see the \$205 million recovered over the next three years?

Mr Barr: We have obviously updated our expectations in the midyear budget review. There will be a further update in the budget in the middle of this year and then a further update six months later. We will have much greater certainty in relation to the program, as Mr Dawes indicated earlier, with the strategic assessment of the remainder of Gungahlin. Once that process is complete, we will have full knowledge of the entire development front for the remaining suburbs in Gungahlin. We will know exactly where we can build and where we cannot. That will give a much greater sense of certainty around that particular program.

But this is a dynamic market. We will update every six months. I think that is a reasonable process in terms of managing this program. As I have said before, there will be changes in market circumstances and we will need to update regularly. I have given that commitment to do it every six months.

MR WALL: You mentioned community engagement just a moment ago. There are a couple of blocks that are listed in the annual report for community engagement. I just want to inquire as to what their status is. There is a block in Chisholm, section 590

block 2, which has been withdrawn from sale. What initially led to this decision being made?

Mr Barr: I think you are probably aware of that, Mr Wall, as one of your colleagues was particularly interested in this block—in fact, so interested that I think he might have listed it originally in about 2000 for sale. Yes, there were community concerns in relation to the proposal to build housing on that particular site. There was a consultation process, a further consultation process, and then a determination not to release that land. There are other development opportunities in that suburb. As part of that consultation there was a suggestion that there would be another block elsewhere in the suburb that would be preferred for that development. That decision was taken by me as minister.

Mr Dawes: If I could just add to that—originally when we took that to the market we went out and did some community consultation for the first time. There were no comments or feedback so we were proceeding to take that block to the market. Obviously when we had gone back and re-evaluated the site and looked at the stormwater and all that, and some of the houses that have already been built there, we wanted to ensure that we enhanced that so that they would not be getting flooded any further.

But the nature of the site changed. In consultation internally we felt that it had changed substantially from what was agreed. So we went back out to the community to consult a second time—as well as the commitment that I have given the community councils. I have gone around and actually engaged with them as to taking it out further. That was when there was a lot more interest in the site. Hence, after consultation and discussion—I attended that last meeting and listened to the concerns that the community had about that. Hence I reported that back and immediately finalised the community report. The government, I think, then took all of that into consideration, and I think now we referred to Caroline Chisholm park.

Mr Barr: But I would make the observation that there will be a limited amount of investment in the ACT over the next four years. There will be plenty of areas of the city that want to attract that investment, and there will be some that probably do not. In my view, it is best for us to focus on those areas that do want to attract the investment for jobs and the economic development opportunities. I note that the new president of the Tuggeranong Community Council is now running a particular campaign around wanting to attract investment to Tuggeranong. That is a great thing and we will certainly be looking to support that. There are a number of opportunities to support that sort of investment in jobs and growth in Tuggeranong, and we will be pursuing those. If there are areas where people do not want that, fine; there are plenty of others who will want it.

MR WALL: My concern around that issue is this: as you have mentioned, two community consultation processes occurred. Why is it that the first process did not reflect, I guess, the resulting feel of the community at the time that it was conducted?

Mr Barr: That is an interesting question. Sometimes it takes agitation from a politician in order to generate a particular level of community angst around an issue.

MR WALL: A feeling that was shared by your counterpart as well, Mr Barr.

MR COE: At the end.

Mr Barr: There will always be a variety of views on developments in suburbs. Not everyone pays attention to what they get in their letterbox, not everyone reads the paper and not everyone listens to radio and watches television. The level of engagement on these issues will vary depending on how busy people's lives are and how much they really care about local development issues. That will vary. Some people are hugely passionate about it and pay a great amount of attention, and that is terrific. There are others who want to leave that role to their elected representatives, and that is fair enough too.

I am fairly relaxed about this in the end because, as I say, there will be many hundreds of development opportunities in the city. There will be competition now amongst different areas of the city to attract that investment. If people do not want that investment and do not want the benefits that come from that, fair enough; they will go somewhere else.

MR WALL: From what you are saying there, it is often difficult to expose people in the community to the consultation process. So how can we have any confidence that the processes that are being carried out for other subdivisions are, I guess, reflecting the true feel of the community that is being consulted?

Mr Barr: In the end, it is part of the role, obviously, of elected representatives and community councils who are funded to undertake some of these consultative mechanisms. Mr Coe, Dr Bourke and other members for Ginninderra attended a meeting last night at the Belconnen Community Council that was focusing on a development issue. I think in the end the community views permeate through the system in a variety of different ways. That can be through the media, it can be through representations to elected representatives, it can be through community action groups and it can be through the community councils.

I am yet to see an issue, in the 20-odd years I have been involved in politics in this territory, where the community view has somehow not permeated through one of those mechanisms. Pretty much every time there is an issue that someone has a concern about they certainly find a way, through that variety of different mechanisms, to make their views known. The interesting thing around consultation is that if your particular views are accepted and a proposal changes then your view of consultation is fantastic, it has been really good, your input into the process has helped and it has made a difference.

Consultation is one thing; veto rights are another. We do not have a system in the ACT where an individual has a veto right over development in their area. That is not how the system works.

MR COE: The planning minister does.

MR WALL: The planning minister does, of course.

Mr Barr: That is an elected role, subject, of course, to oversight by the rest of the Assembly. I understand that is a particular view and a power that is supported by the opposition, unless I am detecting a change in policy position here this morning.

MR COE: If it is used wisely.

Mr Barr: That is, of course, subject to disallowance in the Assembly.

DR BOURKE: Just coming back to that consultation that you noted Mr Coe and I attended last night at the Belconnen Community Council, perhaps you could explain the policy behind no height restriction at the Belconnen town centre.

Mr Barr: It is really a view to encourage investment. These are decisions that were taken when I was planning minister a number of years ago to remove height restrictions in town centres. We currently only have restrictions in the CBD in relation to the BRL617 rule. It is a national rule that buildings not be higher than the top of the flagpole on City Hill and Parliament House. That is a rule that is in place for national capital purposes.

In relation to the town centres, certainly it would give those centres a competitive advantage over the CBD. It might in a way to level the playing field a little because, as I think anyone would observe, looking at the distribution of employment and investment in this city, there is a bias at the federal level in particular towards investment in the parliamentary triangle and the CBD. You see that in most cities. So for town centres it is really the standard competitive chance. They need some greater flexibility, and that is the rationale for the policy. It allows for greater innovation. There are certain market realities too about what sort of investment they will get in this city, given the public sector drives a lot of that, largely through decisions of the commonwealth government around where they locate their employment. It is a pretty strong driver of investment outcomes in the territory.

MR COE: With regard to a master plan for Belconnen town centre, it is something that is raised at almost every Belconnen Community Council meeting. Is that something the LDA would support?

Mr Barr: That is ultimately a matter for ESDD in terms of undertaking that work. I think there is a question—and this comes up often—about the fact there is a master plan for the territory; it is called the territory plan. You can undertake further granular pieces of work in relation to certain areas within the city from time to time and that is reasonable. I think the focus in recent times has been on group centres and there is a rolling four-year program in relation to the 17 group centres.

There is only so much master planning work that can be undertaken simultaneously. I do not have an objection to that, subject, of course, to its fitting into the work plan of the Environment and Sustainable Development Directorate, noting that the work has been completed in a number of other town centres. So it is not unreasonable for Belconnen to be on that list. Would I bump other areas off to advance Belconnen? Probably not, but that is not my decision. It is ultimately one for the planning minister to make. But, yes, it should be part of an ongoing program.

MR COE: Would it help with—obviously it is consultation—the LDA’s ability to roll out land and to get true value if bidders know what the expectation is for the area?

Mr Barr: We would certainly appreciate the opportunity to have input in that context. Again, these master plans tend to provide a clearing house, if you like, for those different competing tensions around economic development opportunities versus community facilities versus a range of other outcomes that people want to achieve within town centres. Often there are some very good outcomes that can be achieved by using an economic development vehicle to achieve a particular social end. We have seen that in the CBD with a number of new investments, for example, in the Griffin Centre and the youth centre as a part of the upgrades to the Canberra Centre. The old and poor-quality community facilities were upgraded as a result of a development.

Belconnen has obviously benefited from the investment of Westfield in relation to the bus interchange. That work, with a contribution from government, has certainly enhanced that part of the town centre and removed what was pretty universally regarded as a not particularly desirable part of the town centre in the old bus interchange. We want to undertake that work in Woden. There are plenty of opportunities for that to occur in future.

THE CHAIR: I am glad you mentioned the master plan. I am really keen to see where we are up to with the Tuggeranong master plan.

Mr Barr: In relation to the Greenway LDA—

Mr Reynolds: We are in the process of preparing the first few releases in Greenway for release. The EDP work is well underway. Issues around the master planning and the rezoning of that site for the first releases have been resolved. In the near future we will be seeing the first few sites released in Greenway.

THE CHAIR: Do you have a time line or a rough idea?

Mr Dawes: It is next financial year. I think it is towards the back end of this year.

Mr Barr: This calendar year.

Mr Dawes: This calendar year.

Mr Barr: A centenary gift for Tuggeranong, Mr Gentleman.

MR COE: Where are things at with regard to the block in Hawker, which had reportedly been sold to Woolworths, and the ACCC inquiry? Is that still ongoing?

Mr Dawes: The simple answer is there has been no application for a sale of that block. I think we have gone through this before. As far as the current owner that is selling that to Woolworths, that is subject to the ACCC. That is all I can really comment. We have not agreed or even seen an application for the sale of that car park.

MR WALL: There is a site that has recently appeared for sale down at Lanyon

opposite the Argyle housing community. What is the proposed use for that? Was the block not previously sold? Has it been returned?

Mr Dawes: I think that is the community use site. I will have to look at the programs. I will take that on notice.

THE CHAIR: I thank everyone for coming along this morning. We will take a break in the hearings and resume with infrastructure and capital works, sport and rec and venue and event services.

Meeting suspended from 10.41 to 10.59 am.

THE CHAIR: Welcome back, everybody, to the hearings into annual reports for 2011-12. We are now up to infrastructure and capital works, and then we will move on to the sport and rec and then territory venues and events. Minister, do you want to make any opening comments on these topics?

Mr Barr: No, chair.

THE CHAIR: Questions, colleagues?

DR BOURKE: Thank you, chair. Minister, on page 155, in talking about community engagement you speak of a new take—inquiry by design—on consultation regarding Downer residents in the design of their local precinct. Could you explain the process and how it might be used elsewhere?

Mr Barr: Certainly. Obviously Downer has been the subject of some contention over a number of years. There is a very strong desire from the community to see a good outcome for that site, but there have been some concerns about overdevelopment. So, in the context of the consultation process, we sought to engage early and broadly with the community and hold a series of workshops that allowed all of the issues to be considered, particularly with a focus on the involvement of Community Housing Canberra at that particular site and the possibilities would be there for affordable housing provision and also to accommodate a new commercial precinct. The proximity of the old Downer shops to the Dickson group centre and changes in consumer behaviour have certainly made it very difficult for the businesses that were operating in Downer to be successful. Something had to change to make Downer viable for commercial activity.

Clearly, an increased population on the site and some innovation in relation to the precinct was going to be necessary for it to be a commercial success as well as provide new housing and new affordable housing. That was the task that was required of this exercise. There were a series of meetings and opportunities for the community to have input. But what I think was important and successful about the process was setting those parameters and making it clear that what we needed out of the process was something that would be commercially viable. I think that was the important part of the consultation process.

David can talk a little about the range of meetings and the sorts of processes that were undertaken, but they extended over a period of time. As a rule of thumb, you

generally get a sense that when you have engaged deeply and broadly with a wide variety of community members and reached a conclusion, you know that consultation has been effective when people are now saying, “Well, let’s get on and get this development done.” I think we are at a point now where all of the issues that could possibly be raised have been. All of the issues that could possibly have a constructive and creative solution as part of the development process have been addressed.

Not everyone will be 100 per cent happy with everything that is proposed, but, again, we have reached a point where a good process will result in a good development that achieves a number of ends. David will talk about the number of meetings. It was not as many as Hawker, thank goodness.

Mr Dawes: There were a number of processes. We went into that particular process to engage with the community to try and get an outcome that was agreeable to everyone. What was important to the community was the Downer shops and how we could actually reinvigorate the Downer shops with the close proximity, as the minister pointed out, of Dickson. Obviously there has been a commercial purchaser of the shops and he is looking at investing in those shops. That actually assisted in that process.

Obviously we went to the community with a blank sheet to look at what we could and could not do. We had done some preliminary work to get a bit of a handle on what was really needed to upgrade the infrastructure—the demolition of that particular site—but also what was a viable alternative. We then worked with the community on that front.

We engaged very early with Community Housing Canberra, because under an MOU we have with Community Housing Canberra we provide them so many sites per annum. It was also ticking a number of boxes coming up through the consultation with the broader inner north community council. There are a lot of older women looking for accommodation in that inner north, and we have worked with the YMCA around that component and CHC are providing some accommodation for that segment of the market.

We have also worked at retaining some of the commercial spaces there, because there was an expression of interest from a number of the commercial people at that particular site for those to remain on hold, and then we went back to community. We had some block layouts, which were agreed and disagreed, and through a number of the workshops we have narrowed it down to what the community are comfortable and happy with. Also, on the edges where it interfaces with the streets, there is a lower scale coming to a higher scale in the centre. There was a need for childcare facilities and so we have incorporated some childcare facilities.

It is actually a model that we are using with a lot of the community councils. It worked quite well at Downer. That is the approach that we also took at Tuggeranong to bring the community along with the development of Greenway. It is a new model. It is not to say that we will not tweak it. But I think, at the end of the day, the community council were very pleased with the process. They now want us to get on with the job. The scoping study for the territory plan has now been submitted. One of the things we agreed with the community was that the things we have agreed upon

will be uplifted into the territory plan. The community will have certainty about what is going to be built on the site.

Community Housing Canberra will roll that out over a couple of years—it is quite a large development. There has been a lot of interest in the project. A number of people from the inner north have been approaching Community Housing to buy some of the units or put their names down. That is one of the outcomes that we need, because it frees up other housing for those homes to be reinvigorated and attract younger people coming into some of those older suburbs.

It is a process that worked quite well. We had a total of, I think, six meetings and workshops with the Downer community council, ending up with one late last year where we got the endorsement from the community council to submit the coping document to ESDD for approval. We are just waiting on that, and then we will be able to go out with a territory plan variation. Subject to that being approved, we can then get on and start the development.

THE CHAIR: So you had to consult with the community, but I understand there were some tenancies in the old school as well?

Mr Dawes: Yes.

THE CHAIR: How are you managing those?

Mr Dawes: One of the key things that we are looking at there is alternative sites for the tenants, to ensure that there is minimal disruption. Also the site will be done in stages, so they will not all have to move out at the one time. That is what we are working to. We are looking at the cost efficiencies of that. When we go to demolish that particular site, it is probably better in the longer term to do it all at once and clean the site up. With a building of that age, we know that we will be dealing with some asbestos there as well. So it does make sense to do the clean-up. We are working with the Property Group to look at alternative accommodation for the tenants where we can.

THE CHAIR: While we are still on Downer, there are some historical issues too, aren't there, with the old shop area? Do the historical buildings have to be kept in place?

Mr Dawes: They are heritage, and there is also the town square. Part and parcel of the proposal will be restoring that, enhancing that and bringing it back to its former glory because that is quite key and quite important to the community. There has been a commitment to upgrade that in the heritage style, not altering it. We have already shared some of our plans with the community group, and they are quite satisfied. Again, they would like us to get on and do that ASAP. It is a matter of working in with the commercial stakeholder that owns the shops, as he restores and does some of the things that he is required to do in the shops. So we are working in tandem with him. I have not spoken to him for a while but obviously it will crank up once the territory plan variation goes out on circulation.

MR COE: Have you come across any stumbling blocks with the developer or is that developer on board with the proposed changes?

Mr Dawes: Community Housing Canberra were engaged right from the word go. One of the reasons, as I explained just before we walked in, is that we have an agreement with Community Housing Canberra to provide a mix of properties. So we have engaged with them because I was very keen to ensure that the developer was involved with the community, so that they have a good feeling for and understanding of what the community expectations were, and it could be delivered.

MR COE: What about the owner of the shops?

Mr Dawes: Yes, he was involved in the process as well.

MR COE: And he is on board with—

Mr Dawes: I have not spoken to him for some time. There were always some things around the edges. He would have preferred the childcare centre, for example, to be closer to the shops than where it is going to go. But for practical reasons and common-sense reasons, for transport drop-off and those sorts of things, it is on the edge. At the end of the day I think there has been general agreement with the process.

MR COE: On page 108, the performance and financial management reporting shows that the actual result for government payment for outputs is down 26 per cent, and the explanation cites the arboretum and the Property Group in particular, as well as the Narrabundah long stay park project being deferred. When was the decision taken to defer those out of the directorate?

Mr Barr: Sorry, to—

MR COE: To either transfer the arboretum and the Property Group to TAMS or to defer the long stay park project?

Mr Barr: The transfer of budget was as a result of administrative arrangement changes.

MR COE: Was that in May 2011?

Mr Barr: November.

MR COE: November 2011; so during this financial year?

Mr Barr: Yes.

MR COE: So it was not part of the reorganisation of government which took place at the time of the directorate coming into existence?

Mr Barr: No. I think it would have related to the changes to the ministry at that time—the Hawke review changes.

MR COE: Is that this financial year? That was just before, wasn't it?

Mr Barr: The Hawke review changes were made—

MR COE: In May, weren't they?

Mr Barr: when Jon Stanhope—

MR COE: Yes.

Mr Barr: And there were some subsequent changes made when Dr Bourke was added to the ministry in November 2011.

MR COE: With regard to the deferral of the Narrabundah long stay park project, when was that decision taken?

Mr Dawes: With the Narrabundah caravan park, actually that has just been delayed because of some of the issues there. I can have Hamish McNulty provide you with a bit more information on that.

Mr McNulty: The Narrabundah long stay park project is an incredibly complex project which is dealing with some of the most vulnerable people in the community but also with some of the most difficult regulatory issues around the dwellings on the site. So the implementation of the remedial works was delayed while we had extensive consultations with the occupants of the dwellings there.

Also, we had to meet extensively with the ESDD to agree a regulatory approach to the rectification of the dwellings. As the owner of the site, the government has an obligation to make sure the sites are safe. Once the work was done, we needed an approach to say that the dwellings were satisfactory. That took a lot of negotiation with ESDD to come up with the approach that is now in place. The work is now well advanced.

MR COE: When was the actual decision taken to defer it?

Mr McNulty: It was not deferred. It was delayed.

MR COE: When was the awareness of the delay realised?

Mr McNulty: I think as the project has been going on—I have to say that the longer the project has been on, the more difficulties that have arisen at every step. So it has been an ongoing process really of just dealing with the issues as they arise. As you solved one issue, another issue arose. So we were not able to spend the funds on that project as quickly as we would have liked. But, as I say, we are now well into the rectification of the dwellings. Ten of the new dwellings are on site. So that project is now moving very well.

MR COE: Is it likely that the \$1.7 million is going to be spent this current financial year?

Mr McNulty: That is certainly our intention.

MR COE: Where are things at so far?

Mr McNulty: As I say, there are 19 new dwellings to be installed on site. Ten of them are there at the moment. The rest are due by the end of March. The rectification works are proceeding. I think we have submitted applications for certificates of regularisation for a number of the dwellings. There are a number more in the rectification works being undertaken. There are a very small number of very difficult residents we are still negotiating with.

MR COE: Still on that same page, accountability indicator d relates to the number of direct sales finalised. The original total was 15. Twenty-four was the actual result. The note says that in 2011-12 there were an unusually large number of direct sales to ACT government agencies which accentuated the variance. Firstly, what is the nature of those direct sales? Are they like the Health project in Gungahlin, which was transferred from the LDA to Health at no charge, or are these other types of projects?

Mr Dawes: With the direct sales, I can have Greg Ellis give you a little more detail about the direct sales and the process. I am advised that he is not here. In the 2011-12 financial year, 24 leases were granted by way of direct sales. The government sold seven of them which were concessional leases, 10 commercial leases and seven executive leases.

What we do find in the direct sales is that there are three types of direct sales: there is commercial, community and then a territory entity as well. So we have an interdepartmental panel that assesses the direct sales. It is made up of all the directorates. We then look at what the proposal is. In the case of Health, Health will make an application for that. We assess that against the need and then that would then be transferred to them to carry out and develop.

The same would happen with a number of the different directorates. If we had an application from, say, JACS to build a new potential ambulance station, fire station or emergency facility, we, as the custodians of the land, would transfer that to the particular directorate.

In some cases the direct sale might be just a bit of contiguous land that is associated with a particular block of land. If an application were received and it went through that process, we would then have it valued and sold to that particular applicant as well. So there are a number of different types of direct sales that we carry out during the year.

MR WALL: Page 108, point e relates to the number of residential buildings released. The figure is down by 55.2 per cent. What particular estates are currently being held up and how many dwellings are proposed in each of those?

Mr Dawes: That comes back to our earlier discussion when we looked at the LDA. To start with, Denham Prospect was put off. That is 1,550 dwellings. Then also the suburb of Moncrieff and some of the other areas as well would make up the balance. With that land release program, it goes back to what the minister was saying earlier. One of the things that we are trying to ensure that we do, and some of the work that is ongoing, is to have that flexibility about being able to substitute different blocks for

different segments of the market to make up for some of the shortfall.

But when you had a major release of 1,550 or 1,700 as in the englobo sales at Denham Prospect, it was difficult to be able to substitute that. Again, we take into account all the market conditions as well. We actually work very proactively. We have a residential advisory council, a commercial advisory council, that is made up of all of the industry associations from which we get feedback.

In addition to that, we actually go out and monitor. We could have sold more blocks in Flemington Road, for example, to partly offset that. But when you look at the number of sales and the number of developments that are coming out of the ground there, it is not the appropriate thing to do. You have to actually be a little cautious in flooding certain segments of the market. So we do take some of those things into account.

Quite easily, I could have sold another 500 on Flemington Road but that certainly would not have engendered any confidence in that particular precinct. We do have a responsibility about ensuring that we provide opportunities in different segments of the market. Mainly it was Moncrieff in Gungahlin and Denman Prospect in Molonglo.

MR COE: The explanation also says that prolonged wet weather was a factor. Are we talking about a particular spell or was it just in general?

Mr Dawes: If you look at the suburb of Wright, we had some settlements there. We had, I think, in the order of—someone will correct me in relation to the exact number—\$46 million coming in in Coombs. One of the key things we do is work with our particular contractors. We had a look at what could be done as well, because there had been a lot of wet weather. If you had actually been out there, the conditions they were working in—as you know, bulldozers are not light things. Heavy equipment sinks. So it is not just a matter of a couple of days with the rain. It then takes a while to dry out so you can get some of that machinery back in.

Working with the contractor, we then said, “Righto, how can we actually separate things to get some settlements in Coombs in and what would be coming in in later years?” It was a judgement call working with the contractors to look at what we could do and what we could not do and focusing on what we could do. As a result, we got some settlements in. We got in the order of \$25 million or \$21 million in settlements in Wright rather than not getting anything at all. So it is a matter of us actually working on the ground.

THE CHAIR: On page 8 of the report, under the highlights section, reference is made to the city-to-the-lake project. Can you expand on what we have here in the report and tell me where we are up to with that project?

Mr Barr: This is one of the major pieces of work being undertaken in the directorate at the moment. The study area encapsulates a number of key sites within a precinct bounded by the CIT on the eastern side stretching across Parkes Way and down towards the New Acton precinct on the western side extending back up to City Hill and, of course, encapsulating west basin and the interface with Commonwealth Park. So that is the broad area of the work.

Within that precinct we are looking at three major pieces of public infrastructure—swimming pool, convention centre and CBD stadium. So a lot of the work has been looking at preferred locations for those three pieces of public infrastructure and then looking at residential and commercial components. A project of this scale in this location is pretty well unique in the country. We are talking about pieces of land, parcels of land, that are either undeveloped or underdeveloped within the parliamentary triangle owned by the territory government but, of course, subject to the previous pieces of work in relation to the National Capital Authority and the various planning instruments that altered the national capital plan four or five years ago.

So within that planning construct we are looking at how we can attract the investment necessary to get those new pieces of public infrastructure and address what is, effectively, a four to six-lane highway that cuts the city off from the lake. We are looking at opportunities to better activate West Basin as a community precinct and, importantly, engender a private sector investment in those pieces of public infrastructure.

So the work has involved a large number of stakeholders as diverse as the ANU through to the Lake User Group, the Property Council and the MBA. A variety of organisations have had input either as part of the key working group or as part of the consultation process over the time frame of the project.

We will obviously make some further announcements on the progress of the work in coming months and its integration with the capital metro project, with the better cities commonwealth government-funded work around the CBD and the city master plan exercises. Over the last decade or so a number of pieces of work have looked at particular precincts within the CBD. As more pulls together under the city to the lake and the better cities work, there will be, ultimately, a high level master plan vision, if you like, for future CBD development and then some more granular work on particular sites, developing sequencing, private investment opportunities et cetera.

There is a particular pressing need in relation to swimming pool infrastructure. As you are aware, the current Olympic pool as had a number of smaller investments made in maintaining the asset, but it is ageing. There is a question in terms of our longer term swimming pool strategy around the need for a state or territory-level aquatic facility that is more than just a suburban or town centre-style swimming pool complex. So all of those questions are being examined, including ways to attract private investment. Projects of this scale go to many hundreds of millions of dollars and will not be able to be funded off the territory budget as purely government financed capital works.

DR BOURKE: Speaking of pools, minister, could you outline the progress on the Gungahlin leisure centre and the pools, please?

Mr Barr: Certainly. This has obviously been a much-anticipated project in the Gungahlin town centre. It went through an extensive consultation process and variety of different needs will be accommodated within the facility. It has multiple pools that provide for lap swimming, learn-to-swim programs, hydrotherapy et cetera. It will meet a diverse range of community needs.

Construction is well progressed. I can possibly, in fact, provide the committee with some photographs of recent work. Those who are followers of my Facebook and Twitter accounts will have seen I have posted some updates recently on that work. So it has been a good project for Gungahlin. It completes an important precinct for the town centre. Obviously the bulk of the work on the college, library, CIT, NBN hub and enclosed oval is complete. There is some further work occurring on the enclosed oval. This leisure centre will certainly round off what is a world-class precinct in the Gungahlin town centre, something the community can be very proud of. I do not think there is a set of public infrastructure quite like it anywhere else in Australia. It is a fantastic investment in the future of one of the fastest growing areas in the country.

DR BOURKE: Part of that is a cogen plant, as I recollect. Could you tell us about that?

Mr Barr: Certainly the environmental sustainability elements of this particular precinct are a significant part of the design. Hamish will talk a little more about the cogen element.

Mr McNulty: A cogen plant was certainly considered as part of the design of the project. However, the budget did not allow for that to be included at this stage. But, as the minister said, sustainability issues are built into the whole facility overall. So while we were not able to proceed with the cogen plant, we are proceeding with a very modern, sustainable pool.

MR COE: You mentioned the Gungahlin enclosed oval. Will you please advise how management of the oval is going to work, who is going to have access to it and how that is going to work on a weekend and training basis? Also, what is happening with the cinema as promised by your party at the election.

Mr Barr: Whilst I wait for the appropriate sport and rec people to come up to talk about the enclosed oval, the cinema process has involved expressions of interest for a site that is next to the First Choice liquor site, so on Hibberston Street as you—

MR COE: Where the temporary parking is at the moment?

Mr Barr: Yes, that is correct. From memory, there have been nine expressions of interest.

Mr Dawes: Nine, and we are in the process of short listing those, and we will go back out for final design. I can get back to you with the exact time frame.

MR COE: Sure.

Mr Dawes: That is much needed. We were quite surprised with the number of responses.

MR COE: And how are the financials working with regard to the land? Is the government going to be granting the land or is it discounted? Are you going to be putting up money for the actual complex?

Mr Dawes: None of the above. What happens with all of our sites is that they are valued for what the purpose is. We had this discussion earlier. So there is a mixed-use development there, including a cinema, and that is taken into account. Once we have got the configuration of exactly what is going to go on the site, we will then go to three valuers and they will then set a valuation. We traditionally take the highest valuation.

MR COE: And have you put a figure on the number of theatres or number of screens?

Mr Dawes: Again, we leave that to the private sector to determine, because they will know. They are the best judges of the number of theatres required for the number of people that are going to be living in that particular precinct. We will go to the short list. They will then submit their tenders, and we will go from there. We will have clearer knowledge of whether it is one cinema or four cinemas.

Mr Barr: It is up to them. It would depend on the trends in that industry. It seems to be a larger number of smaller, individual cinemas. I think the era of the twin cinema is long gone. The economies of scale, in terms of front-of-house, ticket management et cetera, seem to dictate upwards of six screens at least being the minimum. But that will really be a question for those interested parties. In the context of recent cinema developments, they have been eight or nine screens.

MR WALL: Going back briefly to the overlaying of the pool facilities in Gungahlin—

Mr Barr: We will deal with Mr Coe's first question on Gungahlin oval.

Ms Priest: The Gungahlin oval will be Sport and Recreation services managed and, as an enclosed oval, it will be match play only, as a rule. As a general rule, training does not occur on enclosed ovals because of the quality and the grade of the facility. The user groups will be rugby union, AFL and rugby league. That will be the Gungahlin Eagles, the Jets and the Bulls as the user groups there. There is also a potential for football to be involved as a user of the oval.

MR COE: How do you work out the draws and the requirements of the different clubs? I know that is a question they are grappling with at the moment.

Ms Priest: We have an annual allocations meeting, at which time we sit down with all of our user groups and work out, based on the needs that are presented to us, how the allocations work. We found to date the process was fairly successful and we can get agreement among the user groups. That is the way we will go about it.

MR COE: Is there going to be scope for a clubhouse facility for any of those codes on site and will they have exclusive access to it or will it have to be shared?

Ms Priest: Those are discussions that we are yet to have. We will have those. There is potential there but we have not resolved those issues just yet.

MR WALL: On the overlaying of the pool facilities in Gungahlin, is there an

estimated completion date of those projects at this time?

Ms Priest: For the Gungahlin pool?

MR WALL: Yes and the oval.

Ms Priest: April 2014 is roughly what we are estimating for completion of the pool. The enclosed oval should be completed by the end of this year, ready for the start of 2014.

MR DOSZPOT: Mr Chair, can I ask a question?

THE CHAIR: Sure.

MR DOSZPOT: On the oval itself, what is the final seating capacity that you are looking at there?

Ms Priest: It is about 11 hundred seating capacity.

MR DOSZPOT: There is provision for people somewhere else?

Ms Priest: That is right.

MR DOSZPOT: What is the total capacity of the ground?

Ms Priest: The oval grandstand will include 500 covered seats and over 600 uncovered seats. So it is 11 hundred-plus.

MR DOSZPOT: What sorts of parking facilities have been planned for it?

Ms Priest: Hamish, are you able to answer that?

Mr McNulty: I would have to take that on notice. I do not have them at my fingertips. There is car parking there, but how many car parks, I do not know.

MR DOSZPOT: Would you take it on notice and how the car park relates to prime capacity and the impact it has on surrounding areas?

MR COE: Who will be managing the canteen? Is that something the clubs can run themselves and take the proceeds or is that going to be a central contract that will be allocated?

Ms Priest: Sorry, can you repeat the question?

MR COE: Yes. Are the canteen and catering facilities going to be a central contract through the government or is it going to be individual clubs?

Ms Priest: That is detail that has yet to be resolved. We have not got to that point yet. Can I just come back to the car parking question. I do have the details. There will be car parking for over 200 cars, with the adjoining oval accommodating oval users as

well as other precinct activities. There will be joint use of the car parking facilities and it will cater for over 200.

MR DOSZPOT: Will there be disability car parking spaces?

Ms Priest: There will be disability car parking incorporated as part of that.

MR DOSZPOT: Can we also get how many?

Ms Priest: I do not know that. We would have to take that on notice.

THE CHAIR: On page 147 of the EDD report it talks about the restoration of Isabella neighbourhood oval and the Charnwood district playing fields. Were these upgrades completed on time and on budget?

Mr Barr: These ovals are part of the restoration project. It is an ongoing piece of work. We funded further work in this term of government so that ovals, in addition to the ones you mentioned, are slated for that upgrade. They include Bonython, Watson and Weetangera. These two have been very successful upgrades. They certainly have added extra capacity for sport and recreation in Tuggeranong and west Belconnen. Yes, they have been very successful projects. It gives us confidence that an ongoing program of this nature is valuable. It does also allow, as part of the upgrade work, for some changes to the range of facilities that are offering.

I have a particular interest in Watson as it is in my electorate. In discussions with the community there, there was a particular desire to get some cricket nets and some other amenity as part of that particular upgrade. We are looking at what is possible, in addition to replacing irrigation systems and improving the playing surface. We are looking at what other sorts of sport and recreation facilities can be provided.

The bigger issue here is being able to respond to changing preferences in relation to sport and recreation facilities. One of the best examples of a new model for that sort of provision is what has been developed in Crace. The community recreation irrigated park has everything from cricket, basketball, netball, an outdoor gym and futsal. There are a variety of facilities built in rather just an oval with a concrete pitch and that is it. There are barbeque areas. There are riding and walking trails. There are a variety of things that are being built into this district model.

Through two programs we are running, one around oval restoration and the other around the quit program, we are certainly looking to enhance and diversify the nature of sport and recreation provision into different regions of the city, responding to community need. A lot of what occurred in the original development in the 1950s, the 1960s and the 1970s was pretty much a one size fits all approach. It has not necessarily been ideal for an organised team sport which works better at a district playing field level where there are facilities like canteens, for umpiring volunteers et cetera. It is better to have multiple games occurring at a district level.

At the suburban level we have got the opportunity to perhaps get a diverse sport and recreation offering, working with local communities around their particular preferences. Generally, the experience we have had in sites as diverse as Isabella

Plains, Bonython, Charnwood and Watson brings up a variety of community preferences. I think it is an exciting project for Sport and Rec to be able to work with those communities to evolve the quality of facilities and provide a more diverse mix of sport and recreation opportunities.

I think it is this sort of work that underpins the territory's position as far and away the most active community in the country, with far and away the best sporting facilities at a community level of any city in Australia.

THE CHAIR: What has been the take-up for community clubs wanting to use those ovals?

Mr Barr: At a neighbourhood level it tends to be more around training and informal usage. For the large organised competitions, there is a strong preference amongst the sporting organisations to utilise the district level playing fields where you can have, as I said, multiple games occurring. At the top end of the community sport hierarchy, we have our enclosed ovals for that grade level competition. It is a good mix of facilities. The thing to remember is that the proof of their usage is in the data we get annually on participation in sport and recreation. In the ACT it is higher than it is anywhere else.

MR DOSZPOT: Can I have a supplementary to Mr Gentleman's question?

THE CHAIR: Sure.

MR DOSZPOT: It is on the community usage, in Isabella particularly, perhaps. What other sports have access to Isabella Plains?

Ms Priest: Isabella Plains meets the needs of the junior AFL and cricket. Are you interested in Charnwood?

MR DOSZPOT: Yes.

Ms Priest: Charnwood meets the needs of both cricket and football, so those codes.

MR DOSZPOT: What about Little Athletics? Is there any involvement from the athletics community on some of these ovals?

Ms Priest: I will have to double-check that, take that on notice.

Mr Barr: Ginninderra Little Athletics have utilised Charnwood, because I have been out there.

MR DOSZPOT: I was wondering about the ones that have been restored.

Mr Barr: There was work done at Charnwood too. But we can certainly take that on notice.

MR DOSZPOT: Thank you.

DR BOURKE: Minister, could you advise of the aims and progress of the small club

site redevelopment scheme which is referred to on page 166, please?

Mr Barr: It is probably a question best directed to Minister Burch, as she has responsibility for this area within the Economic Development Directorate as minister for gaming and races.

MR COE: Has any work been done with regard to finding an ongoing home for Wests Rugby Club? I understand that Weetangera and Higgins were touted as possibilities, but is there any firm progress on that?

Ms Priest: I think Weetangera is the facility that we are looking at for that. Work is progressing there.

MR COE: Is there any update in terms of time frame or what facilities they might expect to have?

Ms Priest: Weetangera is on the restoration program, so it would coincide with the time of the restoration of that facility.

MR COE: I accept that it does depend on the restoration, but in terms of actual time frames rather than the sequence of events—

Mr Barr: It is 2014-15.

Ms Priest: It is the 2014-15 financial year.

MR COE: Does that mean the 2016 season?

Mr Barr: It could mean the 2015 winter season. It will depend on what that growing season is like as to whether the field would be ready, because obviously that work is undertaken in the spring of 2014.

MR COE: So in 18 months time.

Mr Barr: Yes.

MR COE: Regarding the Australian Crime Commission's investigation into Australian sport and Senator Lundy's comments at an initial press conference, I was wondering whether there is any impact on ACTAS, how ACTAS will support the inquiry and whether there are any operational or transparency issues that are likely to come about as a result of this.

Mr Barr: I will be having a briefing with the Crime Commission in relation to these matters in the coming days, so I will not be making any comment on that until I have had the benefit of that briefing. There was a sports ministers meeting held in Melbourne last Thursday afternoon. Unfortunately, I was unable to attend as I was in question time and had the budget midyear update. I will reserve any public comment on any matters related to this until I have had the benefit of that briefing. Even then, judging from the comments that my ministerial colleagues have made post their briefing, there are some elements of the information that they are just not able to

comment publicly on at all. What information I can provide I will, but until I have had the benefit of that briefing I am not going to be making any public comment in relation to these matters.

MR COE: When is that briefing taking place?

Mr Barr: This week.

MR DOSZPOT: Minister, did you have a direct representative at that meeting?

Mr Barr: Yes.

MR DOSZPOT: Can you tell us who that was?

Mr Barr: Mr O’Leary.

THE CHAIR: Let me go back to the report. Minister, on page 148 it talks about sport and rec grants. It mentions the program. How are these grants decided upon and what is the break-up of capital works and operational assistance?

Mr Barr: This is an annual grants program. It has a number of different elements. Ongoing operational assistance to sport and recreation organisations under a triennial or annual funding process, depending on the size of the organisation, the particular sport and the status of that organisation, tends to account for about half of the annual grants round. The balance is split across a number of different funding categories. The sports loan subsidy scheme allows sports to undertake borrowings for capital investment, and the government assists in meeting the interest payments or makes a contribution towards the interest payments on those particular investments. There is also a direct grants process for a variety of infrastructure, equipment and whatnot for sporting organisations.

We also reserve a proportion of the grants to target particular groups within the community who have lower levels of participation in sport and recreation or may have some barriers to their participation. We have an inclusive sports grants program and we work with particular sports around targeted interventions—for example, people with a disability, people from culturally and linguistically diverse backgrounds and older Canberrans. We seek to increase participation in sport and recreation in partnership with particular sporting and recreation organisations. These are annual grants. We recently announced the 2013 recipients. It is obviously a much valued program within the sport and recreation sector.

We are investigating a move to two-yearly and four-yearly funding, so moving from one and three-year to two and four-year operational funding programs, and looking at the balance between our operational assistance and our capital assistance for sport and recreation organisations. We are working with ACT Sport and its affiliates on those questions.

In terms of the program over the coming four years, we have a particular emphasis on co-investment. So where sports are able to attract investment from their national sporting body or from the private sector, we will be very interested in providing ACT

government assistance that might leverage that increased investment in sport and recreation. We are also particularly interested in supporting projects that assist sports to become more self-sufficient. There are a number of investments that sports can make to either reduce their operating costs or generate revenue raising potential for them to increase the total amount of funding that goes into sport and recreation in the territory; capital projects that will allow such usage will certainly be supported.

A practical example of that would be a particular sport seeking government support to create a new indoor sporting facility, for example, that they would use but, at times when they are not using it, could make available to other sports to access. That would not only generate revenue from the hire of those facilities for the host sport but also create a new piece of infrastructure for a number of other sports to utilise. An example of that in Tuggeranong is the archery club facility. That is allowed to leverage a men's shed opportunity. Archery gets a fantastic new facility but we have also got a new indoor sporting venue that is available for other sports as well. That was a project that was supported by the ACT government and has resulted in a win for a number of sports and is a great new facility in the Tuggeranong town centre.

DR BOURKE: On page 16, you talk about completing the Kippax enclosed oval redevelopment. Could you outline the scope of that redevelopment and how it has been received?

Mr Barr: Certainly. This is another fantastic example of a partnership, in this instance between the ACT government, the Belconnen Magpies and the AFL. This involves improvement to the playing surface at Kippax and a new clubhouse for the Belconnen Magpies, and obviously has benefits for other sports—cricket, for example. The ACT government provided around \$2 million towards this project. Through the partnerships that the Belconnen Magpies have been able to leverage, in terms of in-kind support, fundraising on their part and support from the AFL, I think around another half million dollars has been provided that has allowed the Magpies to develop their new clubhouse.

I look forward to officially opening the facility on Canberra's hundredth birthday weekend coming up in a couple of weeks. It is a great example of a community project supported by the territory government that has had buy-in from many stakeholders and will result in the Magpies being able to play their home matches on their home patch rather than having to play games at Manuka or at other venues because they did not have a home ground of the standard necessary to participate in the NEAFL.

The involvement of the AFL has been fantastic. I would like to acknowledge that there has been some commentary in relation to the territory's partnership with the Giants and with AFL more broadly. It has been terrific to see that at all levels of the sport there has been a contribution back from the Giants and from the AFL to invest back into this community to support new facilities. That is a terrific thing to see and we look forward to that continuing over the rest of this decade and beyond.

MR WALL: On page 284 it says that the government spent approximately \$108,000 for various motorsport clubs to develop a strategic business plan. What does this include?

Mr Barr: There is a variety of different support that has been provided through this program. The origins of this funding stem back to an allocation of \$8 million for a dragway that—

MR DOSZPOT: We are still waiting.

Mr Barr: Indeed. If we wish to go back further in history, I think the shadow treasurer was responsible for closing the existing dragway, which is now ancient history.

MR DOSZPOT: It is ancient history. We are asking about what your plans are.

Mr Barr: Absolutely, and I am just responding to an interjection, Mr Doszpot. Thank you for again reminding everyone of Mr Smyth's role in that particular issue.

MR DOSZPOT: It is your role we are interested in, Mr Barr.

Mr Barr: Will you let me go on?

MR DOSZPOT: Yes.

Mr Barr: Thank you; it is very kind of you to let me—

MR DOSZPOT: We are waiting with bated breath.

Mr Barr: It is very kind of you to let me answer your colleague's question. So \$8 million was allocated for a variety of motorsport projects. Mr Guthrie can talk a little about this in a minute, I am sure, to go into the detail of each of them. But at a higher level, it is important to note the distribution between investment in governance and the operations of the motorsport clubs—in particular, investment in facility upgrades, and the ACT government making some strategic investments in Fairbairn park and also in an off-road trail bike riding facility. We have been working on that particular project so the balance of the \$8 million in funds has been spread across those different projects. I do not have the detail on every dollar amount across all of those projects in my head—it will be reported within the annual report and will be subject to further reporting in the current fiscal year—but that is the broad distribution. Mr Guthrie, do you want to add anything?

Mr Guthrie: On page 284, the nine clubs there received an initial grant in the first round of the community motorsport development program to provide planning funds for business planning, facility development planning, so that we could guide a second round of funding which went out in August this year and will be reported in the next annual report, for development of those clubs. It is a funding program that the government put in place of half a million a year over three years. The current financial year is the last of the three years, and that money has been distributed to the clubs following this planning process that was undertaken during the financial year for the annual report we are talking about today.

MR WALL: What sorts of findings have been identified through the planning?

Mr Guthrie: The nine clubs that have undertaken their planning ranged from rallying, hillclimb, off-road bike, dirt bike, flat tracks—various ranges and types of motorsport. Each one has their own specific facility located in various areas, except for rallying, which depends on use of our forest areas and surrounds. Each one has required different things.

As an example, we have also allocated to the nine clubs a total of just over \$812,000 in grants. These were used for varying uses. The Trials Club of Canberra looked at facility development, with a new course and fencing at Fairbairn park. The Dual Sport Motorcycle Riders are doing a strategic and business plan. They did not participate in the first round but they are now catching up in planning. With respect to the hillclimb club, the Southern District Motorsports club, there is some funding of \$150,000 towards resurfacing of their hillclimb track at Fairbairn park. For the Motor Cycle Club, there was purchase of a bobcat for maintenance of their flat track and their motocross track. They are examples; I could go on.

One good thing—they are all good things—was the National Capital Motorsports speedway, on a separate lease beside Fairbairn motorsports club, which received funding of \$150,000 to connect them with reticulated electricity to their facility. They had none before; they have been operating off generators. The Brindabella Motor Sport Club, which is running the Rally of Canberra, which runs in a couple of weekends time here in Canberra, received specialist timing equipment to the value of \$107,000. That equipment is critical to the operation of that rally, which is part of the Australian Rally Championship.

MR WALL: Many of the clubs that you have mentioned often have issues relating to noise created by the activities. Have any programs been identified to help manage that situation?

Mr Guthrie: With respect to the broader motorsports strategy, a lot of studies have occurred around Fairbairn motorsport park, and it is specifically that facility that has a lot of noise issues. I know that rallying will have noise issues, but they can be easily identified—move a track away from a residential area and go somewhere else. But the fixed facility at Fairbairn park does have some noise issues. There is an existing noise management plan for Fairbairn park. The specific area we are worried about is the Ridgeway in New South Wales. That seems to be managed quite well now. With respect to the clubs that are associated with it, the hillclimb club is the main affected culprit, plus the motocross, cross-country bike and the flat track bike from time to time. They have a noise credit system and they manage that quite well at the moment.

THE CHAIR: What was the opportunity for motorsport clubs across the territory to participate in that funding scheme?

Mr Guthrie: We have touched base through the motorsport strategy with all clubs. We notified all clubs. As I said, nine clubs availed themselves of the planning. The dual sport club was the only club that did not participate in that, and now they are participating in that planning. So we have 100 per cent coverage of motorsport. I appreciate there are lots of clubs, like the Ferrari club or whatever, which would consider themselves associated with motorsport, but the true sports clubs have

received some level of support through this process.

THE CHAIR: You mentioned the rally. That is my favourite topic. Can you tell us where we are up to and how the government is assisting in that event?

Mr Guthrie: The one that kicked it off was the grant for \$107-plus thousand to support the timing equipment. Since then we have provided assistance and guidance. Motorsports events are very complicated things. They cover a number of laws and different service providers from government. So we have helped to point them in the right direction to facilitate outcomes in that way.

In a practical sense, one of my venues, Canberra Stadium, has facilitated access to the east car park as the service park for the rally. That facility is owned by the Sports Commission but we are the largest user of it, so we have facilitated what needed to be done for that. In addition we have helped to explain requirements, with our background, having a bit of understanding of motorsport requirements and rallying. We have assisted in explaining those issues to people in TAMS et cetera. So it has been mainly a facilitation role and some basic practical support.

MR COE: What communication has the directorate had with TAMS for development of the Public Unleased Land Bill, which was put through the Assembly on Thursday?

Mr O'Leary: Mr Coe, that is slated for discussion at the next meeting of the interdirectorate event coordination group. So whilst we are aware of it, detailed discussions around that and its application in a practical sense will take place at that meeting.

MR COE: Page 118 of the report talks about the government office block, which lives on, apparently. I was wondering what is live with that proposal?

Mr Barr: You would be aware that we went to the marketplace in Gungahlin for—

MR COE: Is the government office block going to go in Gungahlin?

Mr Barr: Yes, for an office block there. I indicated at the time that, pending the success of that particular process, I would extend that to future office accommodation needs elsewhere in the city. We can say that that process has been very successful, and I look forward to replicating that in relation to future office accommodation needs for the ACT public service in the years to come.

MR COE: So it says here there is money for adaptive reuse of existing building and campus-style accommodation, construction of a new building or some combination of those options. What does that mean? Is there a team within the directorate which is still beavering away at this?

Mr Barr: So we will go to the marketplace for expressions of interest to meet our accommodation needs. There is a whole-of-government accommodation strategy that cabinet will consider in coming months. In broad terms that will involve location of public servants at various points around the territory. We have made some commitments, obviously, in relation to some other parts of the ACT, aside from Civic.

There have been some decisions made in other budgets that free up existing government accommodation for some parts of the territory service to locate to.

For example, there is the decision to fund a new purpose-built Canberra College Cares facility at the Phillip campus at Canberra College, which will open up the balance of the old Stirling college, the front part of which contains the Centre for Teaching and Learning. So a large number of education staff are located at the CTL in Stirling. The ultimate transfer of the CC cares program from Stirling to Phillip will allow for more education staff to be located in Stirling.

MR COE: Office accommodation in Civic, that is what the paragraph says.

Mr Barr: Yes. We currently have staff across 19 different locations within the CBD. So we will need to update and upgrade our accommodation. We have leases over certain private sector buildings in the city. We own some buildings as well. Some are in the development corridor along Northbourne Avenue. So as part of a normal process of location of staff, we will lease buildings to meet our needs in the years ahead.

MR COE: But a big central office is still on the cards?

Mr Barr: Well, I do not think on the scale of the original proposal. So decisions that have been taken subsequent to that reduced the number of staff that you would need to locate centrally. We will also look at our accommodation along the light rail corridor. We obviously have staff in Macarthur House. We have staff at Dame Patty Menzies House in Dickson. We have staff in the Telstra and TransACT buildings on Northbourne Avenue and at 22 Northbourne Avenue. So we have a mixture of leased and government-owned accommodation.

Some leases will come to an end, and we may well go to the marketplace for new accommodation, and that may involve a relocation of staff from some parts of the city to Macarthur. But if the intent of your line of questioning is whether every ACT public servant will be accommodated in one building in the city, the answer is no. That was, in fact, never the intent of the original proposal, either.

MR COE: It was never the perception, was it?

Mr Barr: No, I mean, obviously there was a huge amount of effort put in by one side of politics to suggest that one building would accommodate every public servant. But we—

MR COE: The former Chief Minister did state that.

Mr Barr: We have nearly 20,000 staff, the bulk of which are in the health and education areas and so are employed at locations all over the territory.

MR COE: Sure.

Mr Barr: In terms of the core central agencies—Chief Minister's and Treasury—they are located across at Nara house, as part of this process it may well be that there is a

redevelopment or a relocation of some of those staff.

MR COE: So is the government of the view that the construction, development and financing of a building is still preferable, or is it to let the private sector—

Mr Barr: We will look at what the market offers and do a public sector comparator against that and make a determination. That will mean, from time to time, divesting ourselves of ownership of some assets, because there may well be a higher order use. So as the development of the capital metro project continues, it may well be that we wish to utilise our land holdings along that corridor for urban renewal, and that may involve mixed-use development. So we may retain some tenancies in buildings along that corridor, we may not. That will depend on market circumstances.

MR COE: Sure. Page 118 also says that early in the current financial year—so this is 2012-13—the request-for-tender stage should be in place for the Gungahlin office building and construction should begin in 2012-13.

Mr Barr: Yes.

MR COE: So is that likely to happen in the next four months?

Mr Barr: I think they are pretty close to it. They made an announcement prior to Christmas as to the successful tenderer.

Mr Dawes: On that project—and if you want more detail Hamish can go into the intricate detail—but KDN were the successful candidate for the Gungahlin office block. There have been a number of meetings with them, and we are just finalising the scope of that project. In their bid for that particular project, they were with Bovis Lend Lease, who will build the particular building. So those discussions are occurring.

We have identified the occupant of that particular building. As you know, we are relocating people from the Callum office in Shared Services out to that site, because they are in D grade accommodation at the present time. So they will be going out to Gungahlin. We are just in the process of finetuning that.

There will also be a shopfront in that particular building, which is something that the Gungahlin residents were looking for and seeking. We have been able to accommodate that in the particular building. If they are not scratching the dirt by the end of this financial year, it will not be very long after, Mr Coe. It is imminent.

MR DOSZPOT: On page 147, key achievements against performance measures, there is a lot of reference to the agreements with the Australian Sports Commission. My question is about the Australian Sports Commission and AIS. What sort of involvement has ACTAS got with some of the key areas within AIS, especially in terms of sports science and sports medicine?

Ms Priest: ACTAS works very closely with the Sports Commission and is involved at a range of levels. Do you want something specific or a whole range of—

MR DOSZPOT: I would like you to elaborate on what are those partnerships, how do

we gain benefit from interaction with the AIS in particular. You highlight in Sports Commission areas, but I am looking for a bit more information on the AIS as well.

Ms Priest: I would be happy to take that on notice and give you a detailed list of involvement and partnerships we have with them. We have a lot to do with the Sports Commission and through partnerships with ACTAS, but I would like to get the specifics of that and provide a detailed response.

MR DOSZPOT: That is on the AIS, in particular?

Ms Priest: Yes.

MR DOSZPOT: What about in the Australian Sports Commission interaction? You talk about 500 people being provided with education and professional development. Can you elaborate on that a little bit?

Mr O’Leary: While Jenny is looking for some information, Mr Doszpot, ACTAS is a member of a national network known as the national institutes of sports agreement. So ACTAS does play an active part. There have been a number of ways that have been explored, initiated by Minister Barr—and Mr Arbib was the federal sport minister—looking to capitalise on the fact that the AIS is located in our city and, as a consequence of that, there are a number of agreements in place that see ACTAS scholarship holders taking advantage of the facilities that are in place at the AIS and having access to the professional staff in place at the AIS. As Ms Priest mentioned, if it is detail that you are after, we are able to seek that but, in broad terms, I think it is fair to say that ACTAS does whatever it can to make sure it benefits from the fact that the Australian Institute of Sport is located in Canberra.

Ms Priest: Under the agreement arrangements that we have with the Sports Commission and the programs and the training that we deliver to over 500 people, it includes the Indigenous sports program, the junior participation program, women’s participation, disability sport, member protection, coaching education, officiating education, club development and culturally and linguistically diverse groups.

MR DOSZPOT: In terms of the clinical scientists and sports scientists and sports medicine, are there any specific interactions there?

Ms Priest: With the Sports Commission?

MR DOSZPOT: With the AIS.

Ms Priest: With the AIS. There are, but I will need to take it on notice and get back to you with the details.

MR DOSZPOT: I will look forward to that; thank you.

THE CHAIR: Mr Guthrie mentioned the Canberra Stadium earlier on. On page 140 of the report it talks about the need for future development at Canberra Stadium. Do you have any idea yet on the estimate of a cost to rebuild if you had to rebuild Canberra Stadium?

Mr Barr: Many hundreds of millions of dollars to get the bad infrastructure up to a standard that you see in new stadia that have been built in Australia in recent times. You think of AAMI Park in Melbourne as a recent, rectangular stadium. You see the redevelopment of the old Lang Park in Brisbane. There are clear advances in stadium infrastructure. If you look at what was built in New Zealand for the Rugby World Cup, what we have at Canberra Stadium is an old athletics track that has over a number of years been upgraded, with varying degrees of controversy around that, into a reasonably good stadium. The original infrastructure dates from the mid-1970s.

I think it is generally accepted that stadia have an economic life of about 50 years. So within the next decade it will be necessary to undertake significant upgrades. The fundamental issue with Canberra Stadium is that it was once an athletics track and, even with the addition of the inner bowl, the seats in both the Meninga and the Gregan-Larkham stands are a long way away from the action as compared to purpose-built rectangular stadia elsewhere in the world. You are talking \$70 million to \$100 million per stand.

There is a question ultimately for us to consider around what proportion of seating is under cover. At the moment there is a very low proportion of seats at Canberra Stadium that are under cover. From a user's perspective, in terms of the major hirers—both the Raiders and the Brumbies—they notice a considerable drop-off in crowd support on days of inclement weather. That impacts on their viability as sporting organisations and obviously impacts on the revenues that the stadium can generate.

I think the bigger picture question to grapple with is: if you are going to make an investment of that level at some point in the next decade, is that location the best spot to make such an investment? Pretty much every other city in the world has decided not to rebuild ageing infrastructure in effectively areas away from commercial precincts and away from transport hubs and have brought their stadia into the CBD. You have seen that most effectively in Melbourne with the consolidation of AFL grounds down to two—Docklands and the MCG. Both are just on the edge of their CBD precincts.

That process certainly allows for a night-time economy to generate around major events at the stadium. It allows for better transport connections and allows access to much greater car parking, which is obviously a topical question in Canberra. If you think about weekend and weeknight utilisation of 30,000 car parks in the CBD in this city, together with all of the transport connections, it is clear that there would be a better location. If we are going to make an investment of that scale then it is certainly the government's preference to do so in the CBD. That view is supported by both the Raiders and the Brumbies, who are the major hirers of the facility, and supported by the reference group who have been working on the city to the lake project. By all the people who have a stake in this, there is a very strong view that that is the direction we should be pursuing. That is the government's intent.

The issue really is one of timing and to what extent you can generate private sector investment. The lessons learnt from other stadia elsewhere in the country and the world are that you need a precinct that has utilisation 365 days of the year, so that

means you need to incorporate into such infrastructure a variety of different uses. There are some obvious ones around onsite hotels, convention faculties and capacity to host concerts, but there are also allied business opportunities in relation to sport and recreation, so doctors, physiotherapists et cetera.

Many of the most successful stadia in the world also have general commercial and retail space that is outwardly focused, so in a CBD context would have sufficient population around it to be viable businesses. As to the idea that you can set up cafes and shops at Canberra Stadium, given where it sits, there would be no business outside of event days. Even though the population of Bruce is encroaching, I do not think anyone is suggesting that, given the physical constraints of that site, it could ever be a precinct like you see in some of the other major stadia elsewhere in this country and elsewhere in the world.

That is the direction that we are pursuing. As I said, we will look, through the city to the lake project, to reserve a site for that facility and then put together the business case and go to the marketplace to secure the investment necessary to achieve that outcome. The time frame for this is later this decade. It is not something that will be constructed in this term of the Assembly, but I think we should be well advanced in terms of the project so that we can go to the marketplace within the next two or three years with a view to something being constructed towards the end of this decade.

MR DOSZPOT: Mr Chair, if I can just have a supplementary on your original question, which I think related to investment in Canberra Stadium itself.

THE CHAIR: Yes.

MR DOSZPOT: This is something we have tried to explore over the last few years. What is the ownership situation in terms of the ACT with regard to Canberra Stadium?

Mr Barr: The commonwealth own the asset. We have a peppercorn rent arrangement with the Sports Commission. That arrangement continues, subject to some further negotiation. I think the principal issues at play are that under the peppercorn rent arrangement we have responsibility for maintenance and upkeep. If the commonwealth, through the Sports Commission, were to seek to charge us commercial rent for that facility, they would then have to take over the maintenance of an ageing facility. Perhaps not surprisingly, they appear to have not much interest in doing that. So I would anticipate that in the interim the current situation will remain. We will make the necessary investments in the stadium, recognising its continued use for the balance of this decade, but we would not be proposing to invest hundreds of millions of dollars at that location.

MR DOSZPOT: You originally talked about acquiring it, so rather than having a peppercorn rental—

Mr Barr: Yes, we had looked at all of those options.

MR DOSZPOT: I asked the question some time ago as to what is the actual purchase value of the stadium and I do not think I have got an answer yet. Do you have an

answer on that?

Mr Barr: Because it is not for sale it is difficult to—

MR DOSZPOT: Why do you not put an ambit bid in?

Mr Barr: Because we do not necessarily want to acquire the asset, for the reasons that I have outlined. Why would you buy something at the end of its economic life, unless you intended to invest in that site?

MR DOSZPOT: I take issue with your constant reference to the fact that it is a 70s stadium. The stadium was extensively refurbished in 2000 for the Olympic Games. Some considerable money was spent on—

Mr Barr: Indeed, we are all familiar—more than was appropriated, I understand.

MR DOSZPOT: And it was all put to good use. The Raiders and the Brumbies have been the recipients of that.

Mr Barr: Yes.

MR DOSZPOT: It is a very, very good stadium. You keep referring to it as being a 40-year stadium.

Mr Barr: The main grandstand is.

MR DOSZPOT: The main grandstand is, but there are other aspects to it which make it a very viable, mid-level use stadium.

Mr Barr: It has many great qualities but even if you accept your point about it being upgraded 14 years ago, stadia have moved on. Technology has changed. Crowd expectations have changed in terms of what people expect at a major venue. The principal issue we have at Canberra Stadium is that such a small proportion of the seats are under cover. When it rains, when it snows or when it is cold—

MR DOSZPOT: Mr Barr, I understand all that. What I am trying to get at is that you initially expressed an interest in acquiring the stadium.

Mr Barr: Yes.

MR DOSZPOT: I am asking, from an economic point of view, you would want to know what that acquisition would cost. I am back to that.

Mr Barr: Okay; our intention would have been to acquire it at almost no cost. We would have bought it for \$1 probably, if it were available.

MR DOSZPOT: I think there would be a lot of competitors for that sort of acquisition process.

Mr Barr: Except they would be inheriting an asset that requires a significant

investment to bring it up to a certain standard.

THE CHAIR: Dr Bourke has been very patient here while you have had your conversation, but he does want to ask a question.

MR DOSZPOT: Could I get some supplementary information on that as to acquisition rationale? If you are pursuing that, whether in terms of—

Mr Barr: No, we are not. We are not seeking to buy Canberra Stadium.

DR BOURKE: Minister, what progress is EED making in meeting the objectives of the ACT's public service employment strategy for Aboriginal and Torres Strait Islander people?

Mr Barr: The agency is active in this space. The director-general will be delighted to talk.

Mr Dawes: Yes, I am happy to do that, and I will invite Cathy Hudson, who looks after this particular area, to go into some of the finer detail. We have actually worked proactively with the committee as well. We are looking at employing, where we can, Indigenous people within our organisation. We do have some Indigenous people within the organisation currently.

We are looking at how we can advance that even further. Obviously, with the new committee structure as well, we are committed to inviting members of the council to our executive meetings as well. It is not only a matter of employment but how we engage with them right across the Economic Development Directorate—from a business perspective, from a sport and recreation perspective as well, and even from a tourism perspective.

This is some of the dialogue that we are having with, in particular, Rod Little. We now have a new gentleman we are dealing with. His name escapes me for a moment. Cathy will be able to tell you. We have had our first meeting that was very constructive of the new committee. We are undertaking a number of different tasks. It is a lot broader than just employing Indigenous people in the organisation. It is a matter of how we can actually engender that right across the broader directorate.

Ms Hudson: In terms of Indigenous and pro-Aboriginal and Torres Strait Islander employment in the agency, we are currently have two people. It is quite challenging. One of the people we used to have moved for family to Sydney. We cannot stop that. But I suppose one of the things that has been most encouraging in the most recent past is that one of our employees actually identified for the first time as an Aboriginal and Torres Strait Islander and felt comfortable to do that. That is part of the cultural change that we want to bring about.

I am not sure. There may well be others who have previously not identified as Aboriginal and Torres Strait Islander. The gentleman who we are meeting with is Maurice Walker, who is now the portfolio representative on the elected body. In fact, I think we were meant to have our second meeting this morning but due to this meeting we have re-scheduled.

In terms of public sector employment and improving the numbers, I will be frank. It is challenging when we have been looking at our overall numbers to increase those numbers. But what we have also been doing is looking at how we can engage with CSD around the traineeships. We are keen to work with Nic Manikis's area—with the Office of Multicultural Affairs and Indigenous affairs—to ensure that we are part of that program.

We are also wanting to do what we can in terms of the graduate recruitment, how to link in. We specifically tried to get an Indigenous person through the whole-of-government graduate program. One of the things that we try to be conscious of is the different levels and trying not just to go for trainees but trying to improve our employment of Aboriginal and Torres Strait Islanders at all the different levels within the agency.

What David Dawes was referring to is that we are also working with the elected body in terms of private sector employment and what we can do to improve those chances for employment in the private sector as part of the business development strategy. I am sure you are aware of that. It is looking at Indigenous business development and what we can do to support that.

We have met with Rod Little as the chair, Benny Hodges previously and with Maurice around progressing that. We are keen to look at what we can do in terms of Boomanulla Oval. Jenny Priest is involved in that in terms of that economic development and what came out of last year's estimates hearings to progress that and work collaboratively with the elected body on the employment situation and building that centre into an economic precinct as well as a sport precinct.

The other link that we are working on as part of the election commitments is around Indigenous development, Lighthouse and those micro-credit programs. That is one of the ones that we are keen to progress. We think it is a very successful program. A lot of people have access. There is a specific one that is targeted for women. The micro-credit space is one that where we are trying to get the support of the Indigenous Elected Body if that is something that they felt would suit their people.

We are trying to work in partnership to make sure we can do that in the public sector and in the private sector. In the public sector it is challenging while we are trying to go through structural change but we are very committed to it. In fact, in terms of how our staffing numbers are reported, in terms of the commitment within the directorate, both graduates and trainees are reported against the office of director-general rather than part of the division in recognition that we really want to support entry into the service.

We will look again at how we can do it for graduates, because I really think that that would be good if we could recruit an Indigenous graduate into the Economic Development Directorate.

DR BOURKE: Have you explored the opportunities available through the commonwealth's cadetship program which provides sponsorship for students while they at university and then gradual entry into the workforce?

Ms Hudson: Through discussions with Nic Manikis we have partially explored that and we are involved with economic development participation reporting back into COAG. But we keen to do more of that.

I was trying to remember one other thing that I wanted to mention. We have implemented across EED a performance and development and management program. As part of that, there is career planning for Indigenous employees. It is a particular focus and it is part of the commitment in the Indigenous employment strategy. There is a particular focus on that.

THE CHAIR: I thank the minister and directorate officials. That concludes the committee's examination of the reports of LDA and EED. The committee will resume its consideration of the 2011-12 reports tomorrow at 2 pm, when it considers ACTION and Roads ACT.

The committee adjourned at 12.35 pm.