



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

MONDAY, 9 DECEMBER 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.

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Privilege statement

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Amended 20 May 2013

The committee met at 9.30 am.

Appearances:

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

Economic Development Directorate and Land Development Agency
Dawes, Mr David, Coordinator-General and Director-General, and Chief Executive Officer, Land Development Agency
Reynolds, Mr Chris, Executive Director, Land Development Agency
Stewart, Mr Dan, Deputy Director-General, Land Development
Walsh, Mr Dermot, Chief Finance Officer, Strategic Finance
Hargreaves, Ms Anita, Director, Workforce and Governance
Guthrie, Mr Neale, General Manager, Venue and Event Services
Jeffrey, Mr David, Manager, Strategic Projects, Policy and Planning
McNevin, Mr Tim, Acting Director, Sport and Recreation Services

THE CHAIR: Welcome to the hearing of the Standing Committee on Planning, Environment and Territory and Municipal Services inquiry into annual and financial reports 2012-2013. Today the committee will start proceedings with an examination of the Land Development Agency annual report, then we will have a short break at 10.30, come back at 10.45 for the minister and Economic Development Directorate, infrastructure, capital works, sport and rec, venues and events.

On behalf of the committee, I would like to thank you, minister and your officials, for attending today. Can I remind witnesses of the protections and obligations afforded by parliamentary privilege and draw your attention to the privilege statement before you on the table. Minister, could you and your officials confirm for the record that you understand the privilege implications of the statement?

Mr Barr: Yes.

Mr Dawes: Yes.

THE CHAIR: Can I also remind witnesses that the proceedings are being recorded by Hansard for transcription purposes and are webstreamed and broadcast live. Before we proceed to questions, minister, would you like to make an opening statement?

Mr Barr: No, thank you. I am happy to go straight to questions.

THE CHAIR: I will begin, then, with an overall question about the LDA, the release of land and how important that is to the economy of the ACT.

Mr Barr: It is certainly an important economic development opportunity for the territory. The LDA had a focus on delivering land in both greenfield and urban infill locations in the previous financial year, and that focus continues in the coming three or four years, in particular. There are a number of development fronts underway within the territory at the moment. In terms of greenfield estates, these are, in the

north, in Gungahlin and in the Molonglo Valley, and work is underway on a third development front in west Belconnen. There are a number of urban infill sites around the city, in the inner south, within the town centres and also particularly along the route of the capital metro project. So work is continuing on land release options, asset disposals and the like to engender redevelopment of sites and greater utilisation of available land in high-priority areas.

All of this is contributing significantly to the territory's economy. It is providing considerable opportunity for private sector investment in the economy. There are clearly thousands of jobs associated with the construction industry in the territory, and the LDA have taken a very proactive view of engagement with the major stakeholders, particularly in the residential construction area, with the HIA and the MBA and are looking, in the next phase of land release, for some mini englobo or super lot releases to ensure that there is a ready supply of land available for local builders in order to continue the supply pipeline of affordable housing in the territory.

THE CHAIR: I am particularly interested in infill and other opportunities for Tuggeranong. The Tuggeranong Community Council met for the last of their meetings for the year last week, and they are calling for more residential development for Tuggeranong. What plans do you have for that area?

Mr Barr: Certainly Southquay is the major project that we have got underway at the moment. But it is by no means the only opportunity for new development in Tuggeranong. There are a number of proposals that are coming forth in relation to new office accommodation for FAHCSIA in Tuggeranong, and we have certainly put the case very clearly that we want that facility to stay in Tuggeranong. We think it is important for the local economy. And we are certainly very keen to work with the commonwealth. I have made the case to the federal Treasurer, Joe Hockey, and I know other colleagues have pressed the case to the federal government that FAHCSIA remain in Tuggeranong. I know you are certainly also a key supporter of that, Mr Gentleman.

THE CHAIR: Questions, members.

DR BOURKE: Minister, I notice that the report tells us that the number of land releases in the reporting year was higher than in previous years. What has been the trend over the last 10 years? Could you tell us about the number of releases and whether that result we have just got is going to keep on climbing or what?

Mr Barr: We have certainly seen a significant ramp up on the supply side over the last decade. The figures that I have been given demonstrate, in some instances, if you compare some of the financial years in recent times, a tenfold increase in land release from around 500 dwelling sites at the very beginning of the decade-long period to over 5,000 in the 2010-11 fiscal year.

We have seen, since 2007, pretty consistently an average of 3,500 to 4,000, with an expectation of settling into a number around certainly above 3,000 and approaching the 4,000, 4,500 in recent years. In 2007-08, it was just under 3,500; in 2008-09, just under 4,400; in 2009-10, just under 4,300; in 2010-11, just over 5,000; in 2011-12, just under 2,500; and in 2012-13, 4,350. I think the expectation into the future is

certainly to maintain a reasonable level of supply into the market, recognising that circumstances have changed a little with the change of government in September. There have been mixed signals, I guess, for the marketplace in recent times. The sales in the last few weeks have certainly been very encouraging in particular locations. But for large multi-unit sites in some other locations, we think the market has been well supplied.

DR BOURKE: So you would say it is probably a segmented market then?

Mr Barr: Yes, there is demand for certain dwelling types in key locations. There are some areas of real estate where it is location, location, location. There are some areas that there will be very strong interest in, regardless of where in the economic cycle you are, and others that will clearly be contingent upon levels of employment in the city. Those who have studied this say there is a very close correlation between the level of employment growth in the city and the land release requirements.

A couple of other factors are now changing the situation in the territory. One factor is more people retiring and staying in the ACT, the other factor being a reduction in the number of people, on average, per dwelling from longer run historical trends. That is certainly feeding into a requirement for more, smaller dwellings in order to meet that change in demographic and circumstance.

DR BOURKE: And you had a very good result in Lawson?

Mr Barr: Yes. Who would like to update the committee?

Mr Dawes: Last Tuesday and Wednesday we took to the market 124 blocks that were hotly contested. One of the key things that we did prior to this auction was put out a schedule of reserve prices. We wanted to ensure that the people that were going to that particular auction were well prepared and knew what the price ranges were. I think that was very well received. We had over 800 registrations for that particular auction, with the result of the auction yielding to us about 34 per cent above what the reserve prices indicated. But I think what we have got to remember is that is a very unique location and, being very close to the Canberra university, just across the road from the Canberra university, close to Belconnen mall and not far from Civic, it was a unique offering.

DR BOURKE: I notice, minister, on page 20 that there were some issues about delays in Lawson. It says 1,100 dwelling sites were delayed due to a combination of reasons, including provision of infrastructure, commonwealth environmental clearances and regulatory processes. I also note that there were 645 delayed in Belconnen and 200 dwelling sites delayed in Watson. Probably people were clear about what was going on in Lawson. Perhaps you could tell us what the issues were with the other two and what was the site in the Belconnen town centre?

Mr Dawes: Certainly. I know I have appeared at a number of these committee hearings over the last couple of years saying that we have been delayed and held up with environmental clearances. One of the things that I was pleased to see was that we got our clearances for Lawson earlier in the year. It meant that we were able to get cracking and start to market that and also let some contracts for the civil works,

because all the environmental clearances were there. We also have all of our environment clearances, while I am on that, for the rest of Gungahlin. So that means that we have already lodged an EDP for one of the suburbs there as well. That was the key thing.

With Watson, that was held up with environmental clearances, and we are in the process of finalising that particular site. That may have just come through recently. Even so, it is fair to say that we are through those.

With the Belconnen sites, what we did there, again, was work very closely and collaboratively with the industry organisations. We have a residential advisory committee meeting and a commercial advisory committee meeting. Listening to what was happening in the market, we chose not to take a further 500 blocks or dwelling sites to the market in Belconnen, because when you look at the number of units that are on the market, a number of the developers there might be developing the first stage but are holding back the second stage. And we are still finding that banks are actually ensuring that there are quite a number of pre-sales. Depending on where the developer sits, they are requiring anywhere from 50 to 80 per cent of the units presold before works are able to commence.

Obviously, listening to what the market was telling us, we chose not to put another 500 dwelling sites out into the market there. But the good thing is that we are there and ready to be able to respond to the market as and when required because we do have those sites that are clear through from an environment perspective but also through any of the other planning constraints that might have been imposed on those sites. So we can actually take those to the market.

Again, we get monthly reports. So we are able to track very closely and clearly what the demand is and how some of those developer sales are tracking as well. We keep a pretty close eye on what is happening within the market and, hence, the feedback we get from the various committees that we run throughout the year certainly helps inform us on that.

DR BOURKE: Certainly a requirement for 70 or 80 per cent presales would require a level of confidence from buyers that prices are not going to go down in the future?

Mr Dawes: When you look at Belconnen, there are a number of developments under construction. But again, it is a decision that both the investors and the purchasers will make. And I think today the community are far more briefed, far better organised, than they were in the past from looking at all the market intelligence to give them that information so that they can make these strategic investments or purchases.

DR BOURKE: Returning to Lawson, can you tell me about your involvement in developing the green star communities tool in the Lawson development?

Mr Dawes: I might refer to that to Chris.

Mr Reynolds: Yes, certainly. The LDA, for a number of years now, has been in quite a unique position in so far as we have been accepted and are sponsoring the green star communities tool. It is a pilot tool, very much leading-industry, best-practice. With a

range of other government land organisations, we have entered into agreements nationally. Fortunately, within Canberra, Lawson has been accepted as one of the first larger community-type projects, not just one site. Traditionally the Green Building Council has been associated with sustainability within the built form. The success of this pilot program is very much a community scale. So it covers the whole estate and looks at a range of things including water quality, block design, energy efficiency within the streetscape, and really those key elements that go to underpinning a vibrant and sustainable community; hence, the name.

So the LDA is fortunate enough that we are sponsoring that. It is in its pilot phase. So the outcomes and the learnings that the LDA will take out of this will then be contributed to the other jurisdictions that have also been successful in piloting their projects in their jurisdictions. All of that data will be considered by the Green Building Council and then ultimately incorporated into the final version of what is currently a pilot program. So we think that is a really good thing to be able to contribute to nationally in such a leading program.

MR COE: Minister, would you please give a rundown of what the territory's plans are for the development of Denman Prospect?

Mr Barr: Yes. We will undertake a revised development process now that, as I mentioned in my opening remarks, will reflect sales to the market through mini englobo or super lot sales that will allow the local building industry to participate in partnership with the LDA in the release of the site.

MR COE: With these super lots—I think you mentioned them in question time—in effect it is going to be an area encompassed by four streets; is that what you are implying?

Mr Dawes: One of the things that we have been doing is, again, working with the HIA, the Master Builders Association and the Property Council to look at what we can do and how we can ensure that builders of various sizes can get land as well. Quite often, for example, some builders are aligned to certain developers. One of the key things we wanted to do was to ensure that we, through the Denman Prospect and some of the other suburbs that we are developing, can get to a broader range of builders. That encompasses making available small packages of two or three, up to five, and also providing, as the minister has said, mini englobo or super lots.

One of the key things with that is that we will allow the builder or the developer who wants to do some of those super lots to have the capacity to innovate and do some of the things that they wish to carry out on that site. We will provide all the key infrastructure that is required and then it is up to that particular builder or developer to work out what product they might take to the market. We have seen in the suburb of Wright that some developers or builders have bought some of the sites and they have wanted to have a mix of product there, whether it is multistorey unit and some terrace product, as well as even some of the traditional townhouse-type operations. So we are going to provide that. To date, in our conversations with the organisations, that has been very well received.

MR COE: That all sounds noble and it sounds like a good rationale, but it is, in effect,

an afterthought after it failed to sell, isn't it?

Mr Dawes: No, we have been looking at that and we have been working with the industry organisations about how we might be able to take land to the market well before Denman Prospect.

MR COE: In which case, why did you attempt to sell Denman Prospect as one big job lot as opposed to doing what you are now doing?

Mr Barr: You can take land to market in a variety of different ways and you can have a variety of different development possibilities. We have got no shortage of land to sell in the next couple of decades, so we can put it to market in a variety of ways. If particular outcomes are unsuccessful and circumstances change, you change your approach. That is what we can do. It is amazing flexibility that you have with the LDA.

MR COE: Yes, that is right. If this is such a good option, why wasn't it considered and enacted six months ago?

Mr Barr: It has been used in the past.

MR COE: But why wasn't it done six months ago for Denman?

Mr Barr: We tested the market.

MR COE: And the market obviously—

Mr Barr: And there were not enough bidders. So we will adopt an alternative approach. There is nothing wrong with that. We can keep doing it all the time.

MR COE: Sure. What sort of return do you expect to get for Denman Prospect by going this way?

Mr Barr: A higher return for the taxpayer, because the LDA undertakes the land development. So the developer profit sits with the LDA.

MR COE: How much money are we looking at? Of course, it was touted—

Mr Barr: That will be determined.

MR COE: It was touted that you were hoping to get \$100 million for Denman Prospect.

Mr Barr: That will be determined in due course. But north of that.

Mr Dawes: It is north of that. One of the key things with Denman Prospect: when that first went to the market, we all rely on advice from experts and consultants as well, and the early indications for Denman Prospect from the marketing agents—Colliers, in this particular case—was that the market wanted a large parcel of land to go to the market; hence Denman Prospect. Again, over time, as the minister has already pointed

out, that did not materialise. But, at the end of the day, we have moved on. We have already called for expressions of interest to get underway and to start doing the estate development plan, to have that lodged early in 2014 and get cracking with that particular site.

MR COE: Is an advantage of doing this that areas that are particularly adversely affected by DV306 will get a lower value than some of the higher yielding areas that are perhaps not restricted to the same extent?

Mr Barr: I do not think you can make that assumption, no.

Mr Dawes: I do not believe 306 had any impact on that or any of our estates that we are currently working on.

MR COE: With regard to it being north of \$100 million in terms of return, I want to be crystal clear about this. So after whatever expenditure the LDA spends developing the land and developing infrastructure, for instance—

Mr Barr: Yes, over a period of time.

MR COE: So at the time of complete development of Denman, in terms of expenses and income, you are going to be more than \$100 million up?

Mr Dawes: As the minister has already pointed out, one of the key elements of this is that, if we sold the englobo parcel, that is it; we receive our money. Obviously, with the LDA undertaking it, and over time, we actually capture the developer's profit they would have normally made. That flows back to the Canberra community.

MR COE: Sure. What exactly is meant by “north of \$100 million”? After all expenses, your income is going to be more than \$100 million over those expenses?

Mr Barr: Yes.

MR COE: What sort of time frame are we looking at?

Mr Barr: The initial proposal is for a 10-year period, as I understand it.

MR COE: Is the area that you are looking at developing going to be different to the area that was put to market?

Mr Dawes: No. Exactly the same piece of land that we took to the market is what we are actually preparing our estate development plan for.

MR COE: I understand that there was a registered bidder for the auction. Did the registered bidder have unreasonable demands about what they wanted to do at the location or was it simply a matter of price?

Mr Barr: Failed to reach reserve.

Mr Dawes: It came down to price, at the end of the day.

MR COE: Was that registered bidder a single operator or was it a consortium?

Mr Dawes: We were dealing with a single entity.

MR COE: Does that single entity have investments elsewhere in the ACT?

Mr Barr: Do you want to ask their name?

MR COE: If you want to.

Mr Barr: We could continue on this for a period of time.

MR COE: I think it is a pretty significant issue when you have a big parcel of land for which it is promised to get a huge amount of money. I asked questions in the Assembly well before the sale and you were saying, “Very confident. Very confident it’s going to go. You’re going to be very surprised by how much we get for it,” and then, of course, it goes belly up. I think it is a reasonable line of questioning.

Mr Barr: It has not gone belly up; we will just sell it in a different way.

MR COE: Yes, sure.

Mr Dawes: It was a local development company, and I am not going to say anything further than that.

MR COE: Okay. With the auction terms, when was the territory going to get the money if it did go ahead?

Mr Dawes: If you go back and look at the original documents, we were expecting 40 per cent prior to December 2013, so it would have been 40 per cent there. Obviously, one of the things that we did, having taken advice from banking associations and marketing agents, was to look at when developers’ peak debt might be. As well, we were then taking the next payment in June 2015—another 30 per cent—and then 30 per cent in December 2015. So it was not as if we were going to be getting all of the proceeds up front in this particular project.

MR COE: By going down this different path, as a result of it failing to go at auction, what impact is that going to have on the bottom line for the LDA and the territory?

Mr Barr: We will report on that in due course. We will not know the answer until we have been through the financial year.

MR COE: But you must have done projections about what the alternative approach is going to bring in, in terms of revenue. If it was going to be 40, 30, 30 as a percentage over three financial years from 2013-14 onwards, what sort of return are we going to get as a result of—

Mr Barr: As I said, more, and we will report on that in due course.

MR COE: But have you not done this assessment already?

Mr Barr: We will report on it in due course.

MR COE: Well, I am asking you now.

Mr Barr: You can ask me now, and I am responding by saying we will report on that in due course.

MR COE: And what is the rationale for that?

Mr Barr: I am answering your question. I am the minister. I will report on it in due course.

MR COE: You can say that but—

Mr Barr: Yes, I can; I just have.

MR COE: I am asking: what is the rationale for that?

Mr Barr: What I am saying is that we report our financials, and we will report them, as we do, according to a consistent basis. We are not giving running commentary on land sales and the LDA's revenues outside those processes.

MR COE: You have been giving running commentary on land sales for the last half-hour. I think it is quite reasonable to ask—

Mr Barr: Not on the financials of the LDA.

MR COE: Not on the financials, right. So it is only an annual reports hearing; that is all it is!

Mr Barr: That is correct; it is an annual reports hearing. You can ask questions about the annual report.

MR COE: I can look at page 17, which is “outlook”. Given the outlook, as mentioned by the chair, is all rosy, surely you would be able to paint a picture of the revenue that you expect to receive in the next three financial years as a result of your decision to develop Denman Prospect.

Mr Barr: We will report on that in due course.

MR COE: Okay.

THE CHAIR: I think he has answered your question. Mr Wall.

MR COE: Given a response, I think.

MR WALL: Just a couple of quick supplementaries, minister. What was the cost to change the approach of Denman Prospect from an englobo package to small parcels?

Mr Barr: What was the cost?

MR WALL: The cost in changing that strategy?

Mr Dawes: It is negligible at the end of the day. It just means that we are getting in and doing the work that is required to develop the estate development plan.

MR WALL: The other question is this: if the return to the LDA is more significant by improving the land as opposed to selling it as a parcel, why is that not the chosen approach normally?

Mr Barr: It is the chosen approach normally.

MR COE: Except for Denman Prospect.

Mr Barr: We have an approach of some englobo sales, and predominantly the LDA does land development. That will continue to be our approach.

MR WALL: My substantive question is this. Referring to page 17, to the chair's report, it says that the LDA was faced by a number of challenges last financial year. Could you outline what some of those challenges were.

Mr Barr: I think they are covered in the—

Mr Dawes: I think you will find—

Mr Barr: You can just read pages 17 and 18, and that will probably cover that off for you.

Mr Dawes: Yes, and I think—

MR WALL: What has been done to address those challenges then?

Mr Dawes: I have already mentioned the fact that we have all our environmental clearances that we have been struggling with for the last two or three years—in getting those through. The commonwealth signed off on those in July-August of this year. That means that we can now actually get cracking. If you look at the suburb of Moncrieff, you will see that we have had an estate development plan ready to be lodged with the department for two years. We have lodged that in the last month—in the last couple of weeks, actually. It means, as I said, that we can now get cracking. We have got all those environmental clearances, and we have them for the bulk of Molonglo as well. So the LDA will not be able to use that as any excuse in the future—waiting for environment clearances. Lawson could have been released two years ago, but again it was tied up with the commonwealth environmental issues.

MR WALL: Further on in your report, it says that land sales were down due to “a high number of contract rescissions and a significant number of delayed settlements”. What was the reason for the number of contract rescissions?

Mr Barr: That would be land rent related.

Mr Dawes: Yes, that would be land rent related.

MR WALL: And the delayed settlements?

Mr Dawes: That comes back to the timing of when civil contractors complete the work. Chris can probably talk a bit more. We work with our contractors, which we do all the time, to look at how we can ensure that the blocks can be delivered. Currently, for example, in Wright we subdivided three to ensure that we did get some settlements in the financial year. We allowed them to focus their work on that particular portion of that stage to guarantee us some settlements. Then some other work, which was interdependent with some other contractors, we completed a little later. That is part and parcel of what you do with developing estates. You work with the constraints that you have and the dependencies that you have in working with other contractors that might be putting in the infrastructure.

We have to remember that out in Molonglo, in particular, we have had six and seven major contracts that have been let. That is from water, sewerage, electricity and then, obviously, roads, and, obviously, with us doing the estate. It is a matter of ensuring that we work with all of those particular stakeholders so that we can deliver the works.

MR WALL: You just mentioned that the contract rescissions were due to land rent. Can you explain what that process is.

Mr Barr: Some people purchase a land release and then hand it back and buy a standard residential.

MR WALL: How is that attributed to lower revenue?

Mr Barr: It depends on when you book it, when that transaction occurs. It can fall between financial years.

MR WALL: But it has been attributed as part of the \$167 million downturn in land sales for the last year.

Mr Dawes: It is a minor part of it. It is obviously part of it, but it is fair to say that they may have fallen over before 30 June. Some of those leases might not have been ready until late May and in June. At the present time, we have not got a block of land available in Coombs or Wright. All the blocks have been sold in Wright and are able to be built on. Again, our marketing agents that were selling the suburbs of Coombs and Wright, being Colliers, have done an extraordinary job and we have now got all of those blocks sold.

MR WALL: What about—

Mr Dawes: They will start falling into this financial year settlements—and the following financial year.

MR COE: Is that the same excuse for the delayed settlements or just for the contract

rescissions?

Mr Dawes: The delayed settlements have fallen, but again it is the timing of when some of the civil works are being done and completed in getting your leases. Once the block is completed, we have to ensure that the asset is accepted. We have to actually work with TAMS for asset acceptance and with ActewAGL to make sure the infrastructure is there. Just because we finish a block does not mean we are ready to rock and roll. Then we actually have to issue the leases. Sometimes when you are butting up against 30 June, if you cannot quite get there before 30 June, it will fall over into the settlements this year.

MR COE: Does that mean—

Mr Dawes: So our settlements this year have been quite reasonable.

MR COE: If those issues are so significant that they are worthy of the chair's citing them as the explanation as to why it is \$167 million lower than in 2011-12, does that mean that, because these contracts were bumped into July, we are going to have a bumper 2013-14?

Mr Dawes: I would not say we will have a bumper 2013-14. We are just in the process of working through that as well. It comes back to timing.

MR COE: So of that—

Mr Dawes: For example, the suburb that we sold in Lawson will not settle this financial year; that will settle in the following financial year. It comes back to timing.

MR COE: February or March, isn't it—2015?

Mr Dawes: Correct. They will be on site there. They will start settling then. These are some of the things that you have got to remember. Just because we sell it today does not mean it is going to settle this financial year.

MR COE: What would be the value of contracts that were bumped into the next financial year as opposed to contracts that have fallen through altogether?

Mr Dawes: Dermot might be able to answer that question.

Mr Barr: We can take that on notice.

Mr Dawes: Take that on notice.

Mr Barr: That will be easier.

MR COE: Sure. Thank you.

THE CHAIR: Minister, if I could bring you to page 190 of the LDA report, there is a discussion there on community engagement. Can you tell us how successful the mingle program has been in Bonner and Franklin?

Mr Barr: By all reports, very successful.

Mr Reynolds: The LDA has, for a number of years now, invested, and continues to invest, in community creation through a range of mechanisms. Mingle is one of our standout programs. We held our last mingle event in Franklin recently; I believe that was a very good success, with good turnout. It was to do with a community interest that had been identified around healthy living—in particular, pushbike cycling. We arranged an event where we had some people come out; it was like a learning exercise about how to tune your bicycle. If you have been fortunate to walk around the extensive cycleway and footpath network through the central spine in Franklin, you will, no doubt, have an appreciation of how actively that is being used by the community. That was a fantastic outcome for Franklin.

We still continue to roll the mingle program out in a number of our estates, such as Bonner. I am also pleased to report that we had our first mingle event recently in Molonglo in the suburb of Wright. Again, we engaged with the community in identifying what they felt, this time, would be a good program of events. For the first one of those events, we had a workshop a couple of months ago. It had an outstanding turnout—I think in excess of 100 people turning out. These are new people moving into their homes in Wright. It turned out that we went through a workshop environment where they identified their needs and what they felt would be a good mingle event for Wright. So it was tailored for their identified needs. We had the first event out there recently in one of the parks, and again an outstanding turnout there.

It is a program that the LDA remains committed to. We continue to work—whole of government—inviting community services and other local community groups to participate. We encourage that. But it does come to a point where we need to realise that that program, the mingle event, going back to Franklin, has achieved what it needs to, and now it is time to hand over to the new community the right framework and information so that, hopefully, they take that and own it as a community should. We do not see ourselves maintaining an active involvement in all mingle programs across every estate. There does come an exit time, which is several years after the residents have moved in.

THE CHAIR: What sort of comments did you get from residents at the mingle?

Mr Reynolds: I do not have specific quotes to table here, but very appreciative. The community was very appreciative of the event, recognising that it is good to be part of a development where the developer does maintain some involvement with the community and the residents as they move in. It is not just about building the infrastructure and exiting stage left, so to speak. It is about maintaining and building a community. As I say, I cannot give you any quotes on notice here, but by and large it is very positive.

THE CHAIR: Excellent; thanks.

DR BOURKE: Minister, page 21 talks about commercial land. The report says:

The results of various tender and auction processes—

for the release of commercial land—

show that confidence in the local market remains strong, with local firms generally outbidding interstate organisations for raw land and associated commercial development opportunities.

Tell me about that confidence in the local market. Is it a trend over time for local companies to dominate this sector, and what were the commercial releases generally?

Mr Barr: I will go to three parts. Yes, the expectations are certainly high in relation to commercial opportunities in the city, and we are pleased to see the strong level of interest that there is. And yes, local firms have taken an approach to want to compete quite seriously with interstate and international organisations. But we will be seeking more investment in the city through national and international firms as well. There is a strong case that competition will continue to drive good results in this sector and this element of the market. In terms of the particular sites, they are reported on in the report, but Mr Reynolds or Mr Stewart might want to give some detail on the sites.

Mr Stewart: I am happy to go through it. We released a range of sites in a range of town centres. Some of them were specifically for commercial purposes; a number were as part of a mixed use release, with a combination of commercial and residential. We released the two sites at Dickson—the Woolworths supermarket car park and the car park for the Tradies—and a number of mixed use sites around Gungahlin. There was a local centre site in Banks. We released a site in Kingston. And there were Phillip, Amaroo, Barton, Charnwood, Gungahlin and a few smaller sites in Belconnen. So there was a fairly diverse geographic release program last year.

DR BOURKE: You are talking about mixed use commercial-residential. One of the characteristics of cities built in the 19th and early 20th century is a strong focus on mixed commercial-residential buildings, usually terrace houses that you see in inner suburban Melbourne and Sydney or any other city across the world that you might go to. We do not have many of those areas here in Canberra. Perhaps the one illustration is around Gungahlin, probably on Anthony Rolfe, where you do have some shopfronts with flats above. Is there a demand in the Canberra market for that kind of development at all?

Mr Stewart: Very much so. You are seeing a lot of that product being incorporated into the redevelopment sites in a lot of infill locations. Braddon is a great example where the new developments are coming in with ground floor, first floor commercial and then apartments above, and it is creating a 24-hour atmosphere in the precinct in which these developments are occurring. So it is not just a daytime economy for the commercial activity; you are getting the night-time economy for the restaurants, bars and cafes that are also locating or co-locating in these areas. I suspect we will see a lot more of that as we move into new greenfield development areas, and the infill developments will just happen as a matter of course in that way.

Mr Barr: You can add Cape Street in Dickson and Kingston Foreshore to that list, too.

DR BOURKE: Those particular developments we have talked about actually differ quite a bit from the offering on Anthony Rolfe, where you have separate properties or tenancies with commercial on the ground floor and something different on the top. They are not under the same ownership regime as you have on those terraces along Anthony Rolfe.

Mr Stewart: Ultimately, the developer will make the choice about how they break up their own development. Some—and I suspect this is probably more the exception than the rule—may choose to do a mixed use development, then retain ownership of the entire envelope and then just rent out everything to both commercial operators and residential tenants. Others will sell off the apartments above. They may retain or also sell off the ground floor, first-floor commercial. So, in a sense, it is horses for courses.

DR BOURKE: What community feedback are you getting around this kind of mixed activity—zoning of residential and commercial together?

Mr Barr: Very positive.

Mr Stewart: Yes, they are being snapped up, so we take that as a pretty good indicator of support, certainly, from industry. The offerings that are coming to market in those areas are also under reasonably heavy demand from homebuyers and commercial operators. I do not want to overstate it but it seems to be the new wave of development coming through, very much in infill.

DR BOURKE: It certainly increases vitality of the streets and activates streets more than if they were purely commercial or purely residential.

Mr Stewart: Absolutely.

DR BOURKE: One of the things, as I said, about Canberra's development is that we have developed strong stratification in the past between our suburban living and those commercial nodes within each suburb and then the major CBD areas in the town centres and in Canberra. Do you think there might be a concern by people who are not in the market for those kinds of properties about this kind of development?

Mr Barr: Yes, some people will always have an opinion that they do not like the way other people live or want to live. You get plenty of that in Canberra. Lots of people have a view about how other people should lead their lives—what sorts of properties they should be allowed to live in. I do not know where letters to the editor and the op ed pages of the *Canberra Times* would be without people who have those views.

DR BOURKE: But they are all the same people, aren't they?

Mr Barr: There is a variety; that is a healthy democracy, isn't it, if people can express that? But, in the end, the market rules. People will buy the product that they are interested in and that they are looking for. In the end the responsibility of government, where we have a role here in land development, is to make sure that we are able to supply a variety of different options to the market and that people have choice. No-one forces anyone to live anywhere. I think it is important that the market is able to supply a variety of different outcomes. But that is not going to stop some

people having a view on how other people should live.

MR COE: On page 30, the bottom dot point says:

Other expenses were \$4.1 million higher than budget mainly due to costs associated with supporting the Capital Metro Project and ... stamp duty equivalent payment.

Will you please advise what the detail is behind that point?

Mr Barr: Prior to the budget funding of the Capital Metro Agency, some of the initial work was supported through other areas of government.

MR COE: What works were undertaken as part of that \$4.1 million?

Mr Barr: We can provide some information on that.

Mr Walsh: The majority of those costs were employee costs as they established the authority. There was a small component of consulting costs. I do not have the detail in front of me now, but that is the broad expenditure of that money last year.

MR COE: Are you able to give a breakdown of the costs for EDD?

Mr Walsh: Yes.

MR COE: Thank you. I understand that it is confusing within government where capital metro has sat, let alone—

Mr Barr: Sorry?

MR COE: I understand it is confusing in some government agencies as to where capital metro has sat, and it is particularly confusing for the opposition. At what point did EDD shift responsibility to TAMS?

Mr Barr: I am not sure that there ever was—

MR COE: TAMS had—

Mr Barr: There were a number of different government agencies who were providing either in-kind or staffing support prior to the agency being established. The agency was then budget funded. At that point the agency was established and the other areas of government that were supporting its activities prior to its appropriation were no longer required to do so because there was an appropriation for the agency.

MR COE: Of course, there is—

Mr Barr: It is a whole-of-government project. There is work that needs to be undertaken in different directorates.

MR COE: You have EDD, TAMS, ESDD and, of course, now the Capital Metro

Agency itself. But at the time of the opening of the Mitchell office of what was then the Gungahlin to city transit area, was that an EDD responsibility at that point?

Mr Dawes: Initially, EDD was providing some back-of-house support, if that is where your question is going. That was for some recruitment and other issues of that nature. From 1 July that back-of-house support—because obviously one of the key things that we thought about was not replicating a whole lot of financial services and a whole lot of HR—would be supported by a particular directorate. So we were doing it until virtually 1 July and then TAMS took over responsibility, if that is where you are going. But it is as simple as that.

MR COE: What ongoing involvement will the LDA have, if any, with capital metro?

Mr Barr: There is a cabinet subcommittee which—

MR COE: I am talking about the LDA as an agency.

Mr Barr: Yes. There is a cabinet subcommittee, of which I am a member. The LDA report to me, and their input will be through me. They will work closely with Treasury in relation to a range of issues that will require their input over the development of the project.

MR COE: But for things such as, for instance, several public housing blocks on Northbourne Avenue which are managed by CSD, it is proposed to redevelop those sites.

Mr Barr: That is right.

MR COE: Is that something that the LDA would get involved in?

Mr Barr: Quite possibly, yes.

MR COE: So it would not be a definite thing; it would be—

Mr Barr: It will be determined on a case-by-case basis.

MR COE: Is there any trigger or any threshold whereby the LDA automatically comes in?

Mr Barr: No.

MR COE: For instance, the LDA has experience with regard to valuation, market testing et cetera. Would that just be called upon on an on-demand basis?

Mr Barr: That is part of the whole-of-government approach to the delivery of the project. The expertise across government will be called upon as appropriate.

MR COE: On what occasions have the LDA been called in to assist?

Mr Barr: The LDA has ably assisted me as Treasurer and as Minister for Economic

Development in my engagement in the cabinet subcommittee process.

MR COE: But are there any specific projects? For instance, are there particular blocks of land that—

Mr Barr: The LDA has actively supported my role on the cabinet subcommittee.

MR COE: So, for the territory's biggest capital works project ever, that is all the information you are going to give?

Mr Barr: Is that a question?

MR COE: Yes.

Mr Barr: That is the information I am providing today, yes.

THE CHAIR: Mr Wall.

MR WALL: Pages 235 to 236 outline the capital works that the LDA have undertaken—works in progress and works completed. There have been a significant number of delayed projects. Of the 20 listed, 14 have had revised dates or delayed completions. What is the reason for each of those?

Mr Reynolds: Some of the delayed commencements are associated with approvals, invariably. The LDA does not consciously hold back on delivery of our works, but obviously you cannot commence works without the required legislative approvals. For the projects that we have got listed down here, that, by and large, is the reason for the delays in commencement of the civil works.

MR WALL: Have the delays that you have experienced been different from normal or have they been taking the standard period of time for approvals?

Mr Reynolds: There are no peculiar reasons, any standout reasons, why those projects that are listed there were delayed in terms of commencements. It really does come down to the approvals. We have no issues with the industry. Our tender processes have been very efficient. Very rarely have the tender and procurement processes been a critical path item. We can run many things in parallel. We will go through our procurements, even on our tender processes off draft designs, and then, as they get finalised, we will make the commitment. As I say, it comes down to having the right planning and environmental approvals in place before you can commence works on site.

MR WALL: Yes, but it just boggles the mind that of 20 projects that are listed 14 were revised. Of what is currently in progress, which is nine projects, six have been delayed. Is it simply an issue of estimating the time for these things to be completed?

Mr Reynolds: Yes, correct. At the point in time when we are preparing our forecasts for commitments, we are very much looking at in excess of a 12 months forecast. We make assumptions; we put in stretched but achievable targets within the Land Development Agency. Those are obviously based on a range of assumptions—

assumptions around time frames for approvals, for example. And, as identified in our statement of intent, there are a range of risks that are external to the LDA—risks that, whilst we can seek to mitigate them, we ultimately do not control, such as approvals by independent regulatory authorities. At the point in time when we are doing our forecasts, we are forecasting in excess of 12 months, as the statement of intent and the underpinning expenditure forecasts are being prepared. As I say, we do not take a zero risk approach to this. We engage with risk; we manage it; and we give ourselves stretched but achievable targets. From time to time, we are out by a couple of months.

MR WALL: A couple of months? The Kingston realm boardwalk for June 2012 has now been revised to May 2015.

Mr Reynolds: Yes. If you are familiar with the site, you will appreciate that there is quite an integrated outcome between the boardwalk and the commercial buildings that we have sold onto the private market. Quite an innovative approach that we have taken here is that, rather than the LDA delivering the component of the boardwalk as capital works up-front and then a developer coming along and having to try and seamlessly integrate into those works, we have coordinated with the developer such that the works have been delivered concurrently. Hence, there is a dependency on the progress of that private developer and where they are with their works. Their sales rates, their pre-commits and their construction program are dependent on us and vice versa.

We are not operating in isolation in Kingston. With that high amenity of that boardwalk, this seamless integration with the built form that the private industry is delivering, we are working with them. We do not have an approach of blaming them or just putting our works in and saying, “Right, the problem’s with you now; you’ve got to integrate.” We are working with them. We are adjusting our—

MR WALL: That contradicts the answer you just gave, which was about regulatory approvals.

Mr Reynolds: The private developer needs a certain amount of approvals before they can commence work—building approvals. But you are correct with Kingston: there is a financial element about their pre-commits and their rate of progress.

MR WALL: There was a two-year delay in the shade structure in Gungahlin.

Mr Reynolds: I am not familiar with that one, but I can take that on notice.

MR WALL: Yes, what the reasons were for that one. That was another substantial delay on what would be a fairly straightforward bit of capital works, you would imagine. Yes; could you take that on notice.

Mr Reynolds: Yes, I am happy to do that.

THE CHAIR: Minister, just going back to social inclusion, page 190 reports that you did a partnership with the MBA on the Franklin charity house. Can you provide for the committee and the public the outcomes of that operation.

Mr Barr: I think the report talks about net proceeds of sale of \$582,000 distributed between five charities—the YWCA, YouthCare, the Canberra Men’s Centre, Inanna and Toora Women Inc. It is a project that is ongoing in that there is a new one now being developed.

Mr Dawes: We are in discussions now.

Mr Barr: Yes.

Mr Dawes: Currently we are in discussions with the Master Builders Association for another charity house as well. We are just going through potential block selection. Again, with the MBA, and the previous home that was built by Classic Constructions, they are talking to some of their members internally as well as looking at who might be involved in the new charity house. I understand that they have settled on Renaissance Homes to do that. We are looking at how we can provide some proceeds to additional charities. That, again, will morph into an 18-month process. It will be about an 18-month process for that to occur.

THE CHAIR: I think it is pretty clear what you get from the result of that for the charities themselves, but what does the construction side feel about taking part in this?

Mr Dawes: When you look at an organisation such as the MBA, their members are wanting to participate and be involved. When you look at some of the major projects that are being developed around town, Boundless being one—the industry has been quite involved in that particular project; the civil contractors have actually delivered a lot of the services in the ground for that particular playground for free as well—you see that the building and construction industry, like many different industries, is quite generous. It is a way of putting back into the community. While there is that sort of desire, it is a good opportunity for them to get recognition from the community but also for us to provide some financial support to different charities and different organisations around the city.

THE CHAIR: We will take a break and come back with EDD infrastructure, capital works, sport and rec, venues and events. Thank you, members.

Meeting suspended from 10.28 to 10.44 am.

THE CHAIR: We will return to the committee’s hearing on annual reports. Now we are looking at EDD—infrastructure, capital works, sport and rec, venues and events. Infrastructure questions, members?

DR BOURKE: Minister, what is the significance of the 2013-14 update of the ACT government’s infrastructure plan which you released today, and can you tell us about the asset sales reported in the *Canberra Times* today?

Mr Barr: Yes, the infrastructure plan has been released. It outlines the infrastructure pipeline over the short, medium and longer term. We presented the plan in a slightly different format this year in that it provides the infrastructure community and the broader community with information in relation to the funding status of each of the projects across the government’s infrastructure priorities. So people will get a sense as

to whether a project is in the construction or delivery phase, in the forward design phase, feasibility study phase or in an early planning phase.

The update sets out a range of major projects and outlines opportunities for new investment in the city, as well as providing a snapshot across a number of different directorates of priority projects. It also provides an update on significant infrastructure projects being undertaken by other entities—for example, the Canberra Airport Group, some of the utilities and work being undertaken by the National Broadband Network.

In relation to the question of asset sales, the government has indicated that it will certainly be examining its asset base and a variety of asset classes for sale. We have already taken a decision in relation to the TAB. There are a number of land and property holdings that will be put to the market in coming months and years. We will be directing the proceeds of a number of those asset sales into renewing infrastructure or acquiring new infrastructure for the territory.

We have received some encouragement from the commonwealth government in relation to particular asset classes for sale and assistance that the commonwealth will provide us with, in boosting our investment in productive infrastructure, with a particular focus on the 2015-16 financial year, when the commonwealth have indicated that the mining investment boom will have fully subsided and the economy will be needing new stimulus by way of new infrastructure. The commonwealth have indicated the desire for states and territories to invest in and to bring forward infrastructure projects, and they have indicated a willingness to work with us on those projects.

We believe we have a number that will meet the criteria that the commonwealth have put forward in relation to productive infrastructure. With respect to the process of seeking their support, either through favourable taxation arrangements or through a commonwealth co-contribution towards infrastructure projects, they have, perhaps understandably, indicated that they have to agree on the project as well. That is not unusual and not that different from what previous commonwealth governments have indicated.

What is different this time is a willingness to consider the tax equivalent payment question which certainly has made it challenging for cycling through assets for new productive infrastructure. No-one could pay a state or territory government enough in certain instances to replace the value of not only the lost dividend from a particular asset but also the income tax equivalent stream that comes from that asset. The commonwealth have indicated a desire to discuss those issues with the states and territories on a project-by-project, asset-by-asset basis. We have said we are prepared to enter into those discussions. The obvious starting point is the TAB, as we have made a decision to put that to market, but there are a number of other assets that we can look at with a view to renewing the asset base of the territory.

DR BOURKE: Talking about the city to the lake project specifically, which is mentioned in your media release today, I understand it won the Planning Institute of Australia award for urban design in the “policies, programs and concepts” category. How did that happen?

Mr Barr: It must be a very good plan. Presumably, those who judge these things have determined it that way. But it certainly gives confidence when the work that has been done to date is of a sufficient standard to win that level of national recognition. It would be fair to say that, when presenting this to the major infrastructure communities in Australia, in Sydney and Melbourne, and overseas—in Singapore, in particular—there is strong interest in investing in the project. We look forward to the next stages of development of the city to the lake project as part of a broader package of infrastructure renewal for the city.

MR COE: Minister, on page 268, in the list of “new works” under “capital works”, the top one is Manuka Oval lighting upgrades. What fallout has there been as a result of Abacus Lighting going into liquidation?

Mr Barr: What fallout has there been? Absolutely none that I am aware of.

Mr Dawes: None at this point in time.

MR COE: For instance, have all the contractors and subcontractors been paid?

Mr Barr: In relation to our project, yes, that is my understanding. The lights have been operational for nearly a year. So that project is completed.

MR COE: You are aware that Abacus went into liquidation—

Mr Barr: Correct, yes.

MR COE: very soon after the project. How long after payment did they go into liquidation?

Mr Barr: We would have to take that on notice.

MR COE: Yes, if you could.

Mr Barr: I do not think it has got anything to do with our project.

MR COE: My understanding is that there are subcontractors that still have not been paid and, in effect—

Mr Barr: I am certainly not aware of that. Nothing has been brought to my attention to that effect.

MR COE: In effect, it has been written off. I did see a freedom of information request that was put up, published online, which showed that there were initially concerns about the finances of Abacus prior to them being engaged.

Mr Barr: I am not aware of any issues. Obviously it has not impacted at all on the delivery of the project. The lights have been in operation. They have been utilised for a number of major events. I will happily check to ensure that everyone who should have been paid in relation to our project has been paid. But no-one has brought anything to government that I am aware of. Certainly, nothing has been brought to my

attention in relation to anyone not being paid for work on that project.

MR COE: In this FOI, one of the documents to Abacus says, “Why didn’t you pay any tax in the UK for 2011?” The answer from Abacus was, “Because we didn’t make a profit last year.” This contributed to the department initially giving Abacus a poor rating with regard to their finances. Are you aware of this?

Mr Dawes: Obviously, it goes back to the way we procure the projects. We run them through an independent audit process, which is Kingsway. Kingsway would have been asking those sorts of questions on our behalf. But, at the end of the day, they were given eligibility to tender for that particular project. The important thing to remember is that all of the towers themselves were made in the UK and came out. That was the primary role that they had. There were a number of other contractors here that oversaw the installation, and the lights themselves were local.

MR COE: They were the head contractor, though, weren’t they?

Mr Barr: Correct.

MR COE: So, in effect, it was their responsibility to pay the subcontractors?

Mr Dawes: As the minister said, we will take that on notice. It has not been brought to my attention that there is anything outstanding.

MR COE: I will come back to it later in the hearing.

MR WALL: On page 234, under “risk management and internal audit”, there are four audits listed. There was a follow-up audit—territory venues and events. Why was that necessary?

Mr Dawes: We have an independent audit committee that looks at the operations of all of EDD’s entities, and they will select independently particular audits they wish to take into account. Obviously, the one in territory venues and events was conducted. There were a number of others, of course—credit cards, a review of our payment of invoices. So these are standard things that you would expect an audit committee to do.

MR WALL: So why was the follow-up audit necessary?

Mr Dawes: This came about because there had been an initial audit done by TAMS when territory venues and events was part of TAMS. Obviously, from our perspective, and having taken on a new entity within EDD, it was appropriate for the audit committee to look back and see some of the recommendations that came out of TAMS that were being incorporated into the operations of EDD, and also to give the new entity—EDD—a level of comfort.

MR WALL: What was found through the credit card usage review?

Mr Dawes: Anita Hargreaves will be able to give you the in-depth details there, because Anita sits on that particular committee. Again, I was pleased to see that we did not have any major issues around the credit card use. These are just standard

things that we like to do. With EDD, there are a number of credit cards across the directorate. So it is a normal part of business to make sure, and give me comfort at the end of the day, as to who is responsible for this under the FMA act.

Ms Hargreaves: What would you like to know, specifically?

MR WALL: I would like some more information on the recommendations that were made following the review.

Ms Hargreaves: I can give you a rough outline. Unfortunately, I do not have that level of detail with me today. At the end of the day, our credit card usage could be improved slightly. It had to do with credit card holders. I think there were maybe one or two that had not presented timely acquittals of their credit cards.

MR WALL: What about the review of payment of invoices?

Ms Hargreaves: Again, I can give you that level of detail on notice. But they were minor. It was actually quite a good audit.

MR WALL: With the credit card usage, were there any indications of potential fraud?

Ms Hargreaves: No.

MR WALL: With the review of salary acquittal reports, I presume that would be taken on notice as well?

Ms Hargreaves: It would be, but they were all very minor. We were really pleased with the outcome of those reports.

THE CHAIR: Minister, would you be able to give us an update on progress at the Woden bus interchange and associated works?

MR SMYTH: Just before you go ahead, Mr Chair, is it not the policy of this committee to extend questions to visitors?

THE CHAIR: Yes, we normally do, Mr Smyth. I have not asked my question yet.

Mr Stewart: The project is progressing well. EDD lodged the estate development plan development application to redevelop the bus interchange on 1 August this year and received approval from the Environment and Sustainable Development Directorate on 20 November. So that work, as per the EDP, will now progress. So things are moving steadily.

THE CHAIR: What are the next steps?

Mr Stewart: There is some further design work—and I will correct the record if this is not the appropriate level of detail—around the interface between the interchange and Westfield, and some further work with a number of individual shop owners, particularly in that regard, and some significant construction work moving forward.

Mr Barr: Real-time bus information, public toilet upgrades, improved security, and pedestrian and bicycle access. The EDP focuses on the layout of Callam Street and interaction with the Westfield facility.

DR BOURKE: Before you proceed to the visitor, chair, I will just let you know that I have a list of questions that I would like to ask in this section, please.

THE CHAIR: Sure. Mr Smyth.

MR SMYTH: Minister, can you outline what work is being done on the new Civic stadium and the costs to date?

Mr Barr: Yes. There has been a reasonable amount of work undertaken over the last four years. When we participated in the joint bid with the commonwealth in relation to the football world cup there was work undertaken around new stadium infrastructure that would be required for Australia to successfully host such an event and for Canberra to be one of the host cities. A number of options were looked at as part of that work. They included work in relation to the approximate costs of constructing a new facility to accommodate a world cup level event, something with a capacity of about 45,000. There were then a range of different options considered as to whether the existing Bruce stadium facility could be upgraded or a new facility would be built and, if so, where could that be located. So the work began back at that point.

We have had the opportunity, as we have looked at the option of one stadium that would accommodate all sporting needs, to look at the relative costs associated with such a facility that would require moving parts to be able to reconfigure from a rectangular context to an oval setting. Examination of different options there resulted in a decision from government to not pursue a single-stadium approach but to invest in the upgrade of Manuka oval for cricket and AFL and to examine other options for rectangular sporting facility needs.

We certainly established over those four or five years that the existing Canberra Stadium infrastructure has only a limited lifespan and will require upgrading or replacement within the next decade or thereabouts, the exact timing being contingent on how long you are prepared to continue to occupy an expensive and outdated facility at the Canberra Stadium when you compare the new infrastructure that is being delivered in basically every other city in Australia that hosts major events that require a rectangular sporting facility.

We then proceeded with work in relation to the city to the lake project to identify potential sites for a CBD stadium. I have taken the opportunity, when visiting other Australian cities and other cities in the world, to look at new stadium infrastructure. We have seen the facility that was built in Dunedin for the rugby world cup, which is of a size and scale which is comparable to the sort of project that we would be looking for in Canberra. At the other end of the spectrum, when I was in Singapore only last month, we took the opportunity to meet with the team that is delivering the Singapore sports hub. It is a stadium larger than we would require, but it is being delivered as a PPP. So we took the opportunity to meet with the project team to look at the different

options that they have pursued in terms of maximising private sector investment in a facility and how you can commercialise those opportunities.

To date, the bulk of the work has been undertaken within existing appropriations or associated with particular ministerial visits. And we will continue to develop our thinking in relation to the project but, by way of comparison, it certainly received no appropriation and no level of business case development comparable with, say, the convention centre, which has received significantly more funding from the government and more attention in relation to the detail of the project to date.

However, we will continue our work in relation to the city to the lake project. We have identified a site. But there are a number of steps that need to be gone through before a stadium would be ready for an approach to the market for partnership investment.

MR SMYTH: Is it possible to provide the committee with a breakdown of money directly spent on the stadium over the last four years?

Mr Barr: Yes. It would be very little.

MR SMYTH: What design work has been done?

Mr Barr: A considerable amount in relation to options for the football world cup and the different reconfiguration options for Canberra Stadium going back to—I am saying—2008-2009, I think, from memory. I will check those dates just to confirm. There were three or four different reconfiguration options considered for Canberra Stadium, with various costs. It was for quite some time available online on the territory venues and events website. I am not sure whether it still is. I can check and we can certainly reproduce that information that was provided publicly.

MR SMYTH: But there is nothing specifically done for the Civic site identified in city to the lake?

Mr Barr: Not to the extent that was done previously, no. There has been concept work in relation to what size footprint and the like and further development of thinking in relation to the commercialisation opportunities. But as I said, no, the project is nowhere near as advanced as the work that has been undertaken on the convention centre.

MR SMYTH: Is it possible to provide the documents that show the footprint?

Mr Barr: Yes, that is in the city to the lake. It is publicly available.

MR SMYTH: That is all there is?

Mr Barr: Yes.

MR SMYTH: On the prospect of a PPP, have any stadiums on their own been delivered by PPP around Australia?

Mr Barr: Around Australia? I do not believe so. But then Australia is not particularly advanced in the delivery of PPPs in an international context; hence the engagement with the Singapore sports hub and the team there.

MR SMYTH: On page 179, the third dot point says:

- support the ongoing planning surrounding the future of Canberra Stadium;

What is the future of Canberra Stadium, and what ongoing planning work are you doing?

Mr Barr: I would say the future of Canberra Stadium in its current location is limited. Some parts of the facility will be approaching 50 years of age within the next decade. The standard of facilities when compared with other parts of the country is well below par. There will be a requirement for significant infrastructure improvements, and we have assessed that it would not maximise the return in that location. It is in the wrong spot.

MR SMYTH: How much have you dedicated to the ongoing planning surrounding the future of Canberra Stadium?

Mr Barr: There would be an allocation in relation to its capital upgrade and largely it would be in staff time within territory venues and events.

MR SMYTH: Two dot points down is:

- oversee the future development of planning for Stromlo Forest National Park;
- continue development of commercial options ...

What is the future of Stromlo Forest Park, what are the commercial options you are looking at, and is the gondola still on the—

Mr Barr: Yes, there is a master plan process in relation to Stromlo Forest Park, and there are particular pieces of work in relation to low-cost accommodation options and development within the precinct that would be supported by the ACT government, for example, new recreation facilities to support the residential population in the Molonglo valley. So there is work underway in those areas.

In relation to the gondola, my understanding is that there will be costs in the order of \$3 million to \$5 million capital and then a question of whether an ongoing subsidy would be required. So those matters will be progressed as the master plan is implemented and as budget funds are available.

MR SMYTH: The announcement this morning on your behalf about commonwealth funding, how will that affect the stadium and potentially Stromlo Forest?

Mr Barr: The federal Treasurer has indicated to me verbally that he does not support

investment in stadium infrastructure as projects that would attract commonwealth support, notwithstanding the significant level of commonwealth support for stadium infrastructure in recent times. But I would read into his statements that there would not be any matched commonwealth funding for stadium infrastructure.

A case possibly could be made in relation to Stromlo Forest Park if you could argue that it would improve the productive capacity of the economy. I would not have it high on the list there. I think the commonwealth are focusing more on transport infrastructure and projects that might enhance economic activity. There could be a tourism angle that they could be interested in.

But I got the distinct impression that transport infrastructure was top of their list, with a preference for road over rail. And things like convention centres, stadiums and the like fall further down that list. But the convention centre is a chance, the stadium none, for commonwealth funding.

THE CHAIR: Dr Bourke.

DR BOURKE: Coming to a fairly specific question around the redevelopment of service station sites—and I understand that that is probably mostly in another directorate—there have been a lot of redevelopments in my electorate in Belconnen, particularly at Holt. Do you know what is happening with the Page service station site?

Mr Dawes: No, I am not aware. I am not sure. I have not been involved in that for a couple of years now. I do know that there are different owners involved in that particular transaction, but really all of that lies with ESDD.

THE CHAIR: Mr Coe.

MR COE: Thanks. Going back to what I was saying earlier about the Manuka Oval lights, minister or Mr Dawes, I imagine you are aware of the rating which was provided by Kingsway of unsatisfactory as an overall financial rating for Abacus. Are you aware of that, minister?

Mr Barr: Sorry?

MR COE: Are you aware of that?

Mr Barr: I had no involvement in the procurement process, so no.

MR COE: Right.

Mr Barr: That is a matter handled outside the minister's office.

MR COE: Mr Dawes, are you aware of that?

Mr Dawes: I was not directly involved, but yes, I was aware of it. Obviously it was deemed that they were sufficient to provide the infrastructure that was required for the lights. To that point, to ensure that things would be under control in the design of it,

we actually sent Mr McNulty to the UK to meet the team. And then, as a follow-up from that, there was a weekly catch-up with the team in the UK and Mr McNulty to ensure that things were on track and we could manage the lights. The good thing, and the important thing to remember, is that they made all the towers in the UK; they were sent out here and then installed.

MR COE: On 11 July, Mr McNulty wrote to you:

It is recommended that you:

Note that Abacus Lighting is not considered suitable as lead contractor for the Manuka Oval Sports Lighting project ...

That was agreed and signed by you in July 2012. What happened following this that in effect minimised the risk, albeit on paper?

Mr Dawes: I think the important thing to remember is that the principal contractor here was Dialight from Western Australia. It was the principal contractor. Abacus was then engaged by Dialight to manage that particular contractor. As I said, the fact that the towers were here, and were managed, delivered and installed—we managed that particular part of the risk and that is why we engaged the Western Australian firm to oversight it. Abacus was a subcontractor of that particular firm.

MR COE: On the financial—

Mr Dawes: The reason why we went with the Western Australian firm was the concerns that were raised. It is like any project: you have a degree of risk, and then it is about how you are going to manage that particular risk. It was deemed that, rather than directly contract with Abacus as the head contractor, we would engage another head contractor to take on that particular role. That was able to manage that particular contractor. Hence, that was done. That is the reason why the project was delivered. I think it is evident that it has been delivered.

MR COE: Sure, but the initial report for Abacus said that the ratio analysis was unsatisfactory, the working capital was unsatisfactory, the current ratio was unsatisfactory, the project value to sales revenue was unsatisfactory and the analyst's assessment was unsatisfactory.

Mr Dawes: That was the reason why we went with Dialight from Western Australia as the principal contractor.

MR COE: Were the concerns with Abacus passed on to subcontractors that you were aware of who were dealing with Abacus on this project?

Mr Dawes: As I have said to you a number of times already this morning, Dialight from Western Australia was the principal contractor. They had control of the particular project. The reason we put that mechanism in place was to ensure that Abacus was a subcontractor of Dialight from Western Australia.

MR COE: That was undertaken, though, was it not—Dialight and that structural arrangement—after you had given approval to Abacus?

Mr Dawes: I forget the exact dates, but obviously, as we were getting the assessment done, with the questions that were being asked by Kingsway, we looked to ensure that the project—what you have got to also remember is the time frame in which the project had to be delivered and hence why we put some risk management in place to ensure that the lights would be delivered. If you recall, the order was only placed—I think; I am going from memory—in April or May of the year before the lights were being installed. Hence we engaged Dialight as the principal contractor to manage that particular risk. Secondly, we flew Mr McNulty to the UK to make sure that they understood the engineering drawings, because that was all done by an Australian architect from Cox Architecture—to walk them through that to ensure that the project was made and delivered.

MR COE: I am somewhat concerned, based on the information that you had, about how you gave approval for a select tender to Abacus, and only after giving approval did you have to revise it to put in place another structural arrangement with Dialight.

Mr Dawes: What you have got to remember is that there are very few companies in the world that make this type of product. There are none here in Australia—none at all—to deliver the towers required for Manuka Oval. As I said, we managed that particular risk and engaged the Western Australian firm.

MR COE: What involvement did Musco Lighting have in this?

Mr Dawes: I would have to take that on notice.

MR COE: Yes, if you could. That was also one of the recommendations that Mr McNulty gave—to amend your previous approval for a select tender process to include Musco Lighting and Dialight ILS Australia. Finally, I will ask the question I asked earlier: are you aware of any subcontractors that have not been paid as a result of Abacus going into liquidation?

Mr Dawes: No, not at this point in time. I know there were some discussions, but, as far as I know, that was resolved, and I have not heard anything for some months.

MR COE: Okay.

THE CHAIR: Mr Wall.

MR WALL: Thank you, chair. Minister, with regard to the ACT motorsport strategy, there was about \$830,000 of grant funding given to motorsport clubs. I was wondering if you would be able to outline which clubs were recipients and what that money has gone towards.

Mr Barr: I think that will be reported in the annual report—the detail of that. I will get a page number.

Mr Guthrie: In relation to the motorsport grants that you refer to, Mr Wall, there was \$830,000. Trials Club of Canberra received \$97,640 for a facility development around new courses and fencing at Fairbairn Park. The Dual Sport Motorcycle Riders

Association received \$24,200 for a strategic plan and business case for the potential operation of an off-road motorcycle riding facility. The Southern Cross motorsport hill climb club received \$150,000 for resurfacing of the club's hill climb track. I can report that that work is actually being undertaken today; I received an email this morning about that. That is in partnership with funding that they have saved up over a number of years. So that work is underway.

The ACT Motorcycle Club—with the motocross track and the flat track—received \$85,000 for purchase of a bobcat for the maintenance of motocross and flat tracks. The Canberra Bulls Speedway Club received \$15,000 for a feasibility study to find a potential site for the new motorcycle speedway track. The ACT Motorcycle Club received an additional \$8,000 for preparation of environmental plan to guide their management operational facilities. National Capital Motorsports Club, the speedway on Fairbairn Avenue, connection of reticulated electricity to their lease, \$150,000. Brindabella Motor Sport Club rally received two allocations, one for specialist timing equipment that was utilised last year in the National Capital Rally for the first time. It was probably central to that event being secured for the ACT last year. And they received an additional \$5,000 for support for ambulance for their event. Canberra kart club—design and DA of major upgrades to the kart track and facilities, \$143,872. The ACT Motorcycle Club received an additional \$32,000 for some sheds used for motorcycle support, which has subsequently been redirected towards some plant and equipment. They have reallocated their priorities and requested the minister to approve that, which he has. And finally, the Light Car Club of Canberra received \$12,500 for strategic planning.

MR WALL: A number of these clubs operate around the Fairbairn Road precinct and are all subject to noise credits and noise abatement. Is anything being done or any assistance being offered by the directorate for these sites to identify alternate venues into the future where noise restrictions will not be a factor?

Mr Guthrie: That was a challenge right back at the start when we looked at how we would allocate this notional \$8 million, the \$8 million promise for motorsport for the ACT. We established the motor sport strategy. They are very unique facilities that are required. We looked at expanding the facility at Fairbairn Park and found that there are actually two blocks of land just immediately on the boundaries and to the north of that site. We found that the plan was all around trying to minimise the noise credits by moving the hill climb club. We found that the allocation of those two extra blocks to the north crossed about four difficult challenges around the national capital planning restraints; there are environmental restrictions et cetera. So we have actually stepped back our thinking around that and just looked at maximising the site.

We have looked at what causes the noise credit problems. A lot of the work is being done by the clubs themselves in forms of minimising in their planning. Whilst we did start with good intentions to try and assist them to minimise their noise problems, acknowledging that, as development continues in that area, there will always be a challenge, the challenges are pretty hard. We have just got to work within the existing confines and boundaries of those sites and understand the constraints. There has been a significant amount of mounding going on around the motocross track and the flat track, which assists with bouncing the noise up instead of going out. The hill climbs, I think, are the main culprits; they basically have their exhausts going up the hill that is

facing the Ridgeway residents, so they are restricted in the number of events that they can hold each year. The group are very well aware of what their restrictions are. We did try and help them by giving them extra land to the north, but found that it is too difficult to achieve given the restraints of current planning laws around those two blocks of land.

MR WALL: A bit further on in the annual report, it speaks about the legal off-road motorcycle facility. I was curious as to what spending has been allocated towards that project.

Mr Guthrie: In relation to the rec riding facility at Pierces Creek, we have been undertaking a significant amount of planning work. We are now at a point where the development application for that site has been lodged with ACTPLA and a technical assessment is nearing completion. The next phase of that development application will be public consultation, which, if it is released in the next couple of weeks, will be extended, given the Christmas period, to allow the public enough time to give their feedback on that site.

We have currently got some funding remaining in the motorsport allocations in our area. I cannot give you the exact detail, but there are between \$100,000 and \$200,000 of remaining funds, which will continue to support the development application planning over the next 12 months. We would like to think that at the end of this current financial year we will be shovel ready and that, subject to budget considerations, we are in there with other priorities for the government. There is no guarantee that that will be agreed. The project is at that point.

The sorts of studies that have occurred have been on two sides. One is to do with the site and the environmental concerns in that area. We have done a lot of consultation with ACTEW Water about their concerns about being on the boundary of a catchment area. We also have done a lot of consultation with the land manager there and their concerns around environmental issues around fuel, sediment and degradation of the site caused by motocross bikes digging their wheels into the soil. They have all been mitigated to more or less come up with a working model. We are comfortable that we have got enough in the plans to accommodate that.

The other half is the business of running the site. We believe that it should be a public-private partnership in terms of a private company running it, with some public funds supporting the establishment phase of that business. The model we have identified is out of Queensland. There is a successful facility running in the Beaudesert region that has been established by a number of local councils, the state government and the governing body of motorcycling in Queensland, which is part of Motorcycling Australia. We are using that model as the basis for moving forward. We are ready to go to the next phase if and when we receive funding.

THE CHAIR: Mr Guthrie, what is the history of consultation and negotiations with these motorsport groups?

Mr Guthrie: There has been a significant ongoing discussion since April 2008 when we started working on the motorsport strategy—in the initial phase, about getting their input as to where funding could be delivered and what were their priorities. We have

funnelled that down to some grants programs. The first phase of the grants program was effectively some business planning across all of those clubs so that each club had a business development plan or a process in place, a strategic plan, for their club and what that meant for facility growth or their sport's growth. The motorsport grants phase 2 was allocated to the most important, pressing priorities for each of those clubs, and they are working through that. There is no grant funding allocated in the current financial year. That said, the majority of the clubs are only at a phase of actually expending the grants that they received for the last financial year at present. So they have their own limited capacity in moving forward.

With regard to the rec riding area, there has been a significant amount of consultation. There was a public survey. We had over 700 respondents from the general public about their needs for a rec riding area. We feel very confident that there is overwhelming support amongst bike riding enthusiasts that there is a need for this facility in the ACT, as there is no public site available where unlicensed riders and underage riders can ride legally, where they have got some level of public liability cover and legal cover to ride their bike, unless it is on private property. So it is down to the goodwill of private citizens to provide these sorts of facilities. And there is a demand in the community for that, which was demonstrated through that consultation.

THE CHAIR: What has been the response from those particular groups on both the consultation and the grants?

Mr Guthrie: I would say overwhelmingly positive. There is a need in each of the community clubs for development of their sites. The most recent example today is the hill climb club. I first went to the hill climb facility in 2008. Their priority then, as it is today, was the resurfacing of their one-kilometre hill climb circuit. At that stage they had saved a considerable amount of money but needed pretty much the same amount. They had saved about \$150,000 and they needed about \$300,000 for resurfacing. Through the grants process they have been able to secure the resurfacing of that site, which, as a racetrack, will probably last them for another 20 years of development. That is a real, living example.

With the kart club, kart racing is a growth area. All the V8 Supercar drivers came through kart racing, in the main. They have a very good facility that needs some extension to bring the standard up. This is all about getting facilities to international standard so that they can host national championships for their clubs.

The speedway club have been overwhelmingly enthusiastic. These are enthusiasts that started with a block of land and, through fair means and goodwill of their friends, have basically built up their facility. The grants have given them that extra thing of connecting them to power. The next phase will be to connect them to water on their site. So these are all important, basic facilities that create the basis for these clubs to grow in the future.

THE CHAIR: With those consultations that you have had over the years, do you intend to continue those?

Mr Guthrie: Yes. A staff member in my area of territory venues and events is in regular contact with the principals of each of those clubs about where they are at. Any

time that they are not happy or they have a question, they will channel those questions through my staff member and we move forward.

DR BOURKE: Minister, on page 148 it talks about sport participation rates. What exactly does it measure, and why do you think we have these levels?

Mr Barr: There has been a change to how the ABS undertook this research, going back a couple of years. They now have a dedicated publication, *4156.0—Sports and physical recreation: a statistical overview*. It gives us, again, the highest level of participation in sport and recreation in the nation, a position that we have consistently held for some time. The evidence is there at a statistical level, but we also see in day-to-day life that the quality of facilities and the breadth of sport and recreation facilities in the ACT are of a higher standard than anywhere else in the country. Our population takes advantage of that.

What has been interesting in recent times has been the introduction of a new and enhanced recreation model through the CRIP—the community recreation irrigated park—model that we have delivered in Crace in Gungahlin and will deliver to a number of other suburbs in the coming years. That incorporates a wider range of recreation opportunities across a diverse range of sports—sport and recreation pursuits—that really has maximised the opportunity for people in those suburbs to take advantage of the facilities. It provides more diverse opportunity for sport and recreation than your more traditional oval that is useful for organised sport and the like but perhaps is not as useful for individuals or smaller groups wanting to participate in sport and recreation.

I think the opportunity is there in the coming years to roll out more of the CRIPs across the city. We are hearing from sport and recreation organisations who are running organised competitions that their preference is to do that at district-level playing fields where they can maximise the return on volunteers' time and maximise the return on the infrastructure associated with running events and competitions. So they can have one consolidated spot to store equipment and the like. You see that in the touch footy, the AFL 9s, soccer and the like, wanting to be able to have multiple games with one event hub, if you like. That frees up some opportunity to rethink and re-imagine our community-level recreation facility offering so that we can effectively have a hierarchy of sport and recreation facilities in the city.

At the elite level there are the enclosed ovals and the like, for the grade-level competitions for the various sports. There is an extensive network of district-level facilities that allow for a range of community-based competitions to take place and then the CRIP model at a suburban level that allows for a diverse range of sport and recreation to take place. In the areas of the city that have those three tiers of facilities, there is very positive feedback as to the opportunities that that presents. We are certainly looking at rolling that out in new subdivisions, and we have made a commitment in this term to pilot a CRIP in an existing suburb. If the response to that is positive, I certainly think it is the direction of the future for that neighbourhood-level recreation opportunity.

DR BOURKE: What are the essential features of a CRIP that distinguishes it from a neighbourhood oval?

Mr Barr: It is a smaller and more informal recreation opportunity. It is not a large oval for competition-size activities. It has a more informal recreation space and then a range of other features. The Crace facility has an outdoor gym, a cricket net, hockey, futsal, basketball and netball facilities, a hitting wall for tennis, a series of running and walking tracks. It has some onsite ponds that provide the water source for the facility. There is playground equipment, barbecue facilities, seating and shelter. So it really provides a focal point for the community and allows a variety of different recreation activities to take place. It is not just an oval with a concrete cricket pitch in the middle and nothing else. I think it is a better model for encouraging a diversity of sport and recreation opportunities.

If you want to take part in an organised competition that requires a full-size field, we are providing that at a district level or shared between a group of suburbs. But at the neighbourhood level the CRIP provides an alternative recreation opportunity.

DR BOURKE: Volleyball?

Mr Barr: Yes, some actually do have the capacity to have both sand and other volleyball courts. That really becomes a discussion at a community level around the sorts of facilities. Again, that is for informal social use, not for competition-level use.

DR BOURKE: So what you are doing is structuring the CRIP according to what people in that particular community want?

Mr Barr: Yes, that is right; looking at providing the broadest possible range of recreation facilities to meet a variety of different needs. As we know, not everyone wants to play or participate in organised team sports but they might like the opportunity to be able to go down to a neighbourhood-level facility that could accommodate a futsal match or tennis or spend some time in the nets—all of those sorts of facilities that can be provided at that level.

DR BOURKE: If our sporting clubs are focusing at that district level, who is going to provide the organisational and club-like support for games and competitions at CRIPs, or is it just going to be something that the community works out for itself?

Mr Barr: I think it is much more informal in that sense. The sports have indicated a very clear preference for being able to organise events at multiple fields at once. With the exception of a couple of sports—for example, cricket—that can take place on one oval located by itself, by and large, the preference for Saturday morning sport—and you see this in netball, football and the like—is that there are a number of courts and a number of games going on simultaneously, supported by one group of organisers, one tuckshop et cetera. It just makes sense to organise competitions in that way, and that is certainly the preference for most sports.

DR BOURKE: So when these community facilities do have team sports happening, it will be mostly mixed teams with people of all ages, much like a—

Mr Barr: Indeed. It is much more informal and can be organised at a community level without requiring there to be official referees et cetera. It is not that sort of sport

and recreation.

THE CHAIR: Mr Smyth, I do apologise; I missed you out earlier on.

MR SMYTH: Minister, what is the impact of the Canberra Business and Events Centre on Floriade annually?

Mr Barr: They host a number of events during Floriade.

Mr Guthrie: I can answer that. It is an ongoing challenge of managing parking for the Business and Events Centre. It is one of the territory venues and events venues, and we have been working with our managers there. My team and Events ACT run Floriade. We work with the managers there around making an appropriate allocation of car parking. That said, it is less than ideal, and we found that this year was probably not the best year over recent history about trying to manage that issue. So we will go back to the drawing board and see whether we can come up with better plans for next year. But it is an ongoing challenge. There is a great demand in that area for car parking. Floriade pretty much dominates the site, and it is a challenge going forward there.

MR SMYTH: The centre is now leased out to a private contractor?

Mr Guthrie: Yes, we changed the format of the contract. Effectively we have licensed the operations of the site and we receive a revenue return from that contractor. We continue to manage the facility in terms of the equipment and day-to-day maintenance of the site, but we changed that contract. We felt the territory was protected through that site and it minimised the administration that then went with it.

MR SMYTH: So as a consequence of the parking arrangements this year, were any events cancelled?

Mr Guthrie: I believe there were events cancelled. I do not have the detail. I certainly was speaking with Robert, our manager there at the site, and he was speaking with the manager of Floriade from Events ACT about what they could do. But I was aware that there were some events that were cancelled, yes.

MR SMYTH: What is that value of those events, and is the territory liable for compensation?

Mr Guthrie: I do not believe we are liable for compensation. We provided quotes and made it very clear that there were challenges around car parking. Those event organisers, the ones that I was aware of, just moved their event to other sites or delayed to a different date. So far as how much revenue was lost, I can take that on notice, but I can give you an indication that it is maybe between \$5,000 and \$15,000, something like that.

MR SMYTH: So what will the government do about making it work better for the business centre next year?

Mr Guthrie: As I said, it is a matter of trying to allocate parking. It is an old chestnut.

Everybody expects that they can park in front of the facility that they want to go to. There were plans put in place where 20 or 30 sites were reserved in certain areas. We have to balance that with our obligations to give access to Floriade for people with disability. The only real solution is management of that site. It is what it is. It is 40 or 50 car spaces. It is a challenge. It will always be a challenge until we redesign that site.

MR SMYTH: I have a couple of other quick questions, minister. The Canberra Calvary just won the Asian series. Is there any intention to hold some sort of public recognition or ceremony for the side?

Mr Barr: We were giving them the keys to the city. I am not sure there is more we can do in relation to that. But we will talk with the Calvary—

MR SMYTH: The keys were given for winning the Claxton Shield, not for winning the Asia Cup. The Asian series is slightly larger than the Claxton Shield. So if you get the keys to the city for the Claxton Shield, what do you get for winning the Asia Cup?

Mr Barr: That is a very good question. I am not sure that there is anything more symbolic that can be given than the keys to the city, but I will have a chat with Thom Carter and we will see what can be done.

MR SMYTH: There is a promise, I think, for funding for Narrabundah Ballpark. I think it is in the 2015-16 financial year. Is there any intention to bring that forward to further baseball in the territory?

Mr Barr: I am not going to pre-announce the budget today. You will have to wait and see.

MR SMYTH: On another issue there, when will the velodrome be reopened?

Mr Barr: As soon as possible. I understand the construction work is—

Mr Jeffrey: Contractors are on site. Demolition of the track has been completed. So this week we expect the first pour of the remediation of one of the bends to commence. That process will then firm up the program, because they will get a real understanding about how long each pour, in terms of the portion of the track, will take. The current construction program talks about it being ready and completed in February.

MR SMYTH: All the work will be done by February or just the first pour?

Mr Jeffrey: That is the current program, the completed work by February, yes.

MR SMYTH: And the total cost of the repair works?

Mr Jeffrey: The project budget is \$1.5 million.

MR SMYTH: And what alternative arrangements are there in place for training during the disruption?

Mr Jeffrey: We have worked closely with Cycling ACT. We have also worked

closely through our ACT Academy of Sport program, and their connections with NSWIS, where access has been provided through the Dunc Gray velodrome in Sydney. That has been ongoing throughout the winter period and is continuing. That has been going very well, to the extent that some of our track cyclists through the ACTAS program have recorded some very good results over the weekend, and the NSWIS and Dunc Gray Velodrome is supporting us in continuing to provide that opportunity during this period.

MR SMYTH: Minister, has the management contract for the Gungahlin aquatic centre been announced yet?

Mr Barr: Announced? No.

MR SMYTH: I understand it was expected to be announced in October this year. What is the reason for the delay?

Mr Barr: Because it has not been finalised yet. And once it has, I will announce it.

MR SMYTH: The expectation according to the document I have seen, the annual report of sport and rec, said that the centre is due to be completed in April 2014 and that the centre management is expected to be announced in October 2013. What is the delay?

Mr Jeffrey: I can tell you that the second stage of the tender process has closed and the tenders were received late last week. So the tender evaluation panel will be meeting this week to go through their assessment, with the view to identifying a preferred respondent. Then contract negotiation will commence shortly after that.

MR SMYTH: Is the centre still due to open in April 2014?

Mr Jeffrey: April, May, yes, correct.

MR SMYTH: April?

Mr Jeffrey: Late April is the date at the moment.

THE CHAIR: Mr Coe.

MR COE: Minister, will you please explain what process your directorate goes through to consider what constitutes a public interest disclosure?

Mr Barr: As outlined in the act. The act stipulates that. I can read you the act if you would like, but I am sure you are capable of doing that.

MR COE: Can you please go through what the process was within the directorate for assessing the PID as commented on at page 238?

Mr Dawes: Anita Hargreaves can answer all those questions.

Ms Hargreaves: During 2012-13 we actually had two pieces of legislation for public

interest disclosure. We had the Public Interest Disclosure Act 1994 and then in early February—I think it was 1 February—we had the new Public Interest Disclosure Act 2012. The new Public Interest Disclosure Act is broader. We actually have quite a comprehensive process that we are required to go through.

In this particular instance, we were provided with this particular piece of work. I cannot say it was a public interest disclosure. We had to make that assessment to see whether or not it was a public interest disclosure. So we go through all the materials that are actually given to us. I have got some information here that I would not mind referring to, if that is okay?

MR COE: Yes, please.

Ms Hargreaves: We need to first determine whether or not it is a serious matter. When I say “serious matter”, there are some matters that actually come to various directorates’ attention, but they can actually be handled under various means, other means. It could be under our respect, equity and diversity framework. But if it means that there is going to be significant harm to the general public or if it is in the public’s interest—it could be something that could be corruption or fraud or something of that nature—that would be considered to be significant and that would be worthy of public interest disclosure.

I am a disclosure officer, and I basically represent David Dawes, the Director-General of the Economic Development Directorate and CEO of the Land Development Agency. What I do is collect all that information. I contact the Commissioner for Public Administration to let him know that we actually have this potential issue that could be a public interest disclosure. At the same time, I contact the Government Solicitor’s Office to go through what it is that we need to actually consider.

It is quite comprehensive. We do take it extremely seriously. We need to keep the person who is bringing this particular issue informed and up to date as to how the process is actually going.

MR COE: In the one referred to on page 238, what sort of time frame was it from the issue being brought to your attention to actually making a ruling that it did not constitute a public interest?

Ms Hargreaves: We initially received information from the Commissioner for Public Administration, I think in April. He basically contacted the individual to let them know that the Economic Development Directorate would be handling it. It was completed by 28 June, from memory. And the particular individual was notified accordingly as to the outcome of that assessment.

MR COE: And prior to the 2012-13 financial year, how regular an occurrence was it to receive such a request?

Ms Hargreaves: None; we did not have any. It is very rare.

MR COE: And finally, are you able to advise on what grounds this particular issue was deemed to be not worthy of public interest disclosure or appropriate for public

interest disclosure?

Ms Hargreaves: I would need to check whether or not I can actually release that for the public record. Can I come back to you on that?

MR COE: Sure, if you could, thank you.

MR WALL: Page 30 of the annual report makes mention that in 2012 direct expenditure from Floriade was \$27.6 million. What is the definition of “direct expenditure”?

Mr Barr: That is expenditure into the economy of the ACT generated by those who visit the event. I will get you the universally accepted measure for assessing the economic impact of events. The same criteria have been applied to the assessment of Floriade consistently over the years of the event. Do you have anything else to elaborate on, Neale?

Mr Guthrie: No, it is as simple as that. It is the raw expenditure. There are no multipliers applied in regard to leakage out or multipliers as money goes around. That would be economic impact. This is just direct expenditure.

MR WALL: What assumptions are made to calculate that, Mr Guthrie?

Mr Guthrie: I would have to check the detail. I can give you the accurate detail, but I do understand in broad terms that there is an accepted update of average expenditure by visitors that visit it through visitor surveys. There are some assumptions used around expenditures there. The main thing that was used for this year, 2012, was face-to-face interviews during the event with different people attending the event, whether they were from Canberra and interstate, and asking them questions about how long they were staying et cetera. Based on that, with the amount that was being expended through the assumption, through the visitor expenditure—I cannot quote it exactly, but these are standard figures that are used by the tourism industry and they are achieved through other survey processes.

MR WALL: Is it possible to provide a breakdown of the expenditure, be it through hospitality or accommodation?

Mr Guthrie: I would have to go back and check that, but yes, we can.

Mr Barr: If you go to the eventsact.gov.au website, there is an annual event report on Floriade. You can get the information you require there.

MR WALL: By way of a follow-up on that: how much was actually spent by the directorate directly and indirectly on Floriade?

Mr Guthrie: I will see if I have that information with me; otherwise I will have to take that on notice.

MR WALL: In the interests of time, if you are happy to take that on notice, and then also a breakdown—

Mr Guthrie: I will take it on notice.

MR WALL: And a breakdown of what component of that was NightFest and also the attendance figures for Floriade for the last year and a breakdown of Floriade and NightFest, please.

Mr Guthrie: With respect to the attendance figure for Floriade last year, I can answer that question. It was 442,243. That is in the event report that the minister has referred you to. The attendance for NightFest for last year was 22,603.

MR WALL: How did the government draw the correlation between the \$27.6 million in direct expenditure and the \$40.4 million increase in gross territory product?

Mr Guthrie: I would have to take that on notice. That is a technical economic question.

MR SMYTH: It is in the annual report, on page 81.

Mr Barr: One would have a multiplier impact.

Mr Guthrie: That is right. There is a multiplier impact.

MR SMYTH: Can you give us a breakdown of the multiplier?

Mr Barr: Yes. If you are looking for the basis of the workings of those outcomes, they are consistent, as I say, with reporting on the event previously and consistent with the methodology for reporting on events more broadly. Ernst & Young undertake the research on behalf of the ACT government.

MR SMYTH: What were the outcomes against the government's recreation strategy for the reporting year?

Mr McNevin: I believe you would be referring to the active 2020 strategy; would that be correct?

MR SMYTH: I am specifically referring to the government's recreational strategy.

Mr McNevin: The active 2020 strategy, as you would know, is an industry-led strategy. It was drawn up by a consortium of stakeholders, including the government, that sought to achieve some participation targets in sport and recreation targets over the longer term. And that longer term spans 2011 to 2020. There is a leadership group which was established, and that leadership group was chaired by ACTSport. Due to a range of factors associated with ACTSport's governance at the moment, that role of leadership had not fully done what we had hoped it would do. ACTSport are in a status of re-establishing their governance arrangements, and we hope that the participation strategy, as you call it, or the active 2020 strategy, will take on a new lease of life in 2014.

Having said that, a report card is generated for the active 2020 strategy each year. The

2012 report card was more of a high level report which left aside some of the detail around the success indicators. The 2013 report has just been provided to the directorate by ACTSport and highlights a significant level of activity right across the range of key performance indicators and key success indicators contained within that strategy. Some of the success includes infrastructure, levels of participation, performance outcomes in terms of individual and team performance and a range of other levels of activity.

Of course, the centenary year was a significant year for sport and recreation. In 2013 we had our centenary matches by many of our elite sporting teams. They generated significant attendance and profile improvements for the ACT and drew a lot of visitors to Canberra. We also had our sportenary events, which were 100 activities across diverse ranges of community sport. Sixty-three thousand people participated in those sportenary events. I think they have been regarded very positively and very successfully by the industry and by the community at large.

They would probably be some of the highlights. There is more detail, as I say, provided in the report card which has recently been provided to the directorate.

MR SMYTH: All of the highlights on page 174 seem only to talk about sport activity. All of the future directions on page 176 only talk about sporting activity. All the future directions on page 179 seem to be looking at sport activity. In the entire section on sport and recreation—assuming that recreation equates to active 2020—the only mention of active 2020 or recreation seems to be one reference on page 179 where it is tucked in with the ACT motorsport strategy. What do you define “recreation” as then?

Mr Barr: So you would like to see a little bit more emphasis on recreation in future reports?

MR SMYTH: No, I am just asking what you define as recreation. Is recreation only sport as far as the government is concerned?

Mr Barr: No.

MR SMYTH: So where do I find the reporting on recreation in the annual report?

Mr Barr: That would appear to be an oversight. I will ensure that further information is made available on the range of recreation pursuits that are supported through the Sport and Recreation portfolio.

MR SMYTH: How much money is apportioned to recreation from the sport and recreation—

Mr Barr: I will take that on notice. I need to go.

THE CHAIR: Thank you, members.

Mr Dawes: Could I clarify a couple of points from Mr Coe, very quickly. Abacus went into administration, not liquidation, and have now consequently been sold and

are still trading today. With respect to the other tenderer that you mentioned, Musco, there was two tenders received on the Manuka lights. Musco were the only other tenderer for that particular tender, and they did not comply in the response on either the technical or architectural merit. So they were knocked out. It is my understanding that the discussion between Affinity and Abacus—the local contractor that you might have been referring to—has been satisfactorily resolved. Our dealings have only been with Dialight, because we are not sure of the contractual nature that Affinity entered into with Abacus.

THE CHAIR: Thank you, minister, officials and members, for your time today. I advise that supplementary questions are to be lodged with the committee office within three business days of this hearing. The committee has also resolved that all responses to questions taken on notice and supplementary questions from this hearing should be provided to the secretary by Friday, 31 January. The committee's hearing is now adjourned.

The committee adjourned at 12.01 pm.