



**LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY**

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

(Reference: [Annual and financial reports 2013-2014](#))

**Members:**

**MS Y BERRY (Chair)**  
**MR A COE (Deputy Chair)**  
**DR C BOURKE**  
**MR A WALL**

**TRANSCRIPT OF EVIDENCE**

**CANBERRA**

**WEDNESDAY, 19 NOVEMBER 2014**

**Secretary to the committee:**  
**Mr H Finlay (Ph: 620 50129)**

**By authority of the Legislative Assembly for the Australian Capital Territory**

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

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## **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 Housing and Minister for Tourism and Events

Chief Minister, Treasury and Economic Development

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

Stewart, Mr Dan, Deputy Director-General, Land Development and Corporate, Division, and Deputy CEO, Land Development Agency

Lacey, Mr Glenn, Director, Infrastructure and Capital Works

Clarke, Ms Liz, General Manager, Territory Venues and Events, Arts, Business, Events, Sports and Tourism Division

Ireland, Ms Dianne, Senior Manager, Events ACT, Arts, Business, Events, Sports and Tourism Division

Bailey, Mr Daniel, Director, ACT Property Group

**THE CHAIR:** Good morning everyone, and welcome to this public hearing of the Standing Committee on Planning, Environment and Territory and Municipal Services inquiry into annual and financial reports 2013-14. On behalf of the committee I would like to thank you, Mr Barr, and your officials for attending today. Today the committee will be examining the Land Development Agency annual report and sections of the Economic Development Directorate and TAMS reports. We are starting off with the Land Development Agency, then the Economic Development Directorate, outputs 1.5 and 1.6, Territory and Municipal Services, output 2.1, government services, ACT Property Group.

I draw your attention to the privilege statement that is before you on the pink card. Can you and your officials confirm for the record that you understand the privilege implications?

**Mr Barr:** Yes.

**Mr Stewart:** Yes, I understand.

**THE CHAIR:** I also remind witnesses that proceedings are being recorded by Hansard for transcription purposes, webstreamed and broadcast live. Before we go to questions, minister, do you have an opening statement?

**Mr Barr:** No, thank you, chair.

**THE CHAIR:** I will start with a question on the Land Development Agency. Minister, could you update the committee on what activities the Land Development Agency is doing with land release, given the Mr Fluffy homes?

**Mr Barr:** We have taken a decision to increase the number of blocks that we release in the coming fiscal year in order to respond to an anticipated increase in demand for single residential dwelling sites in the territory. That increase will be in the order of

300 and comes in the context of a land release program in the order of about 3½ thousand. Mr Stewart can give some detail on the areas in which we are going to accelerate land release, the program for the coming year and how we are tracking for this year.

**Mr Stewart:** As the minister said, we are looking at increasing next year's program by approximately 300 detached dwelling sites. That will be within some of the areas that we have already targeted for land release within Gungahlin and Molonglo. From memory, the current program for 2015-16 is for 3,300 dwelling sites. We will look at increasing that to 3,600. There will probably be 100 sites in areas like Moncrieff, an extra 100 perhaps in Taylor and then a further 100 in Denman Prospect. Ideally, we would be able to bring forward the land release in west Belconnen, but that is just not possible. We still have a range of statutory processes to go through, so it will have to be within our existing estates.

**THE CHAIR:** Is there any way to know—I know it is a bit of a rubbery figure at the moment—whether the current sales that are happening with real estate and the land release program that you have in place will be enough? In this first instance, I am getting a lot of people contacting me who are feeling a bit panicked about having to find a place to live right now. They are all out in the market now looking for a new home.

**Mr Stewart:** It is a very good question. The one advantage—if you could call it an advantage, I suppose—is that we currently have a higher vacancy rate in the private rental market than was recently the case. However, we are not seeing as many sites being brought to market in the residential sales area. So it is a question of whether the people who are caught up in the Mr Fluffy issue are willing to look at rental as a short or medium-term solution whilst they explore purchasing back into the market, and whether there are sellers who might look to accelerate bringing their properties to market because they see a new market opportunity with people now entering that otherwise would not be there.

It is a very difficult question to answer and one that we are going to have to monitor very closely. We will be using our networks in the real estate sector. We have a residential advisory committee that meets quarterly and we will seek regular updates from some of those big agents who run the rental books and the larger sales agents, just to get their anecdotal feedback as well. As the minister said, we will do everything we can within our programs to bring forward additional supply where the evidence shows we need it.

**THE CHAIR:** Minister, you might not be able to answer this question for me. There is some concern about people taking advantage of people who are having to leave their homes—in the real estate market, rental property owners or even people who are selling their homes. I know that the market is going to do whatever it does, but is there any way that the government can provide some reassurance to people that are in the market now that an eye will be kept on what is going on?

**Mr Barr:** There are obviously a range of consumer protection laws in place—provisions to protect people who are entering into tenancy agreements or into contracts. Mr Stewart highlighted an important point in his previous answer, though,

about the extent to which this increase in demand that is driven by an external shock will in fact induce more supply within the existing residential market.

If you ask anyone who has looked at Canberra real estate in the long run, they would observe that the most recent period has been one of reasonably depressed levels of activity. We are certainly seeing that in the context of property turnover as measured by residential conveyance transactions. Compared to peaks in previous times, and compared even to long-run averages, this has not been a particularly active period within the Canberra real estate market.

To put this in context, there are 150,000 properties in the territory. Canberrans move on average every seven years. We all know people who have never moved, which obviously means there are a lot of people who move even more frequently. That level of activity has not been apparent in recent times. So I think the market certainly has the capacity to respond in terms of new supply generated by new estates or new developments that are occurring within the city. Also, do not underestimate the incentive this will provide for someone who is thinking about, say, downsizing, for example, to take advantage of the government's very generous stamp duty concessions for downsizing. That would free up a family home for someone who was looking to find a new home as a result of being caught up in the Mr Fluffy circumstances.

As Mr Stewart said, we will closely monitor that. One of the barometers of that will be the number of property transactions that occur. We see that through our conveyancing data. We are providing stamp duty waivers, discounts, to those affected in the Mr Fluffy circumstance. But we are also seeing, as a result of particular concessions on stamp duty, activity occurring in certain segments of the market.

You could expect to see that pick up a little. The latest data I have seen shows that there are about 2,800 properties for sale. It normally ranges between about 2½ thousand and 3½ thousand. So there are sufficient properties on the market to absorb even the first 300 or so who have registered under the Fluffy buyback. But obviously there will be other people in the market, too. So there is a need to respond. That is why we have increased our land release program for next year and that is why we will also look at what is happening within the broader real estate market.

**DR BOURKE:** I have a supplementary. Minister, with respect to the average time between land release and people moving into a home, what is that time frame like at the moment?

**Mr Barr:** It depends on the time in the sales sequence. It can be up to 18 months, sometimes a little longer, depending on who is doing the construction, the estate development. To the extent that land that was released 12 months ago will be coming onto the market at around the time of this first wave of people looking for new properties as a result of the Mr Fluffy issue, that is more pertinent in the next six months. But not everyone will be moving immediately, and we are talking about more than a thousand households. Some will take their time and will be looking for new housing supply in 12 or 18 months; hence the decision to release more land at this point.

**DR BOURKE:** Could you explain the intersection between the downsizing stamp duty concession and the Mr Fluffy stamp duty concession and how that is going to benefit particularly Mr Fluffy owners, other than what they already would have got from the concession for downsizing?

**Mr Barr:** There are a range of concessions available on stamp duty in an environment where, as a proportion of a house price, stamp duty continues to fall because the government has been cutting it every year since 2012. It is widely recognised as one of the most distortive taxes that are levied at this level of government; hence the need to move away from it to more sustainable and broad-based taxes. That is a discussion for another day and it is—

**DR BOURKE:** That is why you are getting rid of it.

**Mr Barr:** one we have had with another committee already in this annual report season. The concessions that are available for those who are in the Mr Fluffy program will involve a stamp duty concession to the equivalent value of the property that they are exiting from. That can be quite generous. It can range from between about \$10,000 and \$30,000, I would anticipate, in terms of a stamp duty concession. There might be some outliers at either end but the bulk would be within that range of concession. In the context of the downsizing initiative, that provides quite significant stamp duty savings, in the tens of thousands of dollars.

It depends a little on the property value of the downsizing property. The size of the concession is linked to the value of the property and the level of stamp duty that would otherwise have been paid in the context of the downsizing arrangements. But it is certainly a more generous scheme than was in place previously and it has removed a fairly significant barrier to that transaction. For a lot of people the cost of moving house and downsizing, once you included stamp duty, removalist costs and various legal fees, would approach \$50,000 or \$60,000. That is a big decision and a big financial impost.

If you could wipe out half of that through a stamp duty concession by getting rid of a bad tax then I think you would be making a big difference to mobility within the city, to a more efficient allocation of housing and allowing people to make the changes they want to make at various stages in their life. You see that throughout the life cycle. Generally speaking, the first property that people are in tends to be smaller and then, as the size of their household increases, they need to sell and trade up, if you like. At another point in life, at the empty nester point, there tends to be a desire to move down to more compact accommodation. That is not universally the case but it is certainly a growing trend in Australian cities, and Canberra needs to offer not only the housing choice but also to have a taxation regime that facilitates those changes.

**DR BOURKE:** If a Mr Fluffy owner decides to take advantage of that stamp duty concession but wants to buy a more expensive home because they need to provide some extra amenity to keep the rest of the family happy, which is a situation that has been put to me, and they have to spend, say, \$100,000 more, what would be the stamp duty calculation on that portion?

**Mr Barr:** There would be an increased stamp duty component. We are doing a like

for like. It is not a full waiver of all stamp duty. You do not, for argument's sake, sell a \$500,000 house and acquire a million dollar one and pay no stamp duty at all on the million dollar property. But you would pay significantly less. The marginal rates will be determined by the difference between the price that the government will pay to acquire the property and then the price of the new one, and then the marginal stamp duty rate will be at that value. But of course, the maximum rate is, from memory, 5.25 per cent. That was reduced from 7.25 per cent in recent budgets. It is a significantly reduced figure.

**DR BOURKE:** Is there an online calculator for that?

**Mr Barr:** There is, yes, on the Revenue Office website.

**DR BOURKE:** In the particular case I am talking about, they could go online and work it out. They will know what the valuation of the property is fairly soon. They plug that in. They get a \$30,000 stamp duty. The next house they want to buy is going to cost them \$35,000 in stamp duty. Therefore they only pay \$5,000, is that right?

**Mr Barr:** Thereabouts, yes.

**DR BOURKE:** More or less.

**Mr Barr:** More or less. Because it is a marginal rate applying to—

**DR BOURKE:** Different price points.

**Mr Barr:** To different price points. Obviously the exact figure will be calculated for the individual, and that information will be known in advance. And they can obviously seek further information from the Revenue Office in relation to that. Yes, it will certainly be a significant discount on what would otherwise have applied.

**DR BOURKE:** When considering that discount was there any idea of—

**MR COE:** Is this for the Treasurer or the LDA?

**THE CHAIR:** I think they are connected. We are talking about people being able to buy a new home and land release.

**Mr Barr:** I must say it would be the first time in the history of my appearances at annual reports that an opposition member has suggested that the questioning is too broad.

**MR COE:** We have got 20 minutes here and we have hardly touched on the LDA.

**THE CHAIR:** I do not think that is entirely true. I think it is connected. The question was around Mr Fluffy home owners being able to actually purchase new homes and land release and how that was going to happen.

**Mr Barr:** I admire your newfound desire, Mr Coe, to stick very strictly to—



**MR COE:** I will happily ask about the rates regime if you want me to.

**THE CHAIR:** Mr Coe is right, though. We do have limited time on this issue if we are going to cover all the subjects that we want to talk about today. Mr Wall has a supplementary.

**MR WALL:** Just to bring this back to the Mr Fluffy buyback scheme and the impact on the LDA, you mentioned that land supply is being increased to cope with that. As the Fluffy blocks are being cleared and are ready for resale what impact is foreseen and how is that going to help the land release program in the territory?

**Mr Barr:** It is obviously a different product, in the context of where most of these blocks will be. And it will have to have some impact in terms of future land release and we will need to monitor that in the context of overall levels of demand. With some exceptions, particularly in the context of Molonglo where you will inevitably have properties in Weston Creek and areas that are nearby, it will have to have some impact there. I would say less so in the context of the Gungahlin market as obviously there are no Mr Fluffy sites in Gungahlin.

We will monitor that. We have obviously got the capacity, within a program that is going to be in the order of 12,000 to 16,000 sites over the next four years, for example, to accommodate the several hundred, I imagine, that will emerge at least in the short term from this buyback process.

**MR WALL:** Just very quickly and slightly off topic, which area of government is actually going to be acquiring the Fluffy properties? Is it going to be LDA acquiring the properties through the buyback scheme?

**Mr Barr:** Ultimately, yes. In terms of the resale and the processes around the initial acquisition, it will sit within CMTEEDD but it is all the one directorate, yes.

**MR WALL:** And then the asset will be transferred to LDA?

**Mr Barr:** Yes.

**MR WALL:** And how will the LDA be staging the re-release of those blocks then?

**Mr Barr:** That will be the subject of a submission to government and we will take some advice on the appropriate times to release blocks. We have a requirement to be able to repay the loan to the commonwealth. So we will need to stage release in order to meet our obligations there and to maximise the return to taxpayers, which ultimately will minimise the overall cost. It is still going to cost taxpayers. There has been the odd assertion made in the public arena that somehow the government will profit from this. It is certainly not the case, and any objective analysis of the costs associated with the demolition, cleanup and then the loss to value of all of the houses that are demolished far outweigh any increased value that might be achieved through subdivision of blocks.

**THE CHAIR:** Mr Coe, you have a substantive question.

**MR COE:** Minister, where are things at with regard to the one-third, one-third, one-third policy for land release?

**Mr Barr:** That remains the broad framework for land release. We have released a number of mini englobo sites. We intend to continue with that policy in the future. There are joint venture arrangements in relation to the west Belconnen development and the LDA continues to develop estates itself. It is not a hard and fast rule that every year it must be one-third, one-third, one-third but that is a broad principle. The government reserves the right to vary its approach to the delivery of new estates but it does have as an overarching policy objective the desire to have both joint venture and englobo releases as well as LDA estates.

**MR COE:** What portion of the land released in 2013-14 was under each third or each portion?

**Mr Barr:** We will take that on notice. We do not have an exact figure but I imagine there would be a high LDA component, that one-third for that fiscal year, but in previous years there would be a higher joint venture component, for example.

**Mr Dawes:** There were some years in the past when the private sector delivered much more than the LDA; as the minister has already pointed out, there is no hard and fast rule.

**MR COE:** Sure, but that five or 10-year average might mean something to us looking at this in its entirety, but to a builder who is looking for a block of land, a rolling average like that does not necessarily mean much. What about for 2014-15? Taking aside the Mr Fluffy houses, what is the portion likely to be?

**Mr Barr:** 2014-15? Again, we will take that on notice. Again, it is likely to be a higher LDA component. I have stated that publicly: the LDA is doing more in this period. We have a large joint venture in the pipeline in the context of the west Belconnen development. But let me state very clearly that the government has a range of competing pressures in relation to land release. Whilst there have been some unsolicited proposals associated with opening up new estates, those have hit a range of hurdles, related to either environmental clearance or bushfire danger or, once further explored, being uneconomic to deliver. So we retain the right to adjust that policy from year to year within a broad framework over the longer term. That, quite frankly, is the only way that you can approach a sensible, measured and cost-effective way of releasing land.

We have a rolling four-year program, so we do provide some visibility into the future. In the context of response to industry concerns, particularly in relation to smaller builders, there was a builders-only ballot in Moncrieff—about 500 blocks were made available—because we recognise that within the private sector there are larger players and small players. We also recognise that there is some capacity within industry at certain times—hence, being able to release multiple civil contracts in relation to Moncrieff and undertaking that development at a faster pace in order to soak up some of that industry capacity at this point in time.

We are sensitive to those issues, but the government is not here to ensure that every

element of private sector activity is smoothed over perfectly. There will be peaks and troughs. That is the nature of the market and the nature of this business. No government can or should guarantee a constant and absolutely steady supply of work for everyone forever. That is not realistic, and whilst we are sensitive to those issues—

**MR COE:** The government does have a disproportionate amount of control in this industry as opposed to others.

**Mr Barr:** That is true, but we are in this for the community and we are in this to ensure that we are delivering quality product. We can do that in partnership with the private sector, side by side with the private sector, but there is also a role for government, through the Land Development Agency, to deliver land.

**MR COE:** So it is in the community's best interest going forward that the LDA develops more land?

**Mr Barr:** The LDA does an excellent job and is benchmarked very highly against equivalent organisations around Australia. The quality of LDA estates is there for all to see. Yes, there is an ongoing role for the LDA; I do not shy away from that at all.

**MR COE:** How much has the government spent so far on the Riverview estate?

**Mr Barr:** We will take that on notice.

**MR COE:** And in relation to that joint venture arrangement, in terms of the labour costs, is the ACT government's public service time included as a JV expense?

**Mr Stewart:** We are tracking LDA staff who are working on the west Belconnen development. We are also paying an external project manager who is doing the lion's share of the work through the Riverview Group. They have subcontractors also working for them. For west Belconnen, the proportion of LDA staff time against a standard LDA estate is quite small. Most of the work is being outsourced to the private sector—the lion's share.

**MR COE:** Is that project manager also the JV partner?

**Mr Dawes:** No, he is not. The joint venture partner is the Corkhill family. Riverview is a subset of that that is delivering that particular work.

**MR COE:** Sure, but I am guessing that the project manager is Mr Maxwell. Is that right?

**Mr Dawes:** Correct; yes.

**MR COE:** So in terms of the arrangement, he in effect bills the JV for his time, and then that is split fifty-fifty? Is that correct?

**Mr Dawes:** No.

**Mr Stewart:** That is not.

**MR COE:** How does it work then?

**Mr Stewart:** There is a proportion of project costs allocated towards project management. That is being done at the front end of the project. That is the source of funds through which Mr Maxwell, his staff and subcontractors are engaged in the work that they are doing. That is tracked against the initial targets. The distributions within the arrangement between Corkhill and the ACT government are commercial in confidence at this point. Mr Maxwell has an interest from the Corkhill side, but he has been engaged directly as project manager.

**MR COE:** Is there a reportable contract for this? Whilst it is commercial in confidence, surely the actual—

**Mr Stewart:** In terms of the project management aspects, yes.

**MR COE:** But surely there is still a contract, is there not?

**Mr Stewart:** Yes, there is.

**MR COE:** And that is published?

**Mr Stewart:** We would have to check that.

**MR COE:** Is it just one contract for the whole JV? Every time an expenditure of over 25,000 occurs, does that have to trigger a new contract?

**Mr Stewart:** No. At this point in time, my understanding is that we have a single contract for the project management effort. It has been capped to a certain value for a certain amount of work to take the project to a certain point. Then the project moves into that next phase of work. Post statutory clearances, for example, we would have a new contract with a new figure that would then take the project through to another milestone. It is not a nebulous percentage of revenue that has been allocated, and that contract stands the test of time; it will be a series of milestones with new contracts. At this stage, the first milestone was the planning—getting the estate ready to be submitted for ACT planning, EPBC and National Capital Authority clearances, to the best of my recollection.

**MR COE:** I cannot see that contract on pages 234 through 238 or 239. Is there a reason why it would not be there?

**Mr Stewart:** I will have to check that for you. I will take that on notice.

**MR COE:** With those contracts that are listed in 234 through 239, what is the difference between outgoings in that form and outgoings in the form of the JV?

**Mr Dawes:** Again, you would find that in our joint ventures those are not taken into account in the LDA's accounts. They will be subject to a report at the end of this financial year, the same as our other joint ventures. Those contracts do not appear

here; they would appear in the other JV reports.

**MR COE:** What JV reporting was there at the end of 2013-14 for the Riverview project?

**Mr Dawes:** We will have to take that on notice, but at that point in time we were still finalising the agreement between ourselves.

**MR COE:** I certainly chatted with someone from Riverview prior to 30 June, and they said the JV was in place. Surely there has to be some reporting of that in the 2013-14 financial year?

**Mr Stewart:** At this stage, there is a project cost centre within the LDA where the costs of the work to date have been attributed. There is a contract between the Riverview Group and the LDA in relation to project management, but there have been no project distributions beyond the costs that have been attributed to project management at this point.

**MR COE:** With that project manager, is that a single select tender or is that simply a decision of the JV, in which case it is still 50 per cent ACT government? Does it still not get captured by the procurement act?

**Mr Stewart:** The contract? As I said before, I will have to check on the arrangements around notification of that contract and get back to you. At this stage, the contract is between the Land Development Agency and Riverview Group for the project management activities relating to the west Belconnen development.

**MR COE:** How much money does the ACT government expect to spend before blocks are sold at Riverview?

**Mr Stewart:** I will have to take that on notice.

**MR COE:** Sure. And how much money do you expect to receive? Is this venture going to be a net positive?

**Mr Stewart:** Yes, absolutely.

**MR COE:** To have that confidence, you must know what both sides of the ledger are. We do not know how much is going to be spent. How much is going to be brought in in revenue?

**Mr Stewart:** The basis for the government's decision to proceed with the project was based on the best estimates of development costs against a point in time estimate of what the revenues were. At the point at which the decision was taken to proceed with the project, the revenues outweighed the costs by a margin that gave the government comfort to proceed with the project. I just do not know what those numbers are off the top of my head.

**MR COE:** Given that this is perhaps a profitable venture for the ACT government, why would you not do all land release in a similar fashion?

**Mr Stewart:** Because the government has a policy of one-third, one-third, one-third.

**MR COE:** That is flexible, as we heard. Why, for instance, wouldn't you do Denman in the same way?

**Mr Stewart:** We tried that. We released the site to market as an englobo and it was not taken up.

**MR COE:** But it could still be managed by the private sector as opposed to being done in house by the LDA, could it not?

**Mr Stewart:** There will still be significant private sector involvement in the project end to end. We use private sector consultants, we use private sector civil contractors, we use private sector sales and marketing agents.

**MR COE:** But not a project manager like you are using at Riverview?

**Mr Stewart:** No, not for Denman Prospect.

**THE CHAIR:** Mr Coe, we might have to move on. Dr Bourke, do you have a substantive question?

**DR BOURKE:** Yes, thank you. Minister, referring to page 17 of the LDA report, congratulations on a range of awards for the Crace development, including one for the best master planned community. Minister, can you tell me—

**MR COE:** A JV.

**DR BOURKE:** Pardon?

**MR COE:** A JV no less.

**DR BOURKE:** Indeed. Minister, can you tell me about the development of the project as a joint venture, as Mr Coe has reminded us all and which I was about to get to—the benefit of the partnership to the project and how the partners, such as Defence Housing Australia and CHC Affordable Housing, benefited?

**Mr Dawes:** Again, this has been a very successful joint venture. This particular joint venture was originally scheduled to be over seven to 10 years, but we have been able to bring forward and accelerate that particular joint venture.

Where the community housing in Canberra has benefited, this was part of the ACT's affordable housing action plan. CHC were able to access land to deliver homes for around that 320 to \$40,000. They have also been able to acquire properties which they have been able to put out to affordable rental.

With DHA, one of the key things that Defence housing was looking for was additional land for their future developments. As we know, Defence housing only retain their properties for somewhere between seven and 14 years, depending on where the

location is; they like to turn them over. They have been able to access the land there, build the homes and sell those back into their investment lists with a pre-commit for somewhere between that seven and 14 years.

As reported, Crace has been a well-accepted development. It has won many awards, not only for the layout and landscape design, but also for some of the other sustainable principles about water management. We have seen that estate being able to reduce water consumption by something in the order of 40 per cent, as well. It has been quite a great effort there.

As people will be aware, we have also looked at how we can provide community and recreational spaces within that particular suburb. We have ensured that we have maintained a very good green edge there, and park. We have also trialled what we call a CRIP, community recreation irrigated park, which has been quite highly used but also very successful. We are looking at rolling that out in future estates as well.

**DR BOURKE:** Now that it has been handed over, who is responsible for maintaining the CRIP and the community recreation spaces?

**Mr Dawes:** That will be handed back over to TAMS eventually—

**DR BOURKE:** So it is not with TAMS yet?

**Mr Dawes:** I will have to double-check that, but I think it is still with our joint venture as we wrap up some of the other things there. All the land has been sold, but obviously we go through a consolidation period and then we get to a point where there is a handover of the final asset. I will just have to look at exactly where that is in the cycle.

**DR BOURKE:** The annual report talks about offering the highest levels of community. What has been done to build community at Crace?

**Mr Dawes:** Again, one of the successful things that the LDA has had is our mingle program where we ensure that we run community events as well. We might have a barbecue, we might have a night theatre event as well in the park, those sorts of things where we bring the community together. One of the things that we have learnt over the last few years is that quite often people these days are moving into a completely turnkey-type product, fully landscaped. We do not have that interaction with neighbours as much as what we might have had 10, 20 years ago where one another helped each other do their gardens and so forth. They tend to be fully landscaped and people can actually just drive in, hit the button, go into their garage and stay within their confines.

Part of the mingle program is trying to get people to meet neighbours, introduce themselves, that sort of thing. They have been successfully running a number of those events right around all of our estates these days and they are very well received by the various communities. There has certainly been a very strong mingle program there as well. We have also looked at providing some additional community facilities and access to things.

The joint venture has delivered part of the local centre as well. That has been taken to the market. We are now seeing shops and some medical facilities and all of that is now starting to form in that particular community. From that perspective—as yet it is still to be finished—there is a strong community sentiment there.

**DR BOURKE:** If it has been so successful at Crace, why did you not try it at Lawson, for instance?

**Mr Dawes:** Sorry?

**DR BOURKE:** Why did you not try a similar process at Lawson?

**Mr Dawes:** If you look at some of our other estates, again we are still running mingle programs in Franklin, Harrison and Bonner. We are in the process of wrapping those up as well. Actually we have been rolling some of the lessons learnt out of the LDA estates into our joint ventures as well.

With Lawson, again we will be actually following that same path to ensure that communities are meeting one another as well, especially once people start moving into their homes. We are well on track, as you are aware, in civil works there. We will see some construction starting in the mid to back end of next year. Once people start moving into their homes we will then crank up our mingle program to ensure that we again create a sense of community within Lawson.

**THE CHAIR:** Mr Wall has a substantive question.

**MR WALL:** Minister, if you refer to page 121 of the annual report, the first line under “Revenue” is “Land Sales”. We are substantially down on the original budgeted figure. I was just wondering why the budget figure was estimated so high in the first instance.

**Mr Barr:** It would have been predicated on a particular level of sales and release in that fiscal year. Presumably there is a timing of settlements question. I understand the four main factors relate to the Denman Prospect englobo sale not proceeding. There was a decrease in demand for commercial and industrial land sales. There was a decrease in community sales. That was more in the order of about \$4½ million. And the anticipated sales in Coombes and Kingston were deferred to this current fiscal year.

**MR WALL:** What impact has the decrease in revenue had on the operating budget of the LDA?

**Mr Stewart:** Minimal. We have had a reduction on the expense side that paralleled the reduction in revenues, because we have had lower cost of goods sold as a result of not having brought that land to sale.

**MR WALL:** If you were forecasting for the previous financial year to be an increase, when do you now predict this sales volume will return?

**Mr Barr:** We significantly wrote down the level of revenue expectations from the



land sales program, both the size of the program and the revenue expectations, following the change of government federally. It was clearly going to have an impact on the Canberra market. Yes, we were correct to have made that assumption, and we are seeing that. Unemployment has increased significantly. The impacts of the change of government federally on the territory budget, on economic activity in the ACT, are there for all to see. So there is no surprise there.

Part of that is a revenue write-down, and we have taken that hit on the budget. Equally, we have sought to adjust our program to respond in areas where there is still a degree of demand in the marketplace. I guess the headline there is that units in certain parts of the city are at saturation point. We are no longer releasing land in those areas, but there is still demand in other parts of the city for both units and detached dwelling sites. We have adjusted the program and the revenue expectations accordingly, and that update was provided in the last budget.

**MR WALL:** When considering an area for land release, what process does the LDA go through to determine the best way forward as to whether it is done internally or as a joint venture? What are the indicators, what are the measures, that you apply to determine the way forward?

**Mr Barr:** There is obviously a process whereby the board is advised by staff at the LDA and then makes a series of recommendations to government. Ultimately the government, the cabinet, has the final decision in relation to that. But it would be fair to observe that the greater the balance of the program is conducted by the LDA, the less revenue leakage there is. The developer profit stays within the LDA and stays with the territory government. That is the reason for territory involvement in land development. That is why the private sector so keenly argued for a greater share of development profit.

That model has underpinned the territory's infrastructure program throughout the history of self-government. That is how we have financed the territory's infrastructure program, off the proceeds of the asset sales, land and the land development profits. That is what has financed successive governments' infrastructure programs.

At some point in the future we will run out of land, and at that point in time, having completed a program of tax reform and having in place a lease variation charge that allows the community to capture some of the uplift when land is reordered or planning regulations allow for a higher use, it will be the only way that the territory will be able to meet its ongoing obligations in terms of service delivery. This model has an end point.

In the intervening period between now and when all of the land is released, the question ultimately is: to what extent will the community, through the government, capture the benefit of both the asset sale and the developer profit? What proportion will be released to the private sector by way of englobo, which has an upfront cash advantage in that you get the money there and then—and obviously we touched on this in the context of the earlier question on where money falls in a particular fiscal year—versus the increased but delayed benefits of the government undertaking all of the land development?

There are competing policy tensions here between a competitive marketplace and a viable private sector, but also a reality around a diminishing and finite resource being rationed out over a period. Land is not infinite within the ACT.

**MR WALL:** When does the government or LDA foresee that land supply being extinguished?

**Mr Barr:** You have to make assumptions about underlying levels of demand and you have to make assumptions about at what point certain areas might have a potential urban use but are yet to be zoned that way. There are a few variables, but there is at least 20 years worth of land supply. Assuming again a long-run average land release, after that point you do start to have to make decisions on, for example, going west of the Murrumbidgee River and in Tuggeranong going further east into the Kowen estate, all of which have significant economic, environmental and social costs; hence the government's desire to increase the level of urban infill and to have at least 50 per cent of our city's future growth met within the existing urban boundary, because we will simply run out of land.

The other observation—and I think this will impact upon how long this process takes—will be: what happens in the context of federal financial relations? There is available land on the other side of the border, in New South Wales. Whilst the federal financial relations system allocates vast sums of money based on where people live, not necessarily where they access services, then there will always be a desire and an incentive to have that residential development occur on our side of the border, if you like. If you live on this side of the border, your GST payments and rates payments and the like will be made to the territory. If you live on the other side, you are still likely to consume the services that are paid for by ACT taxpayers but you do not actually pay any rates or have the GST that is apportioned to you allocated to the territory government.

That could change, and cross-border issues will be one of the things that clearly have to be addressed in the context of a review of the federation. And it is very pertinent for us. But these issues apply on the Queensland-New South Wales border, the New South Wales-Victorian one. Yes, there are other jurisdictions who have an interest in this. It is not just about us. But I think it is most acute for us. You see that in the health system. One in four patients comes from New South Wales.

**MR WALL:** You briefly touched on the discussion that is happening about heading west of Molonglo down to the Tuggeranong area. What are some of the issues with that?

**Mr Barr:** There are a range of planning questions. There are environmental issues. And then I guess there is a philosophical question, really, around at what point, if ever, you would consider that. There is a quite viable argument that there are probably about 20 other sites within the ACT that should be developed first. It may well come to that. A future government may well need to address that issue. I do not think it is pressing in 2014, given we have 20 years worth of supply in a range of areas north and south of the lake. There is no need to rush that land to market. And there are quite a range of issues that need to be considered.

There will be those who argue that the city's footprint is already too large for the population size we have and that what we need is greater concentration to get better efficiency out of our existing infrastructure. If this city were rolled out or had been delivered under any model where economics was the driving force, then it would not be laid out the way it is. But this city is an entirely artificial construct.

On one level, it is Australia's greatest regional development success. Out of nowhere, and with no reason for being, a city of 400,000 people has emerged. On the other side of the coin, though, it does not have a fundamental economic reason for being. If it were not for the location of the federal government and decisions of governments then, we would not be here. We might be a service town like Armidale. But you had Goulburn and you had Queanbeyan. Why would Canberra exist? It is a curious question ultimately.

**MR WALL:** To use your words, minister, is the land release and development strategy in the territory now economically based?

**Mr Barr:** More so. It has to be. It has been since self-government. You say, "Where is the defining moment?" It came at self-government, and it has been progressively more so. Then the other overlay on this would have to be sustainability and environmental outcomes. And then the question also is: at what point do we start building up against our water catchments? Bushfire issues have certainly become more pertinent over the decades.

But if you asked me to identify the moment that the rivers of gold stopped flowing, it was upon self-government. The commonwealth were no longer prepared to finance a city development model like they had been during that period when they were building the national capital. I think that is the reality.

**THE CHAIR:** Mr Wall, we might have to leave that there and move to economic development directorate, output 1.5, venue and event services.

**Mr Barr:** Another switch in officials.

**THE CHAIR:** Did you want to make an opening statement?

**Mr Barr:** No. I will let you guys get into the questions.

**THE CHAIR:** I want to get some detail about the events on page 55 during 2013-14 and their success compared to previous years—Floriade, Enlighten and the Canberra Nara festival.

**Mr Barr:** I will make a few overarching observations. Certainly, the centenary year provided a boost for pretty much all of the events that we offered. The increase in national and international visitors into the city boosted attendances. We also had the strongest level of local community participation in events that we have seen. There is no doubt that the centenary year captured the imagination of Canberrans and their level of community participation was much higher. We saw that in the large-scale events that the ACT government was involved in organising. We all observed, in our roles as local members, that all of the grass-roots community events that occurred in

that period were very strongly supported.

One of the important legacies of the centenary year was some new events that were developed; some have moved to a level that they had not previously experienced. So it was a fantastic legacy to build on. It was always going to be a challenge to maintain that very high peak but I think the evidence, certainly from this year's Floriade, is that attendances were very strong and set a new record. So we are building on that very strong base. Liz or Di might want to comment specifically on—

**Ms Ireland:** Yes, Floriade, particularly this year, was a success. We had record crowds. We are currently evaluating the event on an economic level and we are waiting for the consultants to finalise that report, which we should have shortly, to know what the outcomes of those were.

**Mr Barr:** Enlighten, as I understand, had a very high level of attendance too.

**Ms Ireland:** Yes. Enlighten came into its own this year. We had over 114,000 people down in the precinct. We are developing next year's program, which is going to be bigger and better. The participation of the national attractions is increasing. They are very cooperative and we are programming there. The economic impact over that period of Enlighten increased. The direct expenditure into the ACT was \$2.3 million, which was an increase from 2013.

**THE CHAIR:** With regard to Floriade, there were some changes in participation for different people—four-legged ones, not people.

**Mr Barr:** Yes, the Dogs Day Out this year.

**THE CHAIR:** What sort of feedback have you had from that part of our community?

**Mr Barr:** I will make an initial observation around the success of the charity partners element. The reason for Dogs Day Out this year is that the RSPCA were one of the charity partners. That has been a really important and successful innovation to provide the platform of a month-long event and more than 450,000 visitors over that month to allow two charities each year to expose their good work, raise money and raise awareness. It is a really good program that we will continue. With respect to the response from this year's charity partners, I know I did a number of events with the RSPCA both in the lead-up to and during Floriade. I did not get to Dogs Day Out. Unfortunately, I am a cat owner.

**Ms Ireland:** Dogs Day Out, in particular, was very well received. A lot of people took the day off work and brought their dogs down, dressed them up and got into the spirit of things, and the feedback has been very positive.

**THE CHAIR:** One of the issues that was raised with me about the Dogs Day Out was that, because it finished at five, you could not race home, get your pet and come back, because of the time limitations.

**Ms Ireland:** Yes. We will look at that for next year. We will see whether we can do it on, perhaps, the long weekend or one of the weekend days. The challenge of having

the dogs there on the weekends is that they are our biggest days and there are a lot of people in the park.

**THE CHAIR:** I want to ask about the Canberra Nara festival.

**Ms Ireland:** The Canberra Nara festival this year?

**THE CHAIR:** Yes.

**Ms Ireland:** We had in excess of 12,000 people in Lennox Gardens, down in the Nara Peace Park. It is an event that is immensely popular. The Nara high school students come out every year and perform on stage.

**THE CHAIR:** Did you say that it is growing each year?

**Ms Ireland:** It is growing each year. We are actually at capacity within that park now, so it is quite a challenge.

**THE CHAIR:** Are you going to be looking at holding it somewhere else, maybe?

**Ms Ireland:** That is difficult because it is very well connected to the Japanese gardens there, but we are looking at extending it along the lake foreshore.

**THE CHAIR:** Thank you. Mr Coe.

**MR COE:** Minister, with regard to Manuka Oval and the lights, where are things at with regard to payments to the subcontractors?

**Ms Clarke:** It is my understanding that the light project has been finalised, but if you have additional information I would be more than happy to discuss that with you. That is my understanding.

**MR COE:** I imagine the minister and Mr Dawes would be across the background to this, from a year or two ago. There was some talk, when Abacus went under in the UK, that some of their ACT subcontractors were not paid. We discussed this—

**Mr Barr:** We did.

**MR COE:** in December last year.

**Mr Barr:** Yes, and I am not aware of any outstanding issues in relation to that. Nothing has been brought to my attention.

**Mr Dawes:** It has been some time since—obviously we were going through some contractual ones but I would have to take that on notice to find out where it is up to. Nothing has been brought to my attention for many months on that particular project. As far as I am aware—and, as I said, I will double-check—nothing more has been brought to my attention.

**MR COE:** So since December 2013, when we discussed this, have you, minister, or

your directorate been in contact with Dialight or others in relation to this contract?

**Mr Barr:** I have taken no representations in relation to any outstanding payments on the project. As far as I am aware the project has been finalised and there are no outstanding issues. If there are any outstanding issues, we will seek to resolve those. Other than when you raise it in these hearings, no-one else raises this issue with me at all.

**MR COE:** You are sure of that?

**Mr Barr:** Not with me, no.

**MR COE:** What about your directorate?

**Mr Dawes:** To my knowledge, that has not been elevated or raised with me for quite some time, and that goes back 12 months as well. As I said I will take that on notice and double-check. One thing I have learnt is that you double-check and triple-check. But nothing has been brought to my attention. I have not had any of the contractors or whatever pursuing me. Normally, for example, when there was something like that, I would hear something as well, but I have not heard anything now for some 12 months.

**MR COE:** It is my understanding that there is a subcontractor that is still out of pocket by over \$300,000 for this contract.

**Mr Barr:** I would be surprised if there was a subcontractor out of pocket to that extent that would not have raised the issue somewhere.

**MR COE:** Yes, as would I.

**Mr Barr:** I am not sure where you have got that information from, but if they have raised it with you and you have not raised it with me then please raise it with me.

**MR COE:** Sure. So you are not aware of any commenced legal action or any representation from any solicitors in this space?

**Mr Dawes:** There was something that was happening some time ago, but as I said I have not heard anything on that of late. I will have to take that on notice and go back and double-check.

**MR COE:** In the event that there was a subcontractor—for any project, not necessarily this one—that had not been paid by the principal, especially an ACT contractor to an international principal, what recourse would such an organisation have, and what would the government's actions—

**Mr Barr:** The government would not pay twice, so the issue would be between the subcontractor and the contractor. Noting this was an ACT and commonwealth government project as well, so it was a project that was jointly funded, and it was not just an ACT government project—

**MR COE:** It was managed by the ACT, though.

**Mr Barr:** Yes, but it was the subject of a joint funding arrangement. There is legal recourse and the ACT government procurement area—this issue does arise from time to time, but as a fundamental principle the government and taxpayers would not pay twice for a project. So the legal issues would be between the subcontractor and the head contractor.

**MR COE:** Is it not a requirement to pay the principal that they have to have paid their subcontractors?

**Mr Barr:** That would be part of the contractual arrangements for the head contract, yes. So there would be a legal chain there.

**MR COE:** So if the ACT government had paid Abacus and Abacus had not paid a subcontractor—

**Mr Barr:** I do not think Abacus—Mr Dawes might—

**Mr Dawes:** I think we had this conversation 12 months ago, and I think I actually amended the record a year ago as well. Abacus were not engaging the local subcontractors; that was a Western Australian firm—

**MR COE:** Dialight.

**Mr Dawes:** Dialight as well. So if there is a contractual dispute, Abacus are out of that particular equation. Dialight were dealing with Abacus, so there would be some contract arrangements between them. Any of the subcontractors would be engaged with Dialight. As I said I will have to go back and double-check to see whether that occurs. In general, where there is a potential dispute between contractors and government, we would certainly try and manage that particular process. As I said, it has not been brought to my attention for some time. I will go back and double-check. If you have any further information that I am missing, I would appreciate that as well.

**MR COE:** No, I do not think I have any further information, other than to my knowledge it is still outstanding. So I would be curious to know if the agency is across anything—

**Mr Barr:** We will seek some further information to see whether anything has changed from 12 months ago.

**THE CHAIR:** You have taken that on notice. Dr Bourke, do you have a substantive question?

**DR BOURKE:** Minister, tell us about the major capital works and upgrades to Bruce stadium, the Manuka Oval and Stromlo park and the plans for Pierces Creek motorsport complex, please.

**Mr Barr:** There has been some work undertaken at Canberra stadium, most particularly around the ticket box replacements, as you would see, at both entrances to the venue. There has also been some upgrading of workplace health and safety

conditions associated with those who work in the venue. The playing surface was replaced in the annual report period. There is a range of new branding that appears at the stadium, associated both with the naming rights sponsor and with brand Canberra. The CBR brand wi-fi is in place. There have been some other more minor upgrades occurring across the venue.

In terms of Manuka, clearly there has been significant change there, and work is ongoing associated with the Cricket World Cup. We will see all of those showcased today at the one-day international. That will be broadcast on free-to-air television around the country; it is very good exposure for the venue and for Canberra. Those upgrades at Manuka have included a new playing surface, additional seats in the inner bowl and replacement of 18 seats in both the north and south of the venue. The seats that were replaced, as I understand it, were the seats that were taken from what was then Bruce stadium in the late 1990s when the old stand on the eastern side was redeveloped for the Sydney Olympics as part of that somewhat infamous redevelopment of Canberra stadium.

**MR COE:** It turned out to be good value for money, didn't it?

**Mr Barr:** It is interesting. I am not going to spend time now debating 15-year-old issues. It cost the Chief Minister her job—the dodgy overnight loan et cetera. The less said about that, probably, the better.

But if the argument is that there is value in investing in stadium infrastructure, I would agree with that, Mr Coe. You should talk to Mr Doszpot about that perhaps if you think there is not enough advocacy for new stadium infrastructure in the city.

Manuka has also had upgrades to the players' amenity, coaches' facilities and dugouts around the Bradman stand. There has also been upgrade work to widen the entrances to the venues on both the east and western sides. And there will be some further work completed in relation to public transport access to the venue.

Stromlo master planning work continues. There is also strong interest from the private sector in on-site accommodation and adventure sport opportunities within that site. It continues to attract major events that are high participation type events—24-hour cycle races, criterion running events and the Tough Mudder themed mass participation obstacle course. Those sorts of challenges are increasing in popularity and there is a strong role for Stromlo Forest Park there.

In relation to the motorsports project master planning work—has it concluded? Yes, it has.

There will be consideration of capital allocations towards those projects in future budgets.

**DR BOURKE:** Which motorsports will be hosted at Pierces Creek? What are you planning?

**Mr Barr:** Proposed are the off-road motorcycles.



**DR BOURKE:** Just off-road motorcycles. What special capital works and costs have been involved in preparing for the Asian Cup?

**Mr Barr:** There has been an allocation made by the ACT government to be able to host events. That is in the order of three and a half million; that is, the six full games and the quarter-final. There is a local organising committee which acts as the interface between the territory government, the venue and the event organisers. They have been actively involved in promotion and support—with the organising committee, the Asian Cup committee and the organising team in the promotion of the matches in Canberra. There is some infrastructure going in, on the corporate side, in relation to the matches, but it is relatively minor and not necessarily a significant boost to the existing facilities, which, at a corporate end, at Canberra stadium are not too bad.

Where I think we have a deficit in terms of facilities is corporate at Manuka. We are pretty limited in our capacity. The difference between the two venues is quite stark in terms of their corporate offerings. Canberra stadium is at a level way above what is available at Manuka.

**DR BOURKE:** Talking about the Asian Cup, what benefits would come to Canberra from hosting this event?

**Mr Barr:** Clearly it is an opportunity for promotion of the city into the key Asian markets that we have. We have a broader trade, business development and transport link agenda. There are direct economic spin-offs, obviously, from hosting the teams, those who attend the matches and the television audience. All of these add up and are valued according to industry standards.

I think, though, that the particular value at this time for Canberra is that January is not traditionally a strong period for our tourism sector, so having major events at that time and having the capacity to attract people to the city are important. When you combine the Asian Cup program with the cricket program for summer 2015, it gives us our strongest event offering in that period of the year, really, in living memory. I think you would be hard-pressed to find a stronger calendar of major sporting events that the city has hosted in that period ever. Certainly it has been the focus of our major tourism campaign for this coming summer period.

**DR BOURKE:** Have you had much feedback on the upgrades at Manuka and Bruce?

**Mr Barr:** The Manuka upgrades have allowed us to host these major events. Without the lights, without the upgrade to Manuka, there would be no cricket and there would be no AFL at the level that we have it now. Those facility upgrades have allowed us to go from one or two AFL matches a year to four. They have taken cricket from just the PM's XI to this summer hosting six international matches—or high-level matches like the big bash final; it is not international, but it is first-class cricket. The extent to which that infrastructure legacy from the centenary year is now delivering ongoing benefits in terms of major events for Manuka is considerable and, I think, plain and obvious for people to see.

On the Canberra stadium side, that venue has hosted the Kangaroos, the Wallabies and the Socceroos, so we have had our national teams in the various football codes

playing there. Longer term, we will need to replace that infrastructure. The time frame for that is now in the 2020s.

**THE CHAIR:** Dr Bourke, I want to remind members that we have got about 40 minutes left to do two and a bit more outputs.

**DR BOURKE:** Okay.

**THE CHAIR:** Do you want to—

**DR BOURKE:** Do I have one more bit?

**THE CHAIR:** Yes; go ahead.

**DR BOURKE:** Thank you. This is just a final one, minister. You mentioned the Enlighten festival and how it has grown in leaps and bounds over the last three years. What plans do you have for it in the future?

**Mr Barr:** We look to expand its scope by way of more activities between the peak weekends. We had a very high level of activity on the Friday and Saturday of the two weekends. We had projections running during the week. We are looking at a range of options to effectively extend it from being a four-day festival with a scaled back intensity in the middle of the week into something that runs for the full 10 days. We will look to expand our partnerships with the national institutions whose iconic buildings form a backdrop for the lighting projections and look to bring in new partners to the event to expand its food and wine offerings, for example, and the range of other activities that can take place within the precinct. In the coming weeks we will have a launch for the 2015 event where the full detail of the program will be revealed.

**DR BOURKE:** Thank you, minister.

**THE CHAIR:** Mr Wall.

**MR WALL:** Minister, partially following on from Dr Bourke, talking about the Asian Cup and the Cricket World Cup, in regard to ticket sales and how they are progressing, what number of tickets to all the events have been sold? Do you know?

**Mr Barr:** That is, as I said, the subject of a question on notice from Mr Doszpot. I have responded that it is commercial in confidence between the organising committee of the event and the local organising committee, so I am not at liberty to reveal exact figures. Suffice it to say that both the event organisers are working with the ACT government through visit Canberra to continue to promote the events. We are particularly pleased with the strength of that partnership and the fact that we are able to feature both of those events as major attractions for Canberra in the summer period. But granted that the ticket sale number changes every minute—

**MR WALL:** Yes.

**Mr Barr:** I am not, and will not be, providing running counts on how many tickets have been sold on those events, but they will obviously be publicly available, because

an attendance figure will be published for each event.

**MR WALL:** Not necessarily reflective of the ticket sales, though. What is the reason for the commercial-in-confidence approach around ticket sales?

**Mr Barr:** It is standard practice for major events. They are just not in the business of giving running commentary on how many tickets they have sold.

**MR COE:** Yet it is all right for you to put out media releases when ticket sales are going well?

**Mr Barr:** I never give exact numbers in relation to that. I can make the observation that both organising committees are happy with the progress they are making in relation to the attendance at the events. I am not putting a figure on that, but it will obviously be publicly available. People will see how many people turn up. It is no secret in relation to the Asian Cup, because the chief executive has made some public observations about expectations of attendance across the board in relation to that tournament.

**MR WALL:** Has the government underwritten the event to ensure that a certain—

**Mr Barr:** We paid a fee to secure the event for the city; yes, that is right.

**MR WALL:** So whether it is a sell-out event or only a fraction of the tickets are sold, the government is not liable for any further cost?

**Mr Barr:** That is correct, yes.

**MR WALL:** In response to Mr Doszpot's question on notice, you have stated that it is an additional \$583,000 in human resources and marketing for the Asian Cup and \$227,000 for the Cricket World Cup. What is the breakdown between human resources expenditure and marketing for each of those events? Have you got that figure?

**Mr Barr:** We will provide that information.

**MR WALL:** What does the human resources component consist of?

**Mr Barr:** It would involve the staff time of visit Canberra and the events team. It is their core business. If they are not doing this sort of work—that is what they are there for; that is what they are on the public payroll to do. These are the major events in our city at this time, so of course you would expect those staff to be working on that.

**THE CHAIR:** We will move now to 1.6, land strategy and infrastructure. I remind committee members that we have got one more output to go after this, 2.1, so if we can try and get through both of those quickly, give them about 15 minutes each, that would be good.

Minister, I have a question regarding infrastructure in preparing for new developments like the proposed development in west Belconnen. I could not see

anything much in here except for the electricity grid out that way. How far ahead do you work in making sure that there is proper infrastructure and services ahead of people actually moving into homes?

**Mr Barr:** In order to achieve development approval from the Planning and Land Authority and to achieve the support of the various associated ACT government agencies, TAMS most particularly, in pre-planning the estate development, all of that work needs to take into account the increased utilisation of the existing infrastructure and the augmentation of that infrastructure as appropriate according to the development time frames associated with the new estate, for example, and when the population is expected to increase. There are key milestones around at what point in time certain infrastructure needs to be augmented.

I would make a very relative observation, and this goes to the heart of issues that are frequently raised with me by people who lived in the city prior to self-government, when the prevailing approach was to almost build entire suburbs and streets, everything, before there were any people. That is fundamentally uneconomic. That development model can only be sustained with a massive public subsidy, which was present for a period of the city's history but just is not now.

Canberra's next phase of development has to be in the same context as any other city. For some people, that is very jarring to hear, but it is what it is. That is the reality. We are conscious of analyses of existing load on infrastructure; that is everything from the trunk infrastructure, the water, the sewerage, the electricity networks and the like through to roads, cycle paths, footpaths, et cetera. All of that is analysed and assessed.

I will make another observation. There tends to be a bit of a disconnect between the specialist and technical view of what is infrastructure at capacity versus a community view, based on a long run expectation of what, frankly, has been significant under-utilisation of infrastructure compared to other cities. Again, it is all relative—what you have experienced before versus what your contemporary experience is. I acknowledge that that tends to be a point of contention, particularly for longer term residents. Their expectation is that there was one car down their street an hour and when there are two or three, that might represent a significant trouble; thus it represents a significant change. But the street may well have the capacity, hypothetically speaking, for 10 cars an hour or 100 cars an hour or whatever. Those figures are used to illustrate the point.

**THE CHAIR:** Yes, I understand. Yes, sure.

**Mr Barr:** We use Australian standards and there is a rigorous process. It is tested by the planning authority—and not just in the context of our own development; where the private sector is involved, that tends to be one of the most rigorously contested questions around what is infrastructure capacity and what extra provision needs to be made.

Having given those high level observations, I might ask Dan or Glenn if they want to talk more technically about the provisions.

**Mr Lacey:** You do need to commence these works very early in the preliminary

phase. There are only certain known elements. With environmental issues, heritage issues and even issues like unexploded ordnance and the like that we have found in Molonglo 3, some of these things we do not know about. There are some very old major water mains not registered that you find in the early development phases. It takes a considerable time. We do not know to what extent we will need an environmental assessment. Do we need to have an EPBC referral? We need to allocate considerable time for those elements—besides the community consultation, particularly with all the community representative groups and other major stakeholders. So we need to be out there some four or five years before the LDA may commence release of those lands.

**THE CHAIR:** In the interests of time, I will go to the rest of the committee. Mr Coe, do you have a question?

**MR COE:** With regard to the work being done in and around IKEA, what infrastructure works is the ACT government paying for there?

**Mr Dawes:** Glenn and I might do a little tag team. Obviously one of the things that we are funding is the stub roads that will lead into the IKEA development that goes off Majura Road there currently. We are also working with and have had quite a few discussions with the airport as well on the potential impact on Majura Road when IKEA opens, to not only do that stub road but also to put an extra lane on Majura Road from Fairburn Avenue to Spitfire Avenue and up to Mustang Avenue as well. There is one area where we have just got to add one lane and another where we have got to add two lanes. And that is part of our capital works program.

**MR COE:** Northbound or either side?

**Mr Lacey:** Between Spitfire and Mustang, we have got almost three lanes. It is one additional lane there. Mustang is two extra lanes. They will have two lanes in both directions eventually.

**Mr Dawes:** And the other bit of infrastructure as well is where we are just in the process of finalising any referrals for environmental issues for a link road from Majura Parkway into the roundabout there at Majura Road as well.

**MR COE:** That is southbound off Majura?

**Mr Lacey:** Only.

**MR COE:** Only southbound?

**Mr Dawes:** Only southbound.

**MR COE:** Where is that likely to feed into the area? Is it going to feed in pretty much at the top near Masters or is it going to feed in further towards IKEA?

**Mr Dawes:** It is into the IKEA roundabout. There are some other works that we have to do as well but there is another stub road which is to go into the back of IKEA, which is off Mustang. I must admit I do get Spitfire and Mustang avenues mixed up a

little but at the back of the IKEA site which feeds into where Mustang is, where you are referring to, the objective is to have an entry into Spitfire with an exit into Mustang.

We do not own the land at the back of IKEA. That is owned by the Department of Defence. We are in the process of finalising some negotiations with Defence but that area north of IKEA, from Mustang Avenue up, is quite environmentally sensitive as well. There is a bit of work that we are doing there both with Defence and the commonwealth agencies.

**MR COE:** Why would you feed into Spitfire as opposed to Mustang? Mustang is the northern road, is that right?

**Mr Dawes:** Yes, that is correct.

**MR COE:** Why would you not feed into Mustang so that way you, in effect, feed into the top of the precinct and the natural traffic flow?

**Mr Dawes:** The problem we have is the fact that we have endangered species like golden sun moths, legless lizards and native grasses. It is one of the most highly sensitive paddocks that we have in the ACT, in that eastern broad acre. We were very lucky to have that.

**THE CHAIR:** We are very lucky.

**Mr Dawes:** That is the impediment there. Obviously we originally looked at bringing the link road into that as well but unfortunately we are not going to be able to do that. We understand that there is a strong push to preserve that. That is why we have put our efforts into the other and then allowing the traffic to exit IKEA to that northern end. Unfortunately that is what we have got to live with.

**THE CHAIR:** Or fortunately.

**Mr Dawes:** Or fortunately, yes, as well. There are quite extensive environmental issues on that and obviously we will be preserving that. We will not be interfering with that part. The advantage we have with the southern part is that it is not as environmentally sensitive as the northern part. A lot of the work is being done there.

**Mr Stewart:** It was a spoil site for the parkway. It was covered in dirt, the IKEA site, which has made the development less environmentally sensitive.

**MR COE:** Was it known to be—

**Mr Dawes:** No. That was actually—

**Mr Barr:** That was why it was allowed to be the spoil site.

**Mr Dawes:** That is correct, yes. We went through a rigorous process to establish the spoil site there as well and that was highly sensitive.

**MR COE:** The legless lizards stayed in one paddock and did not go 100 metres further south?

**Mr Barr:** They have not been straying sooner, no. It is what it is.

**MR COE:** Does the EPBC Act apply to Defence land to the same extent as it would apply to territory owned land?

**Mr Dawes:** Yes.

**MR COE:** It does?

**Mr Dawes:** Defence would have to go through the same process as we would have to go through under the EPBC Act as well. That is to the best of my knowledge. I do not think they get any special dispensation at all.

**MR COE:** And what other sites is the government looking to develop on that western side of Majura Road?

**Mr Dawes:** One of the things that we have looked at is that there is less sensitivity on that southern part, with the link road coming north from Majura Parkway, and that does create some land there for the purposes of further industrial mixed use-type land. It does create some land on that southern side.

**MR COE:** And with regard to the additional lane being constructed on Majura, are you aware of what impacts that is likely to have, for better or worse, on Fairbairn?

**Mr Lacey:** If I could answer, the programmed opening of Majura Parkway, from recent advice from TAMS, works in well with us on that. When we wish to commence the widening of Majura Road, Majura Parkway will have been opened to Fairbairn Avenue. That is a good outcome to minimise traffic disruption.

**MR COE:** But in terms of the traffic on Fairbairn Avenue, are you aware of what impact an increased capacity on Majura Road is likely to have on Fairbairn Avenue?

**Mr Lacey:** First of all TAMS have engaged a consultant for ongoing modelling and traffic accessibility and TAMS are in a better position to explain the larger precinct of traffic modelling. We have engaged the same consultant for—

**MR COE:** That is SMEC, is it not?

**Mr Lacey:** SMEC, yes. We engaged them through TAMS to tell us specifically about the Spitfire and Mustang roundabouts so that, with the development of IKEA and the link road, we knew exactly what the efficiency of those roundabouts would be before we added additional lanes or did not add lanes. TAMS are better placed to answer issues of Fairbairn, Pialligo and Morshead.

**MR COE:** Is there, in effect, a master plan for that area or at least for the road infrastructure in the area?

**Mr Lacey:** Yes, there are model projections of levels of service for all of those Majura precinct areas, Pialligo areas. TAMS are looking at some enhancements for Pialligo but, again, that is within the TAMS jurisdiction. We have just engaged that element that immediately affected the land development works.

**MR COE:** What representations did you make to TAMS with regard to northbound access to Majura Park?

**Mr Lacey:** Sorry, northbound access from where?

**MR COE:** Sorry, from the Majura Parkway.

**Mr Barr:** From south of the lake coming north up Majura Parkway to—

**MR COE:** There is going to be a southbound exit towards Majura Park, but what about—

**Mr Barr:** Yes, and the northbound one is at Majura Road.

**MR COE:** That is right, but—

**Mr Barr:** And you are arguing for another one?

**MR COE:** No. I am saying: were there any considerations? What consideration was there about, in effect, having an underpass or overpass at Majura Park?

**Mr Lacey:** The design that is being built is that, for northbound traffic from Monaro, Dairy Flat way, there is a left-turn ramp just past Fairbairn that allows traffic to come back onto Fairbairn, and then they pass underneath the parkway to then turn left north onto Majura Road. Those coming from the south can make that—

**MR COE:** Through a cloverleaf type?

**Mr Lacey:** Yes, keeping in mind that the interchange near the AFP, Tambreet Street, will always be in place. There is a choice for them to use the old Majura Road if they choose. And they can exit north or south to Majura Park that way.

**MR COE:** And with regard to signage, I imagine there would be many businesses in that precinct that would want to advertise the appropriate exit to the Majura Parkway, whether it be north or south.

**Mr Lacey:** Yes.

**MR COE:** I note that IKEA in Sydney has some signage, I believe, on the motorway there. Is our signage code going to allow that kind of—

**Mr Barr:** I understand that representations have been made not just from IKEA but from other businesses in that precinct.

**MR COE:** Yes, absolutely.



**Mr Barr:** And those can be addressed.

**Mr Dawes:** Yes. Again we have had meetings with a couple of the potentially affected parties that will not be on the main road. We are actually in the process of discussing this with TAMS. Again this is a TAMS responsibility because they look after all of that. Both Glenn and I have had some discussions with TAMS, and we are just reviewing that policy to see what can be done. Once that is established we have given commitments to certain traders within that precinct that we would facilitate some meetings and discussions. We are certainly going down that particular path. But as I said to the proponents, we have not made any promises on that, as we are subject to further discussion.

**DR BOURKE:** Minister, the whole of government accommodation strategy, WOFGAS: where are we at—

**Mr Barr:** I have not heard that being used before.

**DR BOURKE:** It is in the annual report, minister, so you have to expect us to want to use it.

**THE CHAIR:** Can somebody explain what WOFGAS is?

**Mr Barr:** Whole of government accommodation strategy.

**DR BOURKE:** How is that coming along, minister, and where are we at with the hub and satellites?

**Mr Barr:** Yes, that work is progressing. We have adopted, as you have indicated, a hub and satellite approach whereby there are ACT government office facilities currently under construction, nearing completion, in Gungahlin. In the middle of 2015 the Gungahlin office block will be open. We have a significant number of ACT government staff in the education sphere located at the Hedley Beare centre in Stirling. One of our largest employment bases is at Canberra Hospital in the Woden valley.

There are opportunities for increased ACT government office accommodation along the capital metro route. An expressions of interest process has concluded in relation to the proportion of staff who will be located in a new facility within the CBD. There is also consideration for Dickson, as we already have significant staff in the Dickson area—Macarthur House, Dame Pattie Menzies, TransACT and Telstra House—in a combination of owned and leased accommodation in that precinct. We will certainly be looking at a new development there as we dispose of some of the older government-owned assets through the asset recycling scheme. We have been very clear about our intentions to do that for some time, and we will proceed to market accordingly. Once there are recommendations on a shortlist for the CBD office component—noting at the moment we are in 19 different buildings across the CBD?

**Mr Stewart:** Yes, it is in that order.

**Mr Barr:** So there is not a major change in terms of the distribution of staff, the total

number of staff from regions, other than, obviously, putting additional staff in Gungahlin, and more education staff have moved to Weston Creek as the changes have occurred at Hedley Beare. So the process will involve procurement as a tenant for a new CBD facility, and then ultimately move on to new facilities in Dickson. But the initial priority was getting Gungahlin sorted. That has been procured and the construction is underway. Is it 600 staff?

**Mr Stewart:** Approximately 660, yes.

**Mr Barr:** Yes, who will move to Gungahlin in 2015.

**DR BOURKE:** That is Shared Services, isn't it?

**Mr Barr:** Yes, principally.

**Mr Dawes:** They are coming primarily from the Woden Callam Offices.

**Mr Barr:** The old Callam Offices. This allows us to divest from some of those ageing properties. The proceeds of those sales then go into our infrastructure fund to build new public infrastructure, and we get the 15 per cent bonus on the way through.

**DR BOURKE:** From?

**Mr Barr:** The commonwealth asset recycling scheme.

**DR BOURKE:** Excellent. Thank you, minister.

**THE CHAIR:** Mr Wall?

**MR WALL:** Minister, on page 72 of the annual report there is a lovely little graph that is headed "Active businesses where ACT is main state of operation". There has been a three per cent decline in the number of businesses basing themselves in the territory in the reporting period. What data is given to the directorate as to whether they are as a result of closure of a business or a relocation interstate?

**Mr Barr:** This actually relates to last week's hearings, so I do not have those officials available. I will take that question on notice and get back to you.

**MR WALL:** Even though it is in that same output class of 1.6?

**Mr Dawes:** It is under the strategic indicators. It is a separate section.

**Mr Barr:** It is a separate section. That is a strategic indicator. It is not in output class 1.6. It is not an infrastructure question; it is business related. But I will take it on notice and get that information for you.

**MR WALL:** Thank you. Going back briefly to IKEA, the annual report says that it is expected to bring great economic benefit to the territory. What consideration was given to the economic impact that a big retailer such as IKEA would have on small, locally established businesses that have operated for a number of years?

**Mr Barr:** It is a good question. I guess you need to net off a couple of impacts. Obviously there is a significant leakage of business to IKEA already from Canberrans who travel to Sydney. So there is a drawback of some of that business into the ACT, together with the regional impact, in that having a store in Canberra will attract people from the surrounding region, with the closest IKEA being here in Canberra. If you are coming from anywhere south of the ACT, from Wagga, Albury or—

**MR COE:** Surely, IKEA are not banking on getting the same customers they are getting in Sydney but just getting them here. Surely, they are planning on getting additional customers by opening up here.

**Mr Barr:** If you would let me finish my answer, I was saying you have to net off a couple of other impacts. There is already significant business leak. But in the end, to cut a long story short, it is the market, Andrew. I cannot dictate to people where they buy their furniture. And why should they be denied the option to access their furniture from IKEA if IKEA provide the quality furniture that they want at the price they want? That is the market operating, is it not? So the idea that we would say, “Sorry, no competition allowed in the ACT, we won’t have certain retailers because we’re only going to allow a certain number of furniture sellers”—it is a market, isn’t it?

**MR WALL:** That is understandable, and it is a free market. Ultimately, all the discussion that has happened publicly, largely led by the government and you, has been around the great success in attracting IKEA to the territory.

**Mr Barr:** Ultimately it is, yes.

**MR WALL:** There has been no discussion or no consideration paid, particularly publicly—

**Mr Barr:** There has been significant consideration paid to the alternative side. But ultimately it is a market, isn’t it? Why is IKEA singled out when Freedom or some of the other large national or multis—Harvey Norman operates a—

**MR WALL:** The scale on which IKEA operates compared to the other retailers you are mentioning is vastly different.

**Mr Barr:** That is the market, isn’t it? What about Costco’s arrival in Canberra? Woolworths, Coles—there are lots of large—

**MR WALL:** I remember that the government was not a big fan of Costco when it arrived.

**Mr Barr:** There are lots of large players who come into a marketplace. You can make the political point; fair enough, but in the end it is going to be consumers who decide, isn’t it?

**MR WALL:** One final point on IKEA.

**THE CHAIR:** Mr Wall, you can’t. We have seven minutes.

**Mr Barr:** I always love it when Liberals argue against competition.

**MR WALL:** I am not arguing against it.

**THE CHAIR:** Thank you, minister.

**Mr Barr:** That is one of my favourite moments. I have had two today. I have had you argue that we should narrow the band of questioning, and then Andrew Wall arguing for less competition.

**THE CHAIR:** Thank you, minister.

**MR WALL:** I am not arguing for less, just scrutinising the decision process.

**THE CHAIR:** Can members come to order, please. We have only got a couple of minutes left for the next output class—

**Mr Barr:** We do.

**THE CHAIR:** which is ACT Property.

**Mr Barr:** Mr Doszpot has come back to ask a question on that.

**MR DOSZPOT:** I have, Mr Barr.

**THE CHAIR:** I was going to check whether you have anything on output 1.6? No? We will move quickly to—

**Mr Barr:** This is from a previous committee. I owe Steve this question because—

**THE CHAIR:** Okay.

**Mr Barr:** he did come back at another hearing to try and ask it. Shall we let him ask it?

**THE CHAIR:** Should we?

**Mr Barr:** I am keen to, because he has made a big effort.

**MR DOSZPOT:** Thank you.

**MR COE:** You do not have a say in it, minister.

**Mr Barr:** And I wish to acknowledge it, Steve.

**THE CHAIR:** Minister, thank you for that. It is normally the practice that committee members get first dibs, but on this occasion we will allow Mr Doszpot to have a go and we can put questions on notice if necessary.

**MR DOSZPOT:** I am impressed by the spirit of cooperation, Minister Barr—

**Mr Barr:** Absolutely.

**MR DOSZPOT:** so thank you very much.

**MR COE:** He has had a couple of weeks to rehearse!

**MR DOSZPOT:** On my third attempt, the question is regarding the Canberra Seniors Centre—a feasibility study into the redevelopment of the Canberra Seniors Centre. The study was undertaken to investigate the redevelopment of the current site in Turner and consideration of alternative sites. My question is: what is the status of the feasibility study, and where are we at?

**Mr Barr:** Daniel might be able to help.

**Mr Bailey:** We have actually got receipt of a draft report that has reviewed a number of options. I think for the north side one that you were referring to, there were 11 sites considered, and they have narrowed it down. But we do require a little further consultation with them, and we will be proceeding to that.

**MR DOSZPOT:** You mention a draft feasibility study. Have you any idea how long it will be before the final report will be given?

**Mr Bailey:** It is very close. It has got down to the two sites, and there are just a couple of things that we would like to check, noting that that responsibility is recent to ACT Property Group. It transferred over in September. We are just getting across that now, and we are working with the policy team within economic development to review that, with a view to finalising that report very soon.

**MR DOSZPOT:** I appreciate that the transfer of responsibilities has had an impact on you, but the senior citizens centre is getting very concerned because all these delays are having quite an impact on their activities. I am obviously trying to get some reassurance on their behalf that this is being looked at. Can you give us an approximate time? At the moment this was meant to have been finished in August, and the tender for forward design was meant to be put out in August 2014. We are well behind the schedule.

**Mr Bailey:** I think we are a bit behind there, although we are committed to reviewing this fairly soon. It will be part of the usual budget processes and things like that to take those next steps. It is fairly significant infrastructure we are looking at through the report so far that I have seen. Yes, we will certainly make a commitment to working to that.

**MR DOSZPOT:** As a supplementary to that, in light of the significant delay, what assurances can be given that the Canberra Seniors Centre will be supported to the extent necessary to enable it to maintain and enhance its services required by both the government in fulfilling the requirement of the age friendly city and the senior citizens of Canberra? Who will be looking after this? Is this going to be an ongoing responsibility of yours or are you sharing this responsibility with some other

departments or other agencies?

**Mr Barr:** The asset management of the building infrastructure sits with Property Group but the service provision would of course remain with Community Services.

**MR DOSZPOT:** Who is going to give us an assurance along the lines that I have just asked?

**Mr Barr:** To the extent that the assurance we can give relates to the built infrastructure, then I am happy to give that assurance. In relation to the extent of expansion of programs, if there are limitations around infrastructure, then there are limitations around infrastructure. But, if it relates to further partnerships with other community service providers, those questions, I think, are best explored in the Community Services portfolio area with the Minister for Ageing.

I am cognisant of your interest in the issue. Minister Gentleman has also obviously raised the question and it will be the subject of some consideration in the future.

**MR DOSZPOT:** I do appreciate your willingness to try to get to the bottom of this and I would appreciate your assistance in making sure that we move as fast as practical.

**THE CHAIR:** With a couple of minutes to go I might ask a question. ACT Property was responsible for the old school sites, yes?

**Mr Barr:** Some of them.

**THE CHAIR:** Some of them?

**Mr Barr:** They would have to transfer back, yes.

**THE CHAIR:** Are Flynn, Holt, Cook and Spence included?

**Mr Bailey:** And Mount Rogers, in Spence, yes.

**THE CHAIR:** Are there any vacancies in any of those sites?

**Mr Bailey:** There are some. We have just got all the sites now with the community facilities transfer. They are all coming back. There is some vacant space in some of those there. We have combined the two waiting lists that we have had. We have always had a community waiting list, and community facilities have always had a waiting list. We have combined those and we are trying to make it so that is fair. We are looking at addressing all the vacant space that we have there.

Whilst these hubs in some of the old schools have been updated, some of them have not. Some of them would require significant infrastructure to get them up to a lettable space, lettable accommodation. Yes, there is some vacancy that we are working through.

**THE CHAIR:** And how do you decide who gets to go in the space on the waiting

list? Is it first in, best dressed? How does it work?

**Mr Bailey:** Previously ACT Property Group's view was just on the waiting list and if they were a community group they were on the community waiting list, or if they were a commercial group they were waiting on the commercial waiting list. And it was on your length of service on the list and we would go down to that.

But people would also specify areas. People would be quite descriptive in that, in terms of wanting just a suburb. The waiting list that has come over from community facilities is a little different. It is based on the service they provide the community. We are merging those and we are trialling this new method that looks at three different ways of weighting these people for space. It is about their viability and sustainability, I suppose, and then their length on the waiting list.

In saying that, whilst we have got a few there, when we find we do have vacant space and we go down, it is surprising how many people do not quite fit that type. But we are working through that.

**THE CHAIR:** Basically it is just trying to find the best space that fits a particular service or community group?

**Mr Bailey:** Yes, that is correct.

**THE CHAIR:** And that obviously applies across Canberra, but I am particularly interested in Belconnen.

**Mr Bailey:** Yes, there is a bit of space in Flynn that we have just inherited there now that we are working out. That is probably the main one in Belconnen that looks like there is a bit to fill.

**DR BOURKE:** And who manages the signage outside these old school sites?

**Mr Bailey:** That would be us now that we basically—

**DR BOURKE:** I have had some constituent complaints that there is not enough signage to tell them what is going on there.

**Mr Bailey:** We are certainly happy to know which site that is.

**DR BOURKE:** Primarily Flynn.

**Mr Bailey:** I will take that on board and look at that.

**THE CHAIR:** A supplementary.

**MR COE:** Some tenants at Mount Rogers have contacted me to say that there are various maintenance requests that they have got and sometimes it is not always clear what is their responsibility, as opposed to what is the ACT Property Group's responsibility. Is there, in fact, a clear delineation or is it site by site? If it is not clear are you willing to negotiate on things such as carpet and light fittings, security

et cetera?

**Mr Bailey:** It can depend on what type of lease they are under as well. In some of the properties that have come over from community facilities the tenant does pay the first \$500 for maintenance. Mount Rogers is a Property Group one and most of them are on community rental. It should be very clear. Carpet, paint, base building fixtures and fittings are ACT Property Group's responsibility. Fit-out is the tenants' responsibility.

I would be happy to also take on board which particular tenant issues there are there. It is one of our better sites out there. It is a good property. I would be interested to know. We have invested a fair bit on it recently. I would like to know if there are any specific issues that they are thinking we are not doing. We are happy to look at them.

**THE CHAIR:** The time being 11.30—

**Mr Barr:** We have an answer to a question taken on notice. We have some information.

**THE CHAIR:** Yes, please, get that one out of the way.

**Mr Stewart:** In relation to Mr Coe's question on west Belconnen and some of the quantum and contractual arrangements, the gross revenue for west Belconnen—and bear in mind these are estimates—is between \$1.1 million and \$1.3 billion. Total cost is estimated at between \$600 million and \$700 million and that includes site servicing, offsite works, arterial roads, sewer, water trunk, landscaping, public transport infrastructure and the cost of sales.

The Riverview Group has been engaged, as suggested, under a single-select contract for project management. The contract is on the contract register held by Procurement Solutions. It should be in our annual report. It is not. That is an oversight and I apologise.

**THE CHAIR:** Thank you. On that note we will adjourn. Before we break can I remind members that supplementary questions should be lodged with the committee office within three business days of the hearing and responses to questions taken on notice and supplementary questions related to this hearing should be provided to the secretary by Friday, 5 December 2014. We will resume at 11.45 with Mr Rattenbury.

**Sitting suspended from 11.32 to 11.45 am.**



Appearances:

Rattenbury, Mr Shane, Minister for Territory and Municipal Services, Minister for Corrective Services, Minister for Aboriginal and Torres Strait Islander Affairs and Minister for Sport and Recreation

Economic Development Directorate

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

Territory and Municipal Services Directorate

Byles, Mr Gary, Director-General

Perram, Mr Phillip, Executive Director, Business Enterprise Division

Trushell, Mr Michael, Director, ACT NOWaste, Business Enterprise Division

Childs, Mr Daniel, Acting General Manager, Capital Linen Service, Business Enterprise Division

Horne, Mr Hamish, Chief Executive Officer, Canberra Cemeteries, Business Enterprise Division

ACT Public Cemeteries Authority

Kargas, Ms Diane, Chair

**THE CHAIR:** On behalf of the committee, Mr Rattenbury, I would like to welcome you and your officials and thank you for attending today. Today we are looking at the sport and recreation portfolio and the government section of TAMS. I draw your attention to the pink privilege statement before you. Could you please acknowledge that you understand that? We will be going from Sport and Recreation Services, 1.4, to output 1.3, waste and recycling; output 2.1, government services; and then to the ACT Public Cemeteries Authority.

**Mr Rattenbury:** We will just have a change of officials after sport and rec.

**THE CHAIR:** Do you want to make a brief statement to start with?

**Mr Rattenbury:** No; I am happy to go straight to the committee's questions.

**THE CHAIR:** Minister, maybe you can take us through some of the highlights from page 48 of the report at the top of the page.

**Mr Rattenbury:** Without going into too much length, sport and rec has had a busy year, as they do. I essentially took over the portfolio just after this reporting period, so the things I can speak to really are reflected in there.

I think the sportenary, as it was awkwardly called, was nonetheless very successful. There was an excellent level of elite-level events that we do not normally see in Canberra, and also a lot of community sporting organisations took on the spirit of the centenary and undertook a range of activities. That added to the centenary and was part of that very successful year.

Obviously there are a range of important capital works going on. I note the

completion of the Narrabundah velodrome track. It was welcomed by the cycling community. I think they were, to be honest, a bit frustrated that it had to close for a while, because it is the only one we have in Canberra, but the feedback I have had from talking to some of the cyclists I know who are using it is that they are very pleased with the surface. There is a bit of one bumpy corner left, I am told. I was talking to Sue Powell the other day about this, and she said that there is one area but that further work is being done on that. I guess at that elite end you really notice those things when you are on those steep banks in a velodrome.

We have seen the completion of the Gungahlin enclosed oval and the Gungahlin Leisure Centre in close proximity, bringing Gungahlin forward to have the sorts of facilities that other parts of Canberra have enjoyed.

**THE CHAIR:** With the projects that were brought through the sportenary celebrations for the centenary of Canberra, were there any of those sports events that are not normal events that we hold in the ACT carried over? Are there any events that we found were really successful that we are going to continue to hold as an annual or biannual event?

**Ms Priest:** Largely, the sportenary events that were undertaken were an opportunity for a lot of the sporting clubs to showcase their sport with their events. We went to a lot of trouble with them to help them brand and create a celebration that helped to make the community more aware of what they were up to, what they were doing. It was an awareness sort of thing. It is not as if they do not still continue to undertake and carry on with their sporting activities anyway. We also worked with the elite sports to do particular sportenary brand matches. With the Brumbies, the Raiders, the Giants and Cavalry—national league teams—we branded up the event to get Canberra on the global map and where eyes were looking to really see what offerings we have in the sport and recreation sector.

**THE CHAIR:** Have you had feedback from events that were able to raise awareness or highlight their particular sport—whether that centenary year did actually make an improvement in enrolments in that sport? I know that it is only a short time from the end of last year but—

**Ms Priest:** I think that we have, but in terms of any detailed specifics on that I might need to take it on notice and come back to you.

**THE CHAIR:** Thank you. Mr Coe.

**MR COE:** I have a question about the oval upgrades. I am just wondering how things are progressing at Weetangera.

**Ms Priest:** At Weetangera Neighbourhood Oval, progression of the project is going well. We have got the fieldwork completed. We have had an appeal against the pavilion in the administrative and civil appeals tribunal. That hearing was held over the course of the last two days, and we have had feedback that a decision on that appeal will be made prior to the end of the year. The indications at the end of yesterday's proceedings were that we should have an outcome and a decision on that appeal by the end of this year.

**MR COE:** I cannot recall, but with a DA that was lodged for the pavilion—was that just for the first stage of the pavilion or was it, in effect, for a larger structure, of which you are only building an element?

**Ms Priest:** I think the DA is for the entire pavilion. As part of bringing a sportsground unit back online, which is what we have been doing through this restoration program, we required pavilion facilities, and that is what the DA is for.

**MR COE:** In terms of when the oval is going to be right to be used by Wests Rugby Club, when is that likely to be?

**Ms Priest:** Next season, I think, was typically what we were pitching for. Obviously, we need to wait for the outcome of the ACAT appeal. The time line has been set back a bit by this, and we do not know what that outcome is yet. The idea and the intention were that it would be back online for next season.

**MR COE:** In the event that the appeal is upheld by ACAT, what would that mean for the tenant and for the future use of the site?

**Ms Priest:** If that did come into being, I think it would mean that we would need to go back to the design drawing board and see what we need to do to address any particular issues or concerns coming out of the appeal. I was not the officer at the appeal, so I was not involved in the detailed proceedings, but depending on what that outcome is, it would be just a question of then saying, “What do we need to do to actually finalise the project?” I do not think it is something that makes the restoration of the oval insurmountable; it just means that we would need to give a different consideration as to how we might finalise that.

**MR COE:** Thank you.

**THE CHAIR:** Just a quick supplementary, Mr Doszpot.

**MR DOSZPOT:** Minister, with the work that has been carried out on Weetangera oval and the proposed \$1.34 million due to be spent on it, on page 50 you talk about the asset repair and maintenance scheme, ARMS. Are there any plans to have a look at the Kingston Oval? It is one of the most used ovals, with both AFL and cricket using it extensively, yet for about 23 years there has been no work done there on the refurbishment of the actual grandstand. The seating, the facilities and the toilets are an absolute disgrace. Is there any plan to look at upgrading or refurbishing Kingston Oval?

**Mr Rattenbury:** When you say Kingston Oval, do you mean the pavilion, not the oval?

**MR DOSZPOT:** I mean the pavilion itself, but it has elements of work that need to be done to the oval itself. Currently there is rubbish being dumped at the furthest extremities of it. Constantly the club has to ring up. Currently there are mattresses left there, and shopping trolleys and things like that.

There are two elements here. One is the urgency required to upgrade the actual pavilion itself, and the toilets, which are separate from the pavilion. As I understand it, there have been no repairs done there, no maintenance, for about 23 years. When you consider the location and the showcase type area that it is in, it really is suffering. In comparison, when teams come visiting from Queanbeyan and from other nearby areas, it is in very poor condition.

**Ms Priest:** Kingston Oval is a facility that would have a sublease arrangement in place with Eastlake football or Eastlake Cricket Club. Our facilities improvement program is our expenditure program that we use. It is a bit like painting the Harbour Bridge: we work through all of our facilities and never really get to the end; then we start again. We do that with the limited resources that we have. At this stage, I have had no particular representation from Eastlake to do some additional work on the facilities, but I would be more than happy to talk to them about where they see the relevant priority in terms of the sublease arrangements and how we might be able to work with them, partner up and prioritise whatever might need to be done as part of the upcoming—

**MR DOSZPOT:** Does the fact that they have got a lease preclude them from asking you to have a look at what needs to be done?

**Ms Priest:** No, it does not. Usually these sublease arrangements with the community sporting groups are set in place to bring about mutual benefits, where we can see that there will be mutual benefits both for the club and for ourselves. I think that facility has a bore in it in terms of the irrigation and what have you. There are a number of particular arrangements at that facility that make that a very well operating and functional arrangement. We are always prepared to have a conversation about how we can make those arrangements work better within the confines of the sublease arrangements but also, where there is work required, look at how we might be able to accommodate and facilitate within the realm of other priorities in our existing programs. I am more than happy to take that one on board and to have further discussions with the club about that.

**MR DOSZPOT:** I am sure that the club will be happy to hear that. I just want to highlight the need for urgent repair, for all the reasons I mentioned.

**THE CHAIR:** Mr Coe, do you have a supplementary question?

**MR COE:** Sorry, I thought my Weetangera Oval was it. I am happy to pass to Dr Bourke.

**DR BOURKE:** Minister, can you tell me about the work at the ACT Academy of Sport? The report mentions that for the 2013-14 period 55 athletes and five coaches were eligible to complete the customer satisfaction survey. Were these all grant recipients, and what sports do they cover?

**Mr Rattenbury:** I am just trying to recall the sports that we have at the ACT Academy of Sport because I am sure I will leave one or two out. There is a particular emphasis in the ACT in that we have both a men's and women's soccer program. The cycling program is particularly strong as we have seen outstanding results from ACT

cyclists in recent years. We have a basketball program at the Academy of Sport. I know I have forgotten something.

**Ms Priest:** We are just going through them ourselves. We have rowing, football, hockey and netball, plus those that have already been mentioned.

**Mr Rattenbury:** With the satisfaction survey that you are talking about, Dr Bourke, as with a range of government agencies, those annual surveys draw out responses that indicate either we are going well or areas that need improvement. I think the response in this year's annual report is very good.

**DR BOURKE:** Apart from a 96 per cent satisfaction rating, what other things came out of that survey?

**Mr Rattenbury:** I do note that the report mentions two of the athletes did not complete the survey, which I think had some impact on the actual satisfaction outcome. In terms of other matters that came through the survey, I might defer to the officials for assistance.

**DR BOURKE:** Presumably the statistics would have meant that you would not have included incomplete or non-completed forms within your overall percentage, because you could not know whether they were actually satisfied or unsatisfied.

**Mr Rattenbury:** As I understand it, they did not complete that question but they completed some of the other questions. So they got rated as neither satisfied nor dissatisfied, if I recall correctly.

**DR BOURKE:** Thank you for that.

**Mr Rattenbury:** In terms of other matters that were raised in the survey, we might take that on notice.

**Ms Priest:** Yes, I think that is a good one to take on notice.

**Mr Rattenbury:** I do not have that specific information with me.

**DR BOURKE:** Thank you. There have also been concerns expressed about a shortage of parking at the Dickson pool, especially during the upcoming construction. Is this an issue that you are addressing, minister?

**Mr Rattenbury:** Yes, I have been looking at this. A number of issues have arisen around this, including issues that have been dealt with by the Economic Development Directorate through the overall revamp of the Dickson shopping precinct. There was originally a proposal to construct new car parking spaces next to Dickson pool. Concerns were raised about that by residents in the area, such as the loss of trees. A new solution was found whereby the parking area next to the old TAB building will be used as an alternative. So that has resolved that parking issue relating to the redevelopment of Dickson.

In terms of the pool specifically, I have seen some complaints in the last four or five

days. I think there was a letter to the editor in the last few days in the paper about congestion there. I have asked TAMS to have a look at that, survey it and see whether we need to put in place some time-restricted parking. It will be a matter of finding the right balance, because some people, particularly in school holidays, will take the family to the pool for six or seven hours at a time on a hot day. So we will need to have a bit of a think about how we would stop that car park being filled up by commuter parkers while at the same time not ending up with families going to the pool and getting parking fines. I am not quite sure what the answer is yet, but I have asked TAMS to have a look at it.

**DR BOURKE:** Thank you.

**THE CHAIR:** Mr Doszpot has a supplementary.

**MR DOSZPOT:** Further to the Dickson pool questions that Dr Bourke asked, what is the standard of maintenance currently at Civic pool?

**Mr Rattenbury:** In what regard?

**MR DOSZPOT:** It was closed for a period due to mechanical and filtration issues. What is happening there at the moment?

**Mr Rattenbury:** Civic pool is an old pool with regard to standard things. It is 59 years since it opened. These things are designed with a life of about 50 years, so Civic pool is a little bit old and creaky; that is perhaps the colloquial way of putting it. The closure earlier this year was to address leakage issues. There were problems with a loss of water. It was closed for two days to enable some detailed work, so that people could get in and have a go at fixing some of those pipes. That is an ongoing project. Last week a new leak was spotted, and that was repaired. That is the nature of an older facility. There is an ongoing maintenance issue.

**MR DOSZPOT:** Given that the convention centre plans have been put on hold, are there any plans to update or upgrade the Civic pool?

**Mr Rattenbury:** Not at this point in time. There is work going on by sport and recreation services at the moment to look at the sequencing for further pool construction. There is a commitment from the last election by the Labor Party to build a new pool in Molonglo. The city to the lake planning looks at building a new pool in West Basin. And Civic pool is having those ageing issues. So there is some detailed work going on at the moment to look at the best sequencing for those facilities, and also what facilities are needed at which location, in terms of diving facilities and the like.

**MR DOSZPOT:** My question is leading to the fact that things have been put on hold in terms of the city to the lake issues. You have mentioned the age is about 59 years. What is the estimated life of that current facility, the Civic pool, if there is no upgrade in the near future?

**Mr Rattenbury:** That is one of those “how long is a piece of string” questions, in the sense that how much longer life you get out of it depends on how much money you

invest in it. You could go for a complete revamp, which would be a significant investment, and get much more life out of it. Depending on the decisions taken on the other facilities you may say you are not going to invest very much money at all because you only have to make it last for a shorter number of years. But there are no definitive decisions on that at this point in time.

**MR DOSZPOT:** When do you expect to make a definitive decision? When will we know whether the other project will go ahead? We are given two answers on this. One is that it has not been put on hold, and the other is that there are no plans in place at the moment.

**Mr Rattenbury:** Minister Barr, as the Minister for Economic Development, has the lead on this, but I can say that the government's position around the city to the lake projects is that some of them will need to be deferred. I think the Chief Minister has been quite clear that further work needs to go on to work out what elements should be deferred and what elements might proceed either as planned or not deferred very much.

Obviously the age of Civic pool has an impact on the decision making, because we need to weigh up—and I have sport and rec doing more work on this at the moment—what are the relative costs. If we want to keep Civic pool for five years, how much do we need to invest versus 10 years? These sorts of questions are being worked on at the moment, to work out the best value for money and the best sequencing.

**MR DOSZPOT:** Will you be making any public comment on that?

**Mr Rattenbury:** I am sure I will, but I do not know when yet.

**MR DOSZPOT:** Okay, thank you.

**THE CHAIR:** Mr Wall?

**MR WALL:** Minister, could you give me a quick breakdown of the number of sports fields that are still currently offline in the ACT?

**Mr Rattenbury:** The number of sports ovals?

**MR WALL:** Sports fields or ovals that are offline and not available for use currently?

**Ms Priest:** I might be able to give you that, or we might take it on notice, in terms of the total number offline. 163 is the number that are still to be restored, are still to be considered for restoration or have been turned off since the drought and are yet to be brought online or further decisions made about what their future is.

With regard to that, those ovals are still available as informal-use ovals. So even though they are not irrigated, they are still available for community use as an informal-use oval—to walk the dog, throw a frisbee or kick a ball, but not for formal sporting use.

**MR WALL:** How are they prioritised for upgrades to bring them back online or to

make them usable for formal events?

**Ms Priest:** We give careful consideration to a number of factors, including whether or not they are co-located or near schools, whether or not there is actual demand in terms of our sportsground booking system, where we see there are demand pressures for facilities that are not already available. In conversation or discussion with the sports about their strategic facilities plans, quite a number of the sports—in fact a lot of the more organised sports—now are developing their own strategic facilities plans and helping to inform us on what their aspirations are and what their future needs are. So that gets taken into account. So there are detailed discussions with the sports themselves, there is data that we have from our systems, whether or not facilities are in close proximity to schools so that we can get a larger benefit from the restoration of an oval in that vicinity, and also discussion with the sports in terms of what their future needs, demands and known aspirations are.

**MR WALL:** You said there were 166 that are still—

**Ms Priest:** 163.

**MR WALL:** When is it envisaged that that upgrade work will be completed to have them all active again?

**Ms Priest:** I think that is another “how long is a piece of string” question. It really depends on a whole range of things in terms of whether the demand is there.

**MR WALL:** Put it the other way: will they all eventually be brought back online?

**Ms Priest:** Not necessarily. It is hard to know. I say that because one of the things we have found over time since the drought years, and since the turning off of a number of irrigation systems for ovals, is that potentially some of our facilities were underutilised. One of the other things that we are really mindful of is getting that optimal level of use so that we are actually sweating the asset in a way that is conducive to making sure the asset is well presented, safe and fit for purpose for the sports and also that it is not being underutilised. We live in a time when resources are very finite, as we all know, and we want to make sure that any of the restorations are there because they are needed.

**Mr Rattenbury:** The other thing on that, Mr Wall, is that there will be new ovals that will come on stream in new areas—for example, in Molonglo. There will be additional ovals that will come into the overall pool of facilities.

**MR WALL:** But for residents in a community that live nearby an oval that has been shut down, taken offline or that has ceased to be irrigated, how would they know what the future of that facility is, as to whether it is going to ever be rejuvenated to be used again, whether it is going to remain as an open space or perhaps identified as a future development site?

**Mr Rattenbury:** If anybody has a question about a specific oval then they are welcome to contact sport and recreational services to ask where it sits in our priority list. There is a list based on the rankings that Ms Priest talked about.



**MR WALL:** For the benefit of the committee then, minister, could you provide—I am happy for you to take it on notice—a list of the ovals that are currently offline and the priority list attached to that as to when they are going to be upgraded?

**Mr Rattenbury:** Yes.

**Ms Priest:** Some of that priority is a little loose. There is a list of these facilities but again, until some of that priority is elevated, because of the reasons that I discussed, they are on, I guess, a potential to-do list without necessarily having Nos 1, 2, 3, 4, down to 163.

**THE CHAIR:** Dr Bourke, you have a supplementary.

**DR BOURKE:** In regard to these ovals, the report also talks about the replacement of the computerised irrigation management system. Which sports fields does that computerised irrigation management system cover?

**Ms Priest:** All of those systems that are irrigated and controlled by our irrigation system. All of our irrigated sportsgrounds are actually managed by this system. It was a complete replacement. We did have a very old, 20-odd-year old, DOS-driven system in place prior to that. This has been quite revolutionary in terms of bringing in a system that allows us to regulate how, where and when we water. It has improved that exponentially. We had a year of bedding that down now, and things are going pretty well.

**DR BOURKE:** That is primarily an ICT strategy. Those ovals which are switched off would still be part of that oval upgrade?

**Ms Priest:** Absolutely. If we were to turn ovals back on, they become part of the network.

**THE CHAIR:** Mr Coe.

**MR COE:** With regard to when the ovals are shut down between seasons, is it just a blanket approach that all cricket fields or all rugby fields are out of action for two or three weeks or is there some flexibility?

**Ms Priest:** With regard to the shutdown period—and again it comes back to the fact that at the moment we have got roughly 260 hectares of sportsgrounds that we manage that are actually irrigated and online—it comes back down to us needing to make sure that the finite resources that we have available, working around weather patterns and rain and whatever else might happen, are meeting the needs of both the sports that are coming out and those that are coming in, and that we are able to do that in the most time-efficient, cost-effective and least inconvenient way possible to all of the sports concerned.

What we have done over recent years, including in my time since coming into the role—I have been involved for just on three years now—is set in train set times, usually a two-week period, where we undertake both our spring and our autumn in-

between restoration programs, and we work with the sports around that.

**MR COE:** Is it absolutely every oval that gets captured by that two-week shutdown? Does every single oval require treatment?

**Ms Priest:** Pretty much. Yes, indeed. We are over-sowing, fertilising and basically bringing the fields back up to a standard and to scratch—again the focus being on safe and fit for purpose and wanting to be respectful of the sports that are about to come in and use the fields but to make sure that they are top notch and up to scratch for those sports coming in. And it obviously works in the converse when you are in the opposite seasons and the changeover is different.

**MR COE:** Is every oval's irrigation system metered?

**Ms Priest:** Metering?

**MR COE:** Water metered? Or does it simply just come off the water network?

**Ms Priest:** We have water bills at a range of our facilities. In terms of separate metering for every single facility, it is, definitely, yes.

**THE CHAIR:** Mr Doszpot, a substantive question.

**MR DOSZPOT:** I have a supplementary and then my standard question, if you do not mind.

**THE CHAIR:** Does anyone else on the committee have a supplementary? No? Then go ahead, Mr Doszpot.

**MR DOSZPOT:** Ms Priest, you mentioned that you had information that a lot of those ovals that were taken offline were in fact underutilised. My information is that there is a great need for more grounds. Certainly Capital Football have made representations, on my advice, that they desperately need more grounds. Have you had any representation on that basis?

**Ms Priest:** Like we are with other sports, we are in constant discussion with Capital Football about their needs and priorities. They have obviously got some patterns of use that they currently choose to employ, and we have spoken to them about whether or not they might be able to give some level of reconsideration around how they actually undertake their bookings and the time frames of their competitions. There are reasons why they would choose to do what they do and the way in which they do it.

But I guess what we would say is that, in terms of getting the balance right, sometimes there is an opportunity to maybe rethink how and when you run your competition so that there is a greater capacity to use the existing sports facilities in terms of their availability over different times. I am not saying that is the only answer to it.

We are definitely in constant discussions with sports like Capital Football about what their particular needs are. At the moment I have got a discussion coming up with

Heather Reid to do just that. There are ongoing discussions. We do, where possible, factor that into the programming of future sportsgrounds, new sportsgrounds, restoration.

**MR DOSZPOT:** My understanding is—and I am glad that you are having discussions; you will probably get the information I am talking about—that it is not just Capital Football we are talking about but that there are a number of junior sports, in particular, who cannot progress, who cannot grow their sport, because there are not enough sportsgrounds available. I would encourage you to have a look at that in the discussions you are having with the particular sports.

The other thing you mentioned was that the ones that have not been brought back on are available for community use. Again I have had representation that a lot of those ovals are overgrown with grass. Basically whose responsibility is it to look after it when it is not in active use?

**Ms Priest:** As we have with our other sportsgrounds, the sportsground maintenance, the mowing of our sportsgrounds, is undertaken by TAMS under a service level agreement. With regard to the informal-use ovals, it is just a longer period between each mowing. It is a dry land mowing regime. I think it is every couple of weeks.

**Mr Rattenbury:** Every four weeks.

**Ms Priest:** Every four weeks.

**Mr Rattenbury:** Every four weeks at this time of year.

**MR DOSZPOT:** In particular, there is a very nice oval near Torrens school, which is mostly unplayable on and cannot be used for community use because of the tall grass. I think people are concerned that they cannot see what is in the grass, obviously snakes and whatever. They are quite concerned. That is a TAMS issue, so I will take it up with TAMS.

**THE CHAIR:** Just before you go to your substantive question, did you want to add something, Ms Priest?

**Ms Priest:** We do receive correspondence periodically about this and I would be more than happy, if there are particular issues that constituents have, for them to give us a call and for us to have a look at whether or not there is something that is unreasonable or unacceptable in terms of what the standard should be for an informal-use oval.

**MR DOSZPOT:** Thank you. I will pass that on.

**THE CHAIR:** I want to ask a quick supplementary about emerging sports or newer sports that are starting to become more popular. I have just entered the world of futsal—not me personally, but my children—and I have noted that there are only a small number of spaces for futsal competition because of the game and the number of players. These are the indoor ones I am talking about at the Lyneham centre. How is that sport starting to emerge, particularly for young people playing in the summer comp who come out of the winter soccer comp and then come into futsal for summer?

**Mr Rattenbury:** The indoor sports facilities are at a particular pressure point for a couple of sports, though. Futsal and basketball have probably been the two main ones that are experiencing real growth and are starting to struggle for space. Basketball ACT had been given a grant previously to construct more space. We are working with them at the moment to get that project executed as soon as practical.

Overall on indoor sports facilities, sport and rec services have advertised a tender to undertake a review of indoor sports facilities in the ACT, and that tender closes next week, 24 November. Someone will be chosen. We expect to have that report by the end of March. The intent of that report is to do two things. One is to actually audit what facilities are currently available, how much they are being used, what they are charging and all of those sorts of things, including both public and private facilities, and looking at things like school halls and other facilities.

Then I want to talk to the various users. A whole range of sports will be canvassed, from the obvious sports like basketball and futsal, through to the Canberra roller derby who came and saw me the other day. Table tennis has been in to talk to us. Fencing and those kinds of sports that are perhaps not as high profile are also on the list. The intent at the end of that is to match it up.

Certainly one of the issues will be: are there things that are not being used? Is there some low-hanging fruit which, through improved arrangements with, let us say, school halls, can be used more frequently? Do the areas need to be resurfaced? I have had the issue put to me that the surface in a school hall is not suitable for some sports. That would be a relatively inexpensive way to make more space available. Then, obviously a secondary consideration would be whether we need new and additional facilities instead of looking for several outcomes out of that process.

**MR DOSZPOT:** I will ask my substantive question. Minister, can you give us an update on the current state of works and completion date for the Woden oval?

**Mr Rattenbury:** I can, Mr Doszpot. I am happy to let you know that the synthetic track was finished in the last week. As we have discussed before, and as other members may be aware, one of the issues there was that the track could only be laid if the temperature was above eight degrees Celsius for 24 hours consistently. That is to do with laying synthetic track surfaces. That has now been done, so one of the significant hurdles has been overcome. The track now only needs line marking. So the complex bits of the job have been done. There are various other bits and pieces of work to be done. I expect the works to be completed before Christmas and the facility to be available in the first part of 2015.

**MR DOSZPOT:** As far as the football field is concerned, that is all going according to plan?

**Mr Rattenbury:** Yes. I have not had any reports that it is not. I consider that to be part of everything completed and ready to go in early 2015.

**MR DOSZPOT:** Can you give us the final cost for what these works entailed?

**Mr Rattenbury:** Are they to hand?

**Ms Priest:** The redevelopment is a \$7 million project. In terms of what the final cost is, we are yet to have the final costings reconciled. Once that happens—

**MR DOSZPOT:** Would you be able to take that on notice and—

**Ms Priest:** Yes.

**Mr Rattenbury:** I am happy to take it on notice. The only issue would be that I do not know if we will have it inside the normal question on notice period, in the sense that by the time all the contractors are paid it could be February or March before the final financial closure is done. So I am not sure that I can take it on notice in that technical sense.

**MR DOSZPOT:** Will you have an approximation of that?

**MR COE:** Perhaps there could be a commitment to write a letter to Steve when—

**Mr Rattenbury:** Yes, I will undertake to write you a letter, Mr Doszpot, when it is finished.

**MR DOSZPOT:** Thank you. Finally, the Narrabundah Ballpark: what does stage 2 consist of there? It is on page 51.

**Mr Rattenbury:** That is a matter that we are currently discussing with baseball, and the Canberra Cavalry in particular. The government has made a range of commitments to fund work there. There was half a million dollars committed in 2014-15 for detailed design and planning. That work is going on in partnership with baseball in Canberra and the Australian Baseball League, to make sure we get the right pieces of work at the right time.

**MR DOSZPOT:** Is that the total cost or is that just the planning cost—\$500,000?

**Mr Rattenbury:** That was the planning and design work.

**MR DOSZPOT:** When is it intended to be finished?

**Mr Rattenbury:** I do not have a date for that at this point in time.

**MR DOSZPOT:** Can you take that on notice as well?

**Mr Rattenbury:** No, I will not have a date. It is the same sort of thing; the work is still going on.

**MR DOSZPOT:** Will the lack of parking issues in that area be addressed in the upgrade that is happening?

**Mr Rattenbury:** Certainly parking is one of the primary issues that is being looked at. Some work has been done to improve the parking issues, in light of feedback from

local residents. One side of the street has been made a no parking zone during matches. If you have been out there, there is actually a fold-down one that is used specifically for the occasions, just to ensure reasonable egress for people who are living in the area, safety and those sorts of things. There is work being done to look at improving the layout of the car park that is there, so that more vehicles can make use of it—a more efficient use of the space, I suppose.

**MR DOSZPOT:** The great success of the baseball franchise has been tremendous, but it has had an impact on the community around them.

**Mr Rattenbury:** It has, yes. I know that Cavalry are very conscious of being good neighbours. There has been a real effort there to make sure that that does remain the case—sound issues and the like as well. Some of the games do end up going quite late and that has been a particular issue for nearby residents.

**MR DOSZPOT:** Past midnight, yes.

**THE CHAIR:** Thank you, minister. We might leave sport and recreation services there and move on to Territory and Municipal Services. Minister, do you want to make an opening statement?

**Mr Rattenbury:** No, I am happy to go straight to questions again.

**THE CHAIR:** Minister, could you give us an update on how the expansion of the Mugga Way tip is going?

**Mr Rattenbury:** Yes, certainly. It is proceeding as planned. I presume the question relates to the use of west Belconnen. At this stage there is no change to the previously advertised timetable for things at Belconnen. If anything, we will be able to resume deliveries to Mugga Lane slightly earlier than previously advertised. I would not guarantee that at this point, but we are going more in that direction than any further extension, if that goes to the essence of your question.

**THE CHAIR:** Yes. Was any consideration given by the ACT government to looking at other places—if there were other places available in the ACT or interstate for people in the Canberra community to dispose of waste—or are we just going to stick to those two sites? Do they have the capacity to manage Canberra into the future?

**Mr Perram:** We have looked at other sites. The emergency landfill under our business continuity plan, as you know, is located at west Belconnen. The extensions and purchases of land that we have had at Mugga Lane should take us up to about 35 years, or even longer if we change our waste management and operations. So in that regard they are the two primary sites. We did a comparison costing, for example, with the waste not going to west Belconnen but going out to Veolia or one of the New South Wales areas, and it was inordinately more expensive to take it out of the city.

**THE CHAIR:** What is the capacity for west Belconnen to be able to manage the Mr Fluffy homes?

**Mr Perram:** As far as we can see there is no issue. Really, it is about terraforming.

One of the big confusions that appears to be happening in the media is that they are confusing weight with volume. Whilst it is a huge weight that has to go out there, in many cases it is not a huge volume.

**THE CHAIR:** So it is not like full houses; it is just the shell?

**Mr Perram:** That is exactly right. It collapses inwards, literally like a house of cards—that style of thing.

**THE CHAIR:** So after the 1,049 Mr Fluffy homes go out to west Belconnen, will there still be capacity at an asbestos dump site for future—

**Mr Perram:** We do not anticipate that being a future asbestos site. We see the homes going out there. Where the homes are going is not going to be the emergency landfill until we have a replacement site. That way, if something terrible happens at Mugga—a bushfire or the landfill catching on fire—so that it is unusable, we will be able to go back out there and use that again. That is just part of our business continuity planning.

**THE CHAIR:** I will leave it there. Mr Coe.

**MR COE:** What will the cost be to go to Belconnen as opposed to Mugga, for transportation?

**Mr Rattenbury:** Do you mean for the Mr Fluffy—

**MR COE:** No, this is just for general waste. Of course, that contract with SITA will be based on going to Mugga. Will the collection areas have to be reallocated to factor in the drive time to Belconnen as opposed to Mugga?

**Mr Perram:** We have had discussions with SITA. They do not see a need to change from their existing routes. They obviously are having savings in the north side collections. They are having losses in time in the south side. The deliveries from the south side are still going into Mugga at this time, and the deliveries from the north side are going into west Belconnen.

**MR COE:** So the cell will be ready before Mugga cannot even accept the south side deliveries?

**Mr Perram:** Everything that we have in front of us now, including independent external advice, is suggesting that will be the case.

**MR COE:** You do not expect there to be any additional billing by SITA for additional costs related to transportation to Belconnen as opposed to Mugga?

**Mr Perram:** No, not at this stage at all.

**MR COE:** Minister, in the Assembly about eight weeks ago, you said that TAMS is now undertaking investigation to ascertain why those errors were made, and ensure that lessons are learned from those errors that have been made, with regard to the calculations for Mugga. What investigation has taken place and what were the

findings of it?

**Mr Byles:** I can speak to that. I commissioned an investigation as soon as the error was brought to my attention, Mr Coe, as you would be aware, and the minister has outlined that in the Assembly. I have had an update on the progress of the investigation, and it is still proceeding. I cannot give a time line when it will be finished. I had hoped it would be finished within six weeks; that may not be possible given some of the complexities about the figures they are gathering. But I can assure you it is ongoing.

**MR COE:** Were the errors in house or external?

**Mr Byles:** It is a bit premature to make that judgement at this stage. I will wait till the investigation is completed.

**MR COE:** When is that likely to be?

**Mr Byles:** As I said, an update is, I would hope, within four weeks, but that is to be confirmed at this stage. They are still gathering information.

**MR COE:** Who is undertaking that investigation?

**Mr Byles:** It is a separate firm. The name escapes me at the moment, but I can provide that.

**Mr Perram:** Pricewaterhouse.

**Mr Byles:** Pricewaterhouse? PwC, yes.

**MR COE:** When were PwC engaged?

**Mr Byles:** Again I will have to get back to you with an exact date, but it was very soon after the error was brought to my attention.

**MR COE:** Have any of these calculations or processes been the subject of any internal audits in recent years?

**Mr Byles:** Could you just reframe that question, Mr Coe?

**MR COE:** Have any of the issues that PwC are investigating been the subject of internal audits in recent years?

**Mr Byles:** Not to my recollection. Mr Perram might have a—

**Mr Perram:** I would agree; I do not know of any internal audit to that effect. We are talking about engineering calculations as opposed to the normal audit area of revenues and the flow of waste and components going in there. With that independent specialist that I talked about earlier, we have certainly done a review internally, and we are hoping that will be reflected in what the investigation finds. We wanted to prove, as you rightly raised, the extent of the landfill that was remaining to make sure that could



happen. With those calculations, NOWaste is now looking at a model on a monthly reporting basis underpinned by the quarterly surveys that are done. I guess the simplest way to describe it is that it is the consumption of space as well as the hole in the air, and it is the proof of the hole in the air that we are filling that appears to have been not done on a consistent basis.

**MR COE:** Was a contractor engaged in the past to provide a parcel of a certain size, and is there doubt as to whether that parcel was delivered?

**Mr Perram:** I think that has got to be part of the investigation. NOWaste has done analysis. We understand that from our side of things it is an impingement because of construction of new sites and areas like that, but the investigation is going to go in a fully independent approach to that. That is the appropriate way to assess it, rather than us speculating at this stage.

**MR COE:** Is the area of particular concern the size of the space or the rate at which it is filled up?

**Mr Byles:** I think it would be both, Mr Coe. The investigation should cover all the issues, and any other issues that are brought to light as part of that investigation.

**MR COE:** Are there any concerns about whether loads that were meant to be recycled have in fact been dumped in landfill instead?

**Mr Byles:** That has not been raised with me. Mind you, as I think is fitting, I am letting the investigators just do their job and get back to me with their results.

**MR COE:** And in terms of—

**Mr Perram:** Perhaps I could add something in relation to that. The whole process at the landfill is post the recycling streams. For them to get to the weighbridge going into the landfill, the waste has already been to the transfer station or through Tiny's green shed or other locations through other areas. So it should not be impacted by that. But it will be subject to the investigation.

**MR COE:** If it was economic to bypass those previous parts of the system, there may well be a risk that goods that could otherwise have been diverted before then, rubbish that could have been diverted before then, have made their way to landfill. Is that correct?

**Mr Rattenbury:** My understanding is that it would not be economic to do that. The charges for going to landfill are greater than the charges for going through the right recycling process.

**MR COE:** Okay.

**Mr Rattenbury:** There should not be an economic incentive to do it that way. If someone did, they would be making a poor economic decision, I suppose.

**MR COE:** Finally, in the past I understand there was a potential issue with regard to

the same contractor operating the weighbridge as well as operating other elements of the Mugga site. We discussed this several years ago; it might have been four or five years ago. Could the genesis of this problem go as far back as that or is it more likely to be an issue in recent years?

**Mr Perram:** Through you, minister, I think it really comes down to what the issue is identified as. From my side of things, the issue appears to be the impingement next to the construction of the new sites. The original estimates on that were that 20 per cent of the existing landfill site could have been consumed in that. Clearly it has been much larger than that, somewhere between 35 and 40 per cent, because of the—

**MR COE:** Impinged by what, sorry?

**Mr Perram:** Because the construction vehicles and the actual construction site have limited the existing landfill's filling capacity.

**MR COE:** Yes, but what site are we talking about here?

**Mr Perram:** This is at Mugga.

**MR COE:** What construction?

**Mr Rattenbury:** The new cell.

**Mr Perram:** The A2OC, which is the new cell that is currently under construction in this year's budget.

**THE CHAIR:** We will have to leave it there, Mr Coe.

**MR COE:** Yes, sure.

**THE CHAIR:** We only have a bit of time left for a couple of things. We will go to Dr Bourke.

**DR BOURKE:** I have a supplementary to Mr Coe's question first, if I may. On page 86, under "Territorial statement of revenues and expenses", "Total income", it says:

Land sales revenue (including interest) accounts for 77 percent of territorial revenue; the remaining 23 percent is generated from commercial and industrial waste acceptance fees and dog licence fees.

I gather dogs are not a major money-spinner, minister. Could you perhaps expand on the significance of—

**Mr Rattenbury:** There are a lot of dogs in Canberra.

**DR BOURKE:** Expensive dogs in Canberra, yes, with those lifetime registrations. Perhaps you could expand on the significance of waste collection fees to our bottom line and what other sensitivities, as we have already been discussing, might be around raising or lowering those fees.

**Mr Perram:** The waste charges are significant in respect of the TAMS collection fees, because a lot of the components that are provided by TAMS itself come through the normal rates which are collected by the Revenue Office. I would suggest that at the moment the waste fees are the highest component fees collected by TAMS out of all of the fees and charges that they have there. I would also suggest that to meet the ongoing government policy in respect of recycling and the renewable energies areas, the pricing hierarchy we briefly mentioned before would be suggesting that the amount of cost to landfill would be increasing rather than decreasing.

**DR BOURKE:** So you are actually forecasting some potential increases?

**Mr Perram:** What we endeavour to do to meet the policy imperatives is to have—the least attractive approach is putting it in a hole in the ground; the most attractive approach is high quality recycling. We try to have a hierarchy of pricing through that. We are working on the 2015-16 concepts related to that at the moment.

**DR BOURKE:** Thank you.

**THE CHAIR:** Did you have another question?

**DR BOURKE:** Yes, a substantive question.

**THE CHAIR:** I just want to remind you all that we have 15 minutes to do this, 2.1 and public cemeteries.

**DR BOURKE:** I do have to ask a question on cemeteries, so we will move on.

**THE CHAIR:** Mr Wall.

**MR WALL:** I will try and keep this brief. Minister, this morning I received a response to a question on notice relating to accounts with ACT NOWaste.

**Mr Rattenbury:** I should have sat on that for another 24 hours, Mr Wall.

**MR WALL:** It was in my inbox when I walked in the office this morning.

**Mr Rattenbury:** We do our best to please.

**MR WALL:** You do. I just wanted to ask for a small clarification.

**Mr Rattenbury:** Sure.

**MR WALL:** You listed 170 accounts as of the end of August that were in arrears, but when I asked for a breakdown, the total was only about 35. Are the balance of those between zero and 30 days?

**Mr Trushell:** Sorry, could you repeat the question, please?

**MR WALL:** In the question on the breakdown of accounts that are in arrears, ranging

from 30 days and beyond, the total number that have been provided is 35, looking at my numbers, but you have stated that there are 107 accounts in arrears in total. Are the balance of the 107 in that zero to 30-day period?

**Mr Trushell:** Some of those accounts may be related to additional services for residents, so relatively small accounts but nevertheless in arrears—which we are working through at the moment.

**MR WALL:** Has there been any change to the policy of no longer offering commercial accounts to businesses in the ACT?

**Mr Trushell:** There is a different process in terms of approving accounts, implementing greater controls around the provision of credit, around the creditworthiness of those commercial accounts, and greater controls around when accounts are not being paid.

**MR WALL:** Okay.

**Mr Trushell:** Because a lot of that has driven the bad debts, essentially.

**MR WALL:** So a business or an individual seeking to open an account at the tip can currently do so?

**Mr Trushell:** Subject to passing appropriate creditworthiness checks.

**MR WALL:** On the overdue accounts, some of them are ranging into the hundreds of thousands of dollars. I note that one of them is in excess of \$374,000. How is such a substantial debt able to accrue without triggering some warning that the bills are not being paid yet people are continuing to utilise the service?

**Mr Rattenbury:** I think it goes back to an issue that you raised in the Assembly some time ago, Mr Wall. I was reflecting on that as I signed off on this question on notice. It is walking that line between trying to get the government's money, get the account paid, but at the same time not being so harsh on the business. There is a constant process of trying to work with debtors to get them to pay us whilst at the same time not precluding them from access to the tip, for example. That would be the easy step: "You cannot come anymore." There are obviously consequences to that, both for the business and for the potential illegal dumping.

**MR WALL:** From my experience, if a NOWaste bill is more than a couple of days late, you are instantly cut off from accessing the service, which beggars the question, as I say, from my personal experience, of how debts in excess of a couple of hundred thousand dollars could be accrued. It would seemingly be more than a month's worth of billings.

**Mr Rattenbury:** The management of that debt process has been tightened up. Some of those, if I recall correctly, are quite historical debts. I think the point you make has been recognised, and the debt management process has been improved.

**THE CHAIR:** Thanks, everyone. We will move to 2.1, government services. Is this

an area where I can ask about shopping centres?

**Mr Rattenbury:** No; that will come up under parks and city services. That is the broader TAMS.

**THE CHAIR:** Regarding the linen services—

**Mr Rattenbury:** The government services one is specifically the business enterprises.

**THE CHAIR:** Yes; I have got there now. Going to Capital Linen Service, many years ago there was talk of privatising this service. Is that something that might be considered by the ACT government?

**Mr Rattenbury:** At this point in time there is no discussion on doing that. Capital Linen Service is operating very well. I have just had reports that there has been an increase in demand for Capital Linen Service. New contracts have been achieved. The service is operating very well, providing stable employment for a group of workers here in Canberra who often would struggle to find work in other places—people from non-English-speaking backgrounds and the like. I see no reason to change at this point in time.

**THE CHAIR:** Mr Coe.

**MR COE:** The plant and equipment maintenance which was undertaken in 2013-14, what work was undertaken there?

**Mr Childs:** Essentially we did a review of each piece of equipment in the plant. We had a look at its useful life, its capability, and matched that against the type of work that we are doing now, as well as the work we plan to do in the future. We extended that out to 20 years. Traditionally these pieces of equipment have quite a long, useful life—up to 10-plus years. That allowed us to review capability and redundancy as well. We explored the funding around that, and we are putting together a plan on how to best address that.

**MR COE:** In terms of the long-term plan for the site itself, is there any doubt or uncertainty about whether the Linen Service will be there in five, 10 or 20 years time? If so is that impacting on the decisions you make regarding the equipment?

**Mr Perram:** Property Group would be the best ones to discuss the future development of that site. They have not advised us of any changes to future use for the site. In respect of the equipment itself, it is all transportable. It would be a huge job to move, but it is not as if we are site-specific in the sense that any of our equipment must be set up for the building itself.

**MR COE:** I am sure it is a question for the Property Group, but you might be able to fill me in: of the site in Mitchell, what portion would be occupied by the Linen Service and who are the other tenants or other government agencies that are out there?

**Mr Perram:** It would be appropriate for Property Group to answer that one. We do not know their leasing arrangements.

**MR COE:** But what portion of the site do you think the Linen Service occupy?

**Mr Childs:** We only have one building, so I am not sure of the amount of the buildings—

**Mr Perram:** Are there seven buildings on the site?

**Mr Childs:** I think seven or eight.

**THE CHAIR:** Dr Bourke.

**DR BOURKE:** My question is on cemeteries, minister.

**Mr Rattenbury:** Is there anything else on Capital Linen Service?

**MR COE:** No.

**DR BOURKE:** On page 11 of the report, volume 2, the authority has conducted business case modelling and produced an options paper for funding of the new southern memorial park and is keen to proceed. What are these timing pressures in terms of demand for spaces?

**Mr Rattenbury:** That work is still ongoing, Dr Bourke. I have received some initial work on that and I am seeking further clarification from the cemeteries authority on some of those strategic considerations. The issue is that Woden Cemetery, as it currently operates, has a limited life left of about five years. Work is proceeding on the southern cemetery in the sense that the plan has been developed, work is being done to designate the land, to ensure that it is set aside, and a range of preparatory work such as the planting of trees has been undertaken so that that site is beginning to develop. By the time it becomes a site that is actually being used, the trees will be reasonably established. So that is the work that is going on at the moment.

**DR BOURKE:** You mentioned something about further strategic considerations that you were asking the authority about. What are they?

**Mr Rattenbury:** I have asked for further details on the timing and the cost of various infrastructure and other things, and really having it very clear in my own mind, so that I can also discuss it with my cabinet colleagues, exactly what facilities are needed and when they are needed.

**DR BOURKE:** Turning to page 12 of that report, why has there been a dramatic increase in demand for reserved sites?

**Mr Rattenbury:** I might ask Mr Horne to comment on that.

**Mr Horne:** We actually have no idea why there has been a spike in reservations. It just so happens that in June this year we had the highest number of reservation sales that we have had. In simple terms, it is an aberration.

**DR BOURKE:** What sort of quantum are we talking about?

**Mr Horne:** About a 50 per cent increase. For the total numbers, the fine detail is on page 12.

**DR BOURKE:** Yes, I can see that, thank you. Could you expand on why perpetual care funds are a critical issue for the authority? The report says there is still work to be done on establishing a method to make up for the past liability that was inherent at the inception of the scheme.

**Ms Kargas:** The shortfall in perpetual care funds is a very complex issue. If you break it down into two parts, it is about the inherited liability. When the act came into place it was anticipated to be around \$6 million. That, over time, has now grown to \$11 million. With the component for putting funds away for future maintenance, unless we charge enormously high fees or have other businesses that bring in funds, it is also falling behind. Coincidentally it is around \$11 million as well. So we are really behind the eight ball by about \$22 million at this point in time. It is an issue that we are working on as a board as to how to make some of that shortfall go away.

**MR COE:** That is behind \$22 million in capital to generate a passive income to support the ongoing maintenance?

**Ms Kargas:** Yes, the future maintenance in perpetuity.

**MR COE:** What sort of return are you getting at the moment on the invested funds?

**Ms Kargas:** The way that the perpetual care is set up, the funds are actually put with the Public Trustee. They are sitting in an account for perpetual care for each of the cemeteries and the mausoleum, and they are invested with their funds in a growth fund.

**MR COE:** What approximate return do you get on that, through the trustee?

**Ms Kargas:** At this point in time, unless Hamish corrects me, it is around five per cent.

**Mr Horne:** Indeed.

**Ms Kargas:** If there was a super growth fund that we could put it in, that would be really good, but there is not.

**DR BOURKE:** What sorts of plans are you considering to deal with this issue?

**Ms Kargas:** We are looking at ways that we can address that shortfall, particularly in the way we run the cemeteries—whether we can save money in the way we run them. We are changing the grasses so that they are less water needy. We are looking at more efficient machinery. We have put a dam in at Gungahlin, which was finished just before the rain last weekend. It is now nearly full, and it has not leaked, which we are really amazed about. So that is a saving. We are looking at all of those things we can do that make it more efficient for the cemeteries and in fact better for the people who

use the cemeteries.

We are extending the mausoleum at Woden, after discussions over a number of years with the Italian community. That will bring in money, and people are buying off the plan, which is quite amazing. We have developed a children's garden at Woden and we are developing a new children's area at Gungahlin. They are things that will encourage people to come and enjoy the cemeteries and reflect. So we are looking at everything that we can do. There are other options that as a board we are considering and will raise with government as time progresses. That would be having crematorium services at Gungahlin, perhaps, until the southern memorial park comes into fruition.

**DR BOURKE:** What would be the advantage of crematorium services?

**Ms Kargas:** It would be a very popular inclusion in Canberra cemeteries. It allows people choice in Canberra, whereas at the moment there is Norwood Park and no choice. It just gives another opportunity to better market Canberra cemeteries.

**Mr Rattenbury:** It is also a source of revenue.

**MR COE:** Will the authority be subject to water extraction charges from the dam?

**Mr Horne:** Indeed.

**Ms Kargas:** Yes.

**MR COE:** Despite that, the savings are still worth while compared with the capital outlay for the construction of the dam?

**Mr Horne:** The total cost when everything is rolled in is still about one-fifth the cost of potable water.

**MR COE:** On an ongoing basis?

**Mr Horne:** On an ongoing basis, yes.

**THE CHAIR:** I have a supplementary regarding the Gungahlin crematorium and Norwood Park. Are there any plans to expand particularly the Norwood Park one—expand the space at the crematorium for people who attend funerals?

**Ms Kargas:** Norwood Park is a private company. But I did read in the paper that they were looking to expand.

**THE CHAIR:** I have one more supplementary, on the Hall Cemetery and some of the issues that you have identified in the report. With regard to those threatened species that have been found on the site, are they closed off in some way or is it identified that they are there on the site so that they are not damaged at all while this process is being investigated?

**Ms Kargas:** Yes, there are areas where you cannot walk, although we do not have borders around the areas. Certainly, the Hall community know where they can and



cannot walk. The cemetery staff know where they can and cannot mow, and we have arrangements with the environmental services and we work together on what is the best planning for the cemetery.

**THE CHAIR:** I know there have been some problems in the past with those areas being mowed over.

**MR COE:** When was the last person interred there?

**Ms Kargas:** Recently.

**Mr Horne:** In the last couple of months.

**Ms Kargas:** It is still a very popular site for a lot of people. And it gets a lot of visitors as well.

**MR COE:** Yes, I can imagine that. But there is no availability for bookings, is there?

**Ms Kargas:** Yes, you can.

**Mr Horne:** A small number.

**THE CHAIR:** We will adjourn, but before we do, members, if you have any supplementary questions can you get them to the committee office within three business days. Any answers to questions taken on notice and supplementary questions are to be submitted by Friday, 5 December. I now declare today's committee hearing closed.

**The committee adjourned at 1 pm.**