



LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY

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

[\(Reference: Annual and financial reports 2014-2015\)](#)

Members:

**MS M FITZHARRIS (Chair)
MR A COE (Deputy Chair)
DR C BOURKE
MR A WALL**

TRANSCRIPT OF EVIDENCE

CANBERRA

WEDNESDAY, 25 NOVEMBER 2015

**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.

APPEARANCES

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Privilege statement

The Assembly has authorised the recording, broadcasting and re-broadcasting of these proceedings.

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Amended 20 May 2013

The committee met at 9.32 am.

Appearances:

Gentleman, Mr Mick, Minister for Planning, Minister for Roads and Parking, Minister for Workplace Safety and Industrial Relations, Minister for Children and Young People and Minister for Ageing

Environment and Planning Directorate

Ekelund, Ms Dorte, Director-General

Rake, Mr Gary, Deputy Director-General and Coordinator General, Parking

Carmichael, Mr Tony, Executive Director, Strategic Planning

Territory and Municipal Services Directorate

Byles, Mr Gary, Director-General

Peters, Mr Paul, Executive Director, Infrastructure, Roads and Public Transport

Gill, Mr Tony, Director, Roads ACT, Infrastructure, Roads and Public Transport

McHugh, Mr Ben, Senior Manager, Capital Works Design and Delivery, Infrastructure, Roads and Public Transport

THE CHAIR: Good morning, minister and officials. Welcome to today's public hearing of the Standing Committee on Planning, Environment and Territory and Municipal Services inquiry into the 2014-15 annual and financial reports. Thank you very much for coming along today.

Today we will be examining the remainder of the annual report of the Environment and Planning Directorate, looking at the outputs related to strategic planning, planning delivery, the office of the Surveyor-General and land information, and also the roads output of the TAMS annual report. I draw your attention to the pink privilege card. Could you confirm that you understand its implications?

Mr Gentleman: Yes, we are aware of the privilege card.

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

Mr Gentleman: Yes, thank you, chair, and thank you, committee members. I would like to take the opportunity to talk to the committee about the important work that this government has been doing to meet the ever-changing needs of our fantastic city. 2015 has been a big year for Canberra. As a government we have implemented important reforms across the territory which increase the vitality and reputation of Canberra as a place in which people want to live and work.

I am very pleased with the innovative approach that we have taken in preparation of the statement of planning intent. The consultation undertaken in preparing this document highlights the importance that the government places on the views of our community on how we would like to shape Canberra into the future, and on how the

community wants to see Canberra in the future as well. I hope to talk publicly about that statement much more during the rest of 2015 so that all Canberrans will be able to see how they can contribute to the ongoing growth and prosperity of our city, both in the short term and in the longer term.

During 2015 we have undertaken a number of variations to the territory plan to ensure that it remains a contemporary planning document. Variations of note achieved in this year include variation 343, which allows for greater opportunity to develop the Mr Fluffy blocks, as well as strengthening the government's objective of increasing suburban renewal through the capital. Variation 322 will reinvigorate the Downer precinct with the development of the former Downer primary school site. Variation 347 will ensure the longer term viability of the University of Canberra and cementing its reputation as a research leader. There are a range of other variations to support the government's ambitious public housing renewal program, such as changes in Lyons, Red Hill, Narrabundah and Greenway.

The territory plan will remain the cornerstone of planning in the ACT, and we will continue to review the plan to make sure it continues to meet the needs of the Canberra community. The preparation of master plans continued throughout 2015. Master plans are an important element of shaping our community and ensure that there is a level of certainty regarding the development of our centres and that the character and quality of these centres are preserved as well.

Through innovations in our consultation methods, we have been able to connect with a much broader segment of the community. Our online engagement for the draft Belconnen town centre master plan connected with over 500 visitors. The preparation of this master plan is a great example of how government can interact with the community to ensure that the views of all residents are heard in a forum that suits their lifestyle. The draft Belconnen master plan has suggested options to make Belconnen a great place to work and live and have fun, and I look forward to the continued community consultation as we finalise that plan.

The community consultation for the draft Belconnen town centre master plan concluded in November. The master plan was a fantastic opportunity for government, industry and the community to work in partnership to explore current issues and opportunities to align the master plan with the government's progressive urban renewal, sustainable transport and climate change policies.

Community feedback largely supported many of the draft plan's recommendations, particularly in relation to better connections, the proposed building heights, and creating more day and night-time activity throughout the centre. The government will now use this feedback to inform the final master plan anticipated for release next year.

Already this year we have seen the benefits that have arisen from implementing previous completed master plans. This work will continue throughout 2016 and will ensure that the ideas captured within the master plans are translated into better connected and livable centres and still retain the elements that make these places such great places in which to live.

In October we released the light rail network plan for comment. This document

provides all Canberrans with a vision for the next 25 years for transport in our city. Ensuring we have a strong transport network is a vital element in the future growth and prosperity of our city. Light rail will achieve many of the government's objectives, including planning, transport, economic development and carbon reduction as well as promoting a healthy lifestyle. With public consultation open until 11 December, I encourage all community members to get involved and have their say about this important investment in our future.

Also in 2015 the Environment and Planning Directorate assessed 1,169 development applications, which included some particularly complex proposals. Through each of these applications, the directorate has sought to achieve the very best planning outcome for the community. I think that we should all be proud of the dedication and attention to detail that go into this important aspect of planning in the ACT. Our planners are quite often much maligned in the public eye, but I want to encourage support for them, and I certainly support the work that they do in the territory.

The recently announced single transport agency, which will ensure that public transport in Canberra is fully integrated, will be complemented by the ACT parking strategy. The strategy, which was released in May, ensures the appropriate mix of long-term parking on the fringes of our town centres and short-term parking closer, to increase the viability and growth of businesses within those busy centres. It also encourages, through the development of an integrated transport network, the use of other transport options, including public transport and active travel.

2015 also saw the running of the annual Canberra and Region Heritage Festival, which presents an amazing opportunity to highlight our vibrant history. The festival, held in April, had the theme of "conflict and compassion", and was aligned with the 100-year commemorations of Gallipoli. One of the highlights of the festival was the traditional engagement in world wars involving local Aboriginal custodians talking about tribal conflict and their family's part in the two world wars. It is a continued focus of heritage and conservation that we support the traditional owners of this land and their cultural connection to the region as well.

Canberra has a well-deserved reputation as a world leader in livability, and through the important pieces of work that I have highlighted we are not only ensuring that this reputation is maintained but we are actively ensuring that it is enhanced. The government is future-proofing our city, and positioning us to take up opportunities as they arise to provide economic prosperity for generations to come. Thank you very much for allowing me to make that statement. We are now happy to take questions from the committee.

THE CHAIR: Thank you very much, minister. I want to ask some questions around the statement of planning intent. You outlined quite significantly in the Assembly last week the process behind that. Can you give us a sense of what the reception of the statement has been, since it was released last week?

Mr Gentleman: As I outlined in the Assembly, we chose to take a different route in engaging the community in the statement of planning intent this time. It was well received across the community, through community councils, key stakeholders such as Master Builders, HIA and those groups, as well as through government officials

and different demographics. The aged demographic and the younger demographic were quite engaged on the statement of planning intent, and all enjoyed the workshops and the other opportunities for engagement, such as electronic interaction opportunities.

THE CHAIR: Since it was released have you had feedback about what is contained in the statement?

Mr Gentleman: Yes, we have started to get some feedback already, especially from younger people across the territory. They are quite excited about taking on innovative ideas for some densification and more active living, with the opportunity still for urban open space in which to recreate as well.

THE CHAIR: Could you tell us a little bit about what happens next? I know that in the statement it has immediate, short-term and medium-term actions. Do you have time frames on that yet, or do you have priorities about what you would like to see happen first?

Mr Gentleman: As I said in the chamber, we had some time lines on some of those priorities coming up early. We want to see the opportunity to innovate in housing design, look at densification around suburban areas and have higher density, innovative design—transport-oriented design in transport corridors, for example.

I was interested to meet earlier with some of our older demographic who are in older persons accommodation and looking at vertical living for older people. That has been quite successful at Kangara Waters in Belconnen. The residents there seem very excited about the views that they have, and the opportunity to live in that type of denser accommodation, but one with views across the territory.

THE CHAIR: On Friday you launched with CHC their micro unit in the city. The planning intent says that an immediate action would be to “identify a number of demonstration precincts across Canberra to undergo an innovative planning process to guide future change and sustainable development”. What will the demonstration precincts look like?

Mr Gentleman: I hope that it will be quite innovative and exciting. The micro units that we looked at were 34 square metres. That allowed enough room for a living area, a kitchenette, a separated bedroom area, a bathroom and a little balcony. The balcony had enough room for a barbecue and room to hang a bicycle as well. It is quite exciting in that the proponents are suggesting that you could purchase a micro unit in the territory for around \$200,000. That allows entry into the market for lower income earners. It is a good opportunity, I think. I might ask the directorate to give us some detail on where we could start to do those innovative precincts.

Ms Ekelund: We have been working with Housing and with economic development, the Land Development Agency, to look at opportunities for demonstration projects. As per the statement of planning intent, we are looking at opportunities for housing options. Different sorts of housing is a key part of our work at the moment.

As per other Western countries there has been a substantial increase in higher

apartments, and a continuation of greenfields development. But there has been a hollowing out of medium density type opportunities. There is a lot of unmet demand for different housing options. We will be keen to work with LDA to find some sites where we can apply different housing opportunities. We have also been working very closely with the architects. We supported a competition earlier this year to look at different housing typologies that we could apply in the demonstration projects.

THE CHAIR: The NEAT designs?

Ms Ekelund: Yes.

THE CHAIR: That same issue certainly came up in the hearings around variation 343. Do you see a site being identified in the course of the next 12 months?

Ms Ekelund: Yes.

Mr Gentleman: Yes, it would be my keen aspiration to see that come up as soon as we can. As Dorte said we will be working with LDA to look at some sites that we can start to work on.

THE CHAIR: I have a final question on the statement of planning intent. How does it differ from the previous one?

Mr Gentleman: The key difference is in the engagement process. In previous statements of planning intent the planning minister has normally done most of the consultation work with the directorate and officials. Whilst they have gone out and talked to stakeholders, and have raised the statement of planning, I thought it was much better this time to go directly out to the stakeholders as the minister and become engaged myself. So I attended all of the stakeholder groups. I must say it was quite exciting.

THE CHAIR: Thank you. Mr Coe.

MR COE: Minister, what role does Mr Lamont play in the planning of the territory?

Mr Gentleman: That is a good question, Mr Coe. Mr Lamont in his previous role in the Assembly was a keen advocate of planning across the territory. He continues to advocate for different groups in the territory. I suppose that is what he is still doing now.

MR COE: How often would your office engage with him?

Mr Gentleman: We would engage with him as an advocate for other groups in the territory.

MR COE: How often would that be?

Mr Gentleman: I do not think I have engaged with him for probably two to three months.

MR COE: Does your office ever initiate conversations with Mr Lamont, or does Mr Lamont tend to contact your office?

Mr Gentleman: He tends to contact our office, yes.

MR COE: Has your office ever—

Mr Gentleman: We have many stakeholders across the territory, Mr Coe, who contact our office directly. We engage with the community as much as we can to get the different views of the community.

MR COE: Does your office ever pass on details of potential clients to Mr Lamont?

Mr Gentleman: No.

MR COE: Has your office ever given Mr Lamont contact details about somebody who is in an interesting planning situation and said, “You might like to get in touch with these people and try and help them out”?

Mr Gentleman: Not that I am aware.

MR COE: Thank you.

MR WALL: Minister, I was hoping you might be able to give a bit of a rundown on what you are trying to achieve with the building quality reforms discussion paper that you released.

Mr Gentleman: Yes, the Building Act review.

MR WALL: Yes.

Mr Gentleman: We see there are a number of opportunities in the Building Act review to look at providing better outcomes for the territory. Regarding the technicality of the Building Act review, builders have talked to us about solar access and opportunities for changing codes to provide better outcomes for building across the territory. While solar access is a very important aspect of construction across the territory, we think it is appropriate that we look at those different opportunities within the Building Act review to address some of the concerns that have been raised.

I have also initiated the opportunity to look at security of payments for contractors, for example. On a number of occasions some builders have not been able to proceed with payments to contractors. We want to look at that so we can ensure that security of payments can be achieved through the Building Act review as well.

It is about innovation too across the territory. Through the statement of planning intent we found that the community would like to see innovation in building and less red tape. If there is an opportunity for us to get to a position of determination and a decision early enough, with enough community engagement, then I think that is the appropriate way to go. West Belconnen is a really good example of how a proponent engaged with all levels of the community over a number of years to reach a decision

where the community were supportive of a proposal. Therefore, the decision-making process is much more informed by the directorate and me.

MR WALL: With the existing security of payment system, what elements of that are failing or not performing adequately, meaning that it needs to be improved?

Mr Gentleman: We have been advised of contractors entering into a contract with a builder or developer for a period of payment time, and also for a level of payment, and those contracts have not been honoured. At a later time during the process of construction the contractor is either advised that he or she will not be paid the appropriate moneys already agreed to or that it will be a longer term for that payment. If they enter into a 90-day contract, for example, they are being told that they might have to wait 120 days for the payment.

MR WALL: Laws and regulations already exist in this place. What changes are you proposing to address the issues?

Mr Gentleman: We have a discussion paper out at the moment. I want to hear what the community and stakeholders say in order to see what changes we need to make to the Building Act.

MR WALL: The paper also talks about changes to the licensing system. What changes do you envisage may be happening in that space?

Mr Gentleman: We would like to see an opportunity where, if a builder gains a reputation for doing the right job in the territory and gives us the right outcomes, the builder is rewarded by licensing. If a builder perhaps does not do the right thing and is brought before commissions on numerous occasions then we need to look at that licensing system to see whether it is appropriate to license that builder.

MR WALL: What kinds of prerequisites are being considered for an individual to hold before a licence is issued?

Mr Gentleman: As I mentioned, it is out for public discussion at the moment. We want to engage those stakeholders and the public at the moment. I will ask the directorate to give us some detailed information.

Mr Rake: One of the ideas that we have floated in the discussion paper is that builders who have been working on relatively simple structures—single residential houses, for example—who wish to move to more complex structures and the sorts of structures where we see a higher incidence of defects, apartment buildings in particular, have to prove their competence as part of the licensing upgrade. They have to prove that they have had some experience working on that sort of building or have undertaken additional professional development that gives some reassurance to the community, to the people who will be buying those dwellings, that they will be built to an appropriate standard.

The general approach that we are taking in the Building Act review is, first and foremost, to try to improve education, both education within the industry and the trades and within the consumer groups, the buyers, to make sure that consumers

understand their rights and that builders and trades understand their obligations and understand modern practice.

Our second area of focus is to target additional compliance in those areas where there is evidence to support a greater number of defects—those are complex constructions such as apartment buildings—focusing on the most commonly experienced defects: defects in fire protection; defects in waterproofing. Those are areas that we can very efficiently target compliance action early enough to allow rectification. If we can get those fixed while the building is on its way up, it lowers the cost for industry and it lowers the impact for consumers.

The third level that we have focused on is: how do we deal with disputes? How do we make it easier for consumers, developers, builders and trades to identify problems, engage in a dispute resolution process and get it sorted out quickly, with as little fuss and as little cost as possible?

Mr Gentleman: We know that the cost of rectification at a very early stage is much less expensive than at a later stage. Of course, if it goes beyond a number of years the cost of rectification can increase and there could be court actions as well. If we can get in very early and look at faults that have occurred and get the builder to repair those faults then it is a much less costly exercise for the community and, of course, the builder.

One really good example, I think, is water egress into apartments from balconies. Architects have designed wonderful-looking opportunities where you can walk out from your living area directly onto the balcony with no difference in height. It is a lovely experience to be able to walk out like that, but unless the water treatment underneath the egress door has been done correctly then water can come in through that process. That is one of the complaints that we see quite a lot.

There are techniques to be able to address it. In the DA process they show the water membranes that are going in under the door to stop the egress. But, unfortunately, somebody who is fitting the door afterwards may drill through the membrane and therefore allow the egress to occur. If we are able to identify those sorts of things earlier and perhaps even look at the original design and say, “Well, it is a wonderful design but perhaps we do need a step to ensure that we do not have water egress from the balcony,” then we can eliminate those costs and complaints later on.

MR WALL: I am curious to see how government is going to regulate to prevent those issues from occurring given that the building industry has been grappling with them for—

Mr Gentleman: Quite some time.

MR WALL: decades.

Mr Gentleman: Perhaps we will hear some innovative ideas from the paper on how to address that.

MR WALL: A number of builders in the last two days have contacted me and raised

some concern about what these changes might mean. You mentioned in your opening comments that part of the focus is to reduce red tape and the administrative burden on business.

Mr Gentleman: Yes.

MR WALL: Can you ensure that as a result of these changes businesses will not be any worse off?

Mr Gentleman: Certainly it is my view that we make it much easier for businesses in regard to the way they make application for DAs and the way that they engage with the government. That is certainly what we are trying to do. We do not want to make it any more costly, because if it costs more for business it is going to cost more for the consumer as well.

MR WALL: Thank you.

THE CHAIR: I have a couple of supplementaries on the discussion paper. Is it the case that the quality issues that have come up are coming up in buildings that are being built now or is it more a reflection of buildings that are a couple of years old?

Mr Gentleman: It has a history of a couple of years old and older. We have some engagements in the complaint system that are much older than a couple of years. We are trying to address any constructions happening now to ensure that we do not get those complaints. But it also occurs, as we have heard, in apartment complexes. Many of those apartment complexes do not have warranties because there is no insurance that covers the construction for the apartment complex and therefore there is no warranty application through insurance. But there may be ways of looking at warranty application through other means. If that is an opportunity, that may drive better outcomes in the built form originally before the complaints come in and warranty fixes afterwards.

THE CHAIR: Mr Rake mentioned consumers, as you did yourself. How informed do you think consumers are about their rights in this space when they purchase an apartment or a house?

Mr Gentleman: Generally ACT consumers are fairly informed, but they may not be informed about warranty and rectification, especially with an apartment. So that is part of this discussion paper as well, to see what we can do to better educate consumers in the territory. Mr Rake?

Mr Rake: The process of buying a house or an apartment, particularly off the plans, is complex. There is a lot of information for buyers to understand. Some of the evidence we have received indicates that buyers can take the easiest path. Sometimes there is so much to deal with that if a decision is made easy, they will take it.

Where that can cause a problem is, for example, with the selection of a building certifier on a single dwelling. Some consumers will ask their builder a series of robust questions about the certifier that the builder has recommended and check that there is independence and quality in that. Others may accept the builder's recommendation,

and if they are too close there is a risk that those checks will not be as rigorous as possible. We would like to make sure that consumers understand that that is one of the key decisions they have control of in the process and it is one of the key mechanisms they have to protect themselves.

We want to make sure that the way we approach improvements in building quality is done efficiently and minimises additional red tape. With the creation of Access Canberra last year we already have inspectors taking a more structured and targeted approach to on-site inspections and compliance. The idea of appointing designated inspectors to particular complex buildings, as forecast in this report, is another step in that direction. We have targeted the sorts of buildings where we know there are the most problems and we target the stages of construction where we know there is the greatest risk of failing. Indeed, it would target either builders who have an unproven reputation, so it is a chance to prove their quality, or builders where we may have a history of complaints or earlier problems. Builders who are well educated, keep their practices up to date, have highly competent tradespeople, have high quality outcomes and have few complaints will find that they do not see our inspectors as often as the others. I think that is a really good balance for efficient minimal red tape regulation to target the problems.

THE CHAIR: With increased numbers of medium density properties and apartment buildings, are there specific issues with those types of properties rather than with single residential?

Mr Gentleman: Yes, there are various different issues, I suppose. We gave examples of complaints for apartment complexes with balconies and water egress. An example of a single residential one is one that I looked at in Tuggeranong where a person had engaged a builder to do an extension on the house. The pier set-up in the design was for 12 piers to support the extension of the house. The builder came back and suggested that it could be done with a different system only having six piers supporting the property. The inspector had been engaged through the builder. The inspector involved said yes, that would be an adequate system. Later on, when the building was complete and I visited the property, as you walked from the original building into the extension the cupboards would wobble at the other end of the building. So the flooring structure was not adequate at that point. There was remediation later on, so the end result was good. There are different aspects of complaints in different single dwellings and apartments.

THE CHAIR: Does the discussion paper also go to the ongoing maintenance of, particularly, apartment buildings? Does it look at the role of bodies corporate as well or is that going to be separate?

Mr Gentleman: We certainly like to engage the corporate owners across the territory as well. There has been lots of discussion about the adequacy of mixed use in those corporate owner situations where perhaps you might have a commercial structure next door to your residential and the parking arrangements are different. Some of the fire hazardous areas are different too. We want to engage with them as well.

THE CHAIR: In the annual report you mention regional and cross-border planning. Given the broader understanding of Canberra as part of a growing region as well, it

mentions the work that was done on the delivery of south Tralee, as well as Riverview in west Belconnen that you mentioned earlier. Could you give us an update on that particular project and the nature of the cross-border work there?

Mr Gentleman: Certainly. I have been meeting with the council from Queanbeyan and the government has been meeting with councils close to us across the region with a view to doing as much work together as we possibly can. This moves into my other portfolio of roads as well. In that portfolio, we are looking at where pressures on residential development come in to pressure our road and transport networks. But also, with the supply of water and gas, and sewerage as well, for Riverview, for example, at west Belconnen, we have been talking to the Yass council on how that can go forward. And we need to be able to supply those greater services for Riverview as it extends. Those kinds of conversations are ongoing, and I think we are being well received by both Queanbeyan and Yass councils on how we work together on these projects.

THE CHAIR: What do you think the future holds in this cross-border planning space?

Mr Gentleman: It is quite interesting. There are some difficulties for Yass council in the way that they look to engage in the rates system to pay for the services that we will be providing from the ACT. I might ask Mr Rake to give you some more detail on that.

Mr Rake: We need to think about the relationship that we have with the region at a holistic level, and that is the intent of planning as a profession. The ACT and New South Wales governments signed a memorandum of understanding for regional collaboration in 2011. That spans urban development, transport and the provision of services across the border, but it also extends into areas such as economic cooperation. The ACT government probably led the way in trying to bring the region into productive discussion about shared economic development and benefits. That gives us a bit of credit to then go into discussions about urban planning and to raise questions about how we deal with the New South Wales side of the border in west Belconnen, for example; how we deal with road connections in Tralee; and how we make sure that the benefits and the costs of having residents located immediately outside the ACT border—and perhaps drawing on services inside the border—are appropriately recognised.

THE CHAIR: Thank you.

Ms Ekelund: Could I add something? One of the areas that is also very useful to think about concerns things like effluent management for Queanbeyan. As well as roads and other infrastructure, in the discussions we have facilitated a conversation between Queanbeyan City Council and Icon Water about upgrading the sewage treatment plan for Queanbeyan and also involving the National Capital Authority in those conversations. We think about the water quality in Lake Burley Griffin. As Mr Rake and the minister said, we take a very proactive role in working with our regional stakeholders and bringing them to the table.

THE CHAIR: I suppose sewage and effluent management is not something that most of the community tends to get engaged in, but it is probably very important.

Mr Gentleman: Yes, it is a very important service but, also, along that line, as I mentioned, there are the other services like water services and electricity to those connections. There is something to be looked at as we plan for development for west Belconnen: the size of the water pipes to go there. Do we plan for those water pipes to be large enough to carry water for the future development into New South Wales? That is something that we are working on?

THE CHAIR: And how you share the costs and responsibilities of that is a big question.

Mr Gentleman: Yes, exactly.

MR COE: Minister, with regard to how your office deals with lobbyists and planning advocates, does your office keep logs or keep records about such communication?

Mr Gentleman: Certainly diary meetings, yes.

MR COE: Meetings, but what about conversations?

Mr Gentleman: We normally keep some record of conversations where there is some activity for the minister.

MR COE: In terms of staff perhaps having conversations with advocates or with lobbyists, do you see a requirement to, in effect, keep a log of all such correspondence?

Mr Gentleman: They are normally doing the work for the minister, so I would advise staff to engage with people in a particular manner, and we have a way of working through that through different stakeholders across the territory. Normally a request would go in through the front-of-house staff person. That request would then be directed to the policy officer in the office, and that policy officer would then seek assistance from the directorate through the directorate liaison officer. All of those are logged, emails especially. Once that information is received from the directorate back through the DLO to the policy officer, it comes back to me, I sign it off and it goes back out to the engagement that we have.

MR COE: But surely not all interactions result in records being entered into the communication management system? Surely not all of them have to go—

Mr Gentleman: The majority are. In fact, when DLOs request, there is the TRIM system, so when DLOs request we have a number allocated to each response.

MR COE: That is the same for calls put in by advocates or lobbyists as well, that they will get put into TRIM?

Mr Gentleman: With any stakeholder in the community or member of the community who writes or phones in, I normally get an email from the front-of-house staffer. When it is a request for a meeting, it might go directly to the policy officer with a request for a meeting and then follow-up.

MR COE: In the event that staff in your office were referring Mr Lamont to prospective clients, would that be appropriate?

Mr Gentleman: That would be work that Mr Lamont would want to do, I would imagine. I cannot see a position where our staff would need to advise clients.

MR COE: Yes, but would it be appropriate for your office to tell Mr Lamont that he should contact X or Y because they might have a problem that he might be able to help with?

Mr Gentleman: I imagine it would depend on what the discussion was. If it was a matter that Mr Lamont had been dealing with government on and then there was an outcome through conversations with a different stakeholder that might assist government in a matter, then that would be appropriate.

MR COE: So you see no problem with your office referring a lobbyist to potential clients?

Mr Gentleman: It depends on the role that Mr Lamont would be engaged in. If it is a role that Mr Lamont has engaged government with, that government is working on with him, then it would be appropriate, I would imagine, for other stakeholders to be engaged at the same time.

MR COE: Does the government ever engage Mr Lamont?

Mr Gentleman: I certainly have not engaged him. I could not say whether government has engaged him.

MR COE: Has the planning directorate engaged Mr Lamont?

Ms Ekelund: No.

MR COE: How does the planning directorate log or keep track of inquiries made by advocates or lobbyists?

Ms Ekelund: In my office, if there are any meetings—if Mr Lamont or any other stakeholder wishes to meet with me or discuss anything with me—it is clearly recorded in our system for interviews and for messages. Any meetings I have are entered into our diary system. I do not meet with anybody who has not been in the diary system. So there is a clear government record—a corporate record—of that.

MR COE: Thank you.

MR WALL: I have a supplementary. What safeguards are in place for, say, a delegate or more junior staff within the department that might be approached by such an advocate? Is there a similar process in place about logging and diarising meetings and having a record of what is discussed?

Mr Rake: Yes, the nature of planning is such that we need to ensure that there is

integrity in the process. We have a strong system of internal controls designed to prevent everything from formal fraud or corruption through to any form of inappropriate influence being exerted by any party. We have a strong system of disclosure of meetings and a strong system of disclosure of conflicts of interest, perceived or actual. We have a strong culture of visibility in the work that we do. My own diary and the director-general's diary are visible to probably a dozen other officers within the organisation.

Mr Gentleman: It is probably pretty full, too, I would imagine.

Mr Rake: It is pretty full. We have a strong record-keeping system that attaches correspondence, representations, whether they are received via the minister's office or via correspondence directly to the directorate. This could be anything from a complaint from a citizen to a new idea being presented by a proponent. So there is a broad range of matters and we keep a strong record of those. It is important for community confidence in the planning system that we are able to demonstrate that integrity.

MR WALL: And that happens at all levels of the department?

Mr Rake: That happens at all levels of the department.

MR COE: And the ministerial office as well?

Mr Gentleman: Yes, I have explained the system that we go through in the ministerial office. It is—

MR COE: Is it the same system as the department's?

Mr Gentleman: No, separate.

MR COE: Different processes?

Mr Gentleman: It is a separate system.

MR COE: In terms of declarations, do staff make declarations of conflicts of interest?

Ms Ekelund: Yes. If there is a project that they may have a personal interest in, they may need to declare a conflict of interest. Certainly they would need to ensure that they do not have any involvement in the determination of an application, for example. We have a lot of training of staff to ensure there are no conflicts of interest, so that they are aware of their obligations. We also have lobbyist register training and we ensure that people are conscious of government policies in that respect. We are very conscious, particularly for people involved in planning decisions, that there are often senior delegates who have to determine applications et cetera. So there is a whole range of policies, procedures and training surrounding these issues.

MR COE: Is that the same for staff in ministerial offices?

Ms Ekelund: I cannot talk on behalf of the minister's office.

Mr Gentleman: No. As I mentioned the ministerial office procedure is somewhat different. But we still have, of course, a conflict of interest process, so that if a particular officer has to deal with a member of the public or a stakeholder, where they may be particularly involved, they would advise that there is a conflict of interest; and, of course, you would not want to be dealing with that.

THE CHAIR: Mr Wall, do you have a substantive question?

MR WALL: Yes. Minister, what areas are in the pipeline for master plans in the coming financial year?

Mr Gentleman: I will ask the directorate to give you the details. I know that Calwell in Tuggeranong is of interest to you, Mr Wall. It is in preparation now for master planning, and there are a number of others on the way as well.

MR WALL: I am well aware of the ones that are underway and under consultation. I am curious as to what new master plans are likely to be commenced.

Mr Carmichael: In the past year or so there have been nine master plans undertaken. Some have been finalised; some are still in process through a formal consultation process; and some are in the early phases of development. I can go through those, if you wish, to give you an idea of which ones have been completed. Over the past number of years, master plans have been completed at Dickson, Kingston, Kambah, Erindale, Mawson and Weston group centres, Tuggeranong and Woden town centres, and Oaks Estate and Pialligo. Current master plans in process are Belconnen town centre, Calwell, Curtin and Kippax, and there is a planning study being undertaken for Tharwa village.

MR WALL: What does the planning study for Tharwa village entail and how does it differ from a master plan?

Mr Carmichael: Tharwa is a small settlement. It is not under particular development pressure but the government owns a number of sites down there. We are doing a study just to see what the issues are in Tharwa. We have consulted the local community and we are writing up that report.

MR WALL: Page 20 of the annual report talks about urban infill. It says that the master plans are being prepared to determine where infill should occur. What areas are being considered and what targets do you have in mind?

Mr Carmichael: There is a master plan process that we are calling the city and Northbourne urban renewal strategy. That is looking at the city and north Canberra. It is a rapid transit route. Currently buses use that route and in the future there will be light rail. We are looking at what the opportunities are in that corridor so that we can plan for the corridor, so that we can cater for increased quality of, say, open space through the statement of planning intent consultations that the minister was referring to earlier.

The community is supportive of increasing density, in particular along places like

Northbourne Avenue, as long as it comes with a high quality public realm. So we are doing that work in that corridor. It will go before government over coming weeks and there will be a public consultation process following that government consideration.

Mr Rake: The main aim of a master plan process is to bring down to a community scale discussion about modernising and adaptation in our city. It needs to involve a sincere discussion with the community about the aspirations for their home area and to take account of a broad range of issues. The annual report says we identify where infill could occur. It is not necessarily “should” occur; it is “could” occur. It is also to think about the nature of our local and group shopping centres. It is to think about the active travel connections that we have and the way that people move around their suburb.

This involves everything from how we make it safe for children to continue riding their bicycles or walking to school to how we make sure that older people can move around suburbs safely, by having paths that are sensibly aligned and have a connection on the other side of the road. Through this we can make sure that our city is responding to the changes of the time and that it continues to be a better place to live. Every discussion is slightly different, so that each one needs to be done patiently, carefully and with a detailed focus on the community itself.

THE CHAIR: This is not the only way that you talk with the community about planning in certain areas. There are multiple ways of doing that; is that right?

Mr Gentleman: Yes. There are quite a number of engagements, especially with community councils, which we have recently had discussions about. There are also the different planning groups, such as the Young Planners and Tuggeranong T One 5 group—another way of engaging with the community on new ideas as well. There are electronic engagements too: Bang the Table and those sorts of engagements.

THE CHAIR: Could I ask about a particular DA that was approved recently that received some media coverage this week. I refer to the Central Park development in Gungahlin, on the edge of the town centre. Certainly the *Canberra Times* this week reported some comments about the community council. I have been at the community council on a number of occasions where they have presented that proposal to the community. Looking at their website, those presentations are still up on the GCC website. I have certainly been privy to some of the consultation about that at a community level. Could you explain to us the sunset clause and a particular piece of regulation that there was some discussion about in the media this week? Could you put on the record what that was about?

Mr Gentleman: Yes, of course. It was to do with the approval for construction of some single mixed-use development within three towers on three parcels of land. There was some media discussion about the time lines in regard to that. I will ask Ms Ekelund to give you the detail behind it.

Ms Ekelund: Yes, there was some media confusion about how this decision was represented. Most of the Gungahlin town centre does not have any height limits at all. The north-western precinct that these buildings will be located in did have a 23-metre height rule that came in in 2010. So it is not a new height. It came in in 2010. But at

the time it was determined that for all leases that had already been issued they would have a five-year time horizon before that 23-metre rule kicked in. The proponents, knowing that that sunset clause was in there for their sites, made sure that they lodged a development application with sufficient time for a decision to be made before that kicked in.

We are looking at Gungahlin town centre and we will be doing a refresh of the rules around the centre, probably not the full master planning process, because it is quite a young centre. But, as with the other town centres that do not have height limits on them, like Belconnen and Woden, we will be looking at what are appropriate heights for the entire centre, including this precinct.

Five years ago, when that 23-metre rule was put in place, it might have been considered the appropriate rule at the time. Is it, in a contemporary sense, the appropriate rule to continue into the future? With respect to looking at the statement of planning intent and the minister's aspirations in ensuring that we have a compact city form in some parts of the city, supported by high capacity public transport, what should the appropriate rules in Gungahlin be in the future?

THE CHAIR: Is the 23-metre height now across the whole town centre?

Ms Ekelund: No, it is just that little precinct.

THE CHAIR: Just in that part?

Ms Ekelund: Most of the town centre does not have height limits at all.

THE CHAIR: What does that translate to in terms of storeys?

Ms Ekelund: It is about eight storeys.

THE CHAIR: Is there a reason that it is in metres and not in storeys?

Ms Ekelund: It is usually a relationship with the land form and it depends on what you actually build there. If you build residential, each storey is usually a little lower than if you build commercial. It is really about the height, whereas if you put storeys, if your storey is 3½ metres high rather than 2.4, which is normal for a dwelling, the outcome would be quite different.

THE CHAIR: I think the refresh will be welcomed by the community, so we will look forward to hearing more about that. I know we have spoken a bit about the Hibberson Street survey. I think that will be really welcome, as a result of that. It certainly came through in that.

MR COE: I am a bit curious about the timing of the refresh. After this building has been approved, after a territory plan variation has gone in for the new bus terminal et cetera, is the refresh going to take a best practice approach or is it going to try and, in effect, reverse-engineer these relevant decisions into one package?

Mr Gentleman: If we look at master planning across the territory, we normally do

master planning for developments that have been in place for some 25 or 30 years. Gungahlin is still quite new. It is important that we do the refresh there now, as we see it growing—and it is the biggest growth area for Canberra. We should look at what other opportunities we have before going through a whole master planning process again.

MR COE: As I said, what is the point of this refresh? Is it to take a fresh look at the whole planning process or is it just trying to link these decisions together?

Mr Rake: The aim is to make sure that the arrangements we have in place for Gungahlin respond to the desires of the people who live in the area and the development that is occurring. For example, if we were to reduce traffic movement on Hibberson Street, we would need to think about the arrangements for traffic movement through the town centre. That might necessitate some change to the form of intersections. It might necessitate some change to where on-street parking is located. As we see new development come in, we need a tool that enables us to keep pace, and make sure that the arrangements we have going forward are still appropriate.

MR COE: Shouldn't that process have taken place prior to the draft variation for the bus terminal and prior to approval of these buildings?

Mr Rake: In an ideal world, yes, we would sit down and we would very patiently pursue things and we would stop all other activity while we sat and thought and planned properly. In reality, that would be bad for the economy and bad for the community. So we need to be fairly agile here. One of the challenges for us is that it means we will sometimes have several projects running in parallel and we need to find a way to manage all of those to get the best outcome for the community. It is a challenge.

Mr Gentleman: The planning system is organic. You and I have had discussions, Mr Coe, before about the territory plan, the size of the territory plan and the way it has varied. It is an organic document. It takes note of how the territory grows and where we need to make those planning decisions along the way. So it is important to engage the community in all of those, and I think this is an opportunity to do that too.

MR COE: Ms Ekelund, could you just clarify—I apologise if you did expressly say it earlier—what the height limit is on the blocks where these towers have been approved?

Ms Ekelund: In 2010 there was a rule placed in that precinct that the height limit was 23 metres. However, there was specific provision made that for the existing leases—the leases that had already been issued with that site—there was no height limit. They were exempt from the 23-metre rule. They were given a five-year window before the height limit kicked in.

MR COE: Has there been any variation to those leases in the past five years?

Ms Ekelund: The development application that we have just seen has activated development and approvals on that site. There was not a need for a lease to address the height per se.

MR COE: But was there a lease variation for any of those sites?

Ms Ekelund: I believe there was a lease variation associated with the development application to actually facilitate the development that was proposed. That is just a standard part of a development application.

Mr Gentleman: I think your particular interest in this, Mr Coe, is that the DA has gone in right at the end of that five-year grandfather period and just before these changes that we have made have gone through as well. That is why there has been so much interest. It was not specifically to identify that particular job lot changing the area.

Ms Ekelund: There is also another development in the business park, which has been approved, towards the southern end of the business park. That is also above that height. It is not the only one in that business park.

Mr Gentleman: That is right.

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

MR COE: Yes. With regard to the light rail master plan, what consideration did the directorate place on the cost of the proposed legs of the network?

Mr Gentleman: As I mentioned previously in discussions on the light rail master plan in the territory, master plans are not a financial document; they are a planning document to engage the community to see what they would like to see roll out across the territory in the future. Of course, we look at opportunities for engaging the community to see where they would like to see light rail come in the future. We look at demographics and, with light rail, opportunities for early intensification of those corridors. It is an opportunity for us to do those developments and see innovative housing across transport-oriented design in the particular corridors.

MR COE: These corridors are pretty much the exact same ones that have been identified in the rapid network in the transport for Canberra planning documents. What makes them any different now from the same corridors which have been in place as bus corridors since 2012 and even earlier?

Mr Gentleman: I would not say there is any surprise that they would be similar corridors, because that is where you see demand coming at this stage. As demand grows and there is an opportunity to build along corridors, as we foresee for Northbourne Avenue to Gungahlin, then that will grow innovation and densification and also land values along the corridors as well. I will ask the directorate to give you some more detail on the work they have been doing.

Ms Ekelund: One of the major differences in the work that informed the light rail network plan is the role of the airport in the city. The rapid transit corridors that were incorporated in the 2012 transport for Canberra work did cover most of the city and, indeed, there is an expectation that we will put that rapid transport corridor into the territory plan, and we will. However, we had started work on the light rail network

plan and it was very evident that it was important for us to incorporate a more in-depth understanding of the role of the airport.

In the past there has not been a huge amount of public transport access to the airport. It is increasingly becoming an important economic node, an employment node, for the city, and it was important for the public transport assessment and the potential role light rail would have to understand the relationship between the CBD and the airport, and also the role of the parliamentary triangle and the role of public transport in knitting the parliamentary triangle together.

Much has happened in the three years since 2012. Of course, we have pay parking in the parliamentary triangle. We have the new terminal at the airport. We even have IKEA. There is a lot of pressure on some of those transport systems. High capacity public transport is actually about facilitating economic development in specific areas as well as catering for the commute.

The light rail network plan has a level of detail and a sophistication that tries to understand those areas in more detail than the earlier planning had undertaken. For example, we know from the airport that for 65 per cent of people arriving at the airport their destination is Civic or central Canberra. That is a very high proportion of visitation from the airport. Linking that important gateway to the city is critical into the future.

MR COE: How does that all differ from the 2012 plan? The airport was included in the frequent network.

Mr Rake: One of the aspirations of the light rail network plan as put forward is to open a discussion with the community about the other opportunities and if there are any challenges related to having a broader light rail network. It sits within a series of discussions that we have had about our broader transport system. We have transport plans that deal with everything from freight and heavy vehicle movement through to passenger car transit, active travel—cycling, walking—public transport, currently buses, and public transport into the future—light rail. It enables us to think about route planning.

With private motor vehicles, we have high-volume, high-speed roads to the east and the west—Monaro Highway, Majura Parkway, Tuggeranong Parkway and Gungahlin Drive. We have public transport routes that run down the spine of the city. We think about what the surrounding infrastructure and service needs are. With private motor vehicles, we have a parking strategy and end-of-trip facilities. For active travel, we have network design standards, shaded paths, appropriate seating and bicycle storage.

In opening this discussion on light rail, we are thinking about what the community can contribute to the discussion. What sort of development would they like to see along the corridors? What are the end-of-trip facilities that they need? Should light rail stations be closely associated with park and ride facilities? Should they have a terminus at a developing group centre that would have a broader array of transit-oriented development around it? This is an opportunity to have that first, broader discussion with the community about an additional transport mode in the city.

MR COE: I am just curious because if it is not about the mode, if it is about the corridors, then a lot of those issues are moot. If it is about the airport, what is the point of doing a city-wide network if it is in effect just the same as the frequent network released in 2012?

Mr Rake: Many of those corridor issues are closely aligned whether the public transport mode is bus or light rail. The light rail network plan makes it very clear that one of the paths for development here is to reinforce the corridor to improve and lift public utilisation of existing bus services. But there comes a time when the efficiency of mass transit overtakes the efficiency of buses. There is an opportunity to talk to the community about how we move to that and how we decide when to make the switch.

Mr Gentleman: I think too one of the important messages on this is from reports on light rail across other jurisdictions around the world, where transport-oriented design in those corridors is much greater effected for light rail than for bus rapid transport. We know that people are prepared to walk a lot further to a light rail stop than to walk to a bus stop. Whilst the vertical corridor, if you like, gets activated with light rail, we know that the horizontal approaches in urban villages that are built around that vertical corridor are also constructed more densely and have more innovation than we see in, for example, bus rapid transport. It is not only the vertical line corridor; it is the urban village that you build along the horizontal lines addressing the corridor as well.

MR COE: Does that mean we are going to see a lot more stops, for instance, between Woden and the city than you would with buses?

Mr Gentleman: No. I see where you are going, Mr Coe. We want to ensure, of course, that the route, in anticipation of passengers, enables them to reach their destination in a reasonable time and that the route is an incentive to them. If it were quicker to catch buses then that would not be an incentive to build light rail. We want to ensure that these routes have enough stops and are frequent enough for people to engage with but still get to their destination in a timely manner.

We know from the Infrastructure Australia report earlier this year—and I have mentioned this many times—that if we do not do something about congestion across the territory it will be a \$700 million cost per annum in 2031. The report says that it was a \$208 million cost in 2011. We need to give the community more of an option in the way they commute to their destinations across the city.

MR COE: Sure. What research has been done with regard to the travel time of these legs in the master plan?

Mr Gentleman: That is the reason for the master plan and the community engagement, to see where the community wants to engage with light rail in their region. That would then be determined through a business case and, of course, an engineering study on how many track stops you would have for light rail to ensure that the travel time was the most prudent.

MR COE: Were travel times and indicative prospective costs included with the master plan research that was undertaken?

Mr Rake: At this stage the light rail study focuses on the broad route planning. As we get to a more detailed discussion with the community, as we identify corridors to bring forward, we would then start thinking about precise routes. We would need to start thinking about the detailed engineering for those corridors. We would need to think about the location of major and minor stops. That would then enable us to move into a costing and route timing.

MR COE: Were travel times and costings part of the consultancy?

Mr Rake: We have done a broad range of work to look at the basics, but it has been primarily focused on feasibility of particular corridors, so the alignments.

Mr Gentleman: As I mentioned before, Mr Coe, this is leading infrastructure. We are going in in advance of the critical demand by putting the infrastructure in place first so we address those congestion levels that we expect to see building over time.

MR COE: You could hardly call it leading infrastructure to go from Tuggeranong to Woden to the city.

Mr Gentleman: Certainly it would be, yes, because what we are doing is putting the leading infrastructure in.

MR COE: Maybe if you went to Moncrieff before there were houses there you would call it leading infrastructure, but I do not think replacing a bus route that goes from Tuggeranong to Woden to the city can be regarded as leading infrastructure.

Mr Rake: As to the definition of leading infrastructure, do you build infrastructure just ahead of when the problem is at an unacceptable state for the community or do you wait until the problem is already unacceptable? As an example of the contrary, lagging infrastructure would be the M5 duplication in Sydney where the responsible authorities waited until the road was at gridlock and then closed a lane so that they could build an extra one. So not only was the solution delivered too late but also it was delivered in a way that made the problem worse for the community during construction. The aim here is to time it so that the solution is in place before the problem reaches an unacceptable level. Ideally, you would have it open one second before—perhaps it is open a year before—but the aim is to get it in place before the problem becomes unacceptable.

MR WALL: It is hardly leading infrastructure for an area such as Tuggeranong which has a declining population and an ageing population with a higher retirement workforce, which means fewer people are commuting.

Mr Rake: It has been proven around the world that major infrastructure and business of the kind that light rail can be are also demand driven and can attract new people to an area. They can stimulate new demand. We hear in the community the discussions that there are lots of people who love Tuggeranong; they love living in Tuggeranong and cannot understand why more people do not want to live there. What we would like to do is make sure that the way we are planning and developing the city opens people's eyes to the joy that is Tuggeranong. I was born there and grew up there; you do not need to convert me. But if a lot of other people were able to see that

Tuggeranong is in the plans for strong connections to a modern, vibrant Canberra, they would see that it is a great place to live. We want to see those forecasts for population turn around.

MR WALL: What changes are then going to be looked at as part of those transport plans to improve population numbers down in Tuggeranong—new greenfield developments, increased density? What is the plan of attack?

Mr Gentleman: Certainly all of the above, as Mr Rake has said. There is an opportunity for quite a bit of urban infill. You have seen, Mr Wall, where we have been doing older persons accommodation in urban infill, allowing people to age in place and giving them incentives to stay in the suburbs. There is still an opportunity for some greenfield sites, although I can say that, with the statement of planning intent, most of the engagements suggest that we should not go outside of our border arrangement for the city. But there are still some sites there that we could have a look at for the future. I know that your federal colleague Mr Seselja has indicated that he would like to see residential infrastructure on the western side of the river. I have some concerns about that in regard to how you provide services in a sustainable and less costly manner. I think there is an opportunity for us to look at some other sites in Tuggeranong. As Mr Rake has said, light rail does bring densification and an opportunity along those corridors for better innovation.

MR COE: Minister, how does that tie in with your approval of Riverview if you want to keep the same city footprint?

Mr Gentleman: Riverview has been under discussion for quite some time. I think I first looked at the plans in 2001. We are now 15 years down the track. That is a process that the community has been on board with. I think they have recognised that it is a great opportunity for Canberra to provide some different housing opportunities for Canberrans.

MR COE: I am not making a judgement on the development; I am making a judgement about the contrast in your view that we need to have a compact city within the current borders of the urban area. Yet you have just approved Riverview.

Mr Gentleman: That was not my view. That was the view of the community. We are trying to include the community as much as we can. I have indicated that in the statement of planning intent.

MR COE: You are quite happy for more greenfield—

THE CHAIR: Mr Coe, I think we can move on. Minister, we have gone well past our hour on planning. Mr Wall, do you have another question on planning?

MR WALL: Maybe just the final answer on Mr Coe's, and I am happy to move on.

MR COE: So you are quite happy for more greenfield around the ACT?

Mr Gentleman: I see that Riverview has been a part of the community engagement. That was taken into account in my decision to approve Riverview. As I mentioned,

there have been 15 years of community engagement since I first saw the plans. There has been direct community engagement, certainly in quite a number of those years. I think it is a good way of engaging with the community. The community, in those workshops on the statement of planning intent, understood that Riverview was already going to be a part of the territory.

MR COE: Given it has taken 30 or 40 years for west of the Murrumbidgee, does that mean that because it has been in the pipeline for 30 or 40 years then maybe that too should be approved?

Mr Gentleman: That is interesting, because I have been in the territory for 60 years and I have not heard much discussion about residential west of the Murrumbidgee.

MR COE: You do not think the NCDC did work on the west of the Murrumbidgee?

Mr Gentleman: They certainly did some work. They certainly did some work in other areas too. If we go back in time we could look at the original proposal for the ACT, which looked like a molar tooth, if you like. All of the area that currently resides for Tralee, New South Wales, was going to be part of the territory. That was excised. It is important that you look at where the community wants to go for the future of the territory.

THE CHAIR: Thank you. Minister, we thank your officials from EPD for coming in today and we will move to your roads and parking portfolio under Territory and Municipal Services. Thank you.

Short suspension.

THE CHAIR: Welcome, Mr Byles and your colleagues from TAMS. I draw your attention to the pink privileges statement. Could you confirm for us that you understand the implications?

Mr Byles: Yes.

THE CHAIR: Thanks. Minister, in the annual report there is discussion about the 40 kilometre speed zones in 18 group centres now, I believe, implemented across those 18 group centres across the territory. Can you just talk us through why that was done in each of the group centres? Was it because they had high accident rates or were there other reasons for it?

Mr Gentleman: We know, through studies in crash ratings through ANCAP, that the lower the speed limits the lower the impact is on a pedestrian and the less damage you have to the person or, in other cases, a vehicle or stationary street furniture. We know that people are able to react at a particular speed. If they are going at a slower vehicle speed, they are able to react on a different time line, and therefore resultant driver error can have less effect on a pedestrian, a car or street furniture. In that regard, we looked at accidents or collisions across the territory in those areas of town centres and took a view that it would be a much safer approach to keep the speed limit at a reasonable level.

We looked at shared zones as well. We know that there is more awareness of a shared zone. Where speed limits are reduced, where there is a difference in road furniture and road architecture, cars will recognise that it is a shared zone or a busy pedestrian zone and will slow and have much more awareness of their surrounds. That is why we have looked at rolling these out across the territory. I think there has been a good response from the community. I have not heard many complaints about the reduction of speed, particularly in the town centres, in fact, quite the opposite; there have been many congratulations that we have taken that step.

THE CHAIR: So it is across all the 18 group centres?

Mr Gentleman: How many town centres do we have at the moment, Mr Gill?

Mr Gill: We have implemented it across the 18 group centres.

THE CHAIR: And the feedback is good?

Mr Gill: Feedback is good. Feedback six months after they have been implemented has been positive. Initially the reduction was trialled in two locations, in Gungahlin and Woden. Then, subsequently, the government made a decision to expand that to group centres. The general feedback has been positive. As I said, technically there has been a small reduction in speeds as a result of it. In some locations we have had to supplement the measures with some calming devices just to reinforce the 40 kilometre speed.

Mr Gentleman: If you look at those ANCAP test results for pedestrian collisions, you will see that they do not do any testing above 50 kilometres an hour because the end result for the pedestrian is usually terminal.

THE CHAIR: Right.

Mr Gentleman: All of the testing they do for those vehicles that retain high ANCAP ratings are for lower speeds.

THE CHAIR: Could you tell me what ANCAP stands for?

Mr Gentleman: It is the Australian crash rating agency. It is an agency that works across the world in relation to crash results for the performance of vehicles, and it has sister agencies in other jurisdictions.

THE CHAIR: Right.

Mr Gentleman: They regularly test new vehicles to see what the collision result is for vehicles. They test them at different angles. The test station we have for Australia is in Sydney. They provide ratings for car manufacturers. In the past, some manufacturers have applied to ANCAP for a rating and have been denied a rating at all, so that is an important lesson there. But now I think we see most big manufacturers across the world trying to get at least five-star ratings. That means that at a collision at around 60 kilometres an hour into a stationary object, front on, if you like, or at a front angle to one side on, none of the passenger cockpit at all is intruded upon. They test that the

airbags go off, that the actual physical surround of the cockpit is in place and that the seatbelts restrain the drivers and passengers from any damage. They also test those pedestrian accidents and carry out motorcycle helmet testing.

THE CHAIR: With people's perceptions of speed, I have had a number of constituent inquiries about a car doing 80 kilometres down my road. I had a response through you, minister, that Roads had gone out there, monitored speed limits on the road and found that the average speed was often 10, 20 or even more kilometres lower than people perceive it to be. Is that a common experience across the portfolio of roads?

Mr Gentleman: Yes, it is. A really good example is an earlier inquiry I had on Tom Roberts Avenue in Tuggeranong, where a resident near a school area—not in a school area but near a school area—suggested that cars were doing up to 100 kilometres an hour on the avenue. It is quite a nice drive, but in the survey done with an amphotometer, Roads ACT were able to advise that only one car exceeded the speed limit in the period tested and most were well under the speed limit.

THE CHAIR: Do Roads ACT do that work regularly; both responsive work and also proactive work on monitoring speeds across streets in the territory?

Mr Gentleman: Yes, they do. I will ask the directorate to give you the detail of how much is going on at any time.

Mr Gill: Yes, it is part of our ongoing work, both in terms of response to inquiry and as part of developing our programs. We produce an annual report that basically documents the locations that we have covered in a particular year; that could be made available to the committee, with the minister's support.

Mr Gentleman: Yes, certainly. We respond to members of the community that write in to members' offices. There is a lot of correspondence between my office and members' offices regarding areas where constituents might feel that there has been speeding occurring on their streets. We set those into an opportunity for Roads to go out and survey that area to test whether or not that is occurring and, if it does occur, set about some process for trying to engage with motorists in the area.

It is quite difficult sometimes. We look at speed cushions, if you like, and other opportunities, like chicanes, to try to reduce speed. Often speed cushions work very well in reducing speed, but they are uncomfortable for local residents later on. Spofforth Street is a very good example that Mr Coe has been aware of for some time where we have put those cushions in place and later on the community has said they do not want to see them there or they want to see some removed because they are causing a different traffic flow.

MR COE: I have a supplementary. How did you determine what areas would be 40 kilometres an hour in each of these 18 centres? Some of them do seem to be a little bit arbitrary in terms of the actual start and finish of the zone.

Mr Gill: The approach is that we have a look at a particular location. We look at the areas where there is the highest pedestrian activity, the highest vehicle activity and

other uses such as cyclists, and try to identify an area that can be sectioned off to pick up that aspect. So it is typically high streets. In the case of the city there is a section in city east; there is another section in city west. Ultimately, in time, I would expect that the whole of town centres and the whole of group centres would be covered by the 40k, but the initial implementation has been based on an assessment of areas that have a high level of pedestrian activity, a high level of cyclist activity, and vehicle activity. Those are the criteria for doing it.

MR COE: It is interesting that you mentioned the city, because here in London Circuit there are 40, 50 and 60 zones on the one road. And that is in addition to what, I imagine, must be dozens of other signs in this precinct. I know there is some research into this, especially in the UK, which showed that people do actually get desensitised to signs when there are so many of them. I wonder whether we run the risk of that here in the city and in other places around the city.

Mr Gill: There is an element of that. In terms of setting the areas for 40k, Roads looked at the practice throughout Australia in terms of what is adopted in places like Melbourne and Sydney, at similar locations where this has been implemented. We are aware of the overseas experience. We are also aware that in some jurisdictions they run the reduced speed limit of 40 only between 7 am and maybe 7 to 8 pm at night, and outside those hours they do not do it. It is about getting a balance between an area and how you try to signpost speed limits, and what level of compliance you might actually get. Speed limits are all about trying to reduce speed or contain speed to a particular level. If you have the wrong mix, the wrong combination, you can go down the track that you were talking about.

Mr Gentleman: Safety is the key reason, though.

MR COE: Apart from speed signs, what about just general signage? Is there a feeling that we are getting inundated with signage and—

Mr Gill: Are you talking about general speed limits across the network?

MR COE: Not necessarily speed limits; I am talking about all road signage, whether it is directional signs, advisory signs or all sorts of things.

Mr Gill: A generic question on signage?

MR COE: Yes, exactly.

Mr Gentleman: Mr Coe, I am aware of some in the community that feel that we are littered with too much signage. All of the signage, of course, is to Australian design specification and it is there for a purpose.

MR COE: That is for an individual sign, but I am talking about the collection of signs. I know it is subjective, but I am curious to know what your views are about whether there is too much signage and whether we need to review the policies to make sure that we are concentrating on the really important messages, such as 40, 50 and 60 kilometre speed signs rather than ones that may not be as important or as significant.

Mr Gentleman: The human brain is able to pick up signage at a very quick rate and process it, Mr Coe. The Australian design rules look at the opportunity of drivers and how they are able to associate in those particular zones and whether or not the directional signs that they are given along the way, and also the messaging along the way, is able to be processed in a timely manner so that they can take action to avoid collisions, or other actions, in their driving time. In the future, of course, technology will help us much more as well. Many of the map navigation systems on vehicles have the speed zones within those systems. They warn you—

MR COE: But a lot of that signage is not directional.

Mr Gentleman: Yes, I know.

MR COE: We are talking about place-type signage or various parking types of signage. Those sorts of things are not central to safety or direction but are in effect points of interest as opposed to safety signs.

Mr Gentleman: I will finish that answer and then I will ask the directorate to give you more detail on the study they do in those particular areas. As I said technology already picks up on speed zones, directions and new jurisdictions as you proceed down the road, and that work is getting even better. Some of the new applications that are coming out now even warn you along the way of traffic cameras, traffic light cameras, as well as speed cameras. So you can be well aware of the speed that you are doing and the appropriate speed that you should be doing, and whether or not you are going to get a penalty during that process. I will ask the directorate to tell you about the work that they do with those other signs.

Mr Peters: What the minister said is true. The key thing is: what is the most effective way to get the message to drivers about what they need to know? If you look at how traffic sign standards have changed over the years, we have moved from parking symbolic type signs—just the “S” with the thing through it, which is pretty internationally recognised—rather than the printed words “no standing”. Humans can pick up an awful lot, but there is a limit to what they can pick up at any particular time. There are standards around how many words you can process when you are driving along the road. We do take that into account. But the guiding principle with the design is to make it as effective as you can for the motorist, bearing in mind that there is a limited amount of information that they can pick up at any particular time.

THE CHAIR: There was an interesting discussion on the consultation you did about all the terrific roadworks underway in Gungahlin, asking people how they wanted those roadworks to roll out. I recall one of the things that people said in that consultation was that they wanted signs on the road to tell them when roadworks were underway. So it was not about safety in particular, but informational signs on the road to tell them what was underway.

Mr Gentleman: Of course when those roadworks are underway we try and do as much as we can outside the really populated peak periods. A lot of work occurs during the evening or into the night when motorists are at home watching the television. That is a key theme. It does cost a little bit more when you do it that way.

It is important, as we did with Gungahlin, to go to the community and say, “How would you like to see these works rolled out?” You get the information back, “We like to see when the lane is closed, when the work is being done.”

Sometimes it is a challenge with some of our contractors to pull in their signs at the end of work in a timely manner. You will often get correspondence back to the office saying, “I know there are roadworks going on between 7 am and 8 am but the sign was still there at 8.15 or 8.30.” I remind Roads and they remind the contractors that we need to pull those in.

Mr Byles: Everyone has an opinion about signs, and particularly the numbers. I do not think the issue is about the quantity of signs; I think it is about the quality, whether they are complementary, unambiguous and make sense. If you get that balance right, you have addressed the issue.

With respect to the issue that the minister mentioned about speed limits remaining after hours of work have ceased—and my colleagues will speak on this if need be—it is not so much the fact that you can now resume normal speed limits after work has ceased, it is about what dangers still exist around the road construction area. Quite often those signs are left in place for that particular reason: the danger still exists there, even though there may not be an amount of traffic on the road at that particular time. Mr Gill might have an opinion about that.

Mr Gill: I do have an opinion but I will keep it short. It is a common issue, people’s views about roadwork speed limits. It is an issue from the police point of view in terms of whether they are enforceable and it is an issue from the community’s point of view in terms of the credibility of speed limits.

A recent example of speed limits where the credibility was tested was at Acton tunnel. In recent times a truck got held beneath that tunnel. It damaged the ceiling. One of the recommendations from the structural engineer who assessed the site was that we should limit the speed of traffic on the approach to the westbound tunnel. In practice, while there was speed reduction in place, most people passing through it basically did not take heed of it. I was in a situation where either I sought to get the police to enforce it or we checked whether it was actually required. We had a second assessment of the tunnel and the ceiling and the advice was that we could remove it. So we removed that speed limit in that location because I felt it lacked credibility and people could not relate to it. There is a range of issues like that.

THE CHAIR: Mr Wall, do you have a supplementary on that?

MR WALL: I do. Minister, you said that the human brain is such that drivers are able to comprehend a large amount of information, and road signage is one of those things when you are driving. Certainly, every new road sign that gets installed is a potential distraction to the driver, having regard to what is happening around them on the road. How is that priority balanced?

Mr Gentleman: As I mentioned, it is a balance. All the signs are in place according to the Australian design rules. They look at people’s aptitude to be able to perceive changes in conditions and those messages coming through. I will refer again to

ANCAP. When you look at collisions across Australia, the territory is a very good example, in that almost all collisions involve human error. They are not because of the particular structure of the road or a traffic light; they are almost all human error.

MR WALL: Certainly, every distraction that is put on the side of the road, be it a sign or whatever, adds to the effect of potential driver error. Does the Australian standard specify any rules or guidelines around the density of signs? I know it clearly does about the size and layout of the signage, but what about the density of signs and how closely together they can be installed?

Mr Gill: There is an Australian standard covering speed limits or signage generally and the placement of them. That identifies density, to use your term, and location. Any road network needs three basic sets of signage to support people using it. They need regulatory signs, things like stop signs, give-way signs and parking signs, which are required to enable regulation or legislation to be enforced. There are guidance or information signs, that is, the road direction signs to help people get from A to B, say, from Tuggeranong to the city. Then there are warning signs to advise of particular sections of the network where for some particular reason people need to be cautious. Getting that balance right and doing it consistent with an overarching standard is what we are trying to achieve.

THE CHAIR: Before we move on, I note, minister, that the closure of the Acton tunnel was obviously hugely significant for the road network. So congratulations on your communication and on the significant work, for 24 hours a day over a number of days, by all the officials.

Mr Gentleman: Thank you. That gives me the opportunity to thank Roads ACT for the work that they have done, as well as ESA. I also thank the Canberra community for their patience during the time. It was quite a difficult operation in the first couple of days when commuters were backed up. But the messaging did get out eventually and we saw commuters starting to take different routes in order to get home on time. I do thank the Canberra community for their patience. We hope that it does not happen again, but we do have plans in place for when it does happen again, if it does.

MR COE: Minister, you said on radio that your directorate does not have a costing for the Barton Highway flyover. Where did this figure of \$50 million come from?

Mr Gentleman: That came from some of the research that I have done, Mr Coe, on the engineering costs of flyovers generally in other jurisdictions. We have looked at the amount of work in regard to the cost of bridges in the territory. That was an estimation that I did.

MR COE: There was a \$50 million figure that was put by a government official to the Gungahlin Community Council some years ago as a ballpark figure for flyovers in general. Has Roads ACT costed a flyover at the Barton Highway roundabout?

Mr Gentleman: Mr McHugh is here. He might be able to help us.

Mr McHugh: No detailed cost estimate or design has been prepared for that location for a flyover.

MR WALL: Minister, what is the next phase of works for Ashley Drive?

Mr Gentleman: With Ashley Drive, the duplication of stage 2 has begun. You may have seen, Mr Wall, that the stakes have gone out onto the southbound side of Ashley Drive now, so the surveying work is being done right now. I will ask the directorate officials to give you more detail on when construction actually begins.

Mr McHugh: Detailed design is complete, tender documentation has been prepared and tenders are due to be called in December of this year. Then it is planned that tenders are to close early in the new calendar year and work to begin soon after that.

Mr Gentleman: Ashley Drive is a good opportunity to address the major part of congestion in Tuggeranong. The first stage, as you are aware, went from the top of the Erindale precinct down towards Erindale Drive. That relieved quite a bit the collision stats along the area. In that process, there was an extra set of traffic lights put in and median strip work done. That gives commuters leaving Erindale to travel south onto Ashley Drive a safer intersection. There was also some work on Erindale Drive to allow the left-hand slip lane to be put in place ready for stage 2 of Ashley Drive's duplication.

MR WALL: When is it likely that the final section of Ashley Drive will be duplicated?

Mr Gentleman: Are you talking about in the process that we have tendered for now?

MR WALL: Between Johnson Drive and Ellerston Avenue.

Mr Gentleman: And Isabella, yes.

Mr McHugh: The current design and tender package will include duplication down to Ellerston Drive, just south of Ellerston Drive. That was responding to the modelling work over the next 20 years that indicated the capacity requirements for the avenue. At the moment there is no plan to duplicate the section south of Ellerston Drive in the medium to long term.

MR WALL: From your research, how does the traffic differ statistically from, say, traffic heading southbound or northbound on one side of Ellerston to the other? What is the tipping point to cause that final couple of hundred metres to be duplicated?

Mr McHugh: I would have to refer to the modelling data to give you those exact numbers. I can take that on notice.

Mr Gentleman: We are happy to come back with that data for you.

Mr McHugh: Yes; we could take that on notice.

THE CHAIR: Thank you. Could I ask about road resurfacing and the program of road resurfacing? Could you explain for us what different types of material are used in different circumstances for the road resurfacing program?

Mr Gentleman: Yes; this is often raised.

MR COE: There is a bit of deja vu here.

THE CHAIR: I am new.

Mr Gentleman: This is a topical discussion normally at annual reports hearings or estimates.

THE CHAIR: Good; I am glad I have got my finger on the pulse then.

Mr Gentleman: There are several types of resurfacing. In the very early days, ACT used to have a lot of concrete surface in the territory. You will sometimes notice that feel of concrete surfacing when you travel down Wentworth Avenue in Kingston. You can feel those concrete divisions there. We use chip seal resurfacing material too, and bitumen at the same time. I will ask the directorate to give you more details on the costs of those surfaces and the way we can maintain the roads better.

I should say that, prior to concrete, there were a lot of gravel roads in the ACT. Some of the photographs I have been looking at from around the late 1950s and 1960s in the last few days show gravel roads in the territory around Dickson and Lyneham. Of course, they are a lot more difficult to maintain; you need to grade them. We still have a grading process for gravel roads in the forestry areas and the rural areas in the territory.

Mr Gill: In the over 2,000 kilometres of roads that we have in the territory, there are still about 200 kilometres that are gravel. Roads like Smiths Road and sections of Boboyan Road are still gravel. We have an annual program that deals with that.

In terms of the types of road resurfacing, in terms of area we resurface about 90 per cent using chip seal, which is basically where bitumen is poured on the road to keep it waterproof and then small stones are placed on that to provide good skid resistance. From a preventative maintenance point of view, the objective is to keep the road dry and to keep it serviceable so that it has a good riding surface. At the moment, that represents about 90 per cent of the surfacing that takes place in the territory, and that can be done at about \$10 per square metre.

You can look at that as your standard maintenance of the road network. Some sections of the road network need to get repaired. For the normal repair for when localised sections or smaller sections of the network become damaged, we would use asphalt as the normal resurfacing of the network. That costs in the order of about \$70 per square metre.

Ultimately any asset needs to be replaced. Examples of this would be Wentworth Avenue. When we replace it, we replace not only the top of the wearing course, as it is called, but also the road pavement, which is the granular base beneath that supports the wearing course. That can cost in the order of \$300 per square metre to replace.

In terms of a broad argument, we want to spend as much of our time as we can in

maintaining the network. By maintaining the network, we will extend the life we get out of the overall pavement to in excess of 50 years. That would be what we are trying to achieve for any particular road. There are examples of where we are doing that, but it is an ongoing basis and it does require taking a view that looks at a 20-year to 25-year horizon rather than just a day-to-day or 12-month perspective.

THE CHAIR: I presume traffic volume is a consideration; or not necessarily?

Mr Gill: If we look at it in simple terms, with the types of roads that we have in the territory, there are main roads, arterial roads—Gungahlin Drive is an example of a main road—and there are residential streets. The street I live on in Florey, Eddy Crescent, is one. Basically the main type of failure for main roads is due to traffic volume, commercial vehicles. With roads like Tuggeranong Parkway, Gungahlin Drive and the Monaro Highway, their failure is very much attributed to use by commercial vehicles. With residential streets, on the other hand, basically the method of failure is more to do with the environment: oxidation, ultraviolet, makes the existing road pavement brittle. So that replacement is for different purposes.

When you look at the ACT, we have, in broad terms, over 1,000 kilometres of main road and over 2,000 kilometres of residential street. In terms of developing our program, we have to get that right mix for both the structural fixing of main roads and the environmental damage that we have to address in residential streets.

THE CHAIR: With commercial vehicles where there is construction—perhaps in the northern parts of Gungahlin, in Moncrieff, for example, where commercial vehicles are coming through residential roads in some cases—what restrictions are there on commercial vehicles travelling through residential zones when there is a lot of construction underway?

Mr Gill: Residential roads are designed to allow for a certain proportion of commercial traffic over their life. During the construction activity, that can be accommodated. There are occasions, though, with some existing roads, when commercial vehicles can have quite an impact. So, yes. In terms of limiting access, on occasions restrictions are placed on commercial vehicles. Examples can be associated with Molonglo. They are having some restrictions placed on Eucumbene Drive, associated with access to the Molonglo district by commercial vehicles. But yes; as I said, residential streets can accommodate a certain proportion of commercial vehicles as part of their day-to-day activity.

Mr Gentleman: I guess, too, if you look at those areas that are under construction at the moment, you will see that where large machines are taken to and from a site, they are generally floated on a trailer. If you look at excavators, for example, traxcavators, they are floated. Depending on the size of the vehicle, they might sometimes have to have a traffic management plan and a permit to travel on certain roads. Of course, companies are aware of all those applications.

Mr Byles: The ultimate judge on how we maintain and look after our roads is the public in the ACT. You may be aware that we conduct our annual survey with a series of questions about municipal services, which includes roads. I would like to bring to the committee's attention the most recent survey, which has the question: "Please rate

your overall satisfaction or dissatisfaction with the management of the public road network.” ACT Roads were benchmarked against 52 councils across Australia, so it was quite a wide benchmarking exercise. ACT Roads scored in the 90th percentile, which means they are better than 90 per cent of equivalent councils. And on a state-wide basis they were rated equal first with Western Australia.

THE CHAIR: Congratulations.

Mr Gentleman: To give the committee some further figures, if I may, when we are looking at road resurfacing, there were 619,607 square metres of road resurfaced in this last yearly period; 14,915 kilometres of roads were swept; 19,101 square metres had footpath repairs; 1,013 roads and footbridges were maintained; and 77,431 street lights were inspected on a regular basis and repaired as required. This is the work that the directorate does not often get to tell you about, but it is quite important and, as you have heard from Mr Byles, the community has responded to it.

MR WALL: While we are on the topic of resurfacing, you spoke about the work that was completed last year, minister. The annual report states that only 3.4 per cent of the targeted five per cent of territorial roads and only 2.4 per cent of the targeted four per cent of municipal roads was resurfaced. What is the reason for the shortfall?

Mr Gentleman: The reason is that we have, I think, an aptitude for being able to deliver on the resurfacing of the roads but also there is a financial cost. Previously there have been budget discussions on how much we can afford to spend on resurfacing. We have heard from the directorate today the important message of getting in early and maintaining roads. Maintaining roads means that the cost later on is much less: by keeping them in that position, you can keep them for a longer period. It is my desire to work as hard as I can to achieve as much through the budgetary process for resurfacing as we can for territory roads, especially in the maintenance area, to ensure that we can keep better levels than we have seen in the past on targeting and maintenance.

MR WALL: For territorial roads the target was five per cent resurfaced and only 3.4 per cent of roads were actually resurfaced. What was the reason? Was it purely budget constraints?

Mr Gentleman: Yes, it is budget constraints.

MR WALL: What was devised first? The budget or the target?

Mr Gentleman: Each minister goes into budget for a bid for their particular portfolios. As I have said, in this case I will be striving for more funds to better look at those roads and be able to provide a maintenance application that gives us a longer period for the roads. In regard to which comes first, the chicken or the egg, the road targets are set by looking at the amount of time we have for road. Mr Gill has told us that roads are built for 50 years, for example. If we keep the maintenance up on the roads for those periods, we can get them to last longer than 50 years. I will ask Mr Gill to give you the detail on how targets are set.

Mr Gill: The targets and budgets are somewhat mutually exclusive. The technical

targets, say, in the case of the territory, are five per cent for main roads and four per cent for residential streets. Five per cent is basically that we have a resurfacing cycle of 20 years or, for residential streets, a resurfacing cycle of 25 years. That is the technical requirement, and that is in line with other jurisdictions. For example, Victoria has a five per cent average. South Australia has only four per cent. On the other hand, New South Wales, for their main roads, basically seek to achieve nine per cent. And New Zealand, just as an example, and South Australia, have seven per cent. Each jurisdiction basically looks at taking a 20 to 25-year horizon, trying to achieve that.

In the case of Roads ACT, at the start of each year our aim is, with our funding available, to try to get as close as we can to that target. We could easily modify our target just to reflect the dollars that we have in a particular year, but our aim is to try to get as close as possible to that target. Only in recent times, we have been putting together advice to the minister and to others within government about a strategy for how we can achieve those targets by accessing other funding sources to supplement the territory's, for example, the use of some additional roads recovery funding that was made available by the commonwealth in 2015-16 and 2016-17 as a result of fuel excise. With the minister's support, that money is going to be directed to road resurfacing this year. Our expectations this year are that we will be able to report an achievement of the targets with that additional funding.

MR WALL: Over the average, are we on track for resurfacing?

Mr Gill: In terms of this year?

MR WALL: More broadly. We have had an underperformance in one year. If the target is to revisit the arterial roads every 20 years and we have achieved only 3.4 per cent of the five per cent target, how have we tracked over the previous years? Have we met, exceeded or failed to achieve the target?

Mr Gill: We have not met the targets, in terms of five per cent or four per cent, I would suggest, for the past six years.

MR WALL: What work is being done to model the impact that is going to have on the budget if further resurfacing is done to extend the life of the road? If we are not meeting our targets of resurfacing the road network every 20 years, it is going to come at a cost of having to replace large sections of road. What is the cost impact?

Mr Gill: As I said, we have provided some advice to government basically in terms of asking what is necessary to provide the funding to enable us to hit those targets.

Mr Gentleman: Mr Wall, as Mr Gill explained, we have been able to use some of our roads to recovery money to maintain a level of target that is still not meeting the targets that we are setting but is a better level than would be achieved if we simply went through the normal processes. And then, with that, there is a further budget process, with my support, to engage for more funds, to continue on a better level of maintenance so that we do not reach those critical times later on.

MR WALL: How much more funding is required to achieve that five per cent target?

Mr Gill: In 2015-16 and 2016-17 we believe we will be able to achieve that, and that is a result of being able to access, in each of those years, the equivalent of about \$7 million.

MR WALL: Additional funding?

Mr Gill: Yes. We have been able—

MR WALL: Or seven million is the target?

Mr Gentleman: We have been able to do that with the—

Mr Gill: In 2015-16 and 2016-17 we have been able to access an additional \$7 million. That will enable us to hit the target, we believe.

THE CHAIR: Terrific.

Mr Gentleman: Just in closing, chair, I thank the directorate for their work over this past year. They have been really fantastic in responding to the community at particular times. In particular, the Acton tunnel was a great response, providing the safest outcome for commuters in the territory. We want to continue that work.

THE CHAIR: Thank you, minister; thank you Mr Byles and officials. For members of the committee, any follow-up questions should be in the office in three days. Minister, with any questions that you have taken on notice, if we could have them by 4 December, that would be great. The first part of today's hearings is now adjourned.

Sitting suspended from 11.30 to 1.02 pm.

Appearances:

Rattenbury, Mr Shane, Minister for Territory and Municipal Services, Minister for Justice, Minister for Sport and Recreation and Minister assisting the Chief Minister on Transport Reform

Territory and Municipal Services Directorate

Byles, Mr Gary, Director-General

McHugh, Mr Ben, Senior Manager, Capital Works Design and Delivery, Infrastructure, Roads and Public Transport

Pedersen, Mr Andrew, Acting Director, Finance, Corporate and Business Enterprises

Peters, Mr Paul, Executive Director, Infrastructure, Roads and Public Transport

McGlenn, Mr Ian, Acting Director, Public Transport, Infrastructure, Roads and Public Transport

Burkevics, Mr Bren, Chief Operating Officer, ACTION Bus Services, Infrastructure, Roads and Public Transport

Chief Minister, Treasury and Economic Development Directorate

Alderson, Dr Karl, Deputy Director-General

THE CHAIR: Good afternoon, everybody. Welcome to this final public session of the annual report hearings for 2014-15. This afternoon we will be hearing from the minister on the annual report of the Territory and Municipal Services Directorate, looking at both sustainable transport and ACTION buses. Thank you, minister, and thank you, Mr Byles, for returning today. Could I please draw your attention to the pink privilege statement. Could everyone acknowledge for me that they understand its implications? Many thanks. I also remind witnesses that the proceedings are being recorded by Hansard and broadcast and webstreamed live. Minister, would you like to make an opening statement today?

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

THE CHAIR: We will be covering at the outset sustainable transport, and then follow up with ACTION buses. Minister, could you outline for us the connection between ACTION and sustainable transport, with the announcement around transport Canberra, and what the future looks like for ACTION buses when capital metro starts operating?

Mr Rattenbury: Yes, certainly. The key point is that we have decided to make a single transport agency, which will essentially merge the Capital Metro Agency and ACTION into a single organisation, transport Canberra. In some ways the work for ACTION for that has already started, with the restructure of ACTION. I am happy to go into more detail on that, if you wish. ACTION has essentially separated operations and policy already, and that in some ways is the first step towards the creation of transport Canberra. It follows on from recommendations from the MRCagney review to create that separation between the operator and essentially the owner.

Transport Canberra will bring those two together. That formally starts from 1 July.

We have created a transition team. Dr Alderson is leading that process. We are starting to prepare all of that now, for 1 July, and make sure that the integration between ACTION and capital metro is building, particularly as we go through the contracting phase.

THE CHAIR: Within transport Canberra, having regard to some of the sustainable transport aspects of your current portfolio, where will they be?

Mr Rattenbury: The final decisions on that are yet to be taken, in terms of the administrative arrangements. Certainly in the discussions that the Chief Minister and I had there was a clear intent to create an agency that had that overarching transport responsibility. Whether we take everything—for example, Minister Gentleman will have been here earlier with the transport planners from the Environment and Planning Directorate. We possibly will not incorporate that at this stage.

It will certainly be operationally focused in the first instance, having regard to the two modes of transport. For example, there is also the regulatory side of transport which I have in the justice portfolio. We may well bring that in, too. Those final decisions are yet to be taken.

THE CHAIR: What about the walking and cycling infrastructure?

Mr Rattenbury: Yes, it is very important that that is integrated, particularly because having good walking and cycling infrastructure reinforces the integration with buses and light rail—creating that seamless experience for people. We need to have things like good footpaths and cycling connections to key stops, and bike cages at key stops—all of those things, and getting that integration.

If you look at the project that is already going ahead, and the \$20 million that the government allocated in last year's budget for the corridor improvements, some of that is already rolling out. We are seeing things like footpath improvements and lighting in the corridor being worked on already. They are beneficial anyway, but they are obviously reinforcing the light rail project.

THE CHAIR: On walking and cycling infrastructure, it provides a bit of a leap to the Bunda Street shareway. How do you think it has been received and has its reception changed as people get used to using the street?

Mr Rattenbury: Overall it has been received quite positively. People like the space. I have heard people express concerns, though. From my personal experience, it is an area that I commute through as a cyclist probably a couple of days a week, so I have seen a lot of it firsthand. I will give you my anecdotal thoughts and then I will come back to some of the more substantive feedback we have had.

I have noticed that people have become essentially more polite. The absence of rules—there is not an absence of rules but perhaps the uncertainty created by having the shared space has required people to engage each other as they come into the space. I feel it has been a lot more polite in the zone. Some people have been uncertain as to what to do. You may have noticed recently that TAMS has put up some new signs—the overhead banners, the red flags—to further reinforce for people how this space

operates. We are thinking about whether we might do some pavement markings to further clarify it for people as they get used to it.

People who use the area regularly are quite confident. My own observations are that when you see New South Wales number plates on cars they tend to be a bit less certain because they are not familiar with the area. I have been talking to some of the team about whether we might think a bit more about the markings in the area to provide that ongoing education.

THE CHAIR: Do you know what sort of markings they might be?

Mr Rattenbury: We were thinking about perhaps some stencilling on the footpath. We are seeing pedestrians hesitate at times. They are not sure whether they can or should step out, for example. We have just completed further road markings in a section outside where Senator Seselja's electorate office is, in that last part of Bunda Street—

MR COE: Akuna Street.

Mr Rattenbury: Akuna Street; thank you. Between Akuna Street and the Canberra Centre crossing the on-road markings were put on last week. That had been delayed. It was meant to be done the week before, but there were issues with the weather and those kinds of things. We are seeing fairly good feedback. In terms of the space we are trying to create, for example, the gelato bar on the corner, who were in the *Canberra Times* expressing concerns as the works were happening, have actually doubled their outdoor space. Since the works were completed we have seen a new cafe open on the opposite corner where Ali Baba used to be, and a couple of new restaurants currently being constructed along Bunda Street. Certainly the theory of these things is that because they are places that are nicer for people to be in, people linger longer, and it drives the level of economic opportunity. We are seeing some early signs of that, I think.

THE CHAIR: Do you have a formal survey with local businesses or people who use the street regularly?

Mr Rattenbury: I am trying to think where we are up to. Ben McHugh is about to come to the table. As the project leader, Ben spent a lot of time engaging with business owners along the street, which was helpful. There were some places that were concerned about the works. At one point the owners of section 63 did some major sewer works at the same time and it created a double level of work. That was an example where Ben was able to go and spend time with business owners and talk to them about the timetable.

Mr McHugh: There is not a formal survey with business owners. There are formal surveys being undertaken looking at pedestrian activity, traffic volumes, speeds and other things that will form a post-implementation review or report which are being collected at the moment, but there is not a formal survey with business owners.

Mr Rattenbury: Ben, do you want to give the committee the speed figures?

Mr McHugh: We have the first round of traffic speed and volume data back in. Comparatively, with the speed data collected before the works, we have had a drop in traffic volumes in the vicinity of 50 to 60 per cent. Before the works we had between 4,000 and 5,000 vehicles a day on Bunda Street, which is quite a high number for a street of that type which does not really service a lot, other than a bit of through movement. Those volumes have dropped down to just lower than 2,000 vehicles a day and the traffic speeds have dropped from around 35 to 40 kilometres an hour down to around the 20 kilometre an hour speed limit which has been applied.

THE CHAIR: Was it your expectation that that would be the change?

Mr McHugh: Absolutely, yes.

THE CHAIR: I had someone give me some feedback on the weekend about the shareway. She said she loved the cockatoos on the road, but so did her three-year-old son, and often she would have to drag him off the road because he wanted to stop in the middle of the road.

MR COE: On that same issue, some feedback that I have received is that the elevated sections of the road are quite clearly a shared zone but with the pavement, which is in effect the old road surface, it is not clear that it is a shared zone. The person who was giving me some feedback, who owns a business there, said that he sees a lot of people in effect treating the raised areas as a pedestrian crossing, but everything in between is still being treated clearly as a road area rather than a shared space. I know the art is meant to indicate that it is a different sort of space. It is something to take on board.

Mr McHugh: Fair comment; yes.

Mr Rattenbury: I have heard that feedback as well. Some of that goes to the speed as well. There are the bits that come out into the roadway, and that has certainly had an effect on the speed. So it addresses some of those issues.

MR COE: It is just like a raised crossing elsewhere, isn't it, in a way?

Mr Rattenbury: Yes, although what we are finding is that the traffic is generally going slowly enough through the area so that if there is some uncertainty people do seem to be working it out. I am observing some uncertainty through there, and we will keep thinking about further ways to clarify it.

MR COE: The other issue that some people have raised is the lighting, especially where you have the iron treatments. Some of them, if not all of them, do have the embedded LEDs behind that shine downwards at night-time, especially around the Canberra Centre crossing area. It keeps it quite dark, and it is a little ambiguous as to exactly where the perimeter of the road is. That might be the intention as well, to create that ambiguity; I am not sure.

Mr McHugh: Part of the design intent is obviously to introduce elements that make the driver react to the environment, slow down, and drive at an appropriate speed. Lighting is important, though. It is obviously important to make sure that the driver can see all the hazards and the things that are in the environment. We can have a look

at the lighting. We did have one of the LED strips malfunctioning for a period. That comment might be in relation to when it was malfunctioning. That was down in that area.

THE CHAIR: Thanks. Do you have a question?

MR COE: Yes, a question about taxis. Is this the right place?

Mr Rattenbury: It is.

MR COE: I was wondering where the government holds the position for that with regard to compensation, whether there is any movement in that space regarding perpetual plates.

Mr Rattenbury: Not at this time. As we discussed in the Assembly the other week, the key focus at this point remains—there is ongoing monitoring—but the key focus remains that review after 24 months operation of the new system.

MR COE: Are you aware of, or have you or your officials been in conversation with New South Wales with regard to, the package that they are putting forward for perpetual plate owners?

Dr Alderson: Throughout the process we have been in touch with the other states, including New South Wales, at various points of their reform process. My understanding is that, although it is the case, I understand, that the New South Wales transport minister has mentioned the possibility of considering compensation, the New South Wales government has made no decision about that. Certainly in our implementation process we would continue to monitor any decisions other states and territories make, but at this point neither New South Wales nor any other state or territory has announced a decision to provide compensation.

MR COE: In terms of where things are at in 24 months time, are there clear indicators about what is going to trigger compensation and the quantum, or is it going to be determined at the time?

Dr Alderson: Mr Coe, we are working with players in the industry, including specifically the Canberra Taxi Industry Association, Aerial and Cabxpress. We are going to have an implementation working group process with a number of items on the agenda. One of them will be working with the industry as to the way in which we monitor the impact on the industry of the reform process. The government has not tied itself to any particular indicia of how it would make that decision in 24 months, but we will be developing, with the industry, the best way to monitor how things are, how the industry is adjusting to the change. Obviously one central component of that is that through our regulatory arrangements we track the price at which perpetual plates are trading in the market. That will obviously be one element that gets looked at.

MR COE: But in the event that they are not trading, which I think there is a fair likelihood of, or at least not trading in a statistically significant number or amount, how do you determine what the loss of value is?

Dr Alderson: Two things. There will also be information about, I suppose, the income flowing to the various players in the on-demand transport industry, including the existing taxi providers. That will be another important piece of information. And part of the reason for the 24 months is that there is probably an amount of “wait and see” happening in the industry as the changes take effect, people take stock of that and then people may adjust further, normalise or what have you.

We are proposing to directly involve the ACT Valuation Office in looking at those empirically and numerically—the impact on the value of the perpetual plates. But there will be other information available, as I say, the flow of income to players in the industry. It is worth saying also that that is not the only consideration, because, of course, existing perpetual plate holders, for while ever they have held their plates, have had the advantage of an income from a highly regulated market. So there is a range of considerations that will go into any future decision of the government.

MR COE: However, the flip side of that is that it is a perpetual plate and somebody else could have had those same benefits on a short-term licence. Being perpetual, by definition, means that there is not lost value along the way—it goes into perpetuity—whereas a licence or a lease does have an expiry date, does diminish in value as you approach that expiration.

Dr Alderson: The historical title is perpetual plates, but there have been a number of reports, as well as a general public awareness, that at some point there was likely to be significant change to the industry. Over a number of years, different reports have assessed or made recommendations about opening up the market further. I guess one of the other considerations is that participants in the industry have known that and have been able to take that potential for change into account in their investment decisions.

MR COE: But if it is the same cost and there is no opportunity to actually sell it, there is limited scope to take that into account.

Dr Alderson: I suppose what I am saying is that, in the choices, anybody who has purchased a perpetual plate within the past 10 years, say, has been aware of the prospect of change to the industry and anybody who purchased a perpetual plate prior to that has had the benefit of more than 10 years operating in a highly regulated and protected industry. Yes, you are right, and people have come in at different points, but there is a range of considerations. And, as the Chief Minister and the minister have said, obviously there is a lot in the government’s package designed to enhance the possibility of and prospect for a strong future for the traditional taxi industry in the future.

MR COE: But you would accept that that does diminish the annual licence; does diminish the returned investment on a perpetual plate as well, if it is in effect pegged, which it notionally is?

Mr Rattenbury: I think the issue we were facing with the choice the government made was that with the arrival of ride sharing services there was change coming in the industry anyway. We feel that by taking a pre-emptive step, or a fairly quick step compared to most jurisdictions, we have built a level of support in for the traditional

taxi industry in ways that are not happening in other jurisdictions where essentially you have pirate operators. Here at least we have put in place a range of protections for consumers which bring a level of regulatory requirement onto new entrants and cutting costs for the taxi industry, in seeking to find the balance to allow the level of innovation we want with new entrants versus recognition of the fact that there is an existing industry that has invested.

THE CHAIR: Just as a follow-up question, with the perpetual plate, does the word “perpetual” indicate perpetual value or just perpetual ownership?

Dr Alderson: Historically, it is perpetual ownership of that licence to operate in the market.

THE CHAIR: But its value would have changed over time anyway?

Dr Alderson: Its value has changed over time. In fact, there has been change to the industry over time. Many of the early plates were actually given away by the government. Then, over time, they were traded at different values. Then, until the mid-90s, the market was based around this concept of perpetual plates, but new entrants were allowed in through the issue of additional perpetual plates. Since the mid-1990s, the annual licensing regime and licensing of additional taxis to operate have come into the market. There have been changes to the market and increased competition over decades.

MR WALL: I want to go to on-road cycle paths. Does that fall within your responsibilities?

Mr Rattenbury: That is actually Roads ACT.

MR WALL: That is Roads ACT?

Mr Rattenbury: Ben McHugh can probably help us.

MR WALL: I was wondering if the department or you have had much feedback. Constituents have raised with me the changes that have occurred at Tharwa Drive as you head towards the Lanyon Marketplace, the Woodcock Drive and Box Hill intersection, where, southbound, an on-road cycle lane has been given the green marking at the roundabout. It has caused a bit of concern with a lot of constituents insofar as when you pull up at the roundabout you are naturally looking towards the right to see what traffic is coming through, to see if it is clear or not to go through the roundabout. A large amount of traffic down there just seems to turn left into Box Hill to head to the shops.

Mr Rattenbury: Yes.

MR WALL: On the left-hand side there is now a green strip cycle lane, so the concern is—

Mr Rattenbury: Through the circle as well?

MR WALL: Through the circle as well. The concern comes that naturally you are looking to the right to see if it is clear, but there is now an additional lane that has been put on the left-hand side of the vehicle. Has there been much feedback on that?

Mr McHugh: We have received one letter of correspondence from the community which we have responded to recently. That bike lane was put in when the opportunity arose, associated with providing driver facilities and allowing the facility for ACTION buses in the vicinity. We had to re-line-mark the area to accommodate the bus stops. When we do that, we obviously look at opportunities to expand our on-road cycling network. That is the reason the lane went down. We have been back and had a look at it since the correspondence has come through and we have made a couple of improvements to it. We have reassured the constituent that the heavy vehicle movements which he was concerned about were able to be made with the line marking treatments, and they are in accordance with the standards.

MR WALL: The concern was more a safety issue for the cyclist. Obviously if the cyclist wants to head straight through, they would have right of way to do that in that space. I guess the concern is that if you are heading southbound, you hit the intersection—

Mr Rattenbury: I understand. The cyclist comes whipping through on the left.

MR WALL: Yes.

Mr Rattenbury: I would have to think about the road rules, Mr Wall, but there is also that shared responsibility about a cyclist needing to be mindful of vehicles that might have their left blinker on and not whip through underneath them at 30 kilometres an hour.

MR WALL: Yes. Even if you came to a standstill, the cyclist and the car would see the opportunity to move through potentially at the same time. The car might be turning left, the cyclist heading straight through. Typically, from my experience in both cycling and also driving around town, in those instances the on-road cycle lane normally veers up onto the footpath and onto the kerb to separate them and give them a bit of protection from the traffic flow through those major intersections.

Mr McHugh: Yes. The primary intent of that cycle lane is for left-turning cyclists. Cyclists moving through the roundabout have to obey the road rules, as do the vehicles moving through. They have a stop line as well. The same road rules apply to them as to the vehicles using the roundabout. They have to give way. Admittedly it is not common treatment, but it is in accordance with the standards.

Mr Rattenbury: We will keep an eye on that one and see how it goes.

MR WALL: The feedback I have had, particularly from doorknocking and shopping centre stalls in that area, is not commensurate with the one piece of correspondence that you have received; certainly it is on the minds of a lot of people and I guess there is a bit of uncertainty as to how the intersection should now function, given the changed line markers.

Mr McHugh: We will keep an eye on it.

MR WALL: Thanks.

THE CHAIR: Minister, the annual report mentions that stage 4 of the Civic cycle loop was completed in May of this year. Is that the last stage of the Civic cycle loop?

Mr McHugh: It is the last stage of the planned works. The Civic cycle loop was a proposal that was put to government some years ago via Pedal Power. Pedal Power have approached us to look at what they would consider the final stage, which would be connecting the horseshoe, in effect, of what we have delivered. That is linked in with a whole range of other planning things that are happening around city to the lake and other things and how we might actually connect that. It is the completion of the last bit of planned works at this stage, which includes Allara Street, the last section, which is being delivered as part of the Constitution Avenue upgrade.

THE CHAIR: When are they scheduled to be finished?

Mr McHugh: Mid-2016.

THE CHAIR: The Civic cycle loop is working well, do you think?

Mr McHugh: We continue to collect data on the loop. We have some permanent detectors that we count the cyclists on, particularly on Marcus Clarke Street. We continue to see increased usage of the loop, particularly in that location. Anecdotally, Allara Street seems to be working well.

THE CHAIR: Do you also count pedestrians who come across it?

Mr McHugh: That is not an issue that has been raised with us.

Mr Rattenbury: I know that when it first launched some people were concerned. It is a bit of an adjustment thing as well with new types of infrastructure. I have not had significant feedback on people stepping on it. It is part of the reason why Bunda Street was done the way it was. There was a very deliberate decision there not to have the lane because it is such a heavy pedestrian area. Having cyclists with a really dedicated right of way would have seen them, we believe, travelling at too high speeds. That is why Bunda Street became a shared zone rather than a separated cycle lane through that area.

THE CHAIR: Thank you.

MR COE: On this broader issue, can you give the committee an update on the various techniques trialled for the segregation of on-road paths and general traffic, and also what the proposed works are in and around the Kingston foreshore for cyclists?

Mr Rattenbury: For the separation trial, I tabled the report in the Assembly, of course. If I summarise it generally, it found that the separators did perform a level of separation. They held up reasonably well in terms of the technical side of how quickly the traffic broke them down and those sorts of things. For me, the defining factor that

came through was concern from the cycling community that they felt they were being hemmed into the cycle lane and that the separators were in fact disadvantageous to cyclists.

I have heard mixed reports. I partly think that might have been a strategic assertion on the part of Pedal Power because they actually want full separation and they see this sort of technique as perhaps a halfway that they are not satisfied with. On the basis of the cyclists' feedback, we are not going to do any more of it. We consider that was a trial that worked to an extent. Technically, it delivered, but the cycling community feedback meant it was not worthwhile rolling it out any further, at least for those types of treatments.

MR COE: Are you going to leave them in place?

Mr Rattenbury: We certainly are not going to remove them, but we will not roll more of them out.

In terms of Kingston, there are two stages to that. One is that on Eastlake Parade in the short term, before Christmas this year, we will mark a pavement cycle lane, which will last for around the next three or four years. The long-term solution for Kingston Foreshore is that there will be a dedicated cycle facility through the new arts precinct area, so the area between the foreshore and the Glassworks. As that precinct is developed, a permanent, dedicated cycle facility will be part of that precinct. The short-term protection answer is a painted lane on Eastlake Parade.

MR COE: On both sides?

Mr McHugh: Yes, a single on-road cycle lane on each carriageway.

MR COE: What risk is there of dooring, given there is parallel parking for much of that area?

Mr McHugh: If you know Eastlake Parade quite well, there is indented parking, and then there is what we would call a dish drain or a spoon drain, which provides separation from the bike lane, which is sufficient for people to open a door without dooring the cyclists.

MR COE: In terms of the road width, there are no issues there? Those lanes are not particularly wide.

Mr McHugh: They are surprisingly wide, in fact.

MR COE: Are they?

Mr McHugh: Given you have got perpendicular parking in the median, which generates the demand for a wider lane, the on-road cycle lanes can be accommodated quite comfortably and retained.

MR COE: For the full length?

Mr McHugh: For the full length, yes. It was one of those things that just fell into place, I guess.

MR COE: Given that it does seem like a relatively straightforward solution, why has there been a bit of—I will not say “indecision”—reflection, I guess, on this for so long, rather than just going ahead with that?

Mr Rattenbury: There are two reasons: one good, one not so good. One was that I think people were looking for a more permanent solution, a full separation. There has been a lot of thought put into where that might fit and how that will impact on parking supply. A lot of the focus was on Eastlake Parade in the first instance and trying to get the balance between pedestrians, parking and cycle movement. The second one related to a bit of miscommunication at the end. That has been clarified in the past few weeks, which is why the lines will now get painted on before Christmas. We will get it sorted now.

Mr Byles: If I may, minister. Just in a broader context about access to cycle paths, the committee will remember that this morning at the Roads hearing we spoke about the annual survey of TAMS and services. One of the questions we asked in our annual survey this previous year was about access to cycle paths and walking paths. You will remember that we were quite proud about Roads achieving a first in terms of road maintenance. On access to cycle paths and walking paths, TAMS—on the 52-bench comparative councils—was better than 96 per cent of equivalent councils and rated No 1 on a state-wide basis.

MR COE: New South Wales state-wide, I am guessing, as opposed to ACT?

Mr Byles: Compared to all the other states, in terms of raw scores, yes. You might think I wrote this report, Mr Coe, but—

MR COE: Australia-wide?

Mr Byles: Yes, it is quite an independent report.

THE CHAIR: Thank you. Any more questions on sustainable transport?

MR COE: I have a final one. It might well be ACTION; so it might be a good segue if it is. A very short bus lane on Northbourne Avenue, pretty much where it turns into the Federal Highway, I think, at the intersection of the Barton Highway, was recently turned into a T2. I was wondering what the rationale was for that and what traffic movements you would expect in that space.

Mr Rattenbury: I do not think we have anyone here who can answer that one for you, Mr Coe. I think that probably sits with Tony Gill and Roads. Do you want us to take it on notice?

MR COE: If you could feed it through, otherwise we can submit it at our end. Whatever is easiest.

Mr Rattenbury: We will just take it on notice and provide it back.

MR COE: That sounds good; thank you.

Mr Rattenbury: It will probably be from the Minister Gentleman, but we will sort it.

THE CHAIR: Thank you. I think that wraps up the sustainable transport aspect. We will move on to ACTION. Can you give us an update on the rollout of network 14 and particularly the new routes that were part of that? How are they going?

Mr Rattenbury: Network 14 came in in September 2014. The intent is that roughly each six months we will update the network, the idea being that the advice from ACTION is that we now have, essentially, the network in place, so the physical layout of the routes does not need a lot of adjustment. It is about improving on-time running, increasing frequency, and making minor adjustments based on passenger feedback, driver feedback, GPS tracking data, those sorts of things. The intent is to move to a series of roughly six-month updates. We saw the first one in May 2015. We were rather infamously scheduled to have the second one in October just gone. As you know, we had to defer that one.

THE CHAIR: The weekday parts of that, not the weekend?

Mr Rattenbury: Yes, we deferred the weekday parts. The weekend part was able to go ahead. As I think people know, the reason for that deferral was that, with having to build a 10-minute rule into the timetable for the first time, our timetabling software did not cope with that. We have to learn to do that now. We have got ACTION staff working with the software designers. We are the only bus organisation in Australia that has that 10-minute rule. The software simply was not set to do it. The team thought they had incorporated it, but it got spat out at the end.

The key pressure from that 10-minute rule is during peak hour. We have a fleet of just over 400 buses. During peak hour, we essentially use every bus we have. Taking buses off the road during peak hour essentially meant the network did not cope with what had been plugged into the software.

THE CHAIR: Are you able to tell us when the October changes are likely to be implemented?

Mr Rattenbury: We expect to have those in the first half of next year. I am loath to give a specific time frame at this stage. We have staff with Hastus, the software company, at the moment. When they return from that training period with Hastus and the ironing out of the software, we believe we will have a much clearer sense of how sorted the 10-minute rule issue is.

THE CHAIR: The new routes that were part of the changes from, in this reporting period, September-October last year, have they all been as successful as you thought they would be? Have passenger boardings proven that there was a—

Mr Rattenbury: Certainly some of the new routes have been very successful, particularly Coombs and Wright as new areas. Obviously the new areas are steady and there is quite good growth in patronage for those services. I might get the gentlemen

to help me here.

Mr McGlinn: Route 250 is a success from Gungahlin Marketplace over to past the University of Canberra to Belconnen, and vice versa.

THE CHAIR: What are the numbers for that particular route? Do you have any you can share?

Mr McGlinn: I do not have the individual patronage.

THE CHAIR: Would you be able to take that on notice?

Mr McGlinn: Certainly.

THE CHAIR: Are there any other notable things you can tell us about the new routes?

Mr Peters: One of the key features of any good public transport system is reliability, and reliability goes to how our services perform in terms of whether we deliver them. You will note that one of our indicators is 99.5 per cent service delivery or thereabouts. Putting that new network in helped us with that. The previous network was quite tight in terms of how drivers needed to manage their runs to be back in time for the next one.

The other thing was that we used our MyWay data to work out how we were running compared to timetable. You will see in our report that our goal was 75 per cent and we hit about 73 per cent. We are certainly over that now. The weekend changes we did certainly helped us, but the changes we made in the last network really did help us in that space.

The way we measure that is probably the most robust measurement of on-time running across Australia. We measure it against key timing points along the route, not just when they leave the depot. We are quite proud of that result. It has been a good effort. As our capability builds in that timetabling space, and the training we are doing now will certainly help us in that respect, that reliability will continue to get better.

THE CHAIR: Previously the reliability of a bus was measured only on whether it left the depot when it was supposed to leave the depot, not on whether it turned up at the stop at the time it was supposed to turn up?

Mr Peters: Previously it was measured by a customer survey, which is not really rigorous. Our on-time measure is that the bus should be no more than one minute early and no more than four minutes late. Other places probably stretch that, so that it is no more than two minutes early, no more than five or six minutes late. But that five-minute band is the right sort of timing.

THE CHAIR: How often do you get feedback about the network as a whole? I have had discussions with Mr Peters and Mr McGlinn about people who say they would like to go from, for example, Gungahlin to Tuggeranong every day on a bus, but they would like it to be a direct route. Why can't we consider that? I understand it has been

considered on a number of occasions, but how often are you getting feedback like that about—

Mr Peters: Every time we do a new network—and we have been getting better at this over the past few years—we go out and consult with the community. We go to the community councils and to libraries. We have displays on what we are proposing. That is probably the main avenue, when we plan a network change. Of course we or the minister get letters or phone calls about, “What about this service? What about that service?”

With respect to school services in particular, at the start of the year we get a lot of feedback from the schools community around kids moving around from year to year; whether the bus is crowded, a different bus is needed or kids are coming from a different place so that we need to change the route again. We do get it constantly, but the main point is when we do a network change, we actively go out and seek feedback from the community.

Mr Rattenbury: The other thing we undertake, Ms Fitzharris, is in the public transport improvement plan. It is based on a discussion we had in estimates this year—doing proactive customer surveys on public transport usage. One of the questions was, “It’s fine that you measure the people who use it, but what about the people who are not using it?” That is something that we will be incorporating into our future work as well, to try to tap some of the things that you are talking about.

THE CHAIR: The six-monthly update now is factoring in all the sorts of feedback you get—both the data through MyWay and the variety of other pieces of feedback you get?

Mr Rattenbury: Yes, including the drivers, because they often pick up things that are very useful to us.

THE CHAIR: I have a final question on that.

Mr Rattenbury: Just before you ask, Mr Byles wants to add something.

Mr Byles: I want to add a couple of things. You will not be surprised that I am referring to this report again. In terms of feedback from the community, one of the questions in the survey that we conducted was on satisfaction or dissatisfaction with the ACTION bus network. ACTION sometimes receives negative comment for a variety of reasons—not always valid. However, you may be surprised to know that the feedback from the survey indicates that, based on the benchmark against councils, we are actually better than two-thirds of the existing 52 councils in terms of performance—the ACTION bus network. On a state-by-state basis we rate third, behind only Victoria and Western Australia. So we are ahead of New South Wales and Queensland based on this report.

In terms of the customer feedback, Ms Fitzharris, going to your specific question, it also looks at the areas we should be improving. This is customer feedback based on the survey results. There is no doubt that frequency of routes is No 1; service reliability, which we have spoken about; and your question about directness of routes

is item No 3. They are very much a focal point for us to improve the services.

THE CHAIR: You mentioned the drivers. I know the government was considering, as a result of the estimates report, a bus driver of the year. Has that progressed?

Mr Byles: I think they are all potential candidates, Ms Fitzharris.

THE CHAIR: One that could be voted on by customers. Is there any update?

Mr Peters: No update, Ms Fitzharris.

THE CHAIR: I will report back to my regular constituents who made that suggestion in the first place.

MR COE: Minister, when do you expect to introduce the 254, the Crace to the city service?

Mr McGlinn: Mr Coe, that would be at the next opportunity of a timetable adjustment. We believe it will be in the first half of next year, as the minister mentioned previously.

Mr Rattenbury: Yes, that one was in the October update. One of the frustrations of missing that October update was that we had a few good improvements there.

MR COE: I realise that, but there is no thought about bringing it in outside the—

Mr Rattenbury: No. Just because of the way it all weaves together, it is not possible to drop that one in, unfortunately; otherwise we would have, and that one particularly.

MR COE: What is the rationale for bringing in that 254 rather than just making people transfer?

Mr McGlinn: It helps us with bus availability issues or better use of our resource. If a bus terminates in Gungahlin there is a turnaround time in between runs. Therefore instead of having two buses there, we will just have the one. It is actually a redirected route 200. It is 54 in essence, to the Marketplace, and then it just becomes one of the 200s that we have going out.

MR COE: I understand that. Under light rail everything transfers at Gungahlin, so why wouldn't you in effect be trying to establish that transfer culture beforehand, rather than going in the opposite direction of having integrated routes?

Mr Rattenbury: For the reasons that Mr McGlinn just gave. At the moment, frankly, it is more convenient and more efficient for us to do it this way. Once light rail comes in there will be a significant reconfiguration of how the buses operate. They will tend to just shuttle back and forth to the light rail route, and that will be the network then. They will have quite a different task.

MR COE: In which case, why are there any standalone 50 services? Why aren't they all 250s, in effect, to follow that same rationale?

Mr McGlenn: Because there are some services that actually have to come back the other way.

MR COE: Surely the contraflow service goes the other way? If you had a 255 that goes southbound or northbound, either way you are going to capture the same route. I am curious as to why in some parts of the day you will have a 55 that just stops at Gungahlin and people have to get out and then hop onto a 200 when, in effect, you could do exactly as you mentioned?

Mr Peters: It really depends on the patronage levels and how we can efficiently use our fleet. If you ran a suburban service that did not have a lot of people on it and you ran that all the way into—

MR COE: But it would replace one of the 200s, would it not?

Mr Peters: If you had the resource, potentially.

MR COE: Why are there any standalone 200s during the day? To follow that same rationale, why aren't they all in effect going to turn into a 250-something?

Mr Peters: It is really just how you efficiently use the resource that you have, which in this case is the buses. Obviously a 255 route is a longer route than a 200, which means it takes more time, and you have less bus capacity available to service the trunk, potentially.

MR COE: I understand that, but why are there any 200s? That is the question. Why aren't they all integrated if you want to minimise a bus that terminates at Gungahlin?

Mr Peters: Gungahlin to Civic is a defined route. It has good, strong patronage. People like travelling between Gungahlin and Civic. We get good numbers on that route. We may not get the same numbers if we turn that into a longer route.

MR COE: It would not change, though, because between Gungahlin and the city it is still the same service.

Mr Peters: But some of these suburban routes stop at Gungahlin; they do not go all the way at the moment.

MR COE: That is the very question. Why aren't all 200 buses just kicking on into one of the many 50s which they could be?

Mr Peters: They are different frequency services, Mr Coe. The 200 is a lot more frequent service; the suburban services are less frequent.

MR COE: If it is every 15 minutes during the day, there is still a 50 service that goes every 15 minutes at least from Gungahlin during the day. Therefore every 200 could at least pick up one of those services and continue through. In that way you are at least providing—

Mr Peters: I think it is a fair enough point. We can have a look at it. It really is tied up with how the whole network functions, frequency on the individual routes and how much patronage they carry. But it is certainly something we can look at.

THE CHAIR: I have a supplementary. With the people that get on at Gungahlin and travel into the city, are you able to capture the data of where they have come from before they either presumably walk into the town centre, are dropped off or use park and ride?

Mr Peters: No, not unless we do a formal customer survey at that point. We can tell where they get on the bus; we can tell how many are getting off the bus at a particular point. But we do not really know where they have come from unless we physically do a customer survey.

MR COE: But you can on a feeder bus, though.

THE CHAIR: You can if you are on a feeder bus, yes.

Mr Peters: Yes.

THE CHAIR: Do you need the MyWay card for any of the park and rides?

Mr Peters: Some of them, yes. With some of them the MyWay card is the way that we enforce it.

THE CHAIR: Obviously not at Gungahlin or EPIC?

Mr Peters: No.

THE CHAIR: Thanks. Mr Wall.

MR WALL: Minister, has there been much demand for a later bus service down to Lanyon Marketplace? My understanding is that the last buses are around the 9.40 mark in the evening, which has caused a lot of concern for people who work shifts or unusual hours, particularly with the introduction of pay parking in the city.

Mr McGlinn: Part of the September improvements or October improvements that we were going to put in did actually have some later services going to the marketplace.

MR WALL: What will be the latest service to Lanyon now?

Mr Peters: I will have to take that on notice. What is proposed and what will actually happen may change with the way we construct the shifts and adjust the timetable. But I can let you know what the intended one was.

MR WALL: That would be good. And I am after a bit of an understanding of what is required patronage-wise for a new route to be added. How do you gauge whether a new route like that is going to be viable? Assuming it fits within the schedule and the broader network, what sort of patronage levels do you need to achieve before it is worth instituting?

Mr McGlinn: I might start that off, Mr Wall. There are two functions of a bus or any public transport system. One is a commuter function; we try to move people around in the peak so we do not have to keep building bigger and bigger roads all the time. It is a more efficient way of moving people. There is that function, and that is pretty straightforward. The general rule is to provide a frequent service in the peak and aim it so that people do not need a timetable but can just turn up and know that there will be a bus there within five minutes or whatever—they do not need a timetable; they just turn up and go. That is the sort of frequency that you like to have on your services in the peak.

The other function of the public transport system is to provide a service for members of the community who may not necessarily have another way to travel. That really comes down to providing a service frequency in the suburbs for shiftworkers or whatever so that they can catch a bus service and travel to a connection point, usually an interchange, and get to wherever they need to get to. In that sense, transport for Canberra has some policy targets around service coverage. It is about a half-hour frequency in suburbs. It does not necessarily matter whether there are people there to be picked up or not; it is just a service that is provided to the community that may need to use a public transport service if they have no other option or they prefer to use it.

Our buses carry anywhere from 40 to 100 people. If we are looking at something that might pick up that sort of number, that seems to be a viable service for us, and we certainly look at putting that on. But the way to estimate demand for services is difficult; you never really know how many people are going to catch something. Some of the transport modelling that is done around land use and how many people are going to live in particular areas, new suburbs, is pretty obvious. We prefer to get a service into a new suburb as quickly as we can, if we can do that, so we build up a travel pattern in the community before everyone buys their second car.

THE CHAIR: Minister, what do you know today about how the bus network will be diverted when light rail starts operating? How many more buses will be available to service the rest of the network?

Mr Rattenbury: The modelling indicates that 1.2 million bus kilometres per annum will be freed up by the provision of light rail. We have taken a decision to reinvest those kilometres back into the network. That will go to increasing the frequency of services in other parts of Canberra. In terms of how buses will operate within the light rail catchment area, to describe it at its most simple, they will provide a shuttle service to the spine. We will expect to see shorter bus runs feeding into the light rail network for people to transition in that way. That is where some of those free bus kilometres come from.

THE CHAIR: So the network as a whole will be recast?

Mr Rattenbury: Yes.

THE CHAIR: I presume that work is already underway, in terms of the thinking?

Mr Rattenbury: It is getting underway, and that is part of forming transport Canberra—to make sure that work is integrated. In terms of recasting the network, I said earlier that we believe we have about got the architecture of the network right. In that sense, you would not see a major recasting per se but, more likely, would see an increase in frequency, which is the thing people tell us they most want.

THE CHAIR: So the same routes but more often?

Mr Rattenbury: Potentially, yes. We will look at areas. There will be expansion. New suburbs are coming on stream—Denman Prospect, Moncrieff et cetera. We will need new services in that sense. But we will also predominantly focus on increasing frequency.

THE CHAIR: Are buses that currently go down Northbourne Avenue from any route likely to continue down Northbourne Avenue?

Mr Peters: One of the principles would be that we would not try to run in competition with the light rail system, so probably not, no.

THE CHAIR: So look at alternatives. How much of your planning (1) with transport Canberra and (2) on the successful tenderer for the light rail—is that also something that you would be waiting for to engage with them directly about?

Mr Rattenbury: Yes, certainly. And given that we are talking about light rail becoming operational into 2019, there is still time. In some senses ACTION needs to just keep doing its job for a couple of years. At the same time, in the background there needs to be a lot of preparation work going on. I think you are right to observe that once the contractor is selected there will be a much greater level of engagement. Certainly ACTION is integrated with capital metro now in that there is participation in the decision-making processes and there is a lot of communication between the teams. At the level of being clear about what needs to be in the contract and what requirements government has, the more practical integration will commence once the contractors are chosen.

THE CHAIR: What about currently? What is the work underway around one fare, one system?

Mr Rattenbury: Again, it is the same principle. We have taken a clear policy decision that there will be one ticket. Whether that is a MyWay card or whether it is perhaps the next generation—by 2019 we may be thinking about the next generation of something—is not clear at this point, but there is a very clear decision that it will be integrated. You will be able to catch a bus, enter light rail and get on with the same ticket. There is no issue there. Again, the specifics of that will depend a bit on the contractor, but the government will take responsibility for the ticketing system.

MR COE: With regard to advertising on ACTION buses, who sets the rate for the advertisements?

Mr Peters: The process is that we go out to market tender. We get a price from the market around people who want to run advertising for us. At the end of the day, we

select a bidder; they set the rate charge for their advertising at the other end of that.

MR COE: In effect, does the manager have discretion as to what is charged?

Mr Peters: In the private company?

MR COE: Yes.

Mr Peters: Yes.

MR COE: In terms of their return to ACTION, is it a proportion of the income received or the amount paid for the advertisements, or is it a fixed amount?

Mr Peters: There is a fixed amount with a profit-sharing arrangement once it gets over a certain figure.

MR COE: Is that fixed amount determined on a per bus basis that has advertising or is it based on the entire network?

Mr Peters: Ian can probably explain the detail of this but, essentially, we go to market and ask the market to provide a go-between company that can arrange the advertising for us. We select a preferred company, on a range of things but one of them is obviously price, and there is a sharing arrangement: once the value of advertising gets above a certain amount, we share.

MR COE: Sure, but how do you know when you go above or below a certain amount if it is purely private transactions?

Mr McGlenn: Mr Coe, we provide them with a monthly report detailing every vehicle, every car and advertisement, its dollar value and its contract end date for that part of the advertising.

MR COE: But in effect the person who is managing the advertising sets the rates and then tells you what they have rented it out for. What scrutiny is there of that process? If there is a product sharing arrangement, there are not necessarily the same checks and balance that there would be if the payment was actually going to somebody else, an intermediary, or to ACTION itself and then being managed by the private operator. How do you actually scrutinise the arrangement?

Mr Peters: Obviously we test it in the market every now and again, but I will take the detail of that on notice.

MR COE: Sure. How much—

Mr Rattenbury: I think I understand where you are going. The incentive is still there for them to make more money in the sense that they are profit sharing and they still get—

MR COE: No, but a disincentive to report it.

Mr Rattenbury: Sorry?

MR COE: But a disincentive to report it.

Mr Rattenbury: Yes; I see your point.

MR COE: If they are an agency that, in effect, self-packages advertising on multiple modes and multiple carriers, what part they apportion to ACTION, as opposed to apportion to their radio advertisements, other bus networks or whatever it might be, would be interesting. How much does the territory bring in through ACTION advertising?

Mr Peters: I think it is around about \$250,000 but—

Mr Rattenbury: We will provide you with specifics on notice. That is the ballpark.

MR COE: Yes, sure.

Mr Rattenbury: Bear with us.

Mr Pedersen: Page 267 in volume 1 of the annual report lists advertising revenue for ACTION at 549,000 per year.

MR COE: Right.

Mr Pedersen: The bulk of that would be the on-board bus advertising.

MR COE: Again, with that, what is the arrangement for actually fitting out the bus with the advertisements, and is there an agreement about how long a bus can be offline for? Is there a panel of people who can do them, et cetera?

Mr McGlinn: The current contractors have their own installation team; they negotiate with their two regional depots about when the bus is not required in service. So we are not disadvantaged at all. It is whilst the bus is offline in its downtime during the day between the peaks; they also do work in the evenings and overnight.

MR COE: What assurances can you give as to where the particular bus will run? For instance, if there is a business in Gungahlin, can you, in effect, say, “We will make sure this is running 50s or 250s”?

Mr McGlinn: No. A bus is part of the integrated network, and they are required to go where we schedule them to go. As they come in, if there is a small fault with the bus, it will be logged, so it may be off the road and other vehicles go. We can at times put a bus at a specific location if the advertiser asks us for a day or for a trip so that the advertiser can actually see it, but if you put an ad on an ACTION bus it is going to go everywhere.

MR WALL: I would like to talk about some of the accountability indicators on pages 109 and 110 and, again, the continuing failure to meet patronage levels. What is being done to address this issue?

Mr Rattenbury: Yes, that is a source of great frustration, Mr Wall, in the sense that a whole range of ACTION's indicators have improved and we have made a whole lot of service improvements. We have the cheapest adult peak fare of any major Australian city by quite a bit, by, say, 30c or so. Our on-time running is up from 67 per cent in 2012-13 to now 79 per cent, and continuing to improve. Our service reliability is extremely high. Our customer satisfaction rating is up from 65 to 76 per cent in the last 12 months. We have put in NXTBUS, we are bringing in new buses, we have upgraded bus stops and we are putting up more bus stops. There is a whole series of improvements there, as well as the network 14 improvements.

We have seen a slight increase in patronage so far this financial year compared to this time last year; nothing that I would be celebrating on the rooftops about, but a slight upward trend. We believe that all of these service improvements we have put in place and people getting used to the new network will drive improvement in patronage.

MR WALL: From previous reports and estimates hearings, the ACTION survey is normally of passengers that use this service. What survey, research or questionnaires have you done of the balance of the population that does not use the network to find out the motivations as to why they are not using it, and what issues they see as being a barrier, either perceived or actual?

Mr Rattenbury: This goes to the observation I was making to Ms Fitzharris earlier. We discussed this in estimates this year, when we were asked that question. One of the things we will introduce next year is a survey for exactly that purpose.

MR WALL: When is that likely to kick off?

Mr Byles: Mr Wall, again I refer to the survey that I have been referring to. We do have some idea of why people do not use the bus. I remember that this happened a couple of years ago. Mr Coe, you may have raised it. Nearly half the people that we surveyed have used the bus in the past 12 months. So of the 1,002 people, half have used the bus; 47 per cent. That is a pretty good usage rate. The reasons they did not use the bus, and there is quite a big gap between the—

MR WALL: Just on that, of the 51 per cent that have used the bus, is it just once in the calendar year or is there a frequency requirement?

Mr Byles: "In the past year have you used the bus?"

MR WALL: So if they get on a bus to get to the cricket at Manuka Oval—

Mr Byles: I will give you the reason why. "Is there a particular reason why you do not use an ACTION bus?" Seventy-one per cent said, "I prefer to use the car." So what do you take from that? Then there is a significant jump. The next highest rating is eight per cent who said, "The service is not convenient for me." And it goes down from there. I can provide this report, if you want. Clearly, many people are tied to their car.

With respect to the main reason for using the bus, to get to your question, there are

four categories: to get around the city, 40 per cent; to get to and from work, 29 per cent; to get to and from special events, 17 per cent; and to get to and from study, 14 per cent. That is the breakdown. Then they give an idea of where we should improve, and I mentioned that earlier when I answered the initial question.

MR WALL: What are the underlying reasons for the decline in patronage so that we have had a fall in the last three reporting periods in the actual patronage numbers? Why, even with these changes, are we unable to curtail that trend?

Mr Rattenbury: I think there are a number of reasons. There is a whole host of reasons and one can speculate on the relative importance of them. For example, ACTION tells me that the number of tertiary students catching buses has declined. They believe the reason is that, with more on-campus accommodation being constructed, those students do not have to travel. So those numbers have declined whereas our adult MyWay journeys have increased in number. So it is up and down.

Certainly, with the introduction of network 14, some of the changes did not suit some people or they do not like the change. We would expect to see some decline in patronage with the introduction of a new network and then a bounce-back from that as people discover the new services or realise that in fact the new timetable is better for them.

Clearly, the convenience of the motor vehicle in the city continues to be a key attractor. As our general wealth increases—and we can all see it anecdotally compared to when we were all younger—most households these days have more cars and more people who are driving themselves around, particularly younger people. So there is a whole series of factors. Do you want to add anything, Paul?

Mr Peters: Our tertiary boardings have started to go up again. The way we measure patronage is that, every time you get on a bus, that is a journey. So if you transfer that counts as two. Some of the changes which we have introduced in the last network, which were around changing some of the services at Woden, for instance, to more direct services, have been successful in that we have attracted more people to the direct service. But with the way we count people it seems like it is less. So it is not as simple as the number of people on the bus. That probably is another factor.

The key thing is frequency, and that is reflected. Our rapids are good services and strongly performing services. Directness is another key feature of services. With some of what are called coverage services that we run, quite frankly, they do not carry a lot of people. Yes, we could reinvest those services into the peak, potentially, or into more productive services, but we would then not be providing that coverage service for the community. So there is a balance around how we design the network. But our patronage is, as the minister said, slightly up this year.

MR WALL: With the change in numbers, we have a lot more data now than we ever had in ACTION with MyWay and the GPS tracking of what stops and interchanges people are hopping on and off at. Are there areas in the network that are improving disproportionately to other areas? I would envisage that there are probably some routes that are getting higher patronage than previously while others are less well patronised. Are there any trends that can be deciphered from that?

Mr McGlinn: We mentioned previously that the Molonglo area, being a new area, has some trends that are all going up. The MyWay data is accurate and tells us a lot of good news. Gungahlin is certainly booming. The Flemington Road corridor, with the infrastructure being built along that, and high density, is certainly providing very good patronage for us. The blue rapids are also improving. That is the spine that goes from the north of Canberra to the south. So it is about providing the frequency. Pay parking in the parliamentary triangle has also been beneficial to us.

MR WALL: Where are the areas that the patronage is falling off?

Mr McGlinn: I would have to take that on notice and let you know.

MR WALL: Okay.

Mr Peters: I think it really is a mix of that no transfer and transfer stuff that is underlying it, plus the college stuff previously. That has now been changing with more adults catching the bus. There is not a great decline in patronage on any one particular service across the network. The rapid services, as I said, do very well and some of these coverage services vary depending on what people are doing.

MR COE: Do you see more people riding, apart from swipes of the MyWay card, when you do not need to transfer as opposed to when you do?

Mr Peters: Yes, people like directness, and not having to move around on the bus, as well as shorter journey times.

MR COE: When you say directness, are you talking about the route, the transfer or both?

Mr Peters: Both. It can be a straight bus route. As Ms Fitzharris says, if they could go straight from Tuggeranong to Gungahlin, that would be perfect. I am sure we could potentially attract quite good patronage on that. Surprisingly there are quite a lot of people that want to do that for some reason. They use our rapids. So those are the ones that do not wind around the suburbs; they just go from A to B. If it is a single-seat journey, that is generally attractive to passengers.

THE CHAIR: With the passenger boardings, can you analyse that a little bit to see if you are getting more people using ACTION for their daily commute as opposed to people using it in the off-peak periods? Could you break it down for us in terms of peak and off-peak for passenger boardings and whether there has been a change in either of those?

Mr McGlinn: Yes.

THE CHAIR: Thanks. Minister Corbell was here yesterday with his capital metro hat on. We were talking about—related to his environment portfolio as well—the need for the ACT's greenhouse gas emission reductions to move into the transport sector in particular, as we strive to meet our targets. Thirty new buses were delivered in the course of the 2014-15 year?

Mr Rattenbury: Yes.

THE CHAIR: Obviously you have noted, and the annual report notes, they are more environmentally friendly and have less emissions. What proportion of the emissions in the transport sector comes from ACTION buses and how is that changing over time?

Mr Rattenbury: No, I do not think we have that to hand, Ms Fitzharris.

THE CHAIR: Could you take it on notice to see if you have that?

Mr Rattenbury: We will take it on notice. I am sure we have some figure but I do not know whether it has been calculated. I think it can be calculated. Whether it has been is the only question.

THE CHAIR: Thank you. In terms of the coming financial year, are there plans to purchase more buses and what type of bus will they be?

Mr Rattenbury: Yes, we are partway through a procurement of buses at the moment. We originally had an order of 77 of the Euro 6 buses coming through. Because it is a fixed price contract and things like changes to the exchange rate, we have now varied that contract and we will get 82 buses for the same price. So we are getting an additional five out of that contract, which is just a bonus.

THE CHAIR: Are the 30 purchased in this financial year part of that 82?

Mr Rattenbury: Yes, they are. So there are 40-odd to go. We are up to 42 delivered now, I think, so there are 40 more to come.

THE CHAIR: What happens to the old buses that are replaced?

Mr Rattenbury: Two things. They are all kept, in a sense. Some are kept for spare parts. For some of our older buses now, spare parts are hard to come by. Essentially the older buses will be cannibalised to provide the parts. Where they can be kept on the road, we will keep them on the road to ensure that there are back-up buses in the fleet or to allow for expansion of the network or increased frequency.

THE CHAIR: There are none that are just shells sitting around somewhere?

Mr Rattenbury: They become shells as they get cannibalised, I suppose; that is perhaps the best way to put it.

THE CHAIR: Then what happens to them?

Mr McGlinn: They are sold for scrap. Because we are cannibalising them, they are not roadworthy.

THE CHAIR: So it is just the metal that is left. Mr Coe.

MR COE: What contracts are procured through ACTION and which ones are procured through Shared Services? I am a little bit confused as to what the breakdown is there.

Mr Peters: The rule that we generally apply is that anything over \$250,000 goes through Shared Services procurement. For anything under that we will go through the normal procurement process around getting three quotes, unless there is some particular urgency associated with why we need to do something.

MR COE: The supply and repair of tyres, is that done through ACTION or Shared Services?

Mr Peters: ACTION provides the technical expertise, but there is someone from Shared Services who helps us with the procurement.

MR COE: Who determines whether contracts are rolled over or options taken as opposed to going to market again?

Mr Peters: It depends on the individual circumstance. The Director-General of TAMS has the delegation to roll the contract over.

MR COE: With regard to the tyre contract, is there any particular back story here that is worth noting? Certainly some people have contacted us about some concerns with that procurement process. I was just wondering whether there was anything in particular which is of note.

Mr McGlinn: We just recently went to the market in an open tender process.

MR COE: And a contract has been awarded?

Mr McGlinn: Yes.

MR COE: Have all unsuccessful bidders been made aware that they were unsuccessful?

Mr McGlinn: I am aware that the contract was awarded. They should have been notified. I will have to follow that up.

MR COE: Yes. I think there may be some concern that some people made submissions and received notification that the bid was received and have not heard a thing since.

Mr McGlinn: I am happy to look at it.

MR COE: Thank you.

MR WALL: Minister, what work has been done to trial electric buses in the territory?

Mr Rattenbury: Paul?

Mr Peters: The electric bus field, I guess, has been going ahead in leaps and bounds in recent times. We sent a representative to a recent conference in Melbourne where they were talking about electric buses, and met a few providers of electric buses. We have a meeting with them in early December just to understand exactly where they are at and what the technology is. It is really about: where are the recharging platforms? How does that all work? Do we need to do anything different in our workshops? How would they be maintained? We will talk to them in early December about what might be possible and then if it does look as though this is a reasonable thing we will talk to the minister about how we might progress something.

MR WALL: How does the cost of an electric bus compare to the cost of a traditional one?

Mr Peters: Usually they are more expensive, but not massively more expensive. The potential cost is really who maintains the bus. If you have a significant number of them and you need to refit your workshops to be able to maintain them, there is potentially some cost in that.

MR WALL: What is the future of the natural gas fleet, the buses that we have got?

Mr Peters: They are up around their half-life refurbishment at this point. We will probably be progressing that over the next few years.

MR WALL: Does there come a tipping point, though, as the price of gas continues to increase where they are, I guess, not as economically viable as they were when originally purchased?

Mr Peters: One of the recommendations in the Cagney review was for us to look at our fleet strategy. One of the things that we are looking at is the whole-of-life cost of the various elements of our fleet. I cannot answer that at this point.

Mr Rattenbury: There are a couple of issues. One is that we have a range of different types of buses. Clearly, one of the things in the Cagney report identified was that the fewer types you have, the more efficient the workshop becomes, obviously. We have also had some difficulties with the natural gas buses in the extreme heat. That is a factor that we will need to consider into the future as the number of extreme heat days increases.

MR COE: And refuelling?

Mr Rattenbury: Yes, and refuelling.

MR COE: Are the gas storage and refill facilities in Tuggeranong operating well?

Mr Peters: Yes, they are. In fact, we have just replaced the fuel tanks as well.

MR COE: The gas tank, yes. Was that just the gas or was it diesel as well?

Mr Peters: We actually replaced the gas a couple of years ago and the diesel was done just this year.

MR COE: It is in the annual report as well, I believe.

Mr Peters: Yes. It is a much safer facility.

MR COE: Right. What about below-ground fuel facilities? What remains in the territory?

Mr McGlinn: With ACTION?

MR COE: With regard to diesel, yes.

Mr McGlinn: We still have some underground tanks at Tuggeranong. We have just commissioned the above-ground tanks. We are out to tender at the moment for the removal. So then ACTION will not have any underground storage facilities.

MR COE: The Belconnen one has been completely removed?

Mr McGlinn: Yes, that has been removed previously. They were actually above-ground before anyway.

MR COE: There was a below-ground one, wasn't there?

Mr Peters: At Woden, I think.

Mr McGlinn: Yes. The Woden ones have been removed off that site as well.

MR COE: Has the EPA given the Woden depot a clean bill of health as a remediated site?

Mr Peters: With regard to the fuel tank, yes.

Mr McGlinn: Yes.

Mr Peters: There is ongoing monitoring, but the tanks issue has been dealt with.

MR WALL: There are still some remaining contaminants?

Mr Peters: Potentially. The boundary of the site just needs to be monitored.

MR WALL: Thank you.

THE CHAIR: Minister, could I ask about the flexible bus service that started operating in this period?

Mr Rattenbury: Yes, of course.

THE CHAIR: It says in the annual report that there have been over 8,000 boardings since it started in September last year.

Mr Rattenbury: Yes. That will have been to 1 July, the time of the annual report.

THE CHAIR: Yes.

Mr Rattenbury: We recently had the first birthday event in September, and at that time we had gone over 10,000 passenger boardings.

THE CHAIR: Great.

Mr Rattenbury: So it continues to grow. It is one of those services where popularity increases largely by word of mouth, because it is a particular demographic; people talk about it and they talk to their friends about it. A lot of the growth there has been by that word of mouth, and also support from places such as various community services which also recommend it. We have had sessions with COTA and various other groups that have reached out to some of the obvious groups to talk to them about it.

THE CHAIR: With 10,000 boardings now, is that nearing the capacity of the current service or has it still got some room to grow?

Mr McGlenn: We are doing a bit of a review of how the service operates and where the potential passengers are coming from, so there are some growth aspects there still available for us.

THE CHAIR: How does it integrate with the community service buses themselves? I know Communities@Work have a bus. Is it the same thing or are they complementary?

Mr Peters: For the benefit of the committee, the background to the community bus service was the special needs transport fleet that ACTION has, which was essentially only being used to transport schoolkids in the morning and pick them up in the afternoon, and the rest of that time was downtime when essentially we were paying drivers and had the fleet sitting around doing nothing. We have progressively used that fleet and that resource to build up the flexible bus service, and that has been very successful.

We have had a number of approaches, and we have approached community service organisations ourselves, around how we might be able to better use their fleet with our model, seeing as how we have the booking system, we understand how it functions, and we have some pretty good contacts around now. But it does tie into what happens with the NDIS arrangements for children next year, and we are working with education on that aspect. Desirably, we would like to see one integrated system which makes best use of the bus resource.

THE CHAIR: And this service is coordinated through the Community Transport Coordination Centre?

Mr Peters: Correct.

Mr Rattenbury: That is where the opportunity for greater integration comes, because

that has brought in a booking service. Potentially there are opportunities to work with the community services on a more integrated booking approach, but we do not want to look as though we are trying to take over their services. We have seen, for example, Woden, I think, give their bus back to ACTION and ACTION has taken over the use of that facility. It is a sort of progressing thing at this stage.

THE CHAIR: In terms of passenger boardings for ACTION, are these figures included in ACTION's figures or is it just the regular routes?

Mr Peters: No. Maybe we should.

MR COE: A major spike.

Mr Rattenbury: Every bit helps.

THE CHAIR: There we go; there is a suggestion to think about. What do you know about where people are going when they catch the flexible bus service? Are they going to shopping centres? Are they going to their home, to the community centre? What are they doing? Do you know?

Mr McGlenn: They are going to community centres, to libraries, to hospitals, for medical appointments. It is a general mix of different things.

THE CHAIR: Right.

Mr Peters: Sometimes outings.

Mr McGlenn: Sometimes outings, yes.

THE CHAIR: For example, men's sheds? I think, for example, that a men's shed in Ngunnawal use the local community service bus. So it could be used for outings like that. It is generally older people, people with a disability, vulnerable people—

Mr McGlenn: Transport disadvantaged people, yes.

THE CHAIR: Is there any one part of the city that is busier than the others or is that part of the review you are doing?

Mr McGlenn: That will be part of the review, so that we can best allocate the resource.

THE CHAIR: When do you think that might be complete?

Mr McGlenn: It will be in conjunction with what we are doing for the school planning, so in early January we will know exactly what we can do.

THE CHAIR: Thank you.

MR COE: As a follow-up to that, a person has contacted me to suggest that there could be some potential abuse of the service, primarily with people not staying within

the zone and in effect requesting that the driver take them to a different location.

Mr Rattenbury: Further afield?

MR COE: And it then in effect throws out the system. Is that something that has been mentioned to you?

Mr McGlinn: I will include that in the part of the review on how we are currently using the resource.

MR COE: It is not by any means substantiated, but it is just something that has been put to me.

Mr Rattenbury: I have not heard that one, but we will have a look at it. We should have those records.

Mr McGlinn: We have all the booking records.

Mr Rattenbury: We can have a look at that.

MR COE: How is it working on a contract basis? Are all the drivers ACTION staff or are some of them—

Mr McGlinn: They are permanent part-time employees for the special needs transport.

MR COE: They are all permanent part-time, are they?

Mr McGlinn: Yes. On occasion we have to call in casuals when there is absenteeism, but primarily they are our staff, and we use the full-time staff because they are the ones that are getting paid during the middle of the day. It is just a better use of resource.

MR COE: Yes, sure.

THE CHAIR: The picture in the annual report on page 28 is of a minivan. Are they all the same?

Mr Rattenbury: They are all wheelchair accessible.

THE CHAIR: They are all wheelchair accessible minivans effectively?

Mr Rattenbury: I think so. Some of them are bigger vans, like a 16-seater bus, the next step up from the minibus. Some of them are that size.

THE CHAIR: Some of what I assume are school buses are quite a bit larger even than that perhaps.

MR COE: In special needs transport?

THE CHAIR: Yes.

Mr McGlinn: Predominantly that is what the fleet is made of. And there is a Mercedes Sprinter, a very similar style of vehicle, and we have one iMax.

THE CHAIR: Is that the same as all the other special needs transport buses?

Mr McGlinn: Yes.

THE CHAIR: They are all like that?

Mr McGlinn: Yes.

THE CHAIR: Thanks. Mr Coe?

MR COE: I want to ask a question with regard to the consultation. Sorry; this is going back a bit. Going back to the changes following light rail and the work that is just beginning now in terms of what that future network is going to look like in four years time, when do you expect to actually start that conversation with the community as opposed to it being internal work?

Mr Peters: As I think the minister said, Mr Coe, we would like to talk to the successful bidder, which will be early next year; get any ideas they have; make sure we have our ideas integrated with those; and have a discussion with the community sometime after that.

Mr Rattenbury: But sooner rather than later.

MR COE: If in peak hour, for instance, there is a tram going every six minutes, as is stated in the EIS, then, if that is in effect a constant, surely there is not too much scope for the consortium that wins to respond to ACTION? Surely it has to be ACTION in effect responding to that timetable, which in effect is going to be a contracted service.

Mr Rattenbury: No, that is probably—

MR COE: And probably state it very soon. I just wonder what the consortium can tell you that is not already going to be known.

Mr Peters: People who operate different types of public transport systems have different views about what attracts patronage: what the best time is; what the best way is; what the best service structure is. They may have ideas about that.

MR COE: Yes, but they are ACTION decisions, aren't they? The tram is going up and down a track every six minutes.

Mr Rattenbury: Ultimately, yes, but in forming transport Canberra and wanting that level of integration, there is no rush at this point to get the bus timetable sorted. In a sense, if you think about the Gantt chart of what has to be done, it is partly that we just have not got to it yet, but there is an opportunity there. The bidders who are participating in the two consortia are very experienced public transport operators so

there is an opportunity to potentially harvest some ideas and some expertise. In a sense, we do not need to do it now; we may as well wait for them to come. I guess the thinking behind it is that there is still time.

MR COE: Is there any further thinking about whether the consortium may take on or may have an option or the government may consider managing bus services?

Mr Peters: I would not comment on that. We are in the tender process, Mr Coe.

Mr Rattenbury: Yes. I am not aware of what has been bid so I—

MR COE: I am not talking about the specific light rail contract; I am talking about the future of bus services in the ACT.

Mr Rattenbury: Sure.

MR COE: If there are going to be efficiencies in the delivery of public transport by a single operator, in addition to a single agency, which perhaps might be more of a regulator than an operator, is that something that is on the drawing board?

Mr Rattenbury: I think at the broad policy level you will have seen that the government has taken a decision not to outsource, so in some ways that does preclude that at this point in time. I think that goes to your question.

MR COE: In effect, because I think—

Mr Rattenbury: Our intent really is to pursue, in coming years, improved internal efficiencies, particularly, when we come to our next enterprise agreement in 2017, to seek greater flexibility from the workforce to enable us to continue to make improvements to ACTION.

MR COE: Sure.

MR WALL: Minister, you mentioned before the MRCagney review. What was the basis of the review and what has it entailed?

Mr Rattenbury: The MRCagney review was commissioned by cabinet to look at improved efficiency for getting the best possible performance out of ACTION and getting the best value for money for government. That review was led through the Chief Minister's directorate, with MRCagney as our consultants. They undertook extensive interviewing with both ACTION management and stakeholders, particularly our drivers and the union. Let me start there and we will go to further questions if you want. That is the broad—

MR WALL: What are the proposed changes to ACTION's fare structure, which were touched on in the report?

Mr Rattenbury: There are not any proposed changes at this point. The MRCagney review recommended that we undertake a consideration of our fare structure. They particularly suggested distance-based fares. Clearly, in a spread-out city like Canberra,

that is something we need to be very careful of, in that we do not want to disadvantage people who live further from the city. So no specific decisions have been taken on that at this point. Our intent is to start consultation work in 2016. We are doing some internal preparation now with a view to going to the community with a range of questions through the course of next year. Just on that, I am very clear that we do not want to have a zone system so that if you live in the city it is a bargain.

MR COE: I think we have been there, done that.

MR WALL: I think we have been down that road.

Mr Rattenbury: At the same time there are some opportunities, and I have asked ACTION to think about this. At the moment if you live in Dickson and just want to catch the bus down Northbourne to get to the city, you pay the same fare as if you lived way out. I think there is a bit of a disincentive there perhaps to use buses for some of those shorter journeys. The same applies if you live in Dunlop and just want to go into Belconnen town centre or Kippax. I have asked ACTION to think about opportunities for encouraging perhaps some of those shorter journeys through a price incentive. I do not know whether that is possible but I have asked them to have a think about what incentives might be put in place.

MR WALL: To what extent will any changes to the fare price of ACTION be done in conjunction with the tram?

Mr Rattenbury: Obviously, we need to be mindful of that. There is probably not a specific answer to that yet in the sense that we are very much at the start of a discussion on what a revised fare structure might look like. I do not have any preconceived ideas on it, other than the one I have just mentioned to you about wanting to think about how we might incentivise some of those shorter journeys.

MR WALL: Is it envisaged that, given that multimodal transport is going to be the option, so that people will essentially catch a bus from where they live to the tram spine—should it go ahead—they will be paying a single fare for that trip? How is it envisaged that that will work?

Mr Rattenbury: Dr Alderson has been doing some work in this space.

Dr Alderson: The decision that has been made in principle is that there will be one ticketing system and one fare structure, so that in a sense if you have a journey involving both bus and light rail you will not have to pull out different tickets or different cards; it will all be one thing. As the minister indicated, as to how the individual components of that come together to add up to the fare you pay for your journey, there is further work to be done on that. One input to that will be working with the preferred tenderer for light rail in designing how the whole ticketing and fare structure will work.

MR WALL: In the government's response to the MRCagney review, one point is that the government is in the final stages of a corporate restructure of bus operations within Territory and Municipal Services. What did that restructure entail?

Mr Rattenbury: That was the one I was referring to earlier, which has predominantly been about separating operations from policy and planning areas. That has been the primary purpose there: to get that separation, increase accountability of the operator's side of the equation in particular, and to get greater consistency between our two depots in particular. There have been some different operating systems. Focusing two teams in that way has been part of that process.

MR WALL: What sorts of staff changes were involved in that?

Mr Rattenbury: That probably goes to another part of the restructure. In moving to that separation some roles needed to be redefined; some were updated and revamped. Overall, staff were given the opportunity to remain within ACTION, perhaps in a different role, and they were assessed for their suitability for that. Staff were also offered the opportunity of redundancy. Overall we had five staff accept or take a redundancy. At the moment there are three positions which are unfilled where there were not suitable staff for those new roles. So those positions are to be filled.

MR WALL: In the annual report on page 269 there is a line showing \$329,000 worth of termination expenses. Do they relate to those five positions?

Mr Rattenbury: Yes.

MR WALL: Were there any additional positions made redundant in the reporting year?

Mr Peters: No. Those five were the ones that were involved with that restructure.

MR WALL: There were only five redundancies?

Mr Peters: Yes.

MR COE: Were all the payouts completed in the last financial year or will some of them roll—

Mr Peters: Some of them rolled into this year.

THE CHAIR: Minister, could I ask about the Nightrider service and whether that is going to be operating over the Christmas-New Year period again?

Mr Rattenbury: Yes, it will be.

THE CHAIR: In the same way as it did last year?

Mr Rattenbury: Yes, it will be. In preparation for last year we undertook quite a significant survey to assess whether we would change the style of operation. We put two options out there and people made it clear they preferred the current mode. The two options included basically the current mode, which is that you get on at the city interchange, you tell the driver where you want to go and they head out into the various districts. We have eight or nine different districts. We did contemplate an option where we increased the frequency of the service but took people only to the

interchanges, where they might get a taxi or get picked up by somebody or whatever. That would have meant the buses would go more often but they would not be perhaps as convenient as taking you all the way home. We got very strong feedback; 77 or 78 per cent of people, if I remember rightly, indicated they preferred the existing model. So we have left it that way and it will operate on the same basis this year.

THE CHAIR: The annual report mentions on page 29 that 3,117 was the patronage for 2014-15. Was that just the Christmas-New Year period?

Mr Rattenbury: Yes. That is the four or five weeks of operation of Nightrider. That is for the whole period.

THE CHAIR: With respect to the Multicultural Festival, will that happen again next year?

Mr Rattenbury: Yes, it will. In preparation for this year we have taken a decision to spend a bit less money on marketing and put more buses into the Multicultural Festival weekend, so that we will run buses on both nights, Friday and Saturday. We will spend a bit less money on marketing, which is a bit of a risk, because an important part of the Nightrider service is letting people know it is there. I have formed the view, in discussions with ACTION, that it would be better to spend a little bit less on marketing and run some more buses.

THE CHAIR: Only 206 passengers used the service during the Multicultural Festival?

Mr Rattenbury: Yes.

THE CHAIR: Is that over eight different regions?

Mr McGlinn: Yes. It did not run the late service. It ran a 12.30 and a 1.30 service, called a 2. The service did not have the late-night service. And it operated only on the Saturday night.

THE CHAIR: There was mention at some point of a trial involving NICTA.

Mr McGlinn: Yes.

THE CHAIR: Is that still going ahead? Has that got underway?

Mr Rattenbury: Yes. The work is still underway to look at that. We have taken the ideas that NICTA gave us. We are now running the costings on that to work out the viability of that sort of service.

THE CHAIR: When might you have a sense of that?

Mr Rattenbury: I expect to have that early in the new year.

MR COE: On that Nightrider service, is it again going to be a flat \$5 fee?

Mr Rattenbury: Yes.

MR COE: What is the rationale for that? Rather than trying to get people who might otherwise not be ACTION bus riders to pay cash, why not build a culture of swiping and having a MyWay card?

Mr Rattenbury: Let me answer the first part of where I thought you were going with that question. We did a trial one year where we made it free; we did not charge people. That had no perceptible impact on patronage, so we thought we may as well take some revenue as people were clearly prepared to pay. That is the first part of that answer—that rationale.

Mr Peter: It is just a \$5 fare. You do not need to reprogram all the cards.

MR COE: We are talking about 200 people at the Multicultural Festival. We are not talking about massive numbers here. We are talking about the margins, really, in terms of a \$125 million operating subsidy. I wonder why you are—

Mr Rattenbury: Do you think we should just charge people a regular MyWay fare?

MR COE: I think it is something to consider, and in that way you are trying to build up a habit of people having a MyWay card and swiping. You are getting data off it as well. You are trying to, in effect, build a culture of this being a bus service, and you can use it more than just two times a year or whatever it is.

Mr Rattenbury: That is a fair question. We will have a look at that. It is just a revenue thing, but you are right in the sense that it is marginal. With 3,000 passengers—

MR COE: You are talking about \$5,000.

Mr Rattenbury: You are talking about \$2.10 or less per passenger. The other side of it is that, frankly by 2 o'clock in the morning whether people have their MyWay card with them is a question. It might be easier for them to just pull five bucks in cash out. I do not know. We will have a think about it. It is an interesting point, though.

MR COE: With regard to the Nightrider service, what consideration has been given to having in effect 900 weekend services as the name of the service and again trying to build up that confidence in the network? Rather than having these eight special zones, you could run some of the weekend services but at a special time.

Mr Rattenbury: There are two things. One goes back to that survey I spoke about earlier where we canvassed whether people wanted a different model. In some ways the 900s on the trunk route was the other model we tested. The other point is that the way the service is now designed is essentially like the old area buses. People just get on and tell the driver where they want to go and the driver maps out the best route. So it gets people essentially right to their door, or to their nearest bus stop. It allows that flexibility to meet who is getting on the bus rather than a predetermined route. Our sense from the survey we did last year is that people really value that specific service.

MR COE: With regard to the Multicultural Festival, last year I think was the first year that the Multicultural Festival went into the bus station. At the time I did wonder about the merits of that. Whilst it is good to have a bigger multicultural festival, does it erode confidence once again in the permanency of buses? In effect, the buses lose their normal operation status by being bumped to elsewhere. I wonder whether that is actually sending the wrong message about ACTION for major events, rather than encouraging people to ride buses.

Mr Rattenbury: On the positive side it enabled us to test contingency planning, and it went quite well. We got quite positive community feedback about the support people got, in terms of staff helping them with the changes and those kinds of things. So that was the positive side of it. I think some people were thrown by it and there was a bit of a sense that it was inconvenient. It certainly has an impact on things like on-time running, because we have to shuffle things around.

MR COE: It is about having confidence in ACTION—a dependable service and reliability, in effect. Is the Multicultural Festival going to go into the bus interchange once again?

Mr Peters: Yes, it is planned to. As the minister says, it is a good opportunity for us to test our contingency planning around what happens if we need to move the bus station. The other thing it does for us is that it actually opens the bus station up to get more people in there to have a look at it and to feel comfortable in the space. We do think there is a benefit to it from that point. It is probably not a long-term thing because the light rail will change the dynamic in that part of the city.

MR WALL: Just a bit of a background question: in the accountability indicators there is a cost per kilometre figure showing for the operation of ACTION. How is that figure calculated? What is it made up of?

Mr Peters: Cost per kilometres—the operational cost of the business divided by the kilometres that we run.

MR WALL: So it includes the dead running of ACTION as well?

Mr Peters: It includes all vehicle kilometres, yes.

MR WALL: So every kilometre for the entire fleet?

Mr Peters: Yes.

MR COE: All 23 million kilometres, or whatever it is. In terms of the operating costs that are used, those are the operating costs as listed in the financial statements?

Mr Peters: Yes.

MR COE: Or are there any overheads that are taken out of that?

Mr Peters: I can provide you with the detail of it, but it is essentially the operating cost: what does it cost us to run the buses?

MR COE: Are we talking about the marginal cost or are we talking about the total operating cost of ACTION as an entity?

Mr Peters: The total operating cost.

Mr Rattenbury: We will provide you with a confirmed version of that.

MR COE: Thank you. I guess I am clarifying both the numerator and the denominator there.

Mr Rattenbury: That is fine.

THE CHAIR: You mentioned earlier on that part of the upgrades to the ACTION service as a whole was upgrading bus shelters. What is the test for whether there is a covered shelter at a particular bus stop?

Mr McGlinn: By using the MyWay data we are able to analyse how often the bus stop is used.

THE CHAIR: I am particularly thinking of bus stops outside the schools that are only used once or twice a day, but at that particular time at most schools there can be quite a wait between schools finishing and the bus arriving. Would that be enough? It is not frequent, but the volume at one time of the day would be pretty significant.

Mr McGlinn: We are currently working with Roads ACT, which actually owns the infrastructure once it is installed. We give them guidance on where they should be. We are working with several schools and developing a policy about what, if anything, needs to be provided to the school, or should the school be providing it.

THE CHAIR: Does that come from the schools themselves or do you randomly—

Mr McGlinn: Over the years we have had multiple requests for different installations at different schools. An example at the moment is Canberra grammar, which has approached us. Amaroo—

THE CHAIR: Amaroo was one I was going to ask you about.

Mr McGlinn: I think that is where your interest would come from.

Mr Rattenbury: Going back to your original question, one of the things is whether people are getting on or getting off the buses. On some routes, for example, there will be a bus shelter on one side of the road because people wait to get on, whereas on the other side of the road mostly they just get off and disperse. That is why you will see a difference even on one side of the road.

THE CHAIR: Amaroo is a large P-10 school, but also a shared campus with Good Shepherd. Having said that, I do not know how many of them use a bus, but there are over 2,000 students on that campus. Is this a question for the roads minister? Bus shelters are more for the roads minister?

Mr Peters: If you have a particular question I am sure Ben could answer it.

THE CHAIR: If Ben has a specific answer now that would be great, but, if not, you can take it on notice.

Mr Rattenbury: The question is: when will Amaroo get a bus shelter?

THE CHAIR: Specifically, yes.

Mr Rattenbury: We will take that on notice and advise you on what we can.

MR WALL: So ACTION is responsible for the installation of the shelter but then the ownership transfers to Roads?

Mr McGlenn: We work collaboratively with Roads. We help identify where we get best value for money in upgrading bus stops and putting in shelters. We liaise with Roads who then arrange the installation and the contracts.

MR WALL: So you say where and they will install the asset and then manage it from there for you?

Mr Rattenbury: And maintain it, yes.

THE CHAIR: Thank you.

MR COE: What is ACTION's liability and responsibility with regard to payroll tax? It is on page 269, volume 1, of the annual report, and page 40 of the financial report. Is that payroll tax expense?

Mr Pedersen: I understand that ACTION is a territory authority and it is liable to pay payroll tax as a territory authority. I can take that on notice to confirm it.

MR COE: Yes. It is not a statutory authority. It would make more sense if it was a statutory authority, I would have thought. I am just curious as to why there would be a payroll tax liability for, in effect, a reporting arm rather than a stand-alone entity?

Mr Rattenbury: It is a question we need to check.

MR COE: What modelling has ACTION done with regard to Comcare and the quite large expense that ACTION has for Comcare? Have you considered other insurance options?

Mr Rattenbury: We have. That is being dealt with at a whole-of-government level, so ACTION will not be doing something on its own in that regard. The government is considering its options with regard to Comcare, as I think you know from other fora.

MR COE: Okay. What specific arrangements does ACTION have to try and minimise the number of people away from work and maybe able to come back either in their former role or in a different role?

Mr Peters: Previously our model was a bit decentralised, I guess, where we were reliant on people in Shared Services to help us get people back to work. Over the past year or so we have reorganised a bit and created a position in business which is pretty dedicated to working with employees and getting them back to work as soon as we can. That role has been in place for a bit over six months or so, but it is showing positive results. I might ask Bren just to talk through some of the stuff that that role does and that will be of interest to the committee.

Mr Burkevics: Thanks for the question, Mr Coe. Certainly this area has been a focus for ACTION over the past several years. As you say, the premium is certainly higher than we would like. As Mr Peters mentioned, we have a person solely focused on the prevention side of the business, so looking at our safety management system and ways that we can prevent injury and make our workforce more resilient, if you like, to injury: better training, safer equipment and, as we discussed previously, better seats on buses.

When an injury does occur, we work closely with TAMS, with the directorate, to ensure that adequate prevention and immediate access arrangements are made to the employee to talk about the injury and find out what occurred and how to get them back to work. We use physiotherapists quite regularly. Certainly early intervention is one of the key aspects.

If we find that a person is required to be off work for a longer period of time, and that does transition into a claim-type arrangement, we will work closely with the claim provider as part of the whole-of-government model as well as the case manager and, if required, a rehab manager, to look at alternative placements across the government. We work closely with other directorates on placing people where their injury and their circumstances might allow us to.

MR COE: Are there any noticeable trends with regard to injuries or conditions that people develop at ACTION? Or is it more of a mixed bag, as it probably is across the rest of the public service?

Mr Burkevics: It certainly is a mixed bag. As you would expect in an industrial environment, particularly a driving environment, soft tissue injuries and the like are probably our most common type of injury. We are working on a number of strategies to try to reduce that risk. In particular, before drivers are recruited to ACTION they undertake a fairly rigorous pre-employment medical, which really focuses on their fitness for the role and their susceptibility to injury. Each month we look at our accident and claim reports closely as part of the whole-of-directorate arrangements and any trends. We have years of data, so we are able to implement a number of strategies, if required.

Recently we have done some active stretching activities with our driving workforce to encourage them, in their breaks, to be more active, to get out of the scene and minimise the risk of injury. Certainly we are encouraging our workforce to report all injuries, irrespective of how minor, to ensure that we are aware of what is happening, what the workforce are telling us, and how we can best react and prevent injury from occurring in the first place.

MR COE: Are most of the workers compensation issues related to physical injuries as opposed to mental health issues?

Mr Burkevics: There is a variety. We have had a number of staff involved in what I would call a more critical related incident—it might be assault—where there has been a psychological injury as a result. They are the ones where it typically takes a little bit longer to get the person back to work, and in some cases it has not been possible to return the person to their nominal role in ACTION. Again, we have fairly aggressive, I would say, intervention strategies early on to ensure that the person is given support immediately after a more critical incident and we do our best to minimise any long-term harm to the employee.

MR COE: In terms of the expenses incurred with regard to the assessment and determination of payouts or other forms of compensation, is that cost embedded in the insurance premium, or does ACTION have to support the legal team of Comcare with regard to the management of those cases?

Mr Peters: Comcare has a pretty complicated formula for how they work out their actual premium, and it does relate to the extent of claims and the number of claims that we have had. The number is an important thing, and severity is another important criterion.

MR COE: Does ACTION incur legal costs when Comcare is determining the level of compensation, or is that all covered by the service provider, by Comcare?

Mr Burkevics: My understanding is that it is certainly covered by the service provider as part of the contract that we have with Comcare.

MR COE: Sure.

Mr Burkevics: At times we may encompass a requirement for additional legal expenses if there is a requirement for the matter to go to the AAT for review.

MR COE: Yes.

Mr Burkevics: In that circumstance, there may be additional fees that we incur, but most of the legal costs, so to speak, are encompassed as part of a standard contract of arrangements.

MR COE: Okay.

MR WALL: There are a number of bus stop upgrades, particularly in Erindale, that are happening. I am just wondering when work at Erindale is likely to be finished. Or is that something that is being undertaken by Roads?

Mr McGlenn: It is undertaken by Roads.

MR WALL: Okay.

Mr McGlenn: The Erindale project is due to be completed by approximately Christmas time.

MR WALL: In the annual report, there was mention of a number of upgrades made at depots, both Belconnen and Tuggeranong. What did those upgrades entail? We have spoken about the fuel tank being removed, but—

Mr Peters: In the capital upgrade program, some of that funding was used to actually upgrade some of the starter offices in the depot and their facilities. Those depots are probably 30 years old now. It was refurbishment mainly around starters—where the starters that start the drivers off in the morning sit, their facilities. And staff facilities where they gather in the morning before they start their runs, and some of the areas upstairs, some of the rooms upstairs. There was a bit of asbestos removal as well. Bren?

Mr Burkevics: Yes, correct. Thanks for the question. We have used the CUP quite a bit over the past several years to address areas of risk in the business, particularly the removal of any old equipment that is susceptible to failure. For example, each workshop has two air compressors that are critical for the daily operations of the workshop. Both pieces of equipment were ageing. They were at their end, past the end of the life cycle. They have both been replaced.

As Mr Peters mentioned, we have been doing upgrades of drivers' facilities. It is a commercial-type environment, a seven-day-a-week, 21-hour-a-day business, so a lot of our facilities have become tired. We are working not only to upgrade those for the benefit of the staff but also to introduce a number of our energy and environmental efficiencies, for example, lower water use, bathroom-type equipment, LED lighting and smart lighting systems, just to name a few.

It depends on the circumstance. We have a capital upgrade officer who develops a program for the year. That looks across the priorities for the business and we work our way through the priority list depending on the funding available.

MR WALL: What are the long-term views of both the Belconnen and the Tuggeranong depots? Tuggeranong, particularly, is in quite a prime semi-commercial retail precinct. There have been discussions around the master plan as to how that area might be used. What is the future vision for those sites that ACTION is taking?

Mr Rattenbury: At this stage there are no plans to vacate either of those depots. If anything, we need to increase our number of depots. Both Tuggeranong and Belconnen are fairly full. Getting Woden depot off the ground next is a priority for us, in terms of both available space and further improving our dead running performance. And ultimately we will probably need a fourth depot on the north side of Canberra, out Gungahlin way somewhere.

MR WALL: Where is it envisaged that the Woden Depot will go? Is it moving back into its old—

Mr Rattenbury: It would not be a new site; it would be the existing site. That is not a definitive decision yet, but that is the thinking at this point. There are not too many

other empty spots that size in Woden these days.

MR WALL: No. What are the arrangements for the tenancies that are in there at the moment?

Mr Peters: They are managed by ACT Property Group, but that site can be made available within the time frame it would need to be made available.

MR WALL: What is the time frame?

Mr Rattenbury: I think what Mr Peters is getting at is that if it got approved in the budget, for example, by the time you did the design works and those sorts of things you could get on with it.

MR WALL: So there are no long-term lease arrangements still in place there?

Mr Peters: No. I can take that on notice, but no, not to my knowledge.

THE CHAIR: I want to ask about the number of women bus drivers.

Mr Peters: Yes.

THE CHAIR: The annual report says—I am assuming a bus operator is a bus driver—there are a total of 672. Just 10 per cent are women. Has that increased over recent years? Have you got any specific recruitment practices in place for women who might want to become bus drivers?

Mr Peters: It is a really good question. We have certainly found that trying to attract women to ACTION delivers, in a way, a higher standard of customer service in certain areas. We have certainly worked over the past several years to reform our recruitment processes. As part of our advertising arrangements, we have a focus on recruiting not only women but Indigenous staff. At the moment—well into this financial year anyway—the figure is around 76 female drivers and a number of our operation staff. We have three women who work both in the depot and operationally. Certainly, a goal to recruit more women into ACTION, particularly into that front-line service role, is a good thing. The challenge that we face as an organisation is the part-time aspect of our employment, which does not suit everybody.

THE CHAIR: So we can expect the number to increase over the coming years?

Mr Burkevics: Certainly, subject to the interest in becoming a bus driver and the future of ACTION—absolutely.

THE CHAIR: Thank you. Mr Coe.

MR COE: With regard to the potential additional north-side depot, there was some talk, I think in the MRCagney report, of Fyshwick and/or Mitchell. I am testing my memory a bit here, but I think—

Mr Peters: I do have the report. They canvassed a range of options, and we did a

master plan in the study for our depots. Mitchell was pretty much the site that seemed to make the most sense—and Woden, because of its great location, central to the city. The way the Woden depot benefits us is that we move services out of Tuggeranong that currently have to travel from Tuggeranong up there to start in the morning. So we actually get a significant improvement in our dead running by having that depot at Woden. The other one was in Mitchell, just to service the growing north side.

MR COE: Is there any potential to use the old Totalcare facility or even collocate it with the tram depot?

Mr Peters: They are two different sorts of infrastructure, really. It is Totalcare at Fyshwick that you are talking about?

MR COE: No, the one in Mitchell. They are cutting the services out there, I think.

Mr Peters: I would think the site we have identified was not that site. It was more of a blue sky site that we can develop and get to work the way we want it to work. And, as Bren has said, there is some energy efficiency type stuff; being able to design a new energy efficient-type facility that works well for us is good. Collocation with trams is probably a bit unusual. They are different. One is electrical; one is not, essentially. That would be unusual. There are various proposals about whether the private sector shops are underneath, on top or with vice versa type arrangements, but there is nothing concrete.

MR WALL: I want to go to bus breakdowns. How many breakdown incidents were there last year?

Mr Rattenbury: The reliability rate was 99.4 per cent, and the definition of reliability is services completed. So 0.6 per cent on around 3,100 services a day speaks to an average of 19 a day. How is that?

MR WALL: So about 19?

Mr Rattenbury: Nineteen out of 3,100 a day, ish.

MR WALL: How does that compare to previous years?

Mr Peters: We are normally quite good at the service reliability measure, which is actually getting them out the door in the morning. The on-time running is the one that we have been focused on trying to improve; with the exception of when we had that hot patch with the—

MR WALL: So with the reliability indicator of 19—assuming that the maths is right, and we will take your word on it, minister—does that include just mechanical breakdowns? Do vehicles involved in an accident or the like come under that statistic?

Mr Peters: It could be a range. It could be that all the drivers have got the flu on a particular week. Normally it is that either we have not got enough fleets or we may not have enough drivers—or there has been an incident or a breakdown out on the network.

MR WALL: How many incidents would a bus be involved in, in motor vehicle accidents, in a year?

Mr Burkevics: As you can imagine, on any operational day of ACTION, there is a wide diversity of incidents that affect the progress of a vehicle through its design route. What we have determined is that our accident collision rate at fault is below that of our colleagues interstate, for example. We have invested quite heavily recently in preventing accidents from occurring. Last financial year, we conducted 17 driver continuity courses. Each of those courses has eight drivers on them. It is a two-day program—one day theory, one day practical driver training at the southern location—as an initiative to reduce the risk of collisions and have our drivers at the highest professional standards that we can. We have completed that. That program is ongoing for the forthcoming year, with the aim of every driver going through a program every two years.

MR WALL: How many accidents at fault were drivers involved in last year?

Mr Burkevics: I would need to get further information on that; I am happy to do so. We retain the information by our accident and claims officer, who has all those records available. Again, that is subject to rigorous analysis of the course and so on after the fact.

MR COE: On that issue, about a couple of weeks ago, I think there was a Friday afternoon when there were not enough drivers to meet the route services. Was there any particular reason for that?

Mr Burkevics: Yes, indeed; there was a particular reason. We do see from time to time a higher than average number of call-ins from drivers who are unavailable for duty. On that particular day, I would call it the perfect storm. We did have a higher number of drivers who called in on that day unavailable for duty, particularly in the afternoon. At the same time, in the week preceding that, we had experienced four simultaneous retirements and resignations from the organisation. And coupled with that, we were running a driver continuity program where the eight drivers were offline for two days. On that particular day, these forces came together to put extreme pressure on our driving resources.

In such circumstances, working with the depots, we normally have every available qualified driver that may be in another role, whether they are acting in a transport officer role or as a trainer, deployed back into service, and we do what we can with our transport officer, who, as you know, will have field vans to minimise any discomfort or inconvenience to our passengers. At the same time, we are using social media strategies quite well at the moment to ensure that if there is a disruption to our services we are out in public telling them early and encouraging them to use the next bus so that they have real-time information about their bus's location.

MR COE: On that, the minister mentioned earlier the 2017 EBA negotiation. If there were a different EBA, a more flexible EBA or whatever, when you negotiate the EBA, what will be the optimum way to deal with a situation such as what happened a couple of weeks ago? What would another operator do? Would they just call in casuals in

effect?

Mr Burkevics: That already occurs, Mr Coe. Any time we have a shortage of drivers, casuals are used. I think some of the parameters that we currently adopt to minimise that sort of situation occurring include that we monitor our unplanned leave records each week and reports each week, so with any driver that perhaps is displaying a tendency to have a bit more time off than we would expect the depot manager will talk to that driver and have a discussion about attendance at work and so on. There are a number of things that we can do, but of course, under the whole-of-government EBA arrangements, in particular the core, if a driver presents with a medical certificate, they are entitled to that.

Mr Peters: I think, Mr Coe, that there is a fine balance in how much it costs anyone to run a bus business, including us. You may be aware that we have driver spares who are available in the depot in the morning, that we pay a spare shift, essentially. If we get more than our average number of drivers who cannot be there in the morning, these spares take up their shifts and run their shifts during the day. We have six in the morning and six in the afternoon. Obviously, to address that problem you can employ as many of them as you want. I do not think the way we do it is any different from the way anyone else does it; it is just a business decision around what a reasonable investment is and how we manage the network.

MR COE: What would the utilisation rate be of those spares?

Mr Burkevics: The spares are not only used to cover any driver shortfall; in the event of a collision or incident where the driver that is in service cannot continue. That spare will then be deployed to continue that service. It all depends. The spares are there to cover any occurrence, whether it is a driver shortage, a collision or a breakdown. Over Christmas, in particular, where the network has a lower demand, we sometimes have our spares deployed in the field. That minimises any time that they have to make the transit from the depot or from their location to the incident to continue that service.

MR COE: Under the hierarchical shift allocation system, can a driver opt to take a stand, or is there a roster for those?

Mr Burkevics: They normally go into a floating type arrangement, so they will become a floater where they are randomly allocated to different types of shifts, which include the floaters.

MR COE: Is there a more senior person that has first dibs and cannot keep taking spares?

Mr Burkevics: My understanding of the situation is that the shifts are chosen first. The spare shifts are a part of the floater arrangement. If you put your name up as a floater, meaning that you could be allocated a variety of shifts each week—sorry, one shift for the entire week—you might be allocated as a spare for that week.

THE CHAIR: Okay.

MR COE: I have one last one, if I may.

THE CHAIR: Just one more.

MR COE: It is a curious thing. On page 292—I have noticed it before and actually asked about it—note 27 shows there is a loan to the commonwealth, which is a lengthy loan, I am guessing, a 35-ish year loan, which is on a fixed rate of 12.57 per cent, which was the competitive rate in 1989, I am sure. Why is this just not paid off as a matter of urgency rather than riding it out to the full term?

Mr Byles: I will get the CFO to speak in a moment, Mr Coe, but it is a good point, particularly that interest rate.

MR COE: It is a bargain, I know.

THE CHAIR: Maybe there is an extra “one” in the front.

MR COE: In 1989, that would be—

Mr Byles: Maybe Mr Pederson can help.

Mr Pederson: The same thing has been raised several times at our audit committee; it obviously brings attention there. And we have raised it with Treasury. The advice is that the commonwealth are not open to renegotiate that loan.

MR COE: I am sure there is a commonwealth Treasury official who got employee of the year on the back of that one.

THE CHAIR: All right. Thank you, minister, Mr Byles and your colleagues. I remind my colleagues on the committee that any subsequent questions are to be followed up with the committee office within three business days. And could we please have answers to any questions taken on notice, of which there were a few, by next Friday, 4 December.

The committee adjourned at 3.23 pm.