



LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY

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

(Reference: [Annual and financial reports 2012-2013](#))

Members:

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

TRANSCRIPT OF EVIDENCE

CANBERRA

THURSDAY, 17 OCTOBER 2013

Secretary to the committee:

Ms M Morrison (Ph: 620 50136)

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

Environment and Sustainable Development Directorate.....	1
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Privilege statement

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Amended 20 May 2013

The committee met at 9.03 am.

Appearances:

Corbell, Mr Simon, Attorney-General, Minister for Police and Emergency Services, Minister for Workplace Safety and Industrial Relations and Minister for the Environment and Sustainable Development

Environment and Sustainable Development Directorate
Ekelund, Ms Dorte, Director-General
Ponton, Mr Ben, Deputy Director-General, Planning
Traves, Mr Alan, Executive Director, Policy
Simmons, Mr Craig, Acting Executive Director, Regulation and Services Division
Walsh, Mr Adrian, Director, Corporate
McKeown, Ms Helen, Conservator Liaison Officer, Nature Conservation Policy
Tomlinson, Ms Heather, Senior Manager, Nature Conservation Policy
Chester, Mr Heath, Acting Director, Environment Protection and Water Regulation
Brady, Dr Erin, Executive Director, City Planning Division
Corrigan, Mr Jim, Executive Director, Planning Delivery

THE CHAIR: Welcome to this public hearing of the Standing Committee on Planning, Environment and Territory and Municipal Services, inquiring into the annual financial reports for 2012-13. Today the committee will be examining the Environment and Sustainable Development Directorate annual report, including the annexed reports of the Conservator of Flora and Fauna, Environment Protection Authority and ACT Heritage Council. I remind witnesses that the proceedings are being recorded by Hansard for transcription purposes and webstreaming and being broadcast live. Today we are hearing from the Minister for the Environment and Sustainable Development. Minister, could you and your officials please confirm that you have read and understand the implications of the privilege statement in front of you?

Mr Corbell: Yes, Mr Chairman.

THE CHAIR: Thank you very much. I understand that we have heard from the directorate in regard to capital metro, and we will be dealing with that this morning. If members are okay, we will deal with that in the city planning segment. Thank you. Minister, would you like to make an opening statement?

Mr Corbell: Thank you, Mr Chairman, and thank you to the committee for the opportunity to appear before you this morning. I do not propose to make an opening statement, but I am happy to try and answer your questions.

THE CHAIR: I might just kick off on page 6 of the report, where there is discussion on the national energy retail laws implementation. Could you advise the committee how this is working in the ACT.

Mr Corbell: The government is party to a range of agreements that deal with the

regulation of electricity and energy sales, transmission networks and so on within the territory as part of our participation in the national electricity market, in particular. These different amendments to these laws reflect agreements that the territory has entered into with the other participating jurisdictions in the national electricity market and the broader energy regulatory arrangements.

The ACT has recently implemented the national energy customer framework, the NECF, as it is known. The Assembly agreed to those reforms during the term of the last Assembly. The NECF is the national energy customer framework, which is a new national consumer protection framework for energy customers in the ACT and is intended to apply to all the other participants in the national energy market arrangements. The NECF has now commenced in the ACT, Tasmania, South Australia and New South Wales; we are still waiting for Victoria and Queensland to implement the NECF so that it is truly national, at least as far as the eastern seaboard and central parts of Australia are concerned. All those markets that are part of the national electricity market are participating uniformly.

The importance of this reform is that it provides a common set of operating procedures for all electricity retailers, in particular, but also gas retailers, to abide by when it comes to the sale of electricity and gas to their customers, and it provides their customers with a uniform set of consumer protections which allow the electricity retailers and the gas retailers to operate seamlessly across state and territory borders. So rather than having to abide by different consumer protection regimes in each jurisdiction, they have a common consumer protection regime. There are some minor variations between certain jurisdictions, and that is one of the reasons why Victoria and Queensland are yet to sign on: they have particular provisions in their existing consumer protection arrangements that they want to see appropriately reflected in the national arrangements.

From the ACT's perspective, our consumer protection arrangements very much mirrored already what was in the NECF; therefore, it was relatively easy for the ACT to adopt the NECF instead of continuing with our own consumer protection arrangements under the Utilities Act and so on.

These are very important reforms and are very significant for the ACT because, as a small jurisdiction in the national electricity market, both in terms of our energy use and in terms of our total population, we gain benefits from participating in these broader national reforms.

THE CHAIR: Thank you very much.

MR COE: Minister, what impact would the abolition of the carbon tax have on the directorate and, more broadly, on government policy?

Mr Corbell: The abolition of the carbon tax in general terms is expected to see, obviously, first of all, the cessation, potentially, of liabilities that the territory has itself as a polluting entity under the current carbon pollution reduction arrangements. For example, we have liabilities as a polluting entity in relation to the operation of the Mugga Lane landfill site; presuming that there is no alternative arrangement put in place by the new federal government, those liabilities will cease in terms of payments

that need to be made.

More broadly, in terms of energy policy, we will have to watch very closely whether or not there is actually a pass through in terms of electricity costs in particular, and gas costs, to end consumers. This is a matter that we will be observing very closely given the current federal government's stated intention to repeal the carbon pollution reduction scheme. I note that there is currently quite a bit of uncertainty as to when the repeal will take place, and particularly, if the repeal does not take place until the next financial year, whether or not polluting entities will continue to be liable for the new financial year. I note that that has been a matter of some debate in recent days following the federal government's announcements. We are watching these developments closely, but it is still a developing situation and there is still quite a bit of uncertainty and lack of clarity around how these arrangements will actually work.

MR COE: If the territory is not paying a carbon tax as a polluter and there is no comparable scheme in place—that is, there is no charge on carbon—will we see any reductions in the prices that the directorate or the government charges for various services?

Mr Corbell: I would suggest that you need to direct that question specifically to the Territory and Municipal Services Directorate. They are responsible for the operation of the Mugga Lane landfill, which is the polluting entity set out in the CPRS arrangements. From my recollection, there was no increase in gate charges as a consequence of the imposition of the carbon pricing arrangements, so there would not necessarily be a commensurate decrease either—because, as far as I am aware, there has not been an increase in the first place. But the Territory and Municipal Services Directorate would be in the best position to answer that question for you.

MR COE: Do you envisage that the commonwealth government will still measure carbon emissions in the same way, as you depend on their calculations at present?

Mr Corbell: I do not know what the new commonwealth government intends to do in relation to those matters.

MR COE: In the event that the commonwealth government does not provide a service whereby they do calculations on carbon emissions, is that something that the ACT government would undertake?

Mr Corbell: It is a hypothetical question, Mr Coe. I would expect that the Australian government will continue to undertake an inventory and counting methodology for carbon pollution in terms of the Australian economy as a whole. They still have international reporting obligations. The federal government have indicated that they are committed to a five per cent reduction in greenhouse gas emissions by 2020, 2025. Presumably, they are still going to need to measure and account for that.

MR COE: Since the carbon tax was implemented, what benefits have we seen in the territory?

Mr Corbell: We have seen a levelling out in our carbon emissions in the territory. Over the last 12 to 18 months, we have seen a levelling out in the level of our carbon

emissions. We have also, we know, seen a levelling out in demand for energy. Demand for energy is relatively flat in the ACT at the moment, as it is nationally, and it is certainly recognised that the carbon pollution reduction scheme has contributed towards those national shifts.

MR COE: How confident are you that there is a direct negative correlation between the price on carbon and those results, those benchmarks, that you have just mentioned?

Mr Corbell: The analysis is necessarily conducted often at an Australia-wide, economy-wide level. But what we do know in the national electricity market, for example, is that there is a range of old fossil fuel powered generators being mothballed or retired. There are a number of very large generators being retired from the national electricity market, or mothballed. I think there is a 1,000-megawatt coal-fired power station in Queensland which is being mothballed by the Queensland generator because of lack of demand in the national electricity market. I think that is a very clear demonstration that the costs associated with some very old and polluting technologies simply do not justify continuing to keep those pieces of generating capacity in operation. Certainly carbon pricing will have an impact in that respect.

MR COE: But in terms of the emissions actually generated here in the territory, as opposed to emissions that Canberrans are perhaps responsible for, what has the benefit been since the carbon tax? And if the carbon tax is abolished, will we no longer see those benefits?

Mr Corbell: As we know, Mr Coe, the primary source of emissions in terms of the territory's overall consumption is driven by the use of stationary energy, and therefore the use of electricity and gas. Clearly, electricity is not generated here in the territory to any substantial degree at this time. So emissions generated elsewhere but accounted for in our inventory are the primary source of our overall emissions profile. In terms of our emissions generated specifically within the territory, as you would, I hope, know, one of the leading sources is transport fuels, and transport fuels have not been subject to the carbon pollution reduction scheme.

THE CHAIR: Minister, what changes by consumers in the territory have you seen during these last few years of discussion on carbon pricing and emissions?

Mr Corbell: We have seen two things happening. First of all, Canberrans increasingly are making a very significant switch to renewable energy generation. The 2009-10 renewable energy use in the ACT was 12.9 per cent of total electricity consumption. Compare that to less than seven or eight years ago, when it was at a very low level indeed. We have seen Canberrans increasingly making the switch to renewable energy generation because of the costs associated with other forms of energy.

Secondly, we have seen that overall energy use has flattened out. That is consistent with national trends. People are being smarter around their energy use and they are using energy more wisely. That is certainly associated with the price signals that have been coming through in terms of energy use. Obviously we have seen significant price increases nationally—less so here in the ACT, but still increases. People are

responding to those price increases by making sure their homes are more energy efficient, making sure they use energy more wisely and upgrading their appliances. We have also seen the deployment of the ACT government's energy efficiency schemes, in particular the energy efficiency improvement scheme, which, in the last seven to eight months alone, has reached nearly 10,000 Canberra households and has seen those households implement energy efficiency measures with the assistance of their energy retailer—things like draught sealing around windows and doors, improvements in energy efficiency for entertainment and computing equipment through energy-saving power boards and so on. These are all the types of measures that are now being implemented in households, which are helping households save money and also reduce greenhouse gas emissions.

THE CHAIR: Thank you.

DR BOURKE: Minister, given that there is a proposal to abolish this scheme to place a price on carbon, what do you think will happen to carbon emissions as a result of that abolition?

Mr Corbell: The risk is that carbon emissions will increase in the absence of any feasible alternative.

MR COE: They already have been. Did they decrease under the carbon tax?

Mr Corbell: What we know is that they are growing at a slower rate than they would have under the business-as-usual scenario. That is what has been set out by the federal government and that is what has been very clear. Compared to the business-as-usual scenario, the growth in emissions has slowed. Therefore, we are cutting, effectively, the level of greenhouse gas emissions that are going into the atmosphere as a result of the carbon pollution reduction scheme.

The risk is that in the absence of any credible and properly funded greenhouse gas reduction strategy at a national level, we will return to a business-as-usual scenario. That business-as-usual scenario—that is, before the CPRS was implemented—means that we will not even meet the five per cent greenhouse gas reduction target that both sides of federal politics say they believe is appropriate. So that is the real risk. Quite frankly, I think that is unacceptable.

We are one of the most vulnerable nations on the planet when it comes to increases in global temperature. We are facing increased rates of severe heatwave events and, therefore, heightened bushfire risk conditions and coastal inundation. I think the latest analysis from the IPCC indicated that it is up to an 80-centimetre sea level rise around Australia by the end of this century. That has catastrophic implications for a very large number of private properties, but also a large amount of public infrastructure and public safety, including things like railway lines, highways, bridges—a whole range of essential public infrastructure.

As a nation, we have an obligation to try and mitigate these impacts, because we are directly affected by them. It is regrettable that we may be in a situation where we are not able to even meet a five per cent reduction in our greenhouse gas reduction obligations or so-called targets.

MR WALL: Minister, I would just like to ask a few questions regarding the feed-in tariff and the solar auction process.

Mr Corbell: Sure.

MR WALL: As far as the pre-qualification goes for solar companies to participate in the solar auction scheme, what is the assessment process that they must go through?

Mr Corbell: Thank you, Mr Wall. The mechanism which the bidders have to go through is a two-stage process. The first stage is about assessing their financial and technical capacity to deliver large-scale solar facilities in the territory. So they are assessed in terms of their financial capacity—ie, do they have credible financial proposals in place backed up by relevant financing institutions—about their capacity to deliver. This is important. It is all very well to bid a price, but the experience in other jurisdictions, particularly jurisdictions overseas, is that we have seen a lot of so-called tyre kickers—people who will come in, bid a low price but who have absolutely no financial capacity to deliver or, indeed, limited technical capacity or expertise to deliver.

So amongst the criteria that the pre-qualified bidders have to meet to get that pre-qualification before they bid a price is, first of all, demonstrating their financial capacity and backing to deliver and, secondly, demonstrating either prior experience or engagement with firms that have that experience to technically deliver projects on the ground. So those are the two key areas that bidders are required to address to get through the pre-qualification process. That is designed to remove the tyre kickers from the process before prices are bid so that when prices are bid in the second part of the auction process, we know we are dealing with bidders that have the technical and financial capacity to deliver.

MR WALL: How much investigation or checking is done into their financial stability to make sure that they are capable and also their previous business history to make sure that they are reputable businesses that we are giving pre-qualification to?

Mr Corbell: Yes, I have established an expert advisory panel which provides advice to me, first of all, on those bidders that should be pre-qualified. Secondly, that panel engages its own separate consultants—people expert in solar power delivery as well as expert in financial analysis—to do that work. The panel commissions a series of consultants' assessments of the bidders to determine whether or not they are credible entities for the purposes of delivering these projects. They make those recommendations on who should be pre-qualified. Once that is agreed, those pre-qualified entities are invited to bid.

MR WALL: Once a licence has been granted through the process, are entities able to co-locate small and medium-scale generation sites with large scale on the same parcel of land?

Mr Corbell: You would be aware that one of the winning bidders in the most recent auction process is the OneSun Capital project at Uriarra. As I announced at the time, that is a 10 megawatt facility, seven megawatts of which is supported through the

large-scale feed-in tariff. The remaining three is the amalgam of existing medium-scale feed-in tariff entitlements which that company has accrued separately from the auction process.

MR WALL: Minister, does not the act detail that a minimum-scale site cannot be larger than I believe it is 200 kilowatts in size, and there are regulations or criteria around whether or not they can be located on the one site? How is the Uriarra proponent able to combine multiple medium licences with a large-scale licence given that there are issues around different pricing for each entitlement?

Mr Corbell: They will need to be separately metered, and that will be a matter which the proponent has to get agreement on from the retailer—ActewAGL.

MR WALL: Would that not then give an advantage or skew the large-scale solar auction process if some submissions are relying on a higher subsidy paid through the medium scheme when others would be potentially more cost effective overall but have a slightly higher price because they are not relying on a substantially higher subsidy from the medium scheme?

Mr Corbell: It is actually the reverse. The allocation of the decision by the proponent to co-locate their medium-scale entitlements with a bid for a large-scale entitlement, therefore, pushes down the price for the large scale and makes it a more cost-effective and attractive proposition for the territory in terms of price.

MR WALL: If co-locating makes it a more competitive price, why is the licence granted at Uriarra substantially a higher price per kilowatt-hour generated than the other two solar farms?

Mr Corbell: It is not.

MR COE: What are those rates?

Mr Corbell: Price per kilowatt-hour? It is approximately the same price as the FRV project, which is 18.6c per kilowatt-hour. I am happy to stand corrected on that.

Mr Traves: My unit is responsible for the conduct of all the feed-in tariff over the last few years. The price that is bid in any kind of auction process is dependent upon the circumstances of the company who is bidding at the time and the drivers for that bid. For instance, the FRV bid, which was the winner of the first tranche, was part of a concerted effort by that company to divest itself of some northern hemisphere assets and to move into new markets in the southern hemisphere. Therefore, they were prepared to be extremely competitive and reorganise their company to put a good price forward. The ACT was the beneficiary of that market decision, which was beneficial to us.

Similarly, the Chinese company, which has won the majority of the second tranche, is an extraordinarily large company. The economies of scale that accrue to that would enable them to put in a very good price as well. The Australian company, while competitive, does not have those international advantages and you could only expect that the price would be slightly different. It is still extremely competitive in the

market; it is just not as competitive as the one who won it first. That is not unusual in any kind of bidding situation.

MR COE: What is the rate per kilowatt for the Uriarra site?

Mr Traves: I would have to check that for you. I do not have that to hand. It is only a matter of cents per kilowatt-hour difference.

MR COE: Do you know how it compares to 18.6c?

Mr Traves: No, I would have to—

Mr Corbell: We can provide that answer for you later this morning, Mr Coe. That information is relatively available.

MR COE: Sure. Do you believe, minister, that the combining of small and medium sites of scale of operations is consistent with the spirit of the legislation?

Mr Corbell: There is no combining of small sites. In relation to the Uriarra project, there is a combining of medium and large-scale feed-in tariff entitlements. That was disclosed fully throughout the auction process. It was not an unknown or a surprise to anybody. What it has meant is that, effectively, for the price that is being paid by consumers for the medium-scale entitlement, we are getting a more effective and cheaper price for the large scale. So overall we are getting more renewable energy at a more competitive price as a result of that decision on the part of the proponent.

Of course, that is what the auction scheme is all about—to deliver large-scale renewable energy at a very competitive price for consumers. The total cost of all three projects, presuming they are approved and proceed, is approximately 45c per household per week in 2016, dropping to approximately 25-odd cents per household per week in 2021. That really does demonstrate the very cost-effective nature of the prices that are bid as a result of that auction process.

MR COE: Is there an explicit provision in the act for the combining of sites?

Mr Corbell: There is nothing—my advice is that there is nothing that prohibits that occurring.

MR COE: Was it envisaged at the time of the legislation being drafted?

Mr Corbell: Look, it has always been a possibility. We have seen medium-scale entitlements being aggregated at other sites. For example, the proposal to build the solar farm in the Majura Valley winery site that has received some publicity in recent months is similarly a proposal that involves the co-location on one site of multiple medium feed-in tariff entitlements.

DR BOURKE: Minister, could you tell us a little more about what was involved in the community consultation for the government's new climate change strategy?

Mr Corbell: Thanks, Dr Bourke. The government set out the development of action

plan 2 as a priority in the last term of the Assembly. So this is a matter that was captured largely in the first half of the last financial year. The development of action plan 2 involves setting out a clear, coherent, affordable and deliverable pathway to achieve our greenhouse gas emission reduction targets.

As you know, we have got a 40 per cent reduction target based on 1990 levels to be achieved by the year 2020. In practical terms, this is approximately a cut of close to 50 per cent of our existing greenhouse gas emissions profile from just over four million tonnes to just over two million tonnes by the year 2020. So it is a very significant reduction target that we need to achieve.

The development of action plan 2 involved detailed community consultation across the ACT community, not just with industry stakeholders but with individual residents, business organisations, community-based groups. They were all invited and participated in developing options for the government's consideration in relation to action plan 2. We set out a series of possible pathways to achieve those greenhouse gas reduction targets and initially agreed on a pathway which has a number of significant components.

It outlines 18 actions in six key areas, including: the reduction of emissions in residential, non-residential, transport and waste sectors; transitioning to large-scale renewable energy; adapting to climate change; and monitoring and reporting on our progress in relation to these measures.

Some of the key components to achieve our greenhouse gas reduction targets include the use of energy efficiency in buildings. As I mentioned earlier, the use of stationary energy in buildings is the single largest contributor to our overall greenhouse gas emissions profile. That includes emissions generated elsewhere but, under our counting methodology, accruing to our liability, if you like, as well as emissions that actually occur here in the territory.

To achieve energy efficiency in buildings, the government has implemented the energy efficiency improvement scheme. This scheme, as I mentioned earlier, is designed to assist households to improve their energy use and energy efficiency, reduce their greenhouse gas emissions and also save money on their electricity and gas bills. This scheme is anticipated to reach approximately 70,000 Canberra households over the period of its operation, which is a three-year period. It commenced at the beginning of this year. The scheme provides free or discounted services to households to improve energy use in their properties. As I have said, we have had about 10,000 households serviced to date as a result of that scheme.

It is worth mentioning, of course, that the scheme saves households over the life of its operation approximately \$300. So that is a worthwhile saving in terms of household electricity bills. The overall contribution of the scheme to our greenhouse gas reduction target is in the order of about three-quarters of a million tonnes of greenhouse gases abated or saved over the life of the scheme.

The scheme initially was set up to reach single dwellings—individual private households. It is now being extended to reach small and medium enterprises, including private businesses and non-government community organisations. So this is

going to be very beneficial for small business, particularly small business that has energy-intensive operations. So those types of businesses—small independent supermarkets, corner stores, newsagents, anyone who is running a big fridge or freezer—have some real potential to save money as a result of their inclusion in the scheme. Those are measures we are continuing to develop.

The other big contributor to achieving our greenhouse gas reduction targets is the use of large-scale renewable energy. Action plan 2 set out that we would establish a 90 per cent target for the ACT's power being sourced from renewables by the year 2020. This is where the large-scale solar auction and the large-scale feed-in tariff, for instance, are particularly important. We have already started down this track. Forty megawatts of renewable energy generation has been allocated through the reverse auction solar auction process to the three proponents that we have just been discussing—the FRV Royalla solar farm, 20 megawatt proposal.

I was very pleased to join with Mr Gentleman yesterday with that project commencing construction adjacent to the Monaro Highway south of Tuggeranong. That is a very significant project in national terms as well as in local terms. That is a project that, on its own, will see enough energy generated each year to power the equivalent needs of about 5,000 Canberra homes. So it is a very significant step forward in terms of improving our renewables profile for our energy use.

The other two projects—the Zhenfa Solar 30 megawatt project and the OneSun seven megawatt project—are contingent, of course, on receiving all the necessary approvals. They will also contribute very significant to this target. But, moving forward, what we will need to do is continue to source further renewable energy. In particular, the government is currently giving consideration, as is outlined in action plan 2, to using the reverse auction process to support the deployment of wind generation, not in the ACT, because of our—despite today—limited wind resources, but in the Australian capital region, which is permitted under the legislation. The Australian capital region has a very strong level of wind resource. A large number of wind projects are approved but not yet operational. Others are in the planning stages. They could be supported with the use of a reverse auction mechanism.

We will also be looking at using our feed-in tariff arrangements to support the development of waste-to-energy technologies. They will also play a role in our overall 90 per cent renewables target. For example, we have a lot of intractable waste and other waste that is currently going to landfill, some of which cannot be recycled or, if it can be recycled, perhaps its most efficient form of recycling is to generate electricity either through the development of synthetic gas or other biogas-type technologies. The government is currently undertaking policy work in that area as well.

THE CHAIR: Minister, could you just outline for us in a bit more detail the consultation process that you have had with action plan 2 in regards to consultation with the community?

Mr Corbell: The consultation process?

THE CHAIR: Yes.

Mr Corbell: That consultation process was completed pretty much in the first half of last year. It involved steps such as, obviously, the normal public submissions and comment process, but also more innovative mechanisms. There was what was known as a world cafe event, where a whole range of different representatives were invited to a half-day workshop to work through and brainstorm ideas on the best way to put together a pathway for achieving our greenhouse gas reduction targets. I think six alternative pathways were put forward for community comment, and the pathway that was ultimately chosen is the one that certainly received the strongest level of support in that community consultation process. That is now reflected in AP2.

I think as a city we can be very proud of our greenhouse gas reduction targets, but also of the strategies we are putting in place to achieve them. Contrary to others' criticisms, we are demonstrating that we can achieve a significant switch to a low carbon future and a very affordable cost for our city and, at the same time, doing so in a way which is creating new jobs and new economic opportunity for our city.

Right now, our city is the focus of a very significant level of interest from the renewable energy industry, not just solar but also wind and other technologies because they see Canberra as a place which has the policy settings in place that encourage the development of their businesses and they want to see what economic opportunities there are to invest in our city and create jobs in our city.

For example, we have got local businesses like the Windlab company. This is a homegrown Canberra business spun out of some very clever research from the CSIRO, which is now one of the emerging Australian-owned companies when it comes to the development of wind farm operations in Australia. They have a form of community ownership model and they have some of the best technology in the world for mapping and identifying the best locations for wind farms. And all that happens right here; it is headquartered right here in Canberra. They want to grow their business here in the ACT. They have offices overseas in a number of countries, including South Africa and North America in particular. But they want to grow their business here in the ACT, and they see the policy settings in action plan 2 as particularly potentially beneficial for the growth of their business here in the ACT and the number of people that that will employ in the ACT. That is just one example of the type of economic opportunity that is emerging from having these strong, proactive carbon reduction policies and switch to renewable policies in place.

In relation to the question asked about the cost of the different solar farms, I can advise that the Royalla solar farm was \$186 per megawatt hour, which equates to 18.6 cents per kilowatt hour. OneSun Capital solar farm, the Uriarra proposal, was also \$186 per megawatt hour, or 18.6 cents per kilowatt hour. And the Mugga Lane solar park by the Chinese company Zhenfa, was \$178 a megawatt hour, or 17.8 cents per kilowatt hour.

MR COE: Is there any Chinese government ownership of that Chinese company?

Mr Corbell: Not that I am aware of.

MR COE: And were any of the investments required to go before the Foreign

Investment Review Board?

Mr Corbell: No, not that I am aware of.

DR BOURKE: Minister, just coming back to my question around the action plan, you mentioned in your answer benefits to small business through the energy efficiency improvement scheme, and you highlighted the benefits to small supermarkets. Could you just be a little bit more specific and perhaps give us some concrete examples of how the scheme is going to assist small businesses in that way?

Mr Corbell: The expansion of that scheme will see, first of all, those companies or those businesses, the small and medium businesses, able to take advantage of some of the measures that are available to households. For example, they will also be able to take advantage of the measures around draught sealing around windows and doors, switching to energy efficient lighting and use of standby power controllers for certain electrical appliances. Those are equally applicable in a business environment as they are in a household environment—businesses have computers and televisions, they have doors and windows and the still get draughty properties and so on. These things can still be implemented in those businesses.

There will also be a range of other measures to be developed which are specific for commercial building operations, such as commercial lighting, refrigerated displays and more energy efficient motors for certain types of commercial equipment, and they will be considered for inclusion in the scheme early next year. That will mirror the arrangements that are in place in other jurisdictions, notably Victoria, which has already expanded its scheme to small and medium enterprises.

MR WALL: What is the expansion of this program to businesses likely to cost?

Mr Corbell: There will be no additional cost to consumers as a result of the scheme. The reason for that is that, basically, there is a larger pool of activity within the scheme, and, therefore, the retailers delivering the measures in the scheme will have a broader range of clients from which to choose to deploy the lowest cost measures. So the overall cost of the scheme is expected to be unchanged.

DR BOURKE: Do you have any projections on the kinds of savings that might accrue to businesses from these changes?

Mr Corbell: I think we have released that.

Mr Traves: It was released in the documentation that supported the changes to the bill. But we can get that to you, as well. There was a full analysis in the explanatory statement and with the supporting documentation.

Mr Corbell: We will see if we can get that figure for you later this morning.

DR BOURKE: Great. And what sort of consultation was done with small businesses in the development of this augmentation of the scheme?

Mr Corbell: That was done initially with the development of the overall scheme, so

the EEIS scheme involved public consultation and consultation with business organisations as well as electricity retailers and groups that represent low income and vulnerable households, such as ACTCOSS and others. There was general support for the application of the scheme, certainly in the household sector and also in the small and medium enterprise sector. And the reason for that is that small and medium businesses are often quite vulnerable to price movements in electricity and other energy use. Because the small businesses do not pay the household tariff, they do not have the same level of price protection that households do. Therefore, they are particularly well suited to achieving reductions in their energy use, therefore helping them with their business budgets.

DR BOURKE: You mentioned this is already being done in Victoria. Have you had any feedback on the success or otherwise of the Victorian rollout of this type of scheme?

Mr Corbell: The Victorian scheme has been in operation for, I think, four or five years now, and it has been a very successful scheme. It is a scheme that has received bipartisan support from both major political parties in Victoria, unlike here in the ACT. And it has received that bipartisan support because in Victoria both political parties recognise that it reduces energy use, reduces greenhouse gas emissions, reduces demand for energy and, at the same time, saves households and businesses money. So what is there not to like about the scheme? The Liberal Party in Victoria has been very supportive of the scheme. It was the Liberal government in Victoria that expanded the scheme to include small and medium enterprises. And that was a good decision on their part and one that we have followed. It is a scheme that we think has great merit.

I am also advised that New South Wales has a similar scheme, but its scheme is focused on large industrial-scale business operations—so big energy users in big commercial businesses. They do so for the same sorts of reasons—it is a great way of reducing emissions and at relatively low cost, but it also saves the economy and businesses money and, therefore, frees up capital for other more useful purposes.

DR BOURKE: What about the potential for red tape burden for businesses in dealing with these kinds of schemes?

Mr Corbell: No, there is no red tape burden. The obligation is on the electricity retailer, to reach out to their customers and provide the service. So this involves making contact with their customers and inviting them to participate, finding a suitable time to go through their premises or go through their homes and identify what measures would be suitable, explaining to the customer how those measures can be implemented, helping them with doing that and supplying the products, obviously, if it is things like standby power controllers or draught sealing and so on. The overwhelming response we have had, certainly from the residential sector to date, has been very, very positive. People are surprised and delighted that their electricity company is offering them this service as a way of reducing their energy use and, therefore, saving money on their electricity bills.

DR BOURKE: So it is a no red tape policy zone?

Mr Corbell: Absolutely.

THE CHAIR: Minister, while we are still on electricity, I understand all ACT schools have signed up to the Australian sustainable schools initiative.

Mr Corbell: Yes.

THE CHAIR: Can you advise what has occurred with the accredited schools?

Mr Corbell: The AuSSI program was started by the previous federal Labor government and has been rolled out in pretty much every state and territory in the country. The ACT has been one of the most enthusiastic participants in that program, and we are the only jurisdiction in the country that sees all government and non-government primary and secondary schools signed up to the program. It is a really commendable and exciting development for our city to see every single school in the city signed up to the sustainable schools initiative.

What this means is that schools have received a comprehensive water audit. They are involved in the AuSSI-ACT water program, and they are also going through assessment for sustainable management of energy and waste in their schools. And schools are obviously at different stages in this process. But we can outline the types of savings and outcomes that have been achieved to date.

In relation to government schools, where we have the best target because of the government's involvement in that sector. AuSSI-ACT accredited schools had lower energy use per square metre of floor space than non-accredited schools in 2012—that is 355 megajoules per square metre compared to 429 megajoules per square metre. That really highlights that schools that are participating are reducing their energy use, which is very, very encouraging. And it is also the same in relation to their water consumption—8.09 kilolitres per student for accredited schools compared to 9.22 kilolitres per student for schools prior to accreditation. That really highlights that we are seeing reductions in energy and water use in schools because of schools' participation in that program.

We have also seen a significant increase in waste being diverted from landfill. It is estimated approximately 1,788 cubic metres of waste has been diverted from landfill in 2012-13 from government and non-government schools. That is the equivalent of 259 tonnes of greenhouse gas emissions abated because of recycling rather than of waste going to landfill. That is a really great effort by schools.

When I have gone out and visited schools involved in the program, the enthusiasm from the kids is just infectious, and it is really exciting to see how engaged they are as school communities in wise use of resources. That is really the most valuable part of this program—it is teaching new generations about the need to use resources wisely and to reduce waste. That is a really encouraging and exciting development in our schools.

THE CHAIR: With that reduction in energy and water consumption and not having to deal with waste, has that seen a reduction in costs for those schools as well?

Mr Corbell: It certainly will have. I do not have any immediate figures to hand, but I am happy to take that on notice and see what that is. But, certainly, we see reductions because we see reductions in terms of the cost of waste collection and in terms of their electricity and water bills, in particular. It is worth making the point too that most government schools now also have photovoltaic systems installed on their roofs as part of the solar schools initiative. Under our feed-in tariff arrangements, schools were the only government entities eligible for access to the feed-in tariff arrangements under the micro scheme. So schools are continuing to receive the benefit of the installation of those panels in terms of the payments they receive under the feed-in tariff arrangements. So that is also contributing to improving the budgets of those schools.

MR COE: Minister, would you talk us through how the energy efficiency improvement scheme works from the back end? From within the directorate, how is it that you make decisions about what projects are worthwhile and how that work is undertaken?

Mr Corbell: I will ask Mr Simmons to give you some more detail on this but I will outline in general terms the structure of the scheme. The scheme is a retail obligation scheme, so it is delivered by electricity retailers. The government is not involved, generally speaking, in delivery of measures. That is done by the retailers, and the retailers have to deliver a certain level of abatement, as set out in relevant determinations each year, and they have to achieve that abatement through a particular range of specified measures which they can choose from in a list that is set out by me through determination.

The process for determining which measures are available to retailers is quite a technical process that draws on the experience of other jurisdictions, and Mr Simmons can outline that, as well as what happens for those retailers who choose not to deliver the scheme and, effectively, instead, make a payment to the territory in lieu of meeting their obligations through delivery of measures themselves and giving money to the territory so that the territory can do that.

It is worth stressing that, in practical terms, this means that, obviously, ActewAGL are the dominant retailer in the residential market. They are known as a tier 1 retailer, I think, and they are delivering these measures themselves, or contracting the delivery of those services out, to households. There are a number of smaller electricity retailers in the ACT market that also have obligations. At this stage I am not aware of any of those retailers delivering these measures themselves. They will, instead, be utilising the mechanism available under the act to effectively cash out their obligations and make a payment to the territory, to the scheme administrator, and then the scheme administrator will determine how that money will be used to achieve the abatement that would be required. Mr Simmons can perhaps elaborate, particularly on the issue of the measures that are identified to be used.

Mr Simmons: I am the acting administrator at the moment. The administrator is on leave at the moment, enjoying himself. We have a series of measures and the scheme administrator says to the retailers, "If you want to do these things, here are the list of things that you can do." So we started with what you might describe as the easier or the low-hanging fruit—door sealing, standby power controllers, lighting. They are

activities which it is very easy for a retailer to quickly get into the market.

We are in the process of adding to allowable measures over the course of the scheme. So as the scheme evolves and that low-hanging fruit is harvested, we then need to move into a series of things that give greater opportunity and a greater variety for the retailers—to encourage not just tier 1 but also tier 2 retailers who want to have options available to them where they may want to engage in that market.

The maturity of the Victorian and South Australian schemes certainly leads us to believe that other third parties may come in and seek to assist both first tier and second tier retailers in new measures that we might put out there. For example, as the minister mentioned earlier, in the commercial business, when you are looking at large refrigeration and getting improvements, those schemes are a bit more complicated than putting in place systems around offering standby power controllers, because you are in a space where you need to use licensed people to do work with large-scale refrigeration or electrical systems. The measures that we are putting out there are directed at those things which can reduce the energy consumption of households or businesses.

If you think about starting with changing from incandescent lights through to compact fluorescents to LEDs, you can see that that pathway is available to people. At the very opposite end would be a decision to, say, change from an old, possibly one or two-star electric hot-water service to a more modern solar hot-water service with electric boost from a PV array, for example. That is the other extreme and it is much more complicated. The amount of effort that you have to put into those things is quite different. So our job as the scheme administrator is to put to the retailers options to be able to meet their obligations under the scheme.

MR COE: There is a panel, I understand, of consultants that can go to people's houses and do assessments; is that correct?

Mr Simmons: I think you are confusing one of our other program schemes, the schemes that we have been running through outreach and HEAT—the programs that pre-date the creation of the EEIS scheme.

MR COE: But the EEIS scheme does support the replacement of whitegoods and the like, doesn't it?

Mr Corbell: No. I think, Mr Coe, you are referring to the outreach scheme. The outreach scheme was established by the government as a targeted scheme to provide specific and more intensive support to low income and vulnerable households.

MR COE: As part of the targeted assistance?

Mr Corbell: It certainly does fit within the broader targeted assistance strategy, yes. This is designed to assist households with measures that are not eligible measures under the EEIS, in particular. That is where we have been, for example, assisting low income households identified through community-based organisations like Communities@Work, Belconnen Community Service, Smith Family, St Vincent de Paul, with more intensive measures such as meeting the costs of the replacement of

faulty or very inefficient fridges and washing machines, dryers—a range of other measures like that which are making a very big difference for those low income households.

MR COE: Your website has information for residents about the energy efficiency improvement scheme, and part of that is installation. Under “Can I select my own product?” it states:

For some activities, such as purchase of whitegoods or installation of water heaters you may be able to select from a range of complying products ...

Is that accurate or not?

Mr Simmons: That is a decision for the retailers, the tier 1 retailers. If you go to ActewAGL, it will be about whether or not they want to support that element of the program. That is something they will look at in the future, but at the moment their focus has been on door sealing, lights and standby power controllers.

Mr Corbell: Those are eligible measures, but it is up to the retailer as to which of the eligible measures listed they actually choose to deploy to meet their abatement targets. What the retailer has to do is achieve X number of tonnes of abatement. They can select from the specified list of eligible measures to meet that abatement. Obviously, the logic of the scheme is to keep the cost as low as possible, so retailers tend to start with the lower cost measures before they move to more expensive measures, such as whitegood replacement.

In addition to the EEIS, the government is running its own scheme, called the outreach energy and water efficiency scheme, which is specifically targeted at low income households. We are targeting 1,000 low income households per year who are particularly vulnerable because of their financial and personal circumstances to get retrofit, improvements in appliances and a range of other measures to reduce their energy bills and improve their greenhouse gas emissions. That is being delivered by Belconnen Community Service, Communities@Work, Northside Community Service, St Vincent de Paul and the YWCA. There is a panel of contracted providers who deliver those services to those households as identified—

MR COE: On referral; is that correct?

Mr Corbell: On referral from those community organisations.

MR COE: As part of that scheme, how many dryers have been replaced or purchased?

Mr Corbell: Clothes dryers?

MR COE: Yes.

Mr Corbell: I would have to take that on notice, Mr Coe. I do not have the detail.

MR COE: Is it odd that clothes dryers would be included in the list?

Mr Corbell: Not necessarily. It would depend on the particular financial or personal circumstances of the family. It certainly is feasible, where that is deemed to be warranted and necessary for that household. A clothes dryer is a very energy-intensive piece of equipment. If it is something which is there because of the particular circumstances of the household—an elderly person who perhaps cannot get outside easily, may have an illness—it is certainly feasible and possible. It is not a common occurrence but it has occurred.

MR COE: How many more substantial upgrades, such as curtains, would have been applied to Housing ACT properties?

Mr Corbell: As part of outreach?

MR COE: Yes.

Mr Corbell: Again, I would need to take that question on notice, Mr Coe. I do not have that information immediately available.

MR COE: Where some of these products are, in fact, the responsibility of Housing ACT, yet are being delivered under this scheme, who, in effect, retains ownership of those and what approval is sought from Housing ACT before such products or such installations are implemented?

Mr Corbell: The scheme works on the basis of assisting vulnerable households, regardless of their property tenure. So it is not about your being eligible or not eligible because you live in a certain type of property. It is about your being eligible or not eligible because of your income. It is based on those people who are experiencing financial hardship and have a gross income less than the following levels: for a household which does not include a sole parent, \$44,000 for the first adult, \$16,000 for each additional adult, \$14,000 for each child under 18; for a household which includes a sole parent, \$46,000 approximately for the first sole parent, \$16,000 for each additional adult, \$14,000 for each child. These are based on national rental affordability scheme criteria. The data we have from outreach clients shows that 47 per cent of households receive under \$400 per week after tax and 75 per cent under \$600 per week after tax.

These are not high income households. They are very low income households. The scheme is not based on tenure; it is based on financial hardship for the purposes of the scheme.

MR COE: Is it possible that a Housing ACT owned assets has, in effect, been traded for a more energy efficient asset and, in the process, the ownership has transferred to the individual?

Mr Corbell: I am not quite sure what you are referring to, Mr Coe.

MR COE: If Housing ACT owns a particular asset in a house which is deemed to be inefficient and then, through the outreach scheme, that asset was replaced and the tenant now owns that asset, is that not, in effect, a potential complication?

Mr Corbell: I am not aware of any circumstances like that.

THE CHAIR: Minister, coming back to the list, what are the criteria that you look at when forming that list?

Mr Corbell: Sorry, criteria?

THE CHAIR: Yes. What items would be on the list that you would use—

Mr Corbell: Types of measures?

THE CHAIR: Yes.

Mr Corbell: The measures are fairly broad ranging. They can include new energy and water efficient appliances to replace old and inefficient appliances—fridges, washing machines, in some circumstances clothes dryers. There may be other critical or important electrical appliances that are very energy hungry that are worthy of replacement. There is also a home energy efficiency assessment and education program put in place for residents containing simple measures so that they can manage their property in such a way as to reduce energy costs—when is the right time and the wrong time to open and close a window or door on a very hot day, for example, and those types of measures. There is also a retrofit to improve the energy and water efficiency of the household—energy-efficient lighting, draught sealing, treatments to windows and doors, curtains and so on. These are the types of measures that households will potentially receive assistance with.

MR WALL: Minister, on page 198, the annual report makes reference to the IrrigationSmart program which concluded at the end of last financial year where water supply security was—

MR COE: 189.

MR WALL: Sorry, 189. Water security supply was given as a reason for the closing of the program. Was the program effective and are other programs which are no longer necessary now that the drought has broken going to be reassessed?

Mr Corbell: The answer to your second question is yes. The government has revised a number of its programs, both in terms of energy and water, to reflect both policy developments and also changes in circumstance. The government has phased out both the GardenSmart and IrrigationSmart programs which were previously running, particularly during the drought period.

IrrigationSmart was a relatively small program. The contract was for up to 400 visits per annum. Over the life of the contract, a total of 444 visits were undertaken. So it was not a heavily utilised program. I took the decision to close the program at the end of the last financial year due to the relatively limited interest from residents. It only reached a relatively small number of households that had irrigation equipment installed. And the government is currently undertaking evaluation of that program.

In relation to GardenSmart, the GardenSmart program aimed to encourage gardeners, homeowners, to use less drinking water through better practices around composting, using organics in the garden, managing weeds appropriately and watering in smarter ways to reduce water use. Again, I took the decision to close that program at the end of last financial year. The reason for that was, again, the relatively limited uptake of the program and, further, the fact that we now do have significant improvements in water security and we have also seen very significant behaviour change already on the part of Canberra water consumers. Therefore, in my view, further assistance in this area simply was not justified at this time.

MR WALL: What do you attribute the low uptake of these programs to?

Mr Corbell: I think most Canberrans have chosen to just undertake measures themselves without the need for government assistance. Most Canberrans have responded to changes in circumstance. The drought, in particular, and the imposition of fairly serious water restrictions saw many Canberrans just taking the decision on their own initiative to adjust their watering habits and their garden management habits in response to water restrictions. And those behaviours have continued on, even following the breaking of the drought and the relaxation of a range of more severe water restriction arrangements. Because of that and the fact that our water utility runs its own education program and provides a range of information and material to consumers about smart water use, I really could not see the justification for continuing further with these programs.

MR COE: But were not all those things current or consistent as of February 2012 when the IrrigationSmart service was established?

Mr Corbell: The government is always open for trialling schemes if we see that there is potentially a need that needs to be met. But we are equally open to ceasing those schemes if they are no longer justified.

MR COE: How much did the scheme cost?

Mr Corbell: I am happy to take that question on notice. I do not have that immediately to hand.

MR COE: Will you please advise how much each of the schemes have cost, the ones that are on page 187 through to 189?

Mr Corbell: Yes, happy to do that.

DR BOURKE: Minister, could you expand on the process of organisational change that you have been through and completed during the year and what that has achieved?

Mr Corbell: Within the directorate?

DR BOURKE: Yes.

Ms Ekelund: Sure. The directorate has been subjected to a number of cost saving

requirements. That has meant that we have had to look at a number of programs. The minister has already mentioned that decisions were made to either reduce or cease some programs. We have just been talking about the water program. Part of the decision making was: what sorts of programs are we undertaking that are now less justifiable? Certainly with our water security situation having been improved, water was an area that we felt was no longer one that needed to be supported to the same extent.

We have also downsized the staff of the directorate, and it is a process that we are continuing through this financial year and into future financial years as well. We have also reduced some of our costs associated with travel and ICT. So essentially, it is downsizing the organisation and reducing some of the costs associated with programs. Currently we are actually undertaking a strategic review of the organisation more broadly to prepare us for future years and to be in good shape to deal with the priorities of the government, deliver on our core business and maintain a strong structure.

DR BOURKE: When will that strategic review be completed?

Ms Ekelund: We expect the review will be largely completed this calendar year. We have had some external assistance working with our staff in identifying issues and opportunities across the directorate and how we may be better shaped. The executive has been working with the consultants as well, and about 300 staff have been directly participating in the consultation exercises—therefore, the great majority of our staff. Yes, by the end of the year we will, hopefully, have responded to that strategic review.

DR BOURKE: And you have done some accommodation changes as well and consolidated in two locations?

Ms Ekelund: Yes, we have. Obviously people appreciate that the directorate is comprised of a number of functions that were previously in different departments, bringing together environment and planning functions together with transport planning and heritage also. We were located in a number of different premises. Now we are only in two, largely consolidated at Dame Pattie Menzies House in Dickson but we also have premises in Crace as well, where our conservation capacity is largely located.

DR BOURKE: What sorts of advantages have accrued to the directorate from that consolidation of accommodation?

Ms Ekelund: Sorry, I should mention the Mitchell customer services area as well. When the Hawke review looked at the opportunities that this directorate could create, obviously there were great synergies between planning and environmental functions. A good example has been the Gungahlin strategic assessment which was undertaken and which had our planning people and our nature conservation and research and policy people working very closely together with the Economic Development Directorate also to actually look at where it was appropriate to delineate where urban development should be able to occur in Gungahlin and what areas should also be conserved. So I think there are still greater opportunities for us to unlock the synergies.

In the area of climate change mitigation and adaptation, the built environment is one of the greatest opportunities to reduce carbon emissions and also to prepare us for climate change. So, again, it is very useful to have the people co-located in primarily Dame Pattie Menzies House where they can very freely get together and talk to each other and develop policy positions and deliver programs across the directorate.

DR BOURKE: Apart from that cohesive approach to policy and planning, are there any financial benefits that have accrued from that change?

Ms Ekelund: Obviously, we can share the same corporate resources. And certainly in some of the savings that we are making, we have been able to reduce corporate overheads and get the synergies from actually sharing those resources rather than having two chief financial officers and two HR groupings et cetera. We have been able to reduce those overheads.

I must put in a plug for the actual running of Dame Pattie Menzies House. We have actually been running a program over the last few years to improve the energy and water efficiency of that building, actually having more people located in that building, which has been very cleverly managed by our asset people, to see something in the order of a 60 per cent reduction in energy consumption. So that has obviously got a benefit rather than them being located in some of the less efficient buildings around town as well.

DR BOURKE: And could you also expand on the facilities at Crace that you are leasing from the CSIRO? Obviously it is in my electorate; so I have a particular interest in that.

Ms Ekelund: I probably cannot provide a lot of detail. Alan might be able to assist a bit more or otherwise Adrian.

Mr Walsh: Part of the nature conservation policy group has been at Crace now for a number of years. The CSIRO facility, from whom we lease the premises and, in turn, who allow us to use it on a licensed basis, is very much a rundown facility. Our staff have been in another building for some time. They quite enjoy the facility, by and large. It is a beautiful environment. If you have been out to the CSIRO facility, then you can understand why they would appreciate it. But it is a little isolated and presents a number of problems. We have been looking actively at alternative facilities in recent times.

Around the end of last year, CSIRO identified, as part of their ongoing facilitation of the premises, that the building that our staff are occupying did contain asbestos. So we needed to relocate the staff into another building on the site, where they still are at the present time, while remediation takes place in the facility we normally occupy. At the present time, we would expect our staff to move back into the original facility some time in the next month or two—the process has been rather slower than we would like—once we are satisfied that full remediation has occurred. But we would see the occupancy of the Crace facility necessarily having a time frame, but what that is precisely at the moment we cannot say.

One of the difficulties is that the staff there require access to large amounts of

facilities. They have to accommodate boats and a number of vehicles. They have got a number of storage areas filled with kangaroo equipment, facilities to screen off large parts of the countryside and so on. It is actually almost worth a visit if anybody is interested. But it presents us with some significant challenges to find a suitable alternative location. So it remains an active project at the moment, and we expect that to be concluded soon.

DR BOURKE: So consolidating into Dame Pattie Menzies would not be an option?

Mr Walsh: Not really an option, no.

MR COE: Who paid for the asbestos remediation?

Mr Walsh: CSIRO.

THE CHAIR: Minister, I bring you to page 27 of the report. In “Outlook” and towards the bottom there it says that ESDD will undertake a review of part 5 of the Utilities Act. Can you tell us where you are up to with that review and what you hope to achieve?

Mr Corbell: I will ask Mr Simmons to assist you with this question.

Mr Simmons: Part 5 of the Utilities Act, the most interesting part of the Utilities Act, is undoubtedly the most fascinating piece of legislation we have. Part 5 deals with technical regulation of utilities, and that is a part of the broader Utilities Act. We are currently in the process of briefing government about where we think that should go. That matter is actually now waiting for a government decision.

But essentially, when we look at utilities, the evolution of utilities over the period between 2000 and 2013 has seen quite significant changes in the nature of utilities—just the stuff that we have been talking about this morning, for example. We have gone from an electricity system in 2000 which was largely about the delivery of electricity from big places outside the territory to consumers. There are now over 11,000 installations within the territory where that flow of electricity is now two way via the vast deployment of micro-scale solar.

So you had a system which was envisaged to deal with a utility operating on the basis of a supply coming to a customer. Now we have got an environment where, in fact, it is two way, and if we are going to meet the very real challenges we have got with energy and energy management and all the other utilities that we have provided, we need to be cognisant of that and what the changes will be as we start to move into more diffused and different models of utilities operation, and we need to have a regulatory environment which is capable of dealing with that.

That is what part 5 is about. It is about making sure that on the technical side of the business we are across and have the right regulatory tools in place to make sure that we can address those things.

I know that not everybody may share my excitement about the technical matters around electricity networks and their operation, but if you start to think about what the

impact of very large-scale solar in all three classes will do to the performance of the network and what rules would we put in place and what rules should we have in place to make sure that, as penetration levels get higher, the things that affect the network—the frequency of supply, the voltage supply and making sure it is maintained within the proper ranges, all those things that happen—the utility is actually actively managing.

There is a very substantial philosophical difference when you come to electricity, because we deal with both sides of what happens in an installation. If you are thinking about the way electricity is managed within a home, or what we call an installation, you do not proactively manage the maintenance typically. So I do not know that many of you go through and routinely test all your light switches and think, “There might be a problem there.” Most of the time you will run into what we call run to fail, and then you will replace them. So you wait until somebody breaks a power point before you progressively change them.

If a utility behaves in that way, you have got a very different thing, because you are not going to be able to have continuity of supply, and continuity of supply, whether it is water, electricity, sewer, gas, is really important. The obligation on the utility side is for proactive maintenance for the continuity of supply of service to the customer. So philosophically, utilities are about ensuring supply whereas we, as consumers of that, have a very different approach to how we deal with the things that consume those services. We need to make sure that the regulatory system is evolving with the same degree of subtlety and nuance as the systems are.

We had a presentation from some people earlier this week. If you are thinking about how might a building deal with managing its energy in the future, particularly a building with a lot of roof space, you have got a lot of capacity for solar. You have got some capacity, through some new projects with gas and particularly fuel cells, about using combined technologies to actually supply, within the fabric of the building, the energy demand of the building for most of the time but only needing to rely on the network for reliability. So on the odd occasion that Canberra might have a few sustained days where it is grey, you would not want to be in a situation where you did not have access to a network to cover if you predominantly are relying on solar.

So making sure that the regulatory system is capable across all the networks of dealing with that has been what the challenge is and why government has asked us to do that work, which is currently in the process of moving through the government system for checking.

THE CHAIR: Have you seen instances where we have had outages, or something like that, by suppliers that need attention?

Mr Simmons: The ACT has a great benefit in that its network not only supplies at the lowest cost but also supplies at the highest level of reliability. It is the most reliable network in the country. There are some very good reasons in technical design about why that happens. We have not seen any of the new things yet. The penetration levels of solar are not at a point yet where network integrity is a problem. But it is foreseeable that if you do not put systems in place to start to manage that for the future—you have around 10 per cent penetration now, and you are talking about

getting to a penetration level of 40 to 50 per cent—then that is where you would, if you do not do anything, find yourself in a situation where you would be caught out. So we are making sure that in those sorts of activities we look at the way demand shifts around.

Some of that is about pricing, which is on the economic side, and some of it is about the technical capacity to ensure that you can meet load. Gas, for example, is an incredibly peaky business in terms of peaks and troughs. Most Canberrans are out of their homes by 9 o'clock. If it is a minus five degree day, the gas demand is very short and sharp. It is very high between 5 and 6 and between, say, 6 o'clock in the morning and 9 o'clock. Making sure that you have actually got the capacity to supply that demand in that short period of time is a technical issue as much as an economic one.

THE CHAIR: Thank you. Members, questions?

MR COE: Yes, a few questions regarding some of the government contracts. There are a fair few that are by select tender and some that are single select. I am curious how it is that a \$225,000 contract can be a single select contract.

Mr Corbell: Can you give us a page number?

MR COE: It is page 286; Information Technology and Engineering Consultants Pty Ltd.

Mr Simmons: Those contracts are in technical regulation of utilities. They relate to a series of specialist engineers that we have working for us. As to the ability to gain engineering experience, the people who actually have the in-depth knowledge of the networks are very rare. In fact, we have got three. There are two on electricity at the moment for a short period of time. One is about to retire. All the engineers are ex-ActewAGL engineers who have retired from ActewAGL and have then worked for us. We like that. It may not be as warmly received on the other side.

MR COE: Keep it in the family!

Mr Simmons: Those engineering skills are very hard to come by. Because of other arrangements, the only way we can get the people to work for us is to work part time on contract. We are going through a process right now—it is a bit higher than it would have been last year—of succession planning. Our oldest engineer has indicated that he has had enough and we have brought somebody else on. We have got a short overlap of about six months while they transition from one to the next. As to the reason they are single select, we have had that contract running now for about seven years, and they have been permanent part time with us through a contractual arrangement rather than on staff.

DR BOURKE: Perhaps you could tell us about Project Zed then, another single select tender, on the same page.

MR COE: It is third from the top.

Mr Corbell: I think I will take the question on notice, Dr Bourke. We will come back

to you later today if we can.

DR BOURKE: Thank you.

MR COE: Going back to that single select, the \$225,000 one, surely if it is an ongoing contract—in effect it has been rolling on for seven years—does that not actually highlight that it is planned and, therefore, it could go to an open tender process?

Mr Simmons: The people to do this work just do not exist. That is the reality. The jurisdiction is small. As to the ability to acquire the staff, I can assure the committee we have tried many times in many years. There are other engineering positions where in some cases it has taken four and five years to recruit to where we have tried to get people in.

MR COE: But have you ever tested the market? Have you ever opened it up—

Mr Simmons: Yes.

MR COE: and only had one applicant, for instance?

Mr Simmons: It is not like there is a market for this. It is not that type of skill set. The reason for the reliability of our electricity network is that it has a particular design and construction which is not used anywhere else. So outside of ex-ActewAGL engineers you are pretty much not going to find anyone.

MR COE: So how do you know you are getting a fair price if there is no market?

Mr Simmons: We go to the consultancy firm that we work through. Those are the prices we have had. Whilst there has been some price escalation over the years, it has not been beyond the normal run of matters inside this particular type of industry.

MR COE: Page 288—Brown Consulting, January 2011, the relocation of power line options and PSP design. That is a select tender. There are certainly numerous players that could undertake that work. Why was that a select tender? Again, that surely was planned.

Mr Corbell: I will take the question on notice.

MR COE: If you could take on notice, obviously, the rationale for it, how it was selected, if other players were considered and any information that you think would help defend that decision.

Mr Corbell: I am happy to do so, Mr Coe. It is just necessary for officials to refamiliarise themselves with the circumstances of the decision at that time.

MR COE: Sure. Page 289, fourth from the top—conduct a method trial for ACT vegetation mapping. Again, it was a \$95,000 select tender. I imagine there are numerous people that could undertake that work. Can you please advise why that was a select tender?

Mr Walsh: A select tender does involve inviting competitive tenders but to a select number of suppliers. It is not a general public tender. That is the distinction there, which is why there is no particular concern. At least, I would not have thought there was a particular concern around the selection. Having invited certain identified suppliers who have demonstrated in the field to be capable of delivering the services, you go through a standard tender process.

MR COE: Sure, but I would imagine that in this business environment if you put up a \$95,320 contract you are going to get a few bids from perhaps some unexpected players.

Mr Corbell: It remains a relatively specialised area of expertise, but Mr Traves can provide further information for you.

Mr Traves: Members will appreciate that the ACT is landlocked within New South Wales. On the environment front, we often cooperate with New South Wales so that the passage of flora and fauna, who do not recognise political boundaries, is consistently approached. New South Wales have a mapping of their vegetation, which they have done to a particular system and by particular people, with a proprietary system. It was sensible, then, to engage those same people to do the ACT so that we would have a continuous view of the entire region.

MR COE: The November 2012 contract to Urban Water Cycle Solutions—a \$179,000-odd select tender to develop a systems approach to integrated catchment management for the ACT and region. Why was that select tender as opposed to open?

Mr Corbell: Again, I would have to take the question on notice, Mr Coe, given the specifics of the inquiry you are making.

MR COE: Sure.

Mr Corbell: I would simply re-emphasise the point made earlier that there is a difference between a select tender and single select.

MR COE: Yes.

Mr Corbell: A select tender still involves a competitive process. It is not a broadly advertised process, but it is a process whereby a series of firms are invited to bid, or a series of experts, consultants—whatever their structure may be—are invited to bid to provide a particular service. Because of particular circumstances such as those that Mr Traves outlines and, therefore, the limited specialisation or particular technical capacity the government is seeking we know it can only be provided by a limited number of firms.

MR COE: Sure.

THE CHAIR: We might take a break. We have not had a chance to listen to the Conservator of Flora and Fauna. We might put that in place at 11, along with the Environment Protection Authority and any other questions which we have put on

notice.

Meeting suspended from 10.46 to 11.06 am.

THE CHAIR: Thank you, members, minister and officials. As I mentioned before the break, we have not had a chance yet to listen to the Conservator of Flora and Fauna. So we will move on to that and then Environment Protection Authority.

Mr Corbell: Mr Chairman, if I may, just before we do that, would the committee permit me to provide some further information on a couple of questions that were taken on notice before the break?

THE CHAIR: Certainly.

Mr Corbell: Thank you. First of all, there was a question asked by Dr Bourke about Project Zed Pty Ltd. This has nothing to do with the new senator for the ACT. It is outlined on page 289 of the annual report. This is the new electrical engineer for technical regulation, who replaces the electrical engineer who is currently providing his services through the contract we discussed earlier known as Itech. As Mr Simmons has noted, there is approximately a six-month overlap of these two engineers in terms of transitioning from one to the other. The contracting of these highly experienced and expert engineers is documented in submissions from funding decisions by the ICRC every year under part 3A of the Utilities Act 2000.

I also took a question on notice in relation to the modelling undertaken for energy efficiency improvement scheme expansion through its regulatory impact statement. The RIS indicated that the vast majority of the energy savings—over 90 per cent—are still expected to accrue in the residential sector. The total energy cost savings for small and medium-size businesses were estimated at \$7 million over the life of the scheme. However, actual savings for a business will depend on their operations and the extent of their participation. Opportunities for improvement will vary widely from business to business depending on the nature of their operations.

It is worth also highlighting that a large number of small businesses eligible under the scheme will also be eligible as households because they are home-based businesses and, therefore, could potentially already be receiving assistance through the residential component. The ACT has the highest percentage of home-based businesses of any jurisdiction in the country.

THE CHAIR: Thank you, minister. So on to the Conservator for Flora and Fauna. I understand someone is stepping in today for the conservator.

Mr Traves: Yes, I have been the acting conservator since Monday. So, for detailed questions, I think it would be of benefit to the members if I called upon the liaison officer, who has been present through the entire period and is the professional grunt, if you like, behind the office.

THE CHAIR: Thank you. My question is in regard to action plans on page 329 of the report. Could you advise the committee of the outcomes for the action plans that were finalised in 2012-13?

Ms McKeown: The action plans themselves actually contain actions that will happen into the future. So, for the little eagle, say, it is a new action plan that is yet to be finalised, and it will have actions for things that we do for the next five or 10 years. So I could not actually say to you what are the actual actions that have been finalised for the new plans, but we have reports from the flora and fauna committee on a couple of action plans that we could provide if you would like.

THE CHAIR: Yes, that would be good, if you go into some detail on those.

Mr Corbell: We are happy to provide those, Mr Gentleman. Those are detailed reports from the flora and fauna committee on follow-through of implementation of existing action plans and what have been outcomes or steps that have been taken. So happy to make those available.

THE CHAIR: Thank you. I understand some 18 investigations were referred to the conservator. Can you tell us some of the detail of those investigations? That is page 331.

Ms McKeown: Eighteen matters were referred for investigation. Some of those would probably be more than one matter. Two briefs of evidence were submitted to the DPP for court action for breaches of the Nature Conservation Act or the Tree Protection Act. Seven offenders were issued with formal cautions—five under the Nature Conservation Act, one under the Fisheries Act and one under the Tree Protection Act. One offender was issued an infringement notice to the value of \$1,250 under the Tree Protection Act. One action remains active. Did you want any further information about those particular ones?

THE CHAIR: No, but for the remaining referrals that did not go ahead, the report says there was insufficient evidence to proceed.

Ms McKeown: Sometimes, particularly under things like the Tree Protection Act, you actually need to catch the person doing the action to be able to issue an infringement notice. If you find a tree that has been cut down but you do not have a witness to say who actually wielded the chainsaw; you cannot fine anybody. It is a bit of a problem. It is the same under the Nature Conservation Act; you actually need to have a witness who is willing to come forward and willing to fill in all the correct forms and sign affidavits to be able to take it further.

MR WALL: With regard to licensing for plants and animals, if an individual holds a licence that expires and they do not renew it, is any investigation carried out to see if they are still holding the plant or animal?

Ms McKeown: They certainly do some spot audits where the investigators will go and knock on the door and ask for the paperwork to prove that they no longer have the animal and where the animal has gone.

MR WALL: Is that done at the expiry of each unrenewed licence?

Ms McKeown: I would not say it was done at the expiry, due to resources, obviously.

But they do spot audits. If they are aware someone had an animal, they may contact them and ask them what happened to the animal. Sometimes they will be told the animal is deceased and sometimes they are told the animal has been sold on, so, therefore, they ask for the correct paperwork to track that animal and find the person that has it.

MR WALL: How many spot checks would be carried out in a year?

Ms McKeown: I do not know. We would have to take that on notice. The investigations area actually sits within TAMS.

Mr Corbell: We can take the question on notice and provide an answer to you, Mr Wall.

MR WALL: Thank you.

DR BOURKE: Minister, the annual report on page 21 talks about the finalisation of the ACT nature conservation strategy. I presume that has been done. What are the implications of the new strategy on the conservator's work?

Mr Corbell: I released the nature conservation strategy earlier this year, Dr Bourke, and it outlines the broad strategic directions for the management of biodiversity in the ACT. Ms McKeown can provide you with some more detail on some of the key elements there.

Ms McKeown: Actually, Heather Tomlinson is probably the best person to answer that question.

Ms Tomlinson: The nature conservation policy has been released. It was different and, I think, progressive in terms of comparing it to the previous nature conservation strategy in that it looked more broadly at ecosystems and the importance of building the resilience of ecology in terms of a changing climate. So there was a large emphasis on ensuring we had corridors for vegetation et cetera. It also looked at things connecting the ACT into a regional context. There is important corridor work as vegetation corridors are an important part of being able to adapt to a changing climate.

In terms of implementing the nature conservation strategy, we also were successful in gaining some funding from the commonwealth through the biodiversity fund, and that has been successfully rolled out by Greening Australia in terms of planting to enhance the corridors and filling the gaps, I suppose, in terms of that corridor connectivity.

In terms of the conservator work, it still has important elements in terms of protecting species—that is still a large emphasis—and also managing threats, such as pests and weeds. That is a carryover from the previous nature conservation strategy.

DR BOURKE: Page 331 of the report refers to investigations and briefs of evidence being submitted for breaches of the acts that you administer. Can you tell me more about your role in those investigations and the issuing of infringement notices?

Mr Corbell: I think that is really the question that Ms McKeown answered earlier, Dr Bourke, in terms of the types of investigation that took place.

DR BOURKE: I will refer to that answer. Perhaps you can tell me about any conservation plans that you might be working on and what sorts of roles the public may have in participating in the conservation of threatened species?

Mr Corbell: A range of action plans have been released for public comment and are now being finalised. They are outlined on page 329 of the report—that is, new action plans for the little eagle, the glossy black-cockatoo and the Murrumbidgee bossiaea and a review of the existing action plan for the smoky mouse. So these are all endangered or threatened species or communities. The requirement following the declaration of a threatened or endangered or vulnerable species or community requires the development of an action plan. So those are the action plans that are currently under development.

THE CHAIR: We will move on to the Environment Protection Authority.

MR COE: A question about neighbourhood complaints with regard to noise. It is obviously a very tricky issue to manage, and people often, I think, have high expectations of what is achievable. Would you be able to talk through what the options are when somebody complains about a dog that seemingly barks all day and all night or music that blares every Friday night or whatever? What things are achievable from the EPA's point of view?

Mr Corbell: I will ask Mr Chester to provide some more detail, but the first comments I make about this, Mr Coe, is that, obviously, noise pollution, in particular, is often highly subjective and people respond to noise differently. Some people can tolerate a lot of noise; other people do not, and there is every grading in between. So, as you acknowledge, it is quite a difficult issue sometimes to address. The government has, in the past couple of years, run a public information and education campaign about the impact that people's noise can have on their neighbours—everything from air-conditioning units and pool pumps through to noisy radios, parties, dogs and so on.

Our first starting point is to encourage neighbours to talk to each other about a noise concern and see whether or not that resolves the problem. We certainly encourage neighbours in the first instance to do the neighbourly thing and have a conversation over the back fence with their neighbour about their concerns and see whether or not that leads to rectifying the problem. Obviously, resorting to officials is something that should be avoided in the first instance if it can be. But we recognise there are instances where that is not the case, and the EPA has a clearly set out process it follows in relation to dealing with noise complaints. Mr Chester can outline that.

Mr Chester: As the minister stated, our branch has a well-established procedure and process for dealing with noise, as we can regulate it under the act. The act covers noise generated by electro-mechanical disturbances. So we do not cover dogs. We cannot cover people talking, yelling or singing. It is primarily some artificial form of noise that is going to affect someone's wellbeing. Generally, it is air conditioners and amplified music.

The process we have is that an officer will normally send out further information to the person that is complaining and the alleged offender. So we educate them in the first place. If the problem continues, we will go out and take a noise measurement. We have to use standard calibrated equipment to measure the noise and make sure the complaint of the person being affected is valid. So we measure at their residence. In theory, that is enough to show that there has been a breach under the act. We would then serve a warning letter to the offender and engage in further dialogue with the alleged offender and work out ways in which they may comply with the noise standards.

The next step, if it continues, would be that we would take another measurement, validate that measurement and serve an infringement. It is very rare that it gets to the infringement stage and then ultra rare, once we have issued an infringement and the person is engaging in active change—whether they move the air conditioner to a different location or simply stop playing the stereo. It is a fairly long process and people become fully aware of all the ramifications of the noise that they are creating.

MR COE: If people were pedantic, there are going to be, I imagine, thousands of air-conditioning units that are not going to comply with the sound measurements, as a defence. Is that correct?

Mr Chester: Potentially. But the way the act and the regulations are set up, you must have an affected person. So if a person is living next to a very noisy air conditioner, and if that person has poor hearing and is not affected by it, there is no breach. It is only when a person is affected and then notifies us that they are affected that we engage in the process.

MR COE: When you say it is mechanical noise only, is there no scope for the EPA to investigate noise generated by people or animals?

Mr Chester: We could investigate it but there is no scope under the legislation to take action against those people or the dog.

Mr Corbell: There is scope to deal with barking dogs through other statutes. For example, animal welfare laws give certain powers under the—

Mr Chester: The Domestic Animals Act.

Mr Corbell: Yes, the Domestic Animals Act gives the domestic animals registrar, I think they are called—the dog inspector or the dog catcher—the power to take certain steps if there is a complaint about animals behaving in a particular way which is causing disturbance or nuisance to others. So there is capacity in that respect in relation to the issue of barking dogs that you mentioned.

Mr Chester: With regard to humans, that can be a police matter. In that instance, the officers will refer to the police and it is a police decision whether they want to engage in that type of incident.

MR COE: Do you undertake measurements outside core business hours?

Mr Chester: Yes. We operate a 24-hour on-call service for the general EPA activities. Most of that is consumed by noise complaints. Officers will attend at any time. The regulations state that the noise standards for an area change at 10 pm, so you will find that when the noise standards drop and become more stringent, that is usually when people are more affected and there is more prevalence of getting a validated noise measurement after 10.

MR COE: Do you measure both dBA and dBB, if that is the technical term—in effect, bass?

Mr Chester: We do not measure both. For the purpose of deciding whether a person is affected, we only need to take the one measurement. We can make adjustments to the noise measurement if there is a bass component. It is in the regulations. We can add plus or minus five dBA, depending on what is perceived as the emission of noise. But it is pretty rare. Usually, after 10, it is fairly clear that the noise is above the standard.

THE CHAIR: What is the current standard for an urban area?

Mr Chester: Before 10, 45 dBA, and after, 35. Thirty-five is fairly quiet. It becomes difficult—and with the amount of wind we have now, the rustling of the leaves would be above 35 dBA.

DR BOURKE: With this 24-hour service, what is the best way for people with a complaint to contact you?

Mr Chester: It is all formalised through Canberra Connect. So people call Canberra Connect and Canberra Connect will call our on-call officer, so that it is all logged.

MR WALL: Mr Chester, I understand that you have some responsibility for the lakes and lake closures?

Mr Chester: Yes.

MR WALL: I am not entirely sure if you are the right person to direct the question to, but I want some further information on the efficiency of the agitators that have been installed on Lake Burley Griffin and if they are having any impact on lake closures?

Mr Corbell: That is a matter for the NCA. The NCA is responsible for water quality in Lake Burley Griffin.

MR WALL: Is technology such as that under consideration for Lake Tuggeranong and Lake Ginninderra?

Mr Chester: The NCA put in a monitoring program to assess the effectiveness of the aerators. Once there is some data about the effectiveness specific to the ACT of those aerators in this situation, we will be able to make an assessment. In ESDD, planning, along with TAMS, will make an assessment of the suitability for Ginninderra and Lake Tuggeranong.

Mr Corbell: The government certainly will look with interest at the outcomes of that trial. We have no proposals or plans at this stage in relation to agitators, but we do not rule it out either if it proves to be a cost-effective solution, potentially. Ultimately, I do not think there is a single measure that is going to, on its own, improve water quality in our urban lakes and ponds. We will need a suite of measures to address water quality. Agitators may form part of that suite of measures; they may not.

MR WALL: Talking about broad-ranging approaches, I am curious as to what other strategies are being employed, particularly around Lake Tuggeranong, which is the lake that seems to spend the most days closed per year.

Mr Corbell: The government is currently developing proposals for measures to improve catchment management in the territory as a whole. As you probably will recall, Mr Wall, I have been asked a couple of questions in question time about access to commonwealth funding, which the government has been pursuing, to deliver an integrated catchment management suite of measures into the ACT to improve water quality in all of our urban lakes and ponds, including Lake Tuggeranong.

The range of measures that the government is exploring there and will be proposing for implementation include better offline and online management of the tributaries that flow into the urban lakes and ponds, such as Tuggeranong Creek. We will need to look at measures such as offline or online ponds or water retention facilities to allow water to clean, for sediment to be removed, for pollution to be removed prior to it arriving in the ponds and lakes.

We will need to look at education to encourage Canberrans not to do things that create the biological conditions in the lakes and ponds and their tributaries that generate things such as blue-green algae growth—stopping unnecessary run-off, use of chemicals, and other bio-matter ending up in ponds, even things like putting leaves down the drain or into the gutter. All of these things ultimately contribute to the biological loads in the water system.

We will also be looking at measures around the management of the tributaries themselves. Where there is a need to improve the embankments of tributaries, managing things such as willows, invasive weeds and so on, those will be measures that we will need to adopt as well. There will be a range of measures that we will need to consider to improve water quality in our urban lakes and ponds.

THE CHAIR: Mr Chester, just coming back to noise for a moment in the urban area, the minister talked about getting neighbours to talk to each other over the back fence, for example. When that proves to be a problem, do you refer those people to the conflict resolution service in the ACT?

Mr Corbell: Yes.

THE CHAIR: Has that been successful?

Mr Corbell: In some instances it can be. Ultimately, conflict resolution relies on both parties being willing to participate. So if one party to a dispute is not willing to participate, you cannot use conflict resolution. But the conflict resolution service is

very skilled at engaging parties and encouraging people in a dispute to come together to try and work it out as an alternative to facing a fine or facing further involvement from government officials. In some circumstances it can be successful, but not in all. With respect to the nature of disputes between neighbours, often a dispute about noise is part of a broader dispute between neighbours—some animosity or perceived grievance or actual grievance between neighbours. Regrettably, we do see these broader grievances played out in complaints about noise. I am not saying that is the case in every instance, because it certainly is not, but from time to time we do see that, and that makes those types of disputes more difficult to address.

DR BOURKE: Minister, can you tell me more about the EPA's role in the commercial waste industry accredited code of practice referred to on page 332?

Mr Corbell: Mr Chester might be in a position to give you some more information on that.

Mr Chester: Within the act we have regulations and a requirement to track, so that we know where things like asbestos are being put, or just for control. As industry changes and as new technologies come in, the EPA must move with it. To formalise it, we develop codes and write them up in conjunction with industry and put those into practice. It is a process under the EP act.

DR BOURKE: So that is constantly being reassessed and rewritten?

Mr Chester: Yes. I will give you an example of a different industry—the service stations. With respect to the way they control run-off from their sites, they have moved to a new form of stormwater intercept and control device so that water running off the site goes into a submerged device, gets cleaned before the discharge and it can control emergency spills and capture those. Given that the ACT is a small location, we have had to develop a code to incorporate that within the authorisations and licences that we now give service stations.

DR BOURKE: In regard to service stations, perhaps you could tell me more about the range of environmental authorisations you issue for treatment of contaminated soils. There is a waste control and recovery permit authorisation. Perhaps you could tell me more about that as well.

Mr Chester: With regard to the specifics of the authorisation for petroleum recovery, I will have to take that on notice, go back to our database and pull it out and find out the details for you.

Mr Corbell: Perhaps you could explain what is involved.

Mr Chester: The authorisation is essentially a licence to control a polluting activity. It will contain a range of conditions that the activity person will undertake to ensure that they minimise the pollution and risk of any incidents that occur when they are performing that activity.

THE CHAIR: Are there any further questions for EPA? We will move on to planning. I will start the questions. On page 6 of the report in the overview, it talks about the

master plans that were finalised for my electorate of Brindabella—Tuggeranong, Kambah and Erindale. Can you advise how the rollout of those master plans in each case is occurring?

Mr Corbell: Yes, thank you, Mr Gentleman. So the master planning exercise helps inform further actions that need to be taken to start to realise the outcomes set out in the master plans for managing growth and development in those centres. For example, in relation to Tuggeranong, you would have seen that in the last couple of days Minister Barr has announced what actions the LDA is taking to release and develop land for new residential estates in the Tuggeranong town centre.

Those outcomes are a result of the master planning framework which identifies where development should take place and the nature of the developments. Now we are down to that next level of detail of implementation for that area. In other circumstances, the release of the master plan will trigger processes to formally vary the territory plan to give statutory effect to the land use changes identified as necessary in the master plan. That has certainly been the case at Dickson.

I turn to Kambah and Erindale. In relation to Erindale, the master plan is triggering further work within Territory and Municipal Services on their capital works program and where the government should be asked to consider expenditure for investment in improvements, for example, to traffic movements and car parking arrangements in the centre. So those are all examples of how the master plan leads through to further actions by different parts of the government.

THE CHAIR: What sort of community consultation has occurred with the formation of those master plans?

Mr Corbell: It was a very detailed exercise of community consultation. I really do have to commend ESDD and their team in the way they engage with the community when it comes to the development of these master plans. They have a very active and quite intensive process of engagement, not just with residents who use, for example, the centres, but also with the property owners in the centres—the traders, the retailers who lease or rent space in the centres. They are all very closely engaged. I think they are fundamental to why the master plans have achieved quite a high level of support and consensus for the outcomes that have been identified in them. It is because of the very close engagement by the community engagement team in ESDD.

I am continuing to work with ESDD on ways that we can further streamline and refine that process of master plan development. In particular, I am very keen to see how the development of master plans can occur concurrently with the development of what will be the anticipated changes to the territory plan. So instead of spending 12 months or so developing a master plan for a particular area and then starting the process of varying the territory plan, which in itself can be quite a lengthy process, to what extent is there some overlap between those two processes?

Once it is clear that there is going to need to be a territory plan variation and we understand what it is, why do we not start that rather than wait for the master plan to be finished? I am pleased with ESDD's response to that and we are certainly looking at how we can get that flowing in a more parallel manner rather than in just a strictly

sequential approach, which has been the case to date.

MR WALL: I have a further question on master plans, minister, relating to Calwell. Where is that one up to?

Mr Corbell: We expect to commence in the next master planning period Tharwa, Calwell and Belconnen. ESDD has started early stages of scoping for those centres.

MR COE: For quite a long time you have been quite strident in your view that a Belconnen master plan was not required. What made you change your mind?

Mr Corbell: I do not think I said that a Belconnen master plan was not required. I cannot recall ever saying that, Mr Coe.

MR COE: I believe you said that the Belconnen master plan 2001 was reasonable enough and, therefore, a new one was not required.

Mr Corbell: I do not think I ever ruled out a new master plan or a revision of the existing master plan.

MR COE: Are there any particular changes from the 2001 master plan that you would like to see come about?

Mr Corbell: I think the issue in Belconnen—certainly, there has been some interest from sectors of the community about the scale of development in the proposed development in the Belconnen town centre. Obviously the topical issue is height of new buildings in the town centre. Members would be aware that the directorate has recently made some decisions about a proposal for a residential tower in Belconnen which has led to a revision on the part of the developer on the height of that proposal.

To me, that demonstrates that it is not as though the planners are left completely without any tools or statutory capacity to deal with these matters within the existing regulatory framework. The decision to request the developer of the GOECON proposal to revise the scale of that development was done on the basis of the existing planning controls and the existing master plan—the broader master plan objectives. So that really does demonstrate to me that there is capacity within the existing statutory planning controls to deal with these issues.

But if we are to commence a new master plan, this will be an opportunity to consider whether or not we need to build on those existing controls and set more specific or hard and fast limits on particular scales of development. I am certainly open to considering that and looking at that. It may be the case that that will provide certainty for everyone—developers and the community—as to what the appropriate controls in relation to height, for example, should be.

But I would not want to pre-empt that process. Obviously the government has said that we will commence a new Belconnen master plan or a revision of the existing master plan. We will work through that with the community and through the public consultation process.

MR COE: Has GEOCON submitted a DA yet? When it was revised to 26 storeys, was that before or after the DA had been submitted?

Mr Ponton: There was the original development application that was lodged, which was for a building of around 36 storeys. It was through the assessment of that development application and responding to submissions received during the public notification period that the developer chose to amend the development application. That was then renotified as an amended DA. That notification, I believe, has just closed.

MR COE: Does the directorate have a capacity to provide advice or guidance to proponents prior to submitting a DA about whether something is likely to proceed or should proceed?

Mr Ponton: Certainly we encourage for future developments, Mr Coe, that the proponent come and talk to the Planning and Land Authority within ESDD. We can provide guidance in terms of the relevant rules and criteria that would apply. We can also provide guidance in terms of what might be acceptable under particular criteria utilising other developments that may have been considered previously.

It is difficult to provide an absolute degree of certainty until the development application is lodged, because one of the key inputs into the assessment is, as required by the act, the consideration of submissions received during the public notification period and also the advice of other government entities. But, certainly, it is possible to provide a degree of guidance.

DR BOURKE: One of the things about that development when it was first proposed that excited almost universal comment was the aesthetics of the building and how pleasing it was. Has that appearance been compromised by the reduction to 26 storeys?

Mr Ponton: No, it has not. In fact, I met with the proponent myself, as they were talking to us about the proposed revisions. I certainly encouraged them to look to maintain the architectural integrity of the building, because it was a little bit unique in terms of what we have been seeing in Canberra. The revised proposal does still reflect the original design intent.

What was publicly notified was slightly different, particularly the top of the building where it topped out. If you recall the drawings, the original proposal had a bit of a tail. That was flattened off. Also, the public realm—where the building actually hits the ground—was reduced in terms of the colonnade. We had subsequent conversations with them over recent weeks, and they have provided to us some further information that re-establishes those good design features. So we will now consider that revised information or further information in settling the final decision on the matter.

DR BOURKE: What role does your agency have in promoting architectural merit or aesthetically pleasing buildings as opposed to ones that satisfy the criteria?

Mr Ponton: There are rules and then there are criteria. The criteria in this particular instance talk about desired character. In terms of desired character, you can start to

build in some good design features. But it is subjective. In this particular instance, because we saw that it was a key site, we did ask the proponent, having purchased the land from the Land Development Agency, to refer the matter to the LDA's design review panel and provide us with some advice from the design review panel in relation to the design aspects of that particular building.

DR BOURKE: Who sits on that design review panel?

Mr Ponton: The design review panel consists of the Government Architect, a representative of the Land Development Agency, ESDD is represented plus other experts from interstate, whose names escape me at this point in time.

Dr Brady: The interstate members are David Suthern from Melbourne, an architect and developer; James Coutts from Queensland, who has a chief planning role in the Queensland government; and then there are two consultants that are across architecture and landscape architecture that are from the region here.

DR BOURKE: Thank you.

MR COE: There was a fair bit of media interest in the story of part of a dual occupancy being knocked down in Yarralumla—

Mr Corbell: Sorry?

MR COE: There was considerable media interest in part of a dual occupancy being knocked down in Yarralumla.

Mr Corbell: Yes, a duplex.

MR COE: A duplex, sorry. Would you please advise what progress has been made with regard to regulation, legislation or enforcement in respect of this matter?

Mr Ponton: Certainly. Since that matter became apparent, the minister has asked the directorate to review the matter and also to make necessary adjustments to the regulation. I am going to look to Mr Corrigan to provide information in terms of the actual status of that, but I know that the drafting has certainly commenced.

Mr Corrigan: I think you are referring to the duplex in Fraser Place?

MR COE: Yes.

Mr Corrigan: Yes. So we are looking at some regulatory adjustments to the planning and development regulation that would actually—if anyone is doing work to an existing duplex and wanting to demolish half the duplex, it is no longer an exempt development because it will not fall into the exempt development categories. So they will require a development approval. That is what we are proposing at this stage.

MR COE: Are there any rectifications of this particular issue or ramifications?

Mr Corrigan: I will refer that to Craig Simmons.

Mr Corbell: While Mr Simmons comes up, the nature of the discussions between the two leaseholders has been extended or protracted. The construction services branch has been seeking to facilitate and assist where appropriate with agreements between the two parties. Mr Simmons can give you a bit of a precis of that.

Mr Simmons: Thank you, minister. When this matter first came to our attention, there were stop work notices put in place. Subsequent to that, there has been a negotiated agreement between the parties to resolve the substantive issues about progress on site. However, there are more substantive issues which the Construction Occupations Registrar has taken forward and he is considering those matters with respect to which of the actions he may take under his authority.

He has three options. He can prosecute, take disciplinary action or issue demerit points against licensees involved. In respect of those considerations, the first issue was to resolve those matters on site. The second in the wash-up of that is to make sure with the parties involved that, firstly, it does not happen again but, secondly, where there has been the potential for breaches of the obligations, that the various licensees be held to account for that. That process is an ongoing one.

MR COE: Okay, thank you.

MR WALL: I have a follow-on regarding planning. There was a significant change to the paperwork and documentation that needed to be kept on file by certifiers and submitted with applications to ACTPLA—development applications. What was the process that led to such a significant change in the documentation required with DAs?

Mr Simmons: It was not the development application; it was for building approval.

MR WALL: Sorry, yes: BA.

Mr Simmons: The Building Act requires certain documentation to be provided. One of the building quality issues—in fact, the number one issue from building certifiers—in a survey we did was that the poor quality of documentation had become a problem. In fact, in a number of cases where we are taking disciplinary action, the inability to determine what has happened because of the low level of documentation, both at the commencement of projects and all the way through, had been significant.

In responding to that, the registrar determined that it would be appropriate to make a statutory instrument, an approved form, that said that the documentation required under the Building Act must be provided; if it was not provided, the application would not be accepted and a resubmission fee would be put in place from 1 September. We informed the industry of this before the end of the financial year. Commencing in the financial year, on 1 July this year, we gave the industry a two-month period for adjusting. At the start of this project, the failure rate was 85 per cent, so 85 per cent of the documentation was incomplete. As of the end of September, the failure rate was down to five per cent.

We think that this is a substantial achievement on the part of the industry—to very quickly turn around what had been a fairly endemic problem for us. The success with

which the building certifiers, the architects and the building designers have actually gotten on board and changed their practices is one of those things that only a small jurisdiction could have pulled off in such a short period of time. It is a very impressive turnaround on the part of the industry to go from such a poor status of documentation. It is not additional documentation; it was the documentation that had always been required. What was happening was that, rather than getting it once, we were finding that it was coming in later or at different points in the cycle. It is now coming in when it is supposed to—at the point of lodgement—and it is coming in in the proper form.

There were things like, for example, documents not being properly labelled or documents not having dimensions on them. It is very hard to see how a builder can build a house to a plan that does not actually have dimensions on it. There was not having a north point. Why does a plan need to have north on it? It is very difficult to undertake your energy rating if you do not know which way the building is facing. We were getting documents that did not have those things on them, and they had building approval stamps on them. We were saying to the certifiers, the designers and the architects that that was not good enough.

It needed to improve, because the failures at the beginning have a cascading effect during the course of building. We had to do something to save money. This is about saving money in the industry over the long term by addressing problems where they occur. It has been universal from 2010. I have not been to a meeting of the Building Quality Forum or the Building Act review where discussion about documentation, and the poor quality of it, has not been at issue.

Hearing that message from the industry, the registrar decided to act. He acted decisively. Having had that message out there for quite some time, we are very pleased with the industry response—to have achieved such a significant turnaround very quickly. Where there have been issues, the customer services team within the Regulation and Services Division have worked very hard with individual certifying firms and with individual designers to make sure that we are assisting with the documentation protocols. That was over the two months.

There have been some people who have paid fees. The total of fees last time, I think, was just under \$1,500. There were over 200 submissions to us in September, of which only seven failed. And they failed on some fairly minor issues that we think are quite achievable so we can get an even better performance, get below five per cent.

MR WALL: What feedback has the directorate received in relation to the implementation of these changes?

Mr Simmons: Obviously, anybody who has received a fee is not exactly happy. But the level of fee is quite small that we have had paid. In fact, the head of the licensing team told me yesterday that he has organised a meeting with one of the certifying firms to move over some of those issues. It is things like getting details wrong. With one of them, when the building approval came to us the front cover sheet said it was a building in Crace; when we opened it up, it was a building in Wright. That is a bit of an error! And that is not a systems-based error; that is an error that has taken place within the firm. We need to work with them to make sure those sorts of things do not happen again, because trying to build a house in Wright when you think it has been

approved in Crace is probably not going to end well.

MR WALL: Would the submitter in that instance receive a fine?

Mr Simmons: Yes. That is a pretty basic error to make. Crace is in Gungahlin and Wright is in Molonglo.

MR COE: You can make a template error, in effect?

Mr Simmons: Yes. And that is what we have been encouraging people to do. We provided things like saying we need the documents for the Territory Records Act. We need, for example, to have every document properly labelled. So the plan should say “The plan”. What some certifiers had started to do was create a single PDF document and put all the plans associated with the buildings in. There might be 20 plans, all just with one name. We have then got to open them, extract them and create separate files for them. We said no. For DA purposes, this issue was dealt with for DA some years ago. Every plan has its own. And it needs a dictionary and a list of all the document names and what the plans should be called—site plans, plans, elevations, north-south—

MR WALL: In line with the Australian standard.

Mr Simmons: Yes, all to the Australian standard, AS1100.

Mr Corbell: Members can appreciate why this is important. The building plans become a very important historical record of the property. They are transferred when title is transferred. New purchasers of the property are entitled to have an accurate record of the property and the approvals that have been given for it, when it is sold and purchased. So getting it right up-front has a cascading effect for owners well into the future. Beyond the period when any of us will be alive, they will still form the historical record of that property and are attached to the title of that property.

MR COE: Are those final plans also stored in e-development?

Mr Simmons: They are actually stored in “Objective”, which is the information document management system that the directorate uses. So it is all held in accordance with the Territory Records Act.

THE CHAIR: I will just come back to the certifiers. How are they accredited?

Mr Simmons: They are licensed. The work they do is licensable under the Construction Occupations (Licensing) Act; they are licensed there. And with the work they do, they have to work in accordance with the operational act for them, which is the Building Act. The Building Act then calls up the building code of Australia, now referred to as the national construction code; they have to work in accordance with the rules set down for them there. They have minimum mandatory qualifications they have to meet; they are set depending on the level of expertise existing. If they are a general surveyor, they are allowed to do any work. If they have a higher level, they have a university qualification. And then there is a general surveyor who works at the direction of a general surveyor depending on experience—whether they have got the

university degree or whether they have got a certificate V or VI in building certification.

THE CHAIR: If there was construction taking place in an urban area, say a home extension or something along those lines, how would the individual home owner choose a certifier?

Mr Simmons: We have a list on our website of all the people who are licensed within the jurisdiction to provide that service. This is one of the areas of greatest confusion. It is an area where the ground has to be constantly tilled, shall we say. It is very common that you will find that people are unaware of what the process is. The building certifier is also called a building surveyor; sometimes they get confused with land surveyors, but the formal title is building surveyor. They are the equivalent of the old government building inspector. They are working for the lessee, and they are employed by the lessee. But often when people sign the documents, a whole bundle of documents are handed over. The builder will say, "Oh, by the way, just sign there, and that's the name of the certifier." The builder is quite happy; they work with certifiers quite frequently.

It is often the case that we say to people, and we constantly put this message out: "You employ the certifier. The employee works for you, not for the builder." There are some builders who believe that certifiers work for them. You will see that we have quite a reasonable history of taking building certifiers to task in both the tribunal and the courts to make sure that they understand that their role is an independent role. They are exercising the authority of the registrar and they work basically at his discretion if he is going to take action against them.

It is important for home owners or new home owners—whether they are building new or whether they are doing renovation work, knockdown rebuilds or any of that—to ensure that they understand that the certifier is their employee and that they are paying for them. A lot of the time it is hidden because there will be a one-up contract price, and in that the cost of building certification work will be included by the builder. That is an ease and convenience for the lessee, who is paying for the work, but it does not change the fundamentals of the law. The certifier is working for them. People have every right to go to the certifier and say, "What have you done on my behalf?"—and to demand that they give it to them.

THE CHAIR: Thank you. Members, questions?

DR BOURKE: On page 7 of the report, various territory plan variations which have come into effect are mentioned, including No 313 for the Calvary hospital car park. Can you tell me more about that one and how it aligns with planning for the new multistorey car park at the Calvary hospital?

Mr Corbell: Yes. Variation 313 made changes to land use in the vicinity of Calvary hospital to formalise what were previously informal parking arrangements on the eastern side of the hospital. You might recall that in the area—I think it is adjacent to Hyson Green, if I recall correctly, which is the private psychiatric facility at Calvary—there was an informal dirt car park that encroached into a bushland area adjacent to the hospital grounds. This had been, for a long time, an informal car park

that had been established on the hospital grounds. As part of formalising land use arrangements around the hospital, the opportunity was taken to address the issue of the use of that site and to formalise it to allow the hospital to formally count it as car parking provision on the site and allow it to potentially make further improvements to the car parking infrastructure there.

In relation to the multistorey car park proposal—first of all, Jim will tell me if I have got any of that history wrong, but, secondly, he will tell me how it relates to the multistorey development.

Mr Corrigan: Correct on the first bit. The multistorey car park—I will have to make some more inquiries about that, about the relationship there.

Mr Corbell: Essentially, it dealt with the informal car parking arrangements that had been in effect for quite a long time but were not actually in accordance with the territory plan and needed to be regularised.

DR BOURKE: Thank you.

THE CHAIR: Any further questions, members?

MR COE: Can we do capital metro?

THE CHAIR: Okay.

DR BOURKE: I have got more questions in this area.

THE CHAIR: Dr Bourke.

DR BOURKE: Thank you. On page 15 there is talk about a scoping study examining food production in the ACT and region. What is the aim of that study?

Mr Corbell: As you are aware, Dr Bourke, the issue of food security and production of food sourced locally is a matter for consideration as part of broader planning strategy work and to better understand the role of local food production to the ACT economy and what it means in terms of future land use allocation—that is, should the planning framework, the territory plan, take broader account of protection of viable agricultural land versus other land uses? They are the types of considerations that that study looked at as well as issues around sourcing more food production locally in neighbourhoods—so fitting in with the community gardens program that the government continues to pursue. A range of steps like that were taken as part of the study. Dr Brady might be able to help you further with that.

Dr Brady: The food security study—which is on the website, I believe, the outcomes—as Minister Corbell was saying, looked at the regional perspective and the supply of food: how food is brought into the ACT, places the ACT relies on for food sources and any critical points in that regard. It takes that regional perspective, which then flows through, in some respects, to some of the regional planning work that we are also doing with New South Wales.

THE CHAIR: Okay. We are actually in city planning, so we will start off with capital metro. Mr Coe.

MR COE: Minister, I saw that you recently announced a couple of positions for the capital metro. Will you please advise the remuneration arrangements and when they will be starting?

Mr Corbell: Thank you, Mr Coe. The government announced two important appointments—one of Mr John Fitzgerald as the chair of the capital metro project board and the other of Ms Emma Thomas as the permanent project director. Ms Thomas will be employed under an executive contract as determined by the Head of Service and the normal arrangements will be put in place in relation to the disclosure of that contract. In relation to Mr Fitzgerald, the ACT Remuneration Tribunal will be asked to determine the appropriate level of payment for the chair of the board.

MR COE: And also board members?

Mr Corbell: And for board members, yes. Well, that is not correct. The remaining board members are public servants and, therefore, there is no additional remuneration for them, but independent members, or non-public service members, will need to be determined by the Remuneration Tribunal. At this point in time the only non-public service member is Mr Fitzgerald.

MR COE: Have you sought a determination for the board or just the chairman?

Mr Corbell: I would have to check that. I think it is just for the chair, because the chair is the only independent and non-public service officer.

MR COE: How far progressed are the infrastructure audit and the study for Northbourne Avenue?

Mr Corbell: These are matters which are not captured within the reporting period that we are dealing with in relation to this annual report. These are matters that have occurred this financial year. I can give you an answer in general terms, but I do not have all of the detail in front of me. Could you perhaps elaborate a bit more on what you are asking of me, Mr Coe?

MR COE: Sure. I understand that work has been done on an infrastructure audit.

Mr Corbell: Yes.

MR COE: And also—I will get the terminology right—the Northbourne Avenue corridor sweep.

Mr Corbell: The infrastructure audit is being led by the Economic Development Directorate. It is part of work to help inform potential land release and land redevelopment activity along the corridor. It is examining the capacity of existing infrastructure and whether or not there is a requirement for infrastructure augmentation to support redevelopment along the corridor which is envisaged to flow

from the light rail project.

MR COE: Have you progressed at all the thinking about where in the median the track is likely to run? Is it going to run down the existing median or is it simply going to be in the inner lane of the current Northbourne Avenue road?

Ms Ekelund: At this point in time it is envisaged that it will be in the middle of the median, but the detailed design has not been done yet.

MR COE: Has the government undertaken any studies of the trees down the median?

Mr Corbell: Yes. Previous assessments have been made of the health of trees along Northbourne Avenue. That, as I understand it, was prior to this project formally commencing and was part of work undertaken by the Territory and Municipal Services Directorate about the health and state of the tree plantings along Northbourne Avenue and what the management issues were associated with those trees.

MR COE: Given the high voltage power lines, in addition to the construction and the fact that down one side of any tree you have got bitumen already, is it fair to say that the vast majority, if not all trees down Northbourne Avenue, will have to be removed?

Mr Corbell: It is too early to state unequivocally what the future of every single tree along Northbourne Avenue will be. There are a range of factors at play and they will need to be resolved through the detailed design work for the median strip. There is also the fact that a significant number of trees along the corridor have already, prior to this project, been identified as being in poor health and vulnerable to falling over. That problem has been well known for some time. TAMS have already been giving consideration to how they will manage the health of trees along Northbourne Avenue. The problem, as I understand it, with the trees on Northbourne Avenue, completely separate from the light rail project, is that they are not well suited to an irrigated median.

MR COE: They are dependent upon irrigation, are they not? *Eucalyptus elata*—is that what they are called?

Mr Corbell: They are a shallow rooted tree, as I understand it, and, whilst they have prospered very well in an irrigated median, it also means that it is very easy in high wind conditions for those trees to fall over.

MR COE: That is right. That would be a huge risk, would it not, to any light rail tracks?

Mr Corbell: It is a huge risk now for traffic along Northbourne Avenue. It is a problem that will need to be rectified regardless of whether or not light rail proceeds along the corridor. That is a matter which TAMS was already giving consideration to prior to the government's announcement about light rail. In many respects it is a separate and unrelated question to the light rail project. Even if we were not building light rail on Northbourne Avenue we would need to deal with the issue of the health and safety of those trees.

MR COE: When you say “rectified”, what are the options?

Mr Corbell: I am not an expert on these matters. I think that is a question perhaps best asked of the TAMS Directorate who are responsible for the management of the trees.

MR COE: Finally on trees, this picture here in the next steps flyer on your website is quite misleading, isn’t it—to have these natives overhanging high voltage lines?

Mr Corbell: No.

MR COE: Surely you are not going to be able to have that kind of tree integration with overhead cables?

Mr Corbell: That assumes that there will be overhead cables, Mr Coe, and there are technology options that are called catenary free where the power is supplied underground or for stretches of the line the vehicles can operate on a battery power system. We are not ruling in or out any of those options, but we recognise that, to the greatest extent possible, retention of the valued character of Northbourne Avenue is something that the community would like to see the government achieve. We will have to look very closely at all of those issues during the design process.

MR COE: So if not overhead wires, are you saying that it is quite feasible to have branches overhanging the light rail track?

Mr Corbell: It is an artist’s impression, Mr Coe, not a detailed design. I think people would understand that it is designed to give—

MR COE: Well, I do not think so.

Mr Corbell: an impression. It is not designed—

MR COE: It is quite misleading.

Mr Corbell: It is not designed—

MR COE: It is quite misleading.

Mr Corbell: If I could answer the question. It is not designed to give a detailed design. The government has been very up-front from the beginning that the issue of tree removal on Northbourne Avenue will have to be considered and will have to be addressed. We will develop options for that. We will consult and engage with the community about that, about how we believe that can best be managed while still seeking to retain as much as possible the character of Northbourne Avenue, which I know is highly valued.

The avenue will undergo some level of change. That change will ultimately have to be approved by the National Capital Authority, who are responsible for planning along the corridor and making decisions about what the character of the corridor should be. This is also complicated by the fact that we have at the moment plantings on the

corridor which are not going to survive in the long term, regardless of whether or not light rail is built, because of the health and the nature of the plantings. They are not a long-term proposition. They are not going to survive another 30 or 40 years. The nature of the plantings means that replacement is going to have to be considered at some point. This will now, I think appropriately, be addressed in the context of other work in the corridor.

MR WALL: Minister, what update can you provide with regard to the projected patronage of the capital metro project?

Mr Corbell: The government has previously provided projected patronage, and that is publicly available. We do not have any further updates on that at this time, but further work will be undertaken as part of the Capital Metro Agency's remit.

MR WALL: The figures that have been provided to date have only been of peak hourly patronage figures. Are you able to provide the average daily patronage projection?

Mr Corbell: I am not able to provide any further information at this time, but further projections will be made available as the project develops.

MR WALL: When could members of the committee expect those to be available?

Mr Corbell: They will be made available as further work occurs in relation to the project.

MR COE: But there must have been daily numbers used for the economic modelling. What daily figures would have been put into that modelling?

Mr Corbell: It is traditional to project patronage during peak times in the initial assessments—

MR COE: No, it is not.

Mr Corbell: and then further assessments will be made of overall patronage. The figures that are publicly available are the latest figures that the government has. Once further figures become available, I am happy to make them available.

DR BOURKE: Just talking about transport planning, minister, can you tell me more about the feasibility of bus priority along the Belconnen to the city corridor? When will that be determined, as referenced at page 17 of the report?

Mr Corbell: The Belconnen to the city bus priority measures are currently in the process of delivery, Dr Bourke, as you probably know. The government has identified and has funded a range of works to improve bus priority between the city and Belconnen. A significant parcel of those works has now been delivered by the Territory and Municipal Services Directorate. That includes the connections through the new city bus station, the city west bus station facilities, as part of the ANU exchange development. The bus priority measures along Barry Drive and Belconnen Way are complete. There are now works underway on College Street, I understand, to

give priority for buses along College Street and the connection onto, I think, Haydon Drive—if I recall correctly. Those works have been funded by government and are now under construction and delivery by Territory and Municipal Services.

The objective here, of course, is to improve the running of public transport along this key route between Belconnen and the city. The government has made very significant investments in improving bus interchange facilities in the Belconnen town centre itself. The new Belconnen community bus station and the Westfield station are now very well patronised, very well used, and provide a much higher and safer level of amenity and convenience than previous arrangements. We are following through on that with priority measures along significant parts of the corridor between the city and Belconnen.

DR BOURKE: What about issues around transit time? Has that been improved as a result of these measures, or has patronage been increasing?

Mr Corbell: The idea is to improve reliability as congestion continues to grow along that corridor. What we have to appreciate about these measures is that giving right of way to public transport, separating buses from the general vehicle traffic, ensures that running times remain reliable and are not interrupted as congestion or other problems on roads would otherwise interfere with bus operations.

That is the important rationale behind investing in these pieces of infrastructure—to maintain reliability of running times and give certainty for running times as other traffic levels continue to increase. I am happy to take on notice some information around figures and provide those as appropriate.

THE CHAIR: Minister, again on page 17, under “Capital Metro”, during the feasibility study there was an investigation of the integration of capital metro with other public transport. Can you tell us the outcomes of that investigation?

Mr Corbell: Which part of page 17 are you referring to?

THE CHAIR: Under “Multimodal public transport”, towards the bottom of page 17, the first dot point there is “Capital Metro”. That para talks about integration with other public transport.

Mr Corbell: Clearly, opportunities for integration of land use and transport opportunities were one of the key rationales for the government determining to proceed with light rail. The ability to project activity, redevelopment activity, above business-as-usual projections is much stronger with light rail and is one of the key rationales for investing in the infrastructure. As we know, it is not just a public transport project; it is also a project designed to change patterns of development, redevelopment and settlement in the city, ie, where development occurs and where people choose to live.

More opportunities for people to live close to public transport improve the economic efficiency of the city. They improve accessibility for residents and provide the opportunity for more people to live close to central areas of the city, close to services and facilities, jobs, cultural and recreational amenity as well as economic opportunity.

So it is a very important part of achieving our broader planning strategy objectives, which is more dwellings close to the city centre, close to our town centres. That is one of the key issues that drive the government's decision about investing in light rail over other transport modes.

The point to be made about integration with bus services is that in this financial year the Capital Metro Agency has commenced an investigation into the detail of integrating existing bus network operations with light rail. There will be changes to our bus network as a result of the delivery of the capital metro project. For example, a significant number of bus services that currently travel north-south along the Northbourne Avenue corridor will no longer do so, because that function will be performed by light rail.

Therefore, there will be a need to strengthen connections in other directions, particularly east-west along either side of Northbourne Avenue as people from suburban areas on either side of the corridor—both Northbourne Avenue but also Flemington Road and right up to the Gungahlin town centre—connect with the stations and stops that exist along the corridor for light rail.

The light rail integration study is underway. It is looking at those issues. It is looking at confirming locations of stations and stops. It is looking at where, for example, park and ride, bike and ride, passenger drop-off points should be located and the detailed issues around that and how we also integrate appropriately with existing or planned pedestrian and cycling routes, because all of that needs to match up to make the project work as it is intended. And that study and investigation are now underway.

MR WALL: What progress has been made with Infrastructure Australia relating to light rail?

Mr Corbell: The difficulty we have at the moment is that the future of Infrastructure Australia is unclear. With the election of the new federal government, there would appear to be some fairly significant changes proposed in relation to the role of Infrastructure Australia, the decision-making processes and the funding that is available. The government is certainly doing the work now to prepare revised documentation for the federal infrastructure body—whether it is called Infrastructure Australia or whether it is called something else—so that should there be the opportunity for this project to be further considered, we will be ready to make that case to that infrastructure body.

But at this point in time, we do not really know what the new federal government proposes to do in relation to infrastructure funding beyond those projects that they announced as election commitments during the campaign, which were overwhelmingly new freeway projects in Sydney, Melbourne, Brisbane, Perth and Adelaide. But we stand ready and we will certainly have a very strong, rigorous and updated business case to make available to the federal infrastructure body at the earliest available opportunity.

MR COE: Why do you still have buses going down Northbourne Avenue in the projected integrated light rail with ACTION buses?

Mr Corbell: There will still be some bus services that will use Northbourne Avenue, whether they are immediately local services that connect straight into the city for relatively short trips where interchanging is inappropriate—

MR COE: Is that not what light rail is?

Mr Corbell: or whether they are services that do not terminate in the city but progress further into other locations beyond the scope of the existing light rail proposal. So that is the level of detail that we are now getting into. But what we do know is that there will be a very significant reduction in the number of buses that use the corridor. But as I said to you in my answer to your earlier question, it will not necessarily be absolutely every single bus.

THE CHAIR: Minister, the time for today's hearing is up. Thank you very much for attending. Just before we adjourn, can I advise that members of the committee have resolved that supplementary questions are to be lodged with the committee support office within three business days of this hearing. That is for members. And the committee has also resolved that all responses to questions taken on notice and supplementary questions should be provided to the support office by Monday, 16 December. So there is quite a window there.

On behalf of the committee, can I thank you, minister and officials, for attending today and, in advance, for responding promptly to questions taken on notice and supplementary questions. That adjourns today's hearing, and the next public hearing on annual reports will be tomorrow morning at 9 am with the Minister for Territory and Municipal Services. Thank you.

The committee adjourned at 12.31 pm.