



COMMONWEALTH OF AUSTRALIA

# Official Committee Hansard

## SENATE

RURAL AND REGIONAL AFFAIRS AND TRANSPORT  
LEGISLATION COMMITTEE

ESTIMATES

**(Budget Estimates)**

FRIDAY, 27 MAY 2005

CANBERRA

BY AUTHORITY OF THE SENATE



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**SENATE**  
**RURAL AND REGIONAL AFFAIRS AND TRANSPORT LEGISLATION**  
**COMMITTEE**  
**Friday, 27 May 2005**

**Members:** Senator Heffernan (*Chair*), Senator Buckland (*Deputy Chair*), Senators Cherry, Ferris, McGauran and Stephens

**Senators in attendance:** Senator Heffernan (*Chair*), Senator Buckland (*Deputy Chair*), Senators Ferris, Lundy, McGauran and O'Brien

**Committee met at 9.05 am**

**TRANSPORT AND REGIONAL SERVICES PORTFOLIO**

Consideration resumed from 24 May

**In Attendance**

Senator the Hon. Ian Campbell, Minister for the Environment and Heritage

**Department of Transport and Regional Services**

**Departmental Executive**

Mr Mike Taylor, Secretary

Mr Peter Yuile, Deputy Secretary

Mr Mike Mrdak, Deputy Secretary

**Corporate Services**

Mr Jeremy Chandler, Executive Director, Corporate Services

Mr Simon Ash, Chief Financial Officer, Corporate Services

Ms Sharon Field, General Manager, People and Planning

Mr David Banham, Chief Information Officer

**Bureau of Transport & Regional Economics**

Mr Phil Potterton, Executive Director, BTRE and Transport Research

Dr Judith Winternitz, Deputy Director, Regional & Statistics

**Australian Transport Safety Bureau**

Mr Kym Bills, Executive Director

Mr Alan Stray, Deputy Director, Aviation Safety Investigation

Mr Joe Motha, General Manager, Safety Research and Education

**Office of Transport Security**

Mr Andrew Tongue, Executive Director, Office of Transport Security

Mr Darren Crombie, Acting General Manager, Aviation Security

Ms Vicki Dickman, General Manager, Regional and Freight Security

Mr John Kilner, General Manager, Maritime Security

Ms Sue McIntosh, Acting General Manager, Critical Infrastructure and Surface Transport Security

**Aviation and Airports**

Mr Martin Dolan, Executive Director, Aviation and Airports  
Ms Merylyn Chilvers, General Manager, Aviation Operations  
Mr Neil Williams, General Manager, Airport Planning and Regulation  
Mr Nick Bogiatzis, General Manager, Aviation Markets  
Mr Mike Smith, Special Adviser, Airspace

**Airservices Australia**

Mr Hisham El-Ansary, Acting Chief Executive Officer  
Mr Tom Grant, General Manager, Organisation Development and Corporate Secretary  
Mr Andrew Fleming, General Manager, Air Traffic Management

**Civil Aviation Safety Authority**

Mr Bruce Gemmell, Acting Chief Executive Officer  
Mr Rob Collins, Acting Chief Operating Officer  
Mr Arthur White, Acting Executive Manager, Aviation Safety Compliance  
Mr Peter Ilyk, General Counsel, Office of Legal Counsel  
Mr Richard MacFarlane, Acting Executive Manager, Aviation Safety Standards  
Mr Peter Boyd, General Manager, CASA Improvement Programme  
Ms Betty Edwards, Chief Financial Controller  
Ms Nicola Hinder, Acting Executive Manager, Corporate Affairs

**AusLink**

Mr Robert Hogan, Acting Executive Director, AusLink  
Mr John Elliott, General Manager, AusLink Planning  
Ms Joan Armitage, General Manager, AusLink Systems and Regional Investment  
Mr Barry O'Neill, Acting General Manager, AusLink Road Investment  
Mr Jim Wolfe, General Manager, AusLink Rail Investment  
Mr Ed Cory, Director, NSW and ACT

**Maritime and Land Transport**

Mr John Doherty, Executive Director, Maritime and Land Transport  
Mr Michael Sutton, General Manager, Maritime  
Dr Anthony Ockwell, General Manager, Transport Integration and Reform  
Mr Peter Robertson, General Manager, Vehicle Safety Standards

**Australian Maritime Safety Authority**

Mr Clive Davidson, Chief Executive Officer  
Mrs Dianne Rimington, General Manager, Corporate

**Regional Services**

Ms Leslie Riggs, Executive Director, Regional Programmes and Territories  
Dr Leo Dobes, General Manager, Analysis and Performance  
Dr Gary Dolman, General Manager, Regional Communities – Regional Office Network  
Ms Karen Gosling, General Manager, Sustainable Regions & Operations  
Mr Daniel Owen, General Manager, Regional & Indigenous Policy

**Territories and Local Government**

Ms Sema Varova, Executive Director, Territories and Local Government  
Mr Andrew Wilson, General Manager, Territories  
Mr Adrian Beresford-Wylie, General Manager, Local Government and Natural Disasters

**National Capital Authority**

Ms Annabelle Pegrum, Chief Executive Officer

Mr Lindsay Evans, Managing Director, Business

Mr James Larmour-Reid, Managing Director Planning and Urban Design

Ms Alison Walker-Kaye, Director Corporate

Ms Emmy Jowitt, Assistant Chief Finance Officer

Mr Phil Wales, Director, Executive Governance

Mr Ted Schultheis, Principal Planner

Mr George Lasek, Director, National Capital Estate

**CHAIR**—I declare open this public hearing of the Senate Rural, Regional Affairs and Transport Legislation Committee. It is nice to see the gallery packed today. The committee will continue consideration of 2005-06 proposed expenditure for the Transport and Regional Services portfolio. The committee is required to report to the Senate by Monday, 20 June 2005. Answers to questions on notice and additional information should be received by the committee no later than Friday, 1 July 2005. I also remind officers of the Senate's resolutions relating to the expenditure of public funds and claims of commercial-in-confidence. Minister, do you or any of your Local Government and Territories people want to make a profound opening statement or are you quite comfortable to take questions?

[9.06 am]

**Territories and Local Government**

**Senator Colbeck**—I think Mr Yuile may have something that he wants to put on the record.

**Mr Yuile**—I do not have an opening statement. I think it was Senator O'Brien who asked a question about whether the minister or the department would cooperate with the joint standing committee's inquiry. The minister spoke to me this morning. He expressed surprise at the question. He said that he felt he had a record of effective cooperation with the committee. He indicated that he would cooperate with the work of the committee in its inquiry and that the department would participate in the normal way. He said that he thought the work of the committee was always useful. He did not always agree with the recommendations but he looked forward to the outcome of the inquiry.

**Senator O'BRIEN**—I am pleased to hear that.

**Mr Wilson**—If I could just add: I believe that I indicated last night to Senator O'Brien in regard to the tenderers for the Indian Ocean Territories Health Service that I would provide him with the names of companies that have tendered. The three companies are: Aushealth International, Australian Outback Medical Services and International SOS.

**Senator O'BRIEN**—In relation to that matter, particularly the Indian Oceans Territories Health Service, is an announcement of outsourcing imminent?

**Mr Wilson**—As I think I indicated last night, officers who work for me are finalising an assessment of the tenders and an assessment against the current provision of services. They will make a recommendation to me and I will make a recommendation to the minister within the next couple of weeks.

**Senator O'BRIEN**—Is anyone from the Indian Ocean Territories Health Service in Canberra at the moment?

**Mr Wilson**—I do not believe so.

**Senator O'BRIEN**—So you are not aware of anyone being here in connection with the tender process?

**Mr Wilson**—I do not believe so. The general manager of the Indian Oceans Territories Health Service is off island at the moment. I am now aware that he is in Canberra. So, not as far as I am aware.

**Senator O'BRIEN**—Thank your for that. I want to follow up a couple of things from yesterday. Mr Wilson, you said yesterday that the Commonwealth does not subsidise National Jet but it provides a minimum service guarantee. What is the nature of the agreement? What is the minimum service or usage—or whatever that means—that the Commonwealth has guaranteed for the current financial year?

**Mr Wilson**—Two services to both islands per week.

**Senator O'BRIEN**—What is the Commonwealth guarantee to National Jet for them to provide that?

**Mr Wilson**—It is a relationship between the levels of revenue and costs associated with the provision of service. If costs rise above a certain point and revenue falls below a certain point, the Commonwealth will step in to provide a subsidy to ensure that the service can continue to operate.

**Senator O'BRIEN**—How is that subsidy calculated? Is it effectively a guaranteed financial return—a profit?

**Mr Wilson**—No, it is not a guaranteed profit. I would have to take the question on notice to give you a complete answer.

**Senator O'BRIEN**—I would appreciate that. On another matter in relation to the government's policy of incorporating the Indian Ocean territories into Western Australia, you said yesterday, Mr Wilson, that you were not aware of any government-to-government talks at ministerial level. Have there been discussions with the Western Australian government or the government of any other state or territory at officer level?

**Mr Wilson**—I and officers who work for me have held discussions with the Department of Premier and Cabinet in Western Australia with regard to the concept of incorporation and also the concept of the establishment of a single SDA.

**Senator O'BRIEN**—Are those discussions ongoing?

**Mr Wilson**—With regard to the establishment of a single SDA, yes, but with regard to incorporation into Western Australia we have not held discussions with Premier and Cabinet in my recollection for six to seven months.

**Senator O'BRIEN**—Last night we touched on the issue of the asset transfers between the department and the shires of Christmas and Cocos (Keeling) islands. Can you elaborate further on the process—what is going on, what are the expected steps for the future to finalise those discussions and what is in play?

**Mr Wilson**—The intent of the Commonwealth is to transfer to the shires those assets that they require to provide services that a shire would normally provide and that a quasi state government would not normally provide. There are always definitional issues in terms of the grey areas between what a state provides and what a local government would provide. The Commonwealth owns a number of assets on both islands that would not normally be owned by a state government. We are attempting to identify those assets which are surplus to our requirements and which we believe would assist the shires in providing the full range of services that a shire would normally provide. Then we will negotiate with the two shires the implications of the Commonwealth transferring those assets to the shires.

**Senator O'BRIEN**—I am not sure what that means. What sort of implications?

**Mr Wilson**—Financial or otherwise.

**Senator O'BRIEN**—Do you envisage the Commonwealth obtaining consideration for the transfer from the shires?

**Ms Varova**—The negotiations would be focused very much on the cost of either the asset or perhaps the operational cost related to the asset and the consequent service that needs to be delivered. Certainly there would need to be discussions with the shire about what that fair cost would be. In addition to that, it may be that they need certain training to be able to undertake the service that we are discussing. It may mean that there are some additional requirements that come with the responsibility that comes with the asset transfer. They are the basic issues we need to be covering with the shire councils before the transfer could occur, both from their perspective and our perspective. They too would obviously have either questions or issues related to the activity.

**Senator O'BRIEN**—Can a list of the assets under consideration for transfer be supplied to the committee?

**Ms Varova**—We could take that on notice. Those assets are in the queue, let us say—or the services that we are considering. But our intent would be to try to ensure that, as local governments in the Indian Ocean territories, they provide the full range of services that normally local governments would deliver.

**Senator O'BRIEN**—I am tempted to ask you to supply, on notice, a list of the full range of services that local governments normally provide.

**Ms Varova**—As you are aware, they change from state to state.

**Senator O'BRIEN**—Exactly. I am trying to understand your answer in that context.

**Mr Wilson**—As I said, there is a grey area between state service delivery and local government service delivery. One of the issues involved in the negotiations between the two levels of government is just that: defining which services the Commonwealth in our role as service providers should be providing and the local governments in their roles as local governments should be providing and assigning the assets associated with those services. In small remote communities like the two territories there is the potential for a crossover in an asset, so a particular service that is delivered by the Commonwealth may require an asset that is also required by the local government. In the grey area the negotiation becomes a little more difficult and the definition becomes a little more difficult as to whether the

Commonwealth or local government should hold ownership of the asset. To ask for a definitive list of what local government provides and what the asset should be, and what we provide and what the asset should be, you will find, a little difficult to do without going through the negotiation between the two levels of government.

**Ms Varova**—The important thing will be the outcome. Our intent would be that if local government can deliver it on-island—they have the capacity to do so—that is always preferable in the sense that they are there, they are on the spot and, if they have the support and the capacity, that is much better for the community there.

**Senator O'BRIEN**—With the AQIS property, are discussions under way between AQIS and the local government and territories division about that problem?

**Mr Wilson**—Yes. We have held discussions with AQIS with regard to the possible transfer of the asset from AQIS to the Department of Transport and Regional Services. As AQIS indicated to this committee on Wednesday or Thursday—

**Senator O'BRIEN**—You are not sure which day it was.

**Mr Wilson**—No. Those discussions have been ongoing and we believe a resolution is reasonably close at hand.

**Senator O'BRIEN**—Thank you for that. Is the government still committed to the so-called normalisation of service levels in the Indian Ocean territories which I take means putting in services up to mainland standards?

**Ms Varova**—That is correct—comparable mainland standards.

**Senator O'BRIEN**—What is next on the normalisation agenda?

**Ms Varova**—I do not think we can look at it as a next discrete step. This is an ongoing process. When we look at the legislative regime and the levels and range of services that are provided—what we just discussed previously, the local councils taking on responsibilities that they may not have at the moment—it is a continuing process.

**Senator O'BRIEN**—Does the government have a wish list of the responsibilities that it would like local government to take on?

**Ms Varova**—I will just go back to my previous response. The basis would be what a local government would 'normally provide'. Our first reference point would be a comparison to perhaps a remote area in Western Australia, although that is obviously not equivalent. It is a matter for negotiation between the Australian government and the local councils. It depends on funding capacity and the ability to deliver, so it is an ongoing negotiation.

**Senator O'BRIEN**—I am trying to understand what the agenda is. Negotiations are negotiations. Outcomes are often based on what one side wants and what the other will agree to. I am trying to find out what the Commonwealth wants.

**Ms Varova**—I think the agenda is clearly articulated in the policy. If we talk about normalisation, we are talking about the communities in the Indian Ocean territories having rights and responsibilities that are equivalent to those of comparable communities on mainland Australia. There is no direct comparison; they are unique. There are unique

circumstances. But we want to be assured that they have service levels that every Australian has access to.

**Senator O'BRIEN**—We will come back to that at some stage or other. During my recent visit to both islands, or groups, concern was expressed about the escalating cost of living, related not unexpectedly to increased shipping costs. Does the department play any role in monitoring cost of living on the islands?

**Ms Varova**—No, we do not. We are aware of the high cost of shipping and freight. This is something that many remote communities contend with.

**Senator O'BRIEN**—It certainly is. I am told that the last ABS survey on the cost of living in the Indian Ocean territories was in 1995. Do you know if there has been a later one?

**Mr Wilson**—I do not believe so.

**Senator O'BRIEN**—Is there any reason that it has not been surveyed since 1995?

**Mr Wilson**—I am not aware of a reason for it not having been done.

**Senator O'BRIEN**—Can someone explain the mechanism for determining whether Western Australian laws should be applied in whole or in part to the island territories? Who makes the decision and how were the people of the territories consulted?

**Ms Varova**—That would be a matter for the minister to decide. As you are aware, the laws are tabled. They are disallowable instruments, of course. If we are talking about a possible amendment to an applied law, that would be on the basis of any number of reasons.

**Senator O'BRIEN**—Does the department look at the laws and say, 'This clearly applies, or 'This is clearly irrelevant?'

**Ms Varova**—Not in any depth at this stage. Those laws are applied. There are some laws that are purely Western Australian in nature. Under normal circumstances they could very well be repealed, but sometimes they stay on the books. That is just a matter of resource issues. When it comes to significant pieces of legislation that could impact on the communities, either detrimentally or in a way that the communities have some significant concern about, then we would look at that legislation and usually discuss with the shire council in the first instance what sorts of amendments might be appropriate for us to recommend. The body of legislation, as it stands, does not necessarily have a targeted effect on the Indian Ocean territories. There are a large number of laws that I am aware of that would not really relate at all.

**Senator O'BRIEN**—But they have been applied by regulation? Is that how I should understand your answer?

**Mr Wilson**—Yes.

**Senator O'BRIEN**—They have just been picked up by the regulation, whether relevant or not?

**Ms Varova**—Yes, they are just picked up. We table those every six months. As I said, post that tabling sometimes concerns arise and then we would look at the necessity for amendment.

**Mr Wilson**—I should add that, if the law cannot apply, if it is Western Australian specific or specific to a place in Western Australia, then the law does not apply.

**Senator O'BRIEN**—That is the simple explanation. I do not want to misrepresent a conversation that we had on island about an aspect of child protection laws, but there was some gap because the Western Australian laws nominated particular people as having responsibility and there were no such people present on the island to deal with, I think, if my memory serves me correctly, a child welfare issue. The legislation applied but there was a gap because there was no consideration of how it would apply to the island territory in question. I do not want to be precise; I am just trying to report a conversation. What seemed to come across as the general nature of the problem was that the laws might be thought to apply but that there are some serious gaps in some of the laws. The view was that there was no consultation process for people to say, 'What are we going to do about this?'

**Mr Wilson**—There are times where there are gaps identified in pieces of legislation which we discover as a process runs through. One way of filling those gaps is through broadening the SDAs to enable the Western Australian government to undertake services on our behalf. I am not aware of this particular issue, but there are times where there is a gap and we review it and try to work our way through it.

**Senator O'BRIEN**—It sounds to me as though there is no formal mechanism for reviewing the application of a law in the context of the islands, that no-one on the islands is actually tasked with sitting down and considering the detail of legislation to see whether there are gaps or perceived problems at the start. Is that right?

**Mr Wilson**—That is correct.

**Ms Varova**—We are certainly aware of that issue—more than aware. The task that we have set ourselves for this coming financial year is certainly to do a review of the legislation in place to assure ourselves that, as you have pointed out, if there are certain gaps, those gaps can be addressed—be that from the point of view of the legislation, because it may not strictly suit the Indian Ocean territories, or that it may not be consistent with broader Australian government policy or that there may be administrative arrangements that are not quite in place on the island. So we have set ourselves that task this year.

**Senator O'BRIEN**—What happens—and I do not know if this is the case; it is probably the basis of understanding that I am seeking—if the Western Australian law makes provision for regulation and the minister regulates particular circumstances in parts of the state that are relevant and there is a need to do the same in the territories? How would that be dealt with?

**Ms Varova**—Then it would be our responsibility to assess that.

**Senator O'BRIEN**—To regulate from Canberra.

**Ms Varova**—That is right.

**Senator O'BRIEN**—Would that require another piece of legislation? If the legislation enables a Western Australian minister to do something, and the Commonwealth Parliament adopts that for the territories—

**Ms Varova**—That is right. It become Commonwealth law—

**Senator O'BRIEN**—But which minister can then regulate if the legislation says the Western Australian minister?

**Ms Varova**—In the applied regime that becomes Commonwealth law, and the minister for whatever it might be—be it environment or health or education—is the minister for territories. So it is then a piece of Commonwealth law and it can be amended. The regulations can be introduced as any other piece of Commonwealth law.

**Senator O'BRIEN**—So the minister for territories and whatever the title might be from time to time can promulgate a regulation and table it in the Commonwealth parliament.

**Ms Varova**—That is right. So it would be a disallowable instrument again, that amended regulation. So it is not the Western Australian minister that has the power there; it is the minister for territories.

**Senator O'BRIEN**—How much stamp duty is collected in the Indian Ocean territories? What is it for the current financial year?

**Ms Varova**—I think to date it is about \$72,000 for this year.

**Senator O'BRIEN**—Is there a budget figure for the year?

**Ms Varova**—Not a budget figure. We make estimates—

**Mr Wilson**—Our budgeted estimate is \$72,000 for the full financial year.

**Senator O'BRIEN**—Do you know how much has been collected to date?

**Mr Wilson**—I do not have the number to date on me. I can get it, if you would like.

**Senator O'BRIEN**—I am interested to see, if that is your budget, how that is tracking. How much is budgeted for that coming financial year? Is that still in contemplation?

**Ms Varova**—We have not finalised the budget for the next financial year.

**Senator O'BRIEN**—Specifically about Christmas Island, a departmental community bulletin issued on 10 May warns of a severe water shortage in the coming dry season. It says:

The water shortage will continue to be a major problem, and it is likely very stringent water restrictions will be introduced.

Is there anything that could be done to alleviate this water shortage other than reduce use?

**Mr Wilson**—One of the things that the department is investigating is connecting additional water sources into the town system. There are two springs on the current resort lease which flow, basically, into the sea. We have reached agreement with APSC with regard to resuming the site and the infrastructure associated with water collection on that lease and we will be putting together a proposal for the minister's approval to undertake infrastructure works to connect that water into the system. We are currently completing the survey of the site. I hope that, subject to the minister's approval of the project, we will undertake the work in 2005-06. I am advised that it will connect 1.12 megalitres per day into the system.

**Senator O'BRIEN**—What is the current usage?

**Mr Wilson**—As soon as I said that I knew you would ask me that. I do not have the number.

**Senator O'BRIEN**—I am interested in particular because I want to know how an island that is projected to have severe water shortages can accommodate a new 800-bed immigration detention centre.

**Mr Wilson**—This piece of work is designed to enhance the water capacity to meet the needs of the detention facility. Both islands have gone through a number of years of very poor rainfalls.

**Senator O'BRIEN**—In their terms?

**Mr Wilson**—In their terms, yes.

**Mr Yuile**—The minister has offered to go there regularly, because every time he goes it rains.

**Mr Wilson**—Yes.

**Senator O'BRIEN**—I am sure that we could organise for him to stay there a while. He could have a very pleasant quiet time.

**Mr Wilson**—Our assessment is that connecting this will enable us to supply sufficient water to the IRPC and settlement and the other town centres, once it is connected.

**Senator O'BRIEN**—I think I understand the geology of the water supply a bit on Christmas Island: that is, the basalt layers in the limestone. But they are over on the end of the island where—

**Mr Wilson**—Near the resort. They are on the resort lease.

**Senator O'BRIEN**—So they are quite close to the airstrip and the settlement?

**Mr Wilson**—They are reasonably close to the settlement. So to pump them back is not too hard.

**Senator O'BRIEN**—Whose land are they on?

**Mr Wilson**—The springs currently are on APSC's—Soft Star's—lease of the resort. We are going through a process and have agreement from Soft Star to resume that land.

**Senator O'BRIEN**—On 31 August last year Mr Lloyd announced what he called temporary royalties relief for Christmas Island Phosphates. Is that temporary arrangement continuing?

**Ms Varova**—It finishes on 30 June this year.

**Senator O'BRIEN**—In relation to the matter of mining lease extension applications, I understand that Christmas Island Phosphates has lodged its environmental management plan for the mining of the land at the end of the airport.

**Mr Wilson**—That is correct.

**Senator O'BRIEN**—At what point is the application process?

**Ms Varova**—That is processed by the Western Australian Department of Industry and Resources, on our behalf. I understand that the WA Mine Wardens Court is going to hear an objection lodged by the Asia-Pacific Space Centre to the lease.

**Senator O'BRIEN**—Has a hearing been set for that?

**Mr Wilson**—No, Senator, not that I am aware.

**Senator O'BRIEN**—There are other mine lease applications. Can the committee be updated on what is happening with them?

**Mr Wilson**—The mine lodged a preliminary draft environmental impact statement in March 2004, I believe. I believe that the department of the environment have provided comments to the company in regard to that application, and the advice they have provided to us is that they are waiting for PRL to reissue it to them. For more detail about their process I think you would have to ask the Department of the Environment and Heritage.

**Senator O'BRIEN**—During my visit to Christmas Island, I met with the community consultative committee, and the matter of the airconditioning of the airport arrivals area was raised with me. Apparently some procedures have changed, which has resulted in passengers arriving on incoming flights and having to queue for long periods while collecting baggage and undergoing customs and quarantine clearance. Concern was expressed about conditions endured by newborn babies—most babies being born off island—in the arrivals area when they return to the island. Who is responsible for managing this issue, and do you know whether any consideration has been given to improving conditions?

**Mr Wilson**—We have not had issues associated with the arrivals hall and lack of airconditioning raised within the department. The person responsible for managing the issue in regard to the department's responsibilities is me. We would probably recommend that the minister consider undertaking any upgrade of the airconditioning in the arrivals hall as part of an overall upgrade of the airconditioning in the whole of the facility. At this stage, there are no plans being considered to do that.

**Senator O'BRIEN**—Does that mean that the consultative committee have not raised the matter with the department?

**Mr Wilson**—Not as far as I am aware. As I said, I have not had it brought to my attention as an ongoing issue.

**Senator O'BRIEN**—With respect to the airport and fire safety, I understand that there is no fire service based at the airport.

**Mr Wilson**—That is correct.

**Senator O'BRIEN**—As far as this department is concerned, does the airport comply with all domestic and international regulations or standards relating to fire services at international airports?

**Mr Wilson**—I believe you asked a similar question one day this week of my colleagues in the aviation area and in Airservices. I believe that the response they provided then was certainly in accordance with my understanding, which is that the department has lodged a notice of difference with ICAO, which means that the airport is notified as having no category 5 fire tender and that airlines then land at their discretion.

**Senator O'BRIEN**—Some questions were taken on notice. There was some discussion about it in those terms. I was not sure whether there was a better awareness of the specific issue in this division.

**Mr Wilson**—In terms of operations, I have been advised that the notice of difference in regard to no fire tender being available on the airport meets the requirements and that it is then at the discretion of the airline whether to land.

**Senator O'BRIEN**—I take it that there are no plans to upgrade the fire service on that runway?

**Mr Wilson**—Not at this stage.

**Senator O'BRIEN**—On another airport related matter, is funding for the runway upgrade still contingent on progress on the space base project?

**Mr Wilson**—That is correct.

**Senator O'BRIEN**—I visited the space base during my visit. It is certainly a low-tech space base—in fact, it appeared to be an unrehabilitated phosphate mine site. Is there any progress on the space base? The sign says it was intended to operate in 2003.

**Mr Wilson**—I spoke with APSC earlier this week on their progress. They have recently signed a memorandum of understanding with the Korean space agency. I do not have details of the contents of the memorandum of understanding.

**Senator O'BRIEN**—Is that with the South Koreans or the North Koreans?

**Mr Wilson**—The South Koreans. They have also entered into discussions with a number of Korean companies in regard to the establishment of finance.

**Senator O'BRIEN**—Have they an unlimited time to deal with the prospects of establishing a space base on the island?

**Mr Wilson**—I believe the terminology is a deed of agreement, which they have with the Australian government. That is actually managed by the Department of Industry, Tourism and Resources. I believe that deed runs until the end of 2005. For more detail, you would need to talk to the department of industry.

**Senator O'BRIEN**—I certainly will. On his last day as the minister for territories, Senator Ian Campbell announced that the government would not issue a licence for the reopening of the casino on Christmas Island. I have heard no contrary announcement, but I want to check whether that is still government policy.

**Mr Wilson**—It is.

**Senator O'BRIEN**—Has the current minister restated that policy at any time, or is it simply ongoing?

**Mr Wilson**—Yes, he has restated that policy.

**Senator O'BRIEN**—Can you refer me to the statement?

**Mr Wilson**—I believe he has written to the community. I believe there was an open letter to the community—

**Senator O'BRIEN**—To the island?

**Mr Wilson**—Yes, to the island—last year. I will provide you with a copy of the specifics. He also reiterated it to the community in person on his visit to Christmas Island in March this year.

**Senator O'BRIEN**—Can you tell me what community consultation, if any, preceded Senator Campbell's announcement on 16 July last year that 'the Australian Government has decided to make legislative changes to prohibit casino operations on Christmas Island'?

**Mr Wilson**—To the best of my knowledge, there was no consultation prior to that with the community.

**Senator O'BRIEN**—Have these proposed legislative changes been drafted?

**Mr Wilson**—The ordinances are currently being prepared. I anticipate that they will be tabled in the winter sittings.

**Senator O'BRIEN**—Apparently, last year Mr Lloyd met with investors who sought to persuade him to change government policy. Has the department had any further contact with investors?

**Mr Wilson**—I have had no contact with the potential investors since, I believe, September last year.

**Senator O'BRIEN**—Do you know whether the investment arrangements about upgrading the casino are still in place, subject to a change of government policy?

**Mr Wilson**—No. I am unaware of that.

**Senator O'BRIEN**—I am interested to find out about departmental expenditure on an economic and social impact assessment of the casino reopening. Can you tell me when that work was done? How much did it cost?

**Mr Wilson**—I am sorry, I do not understand the reference.

**Senator O'BRIEN**—You do not know of any such economic and social impact assessment?

**Mr Wilson**—No. I am not aware of work done by the department to undertake an economic and social impact assessment of the reopening of the casino.

**Senator O'BRIEN**—Is it government policy to prohibit casino operations around the country or just on Christmas Island?

**Mr Wilson**—That would be a question for the government to answer.

**Senator O'BRIEN**—Parliamentary Secretary, do you know?

**Senator Colbeck**—No, I do not.

**Senator O'BRIEN**—Can you take that on notice?

**Senator Colbeck**—Yes, I will take that on notice.

**Senator O'BRIEN**—Again during my visit to Christmas Island, I was shown a building at the back of the mosque at the kampong which appeared to have a broken asbestos-sheet roof. Access to the building is unrestricted. There is debris on the floor. It has open doorways. It is situated within metres of the Islamic school on the site. I know my office has brought this

matter to the attention of the minister's office. Can you tell me who owns the land on which the building is located and outline the steps taken to investigate and eliminate any risk?

**Ms Varova**—It is Commonwealth land. When we were advised last week that this issue was on the agenda we immediately closed access to that building. There is a building consultant with asbestos expertise going out to the island shortly to do an analysis of all of our assets and the asbestos related issues of those buildings so that we can take immediate action.

**Senator O'BRIEN**—There appears to have been widespread use of asbestos building materials on the island.

**Ms Varova**—Yes, I understand that is so. In some instances it is just sitting there and, as long as it is not tampered with, it would not pose a danger. But, of course, after receiving that information from your office—that there might be leakage—it was a significant concern, and so access has been curtailed to that area. But we will await the consultant's report on all of the issues that might be there so that we can address them as a matter of urgency.

**Senator O'BRIEN**—Moving on to another asbestos related matter, Christmas Island Phosphates has sought the Commonwealth's assistance in managing risk associated with a disused precipitation plant. Could you tell me how that risk could be managed? What financial assistance has the Commonwealth agreed to provide?

**Ms Varova**—At this stage we have a full analysis and proposal from the mine putting the issue on the table. The precipitators themselves are on mine-lease land, so they are the responsibility of the company to deal with. However, we are certainly in discussion with them at the moment. We will be talking to them about whether or not there is any sort of support we would be providing. We are just getting a sense of the issue and the problem at the moment. The mine seems to be doing the right thing in doing the assessment and analysis of the extent of the issue and what needs to be done. We do not have a full understanding of what the costs of rectifying the situation will be, of whether it would be fair for the mine to bear that burden, because legally it is their burden. So we will assess that accordingly.

**Senator O'BRIEN**—Yes, it was a Commonwealth owned and run mine in the early stages.

**Ms Varova**—That is right. All I can undertake is that we would be absolutely fair in that regard—we would not abrogate our responsibilities in any way. We would need to sit down after we have assessed accurate costs and work out something with the mine.

**Senator O'BRIEN**—When did the Commonwealth last conduct an audit of asbestos risk for the residents of Christmas Island and the Cocos (Keeling) Islands?

**Ms Varova**—I would have to take that on notice. If there was one done, it would have been way back in the late 1990s when the rebuilding program was in its heyday. I do have a recollection that there was an analysis of various buildings and the degree of asbestos related problems. However, this may have been very specific to the buildings that were included in the rebuilding program. I cannot recollect whether that was a full-scale audit. I doubt it. We can check and let you know.

**Senator O'BRIEN**—If possible can we be informed of the risk and potential liability that rests with the Commonwealth?

**Mr Wilson**—One of the pieces of work that we are currently undertaking, which Ms Varova alluded to before, is a full audit of the asbestos related issues associated with Commonwealth holdings on both Christmas Island and Cocos (Keeling) Islands. That work will lead to a complete analysis of all the asbestos related issues, including the development of a complete liability exposure for asbestos.

**Senator O'BRIEN**—How is the department kept up to date on the progress of the 800-bed IRPC project?

**Mr Wilson**—I attend an IDC every two months with colleagues from the Department of Finance and Administration, the Department of Immigration and Multicultural and Indigenous Affairs, PM&C, the Department of Employment and Workplace Relations, the Department of Environment and Heritage, and Treasury. In addition to that, I have ongoing discussions with my counterpart in the Department of Finance and Administration with regard to how the project is going.

**Senator O'BRIEN**—What role does this department play in facilitating employment and training outcomes from major infrastructure projects like the IRPC and the recently completed recreation centre?

**Mr Wilson**—With regard to the direct role in the recreation centre, it is through our contracting processes—through the awarding of tenders and the like. In terms of the current IRPC, the administrator is playing a leading role in bringing together Baulderstone, Indian Ocean Group Training and the union in establishing additional traineeships and apprenticeships through the arrangements that we have on the island. So it is an ongoing role.

**Senator O'BRIEN**—Can you give us any information on training outcomes that have arisen from that role?

**Mr Wilson**—I understand that earlier this week the administrator was able to arrange at least one traineeship and one apprenticeship with the project being facilitated through the Indian Ocean Group Training arrangements. In addition, there are currently, I understand, 40 local employees working on the site, 10 of whom have previously—

**Senator O'BRIEN**—This is the IRPC?

**Mr Wilson**—This is the IRPC. Ten of them have gained apprenticeships through Indian Ocean Group Training, to which the Commonwealth provides \$790,000 worth of funding on an annual basis.

**Senator O'BRIEN**—Is that a very recent development?

**Mr Wilson**—The 40 on the site?

**Senator O'BRIEN**—No, the 10.

**Mr Wilson**—I am not certain. I have been advised that there have been 40 local employees on the site for a while, 10 of whom have previously obtained apprenticeships—not 10 of whom are going through apprenticeships. I am sorry; that is my poor use of language.

**Senator O'BRIEN**—I understand that Linkwater Road is still closed. Can you tell me whether it is proposed to reopen it?

**Mr Wilson**—It is still closed. In addition to the work that the department is doing in terms of surveying sites on the resort lease associated with water infrastructure, we are also surveying the Linkwater Road realignment project. We have agreement from Soft Star to acquire the land to undertake the realignment. Once we finalise the realignment, finalise the survey, transfer the land to the Commonwealth and undertake a tender process, the work will be under way.

**Senator O'BRIEN**—When do you expect that it would start?

**Mr Wilson**—It will depend on a couple of things. The first obstacle is final agreement on alignment with APSC Soft Star. There have been ongoing discussions with APSC with regard to their concerns about the alignment. To date, we have been unable to reach a final agreement on a definitive realignment of the road. I would hope, however, to get that some time in the not-too-distant future. The survey works and retitling—because the land will be retitled in the Commonwealth's name—should take a couple of months.

**Senator O'BRIEN**—The minister has recently announced a review of petroleum infrastructure ownership on Christmas Island. I understand there is community concern about the location of two petroleum fuel tanks on Christmas Island, relating to potential environmental hazards. Is the department aware of any such concerns?

**Mr Wilson**—I am aware of the concerns associated with the location of the fuel tanks, and my officers are in discussions with the shire as to the best location for those tanks. My understanding is that we have come to an agreement as to the location. That is what I have been advised recently.

**Senator O'BRIEN**—So that is a recent agreement.

**Mr Wilson**—That is my understanding. I can check as to whether I am mistaken.

**Senator O'BRIEN**—So the tanks will be moved—is that right?

**Mr Wilson**—I believe so.

**Senator O'BRIEN**—Do you know where they will be moved to?

**Mr Wilson**—I would have to take that on notice.

**Senator O'BRIEN**—I would appreciate that; thank you. Is there an existing contractual relationship between the government and Gaseng, who, I am told, supply the only retail fuel outlet on Christmas Island and lease the petroleum infrastructure for this purpose?

**Mr Wilson**—That is correct. There is an agreement between the department and Gaseng.

**Senator O'BRIEN**—Does that go to establishing future ownership of the infrastructure for Gaseng?

**Mr Wilson**—No. The future ownership of the infrastructure under those arrangements is held by the Commonwealth. Control under the existing contract rests with Gaseng.

**Senator O'BRIEN**—I would like to know something about the current status of the former Administrator's residence on Christmas Island. When did the Commonwealth reassume control?

**Mr Wilson**—I believe that the shire returned it to Commonwealth control in December 2004.

**Senator O'BRIEN**—Is it currently open to the public?

**Mr Wilson**—I do not believe so, Senator.

**Senator O'BRIEN**—Are negotiations under way to transfer it to Parks Australia North?

**Mr Wilson**—There are discussions between the two portfolios in regard to long-term ownership of the asset.

**Senator O'BRIEN**—When did they begin?

**Mr Wilson**—If I recall correctly, in February this year.

**Senator O'BRIEN**—What progress has been made?

**Mr Wilson**—To date, the minister has written to the Minister for the Environment and Heritage making a formal offer of transfer, and the Minister for the Environment and Heritage has written back indicating that his department will consider the issues associated with that; and we will work through the negotiations.

**Senator O'BRIEN**—Can you give us details of the investigation into the recent crane collapse, including the cause of the crash and action taken to prevent it happening again?

**Mr Wilson**—I can. Comcare completed an investigation into the collapse of the crane, and it indicated that the maintenance regime of the crane manufacturers had been followed correctly and that there had been no breach by the department of the occupational health and safety act. Comcare indicated that the manufacturer should revise their maintenance procedures for that crane and similar cranes, and the procedures should include information about the dismantling and checking of the bolts and drives in the motor assemblies and the methods for securing the bolts. They also indicated to the department that we should put in place a regime whereby we checked that that maintenance and that regular inspection were being undertaken. They indicated that Indian Ocean Stevedores should provide a refresher course to the crane driver in regard to actions to be taken should such an incident occur again.

**Senator O'BRIEN**—Is that report publicly available?

**Ms Varova**—Not at this stage, Senator, but I could check whether it would need to be a public document. We received the report from Comcare. At this stage, we would need to forward that to them as our insurers, so to speak, so that the relevant processes are gone through. So I would be reluctant to put it on the table at this stage, until the issue is well and truly resolved.

**Senator O'BRIEN**—I can understand the need for caution, but I would appreciate it if you could check that.

**Ms Varova**—We certainly will.

**Senator O'BRIEN**—It is very fortunate that, with the fundamental failure of the crane, no-one was killed or injured.

**Ms Varova**—That is right. That was certainly a big concern. We were very pleased with the outcome of the Comcare report, from our perspective. However, the manufacturer is to be

advised that it should review its maintenance regime. So the issue is not yet over, from that perspective: the manufacturer will need to address that, in our view.

**Senator O'BRIEN**—With regard to the district high school, has the department proposed to fund any upgrading of the airconditioning at the Christmas Island District High School over the coming financial year?

**Mr Wilson**—The department is currently finalising the capital program for 2005-06. The airconditioning system has been identified as one of the items for inclusion in that. We will be providing the whole program to the minister, I believe next week, for his consideration and approval.

**Senator O'BRIEN**—When would you expect the details of his decision to be known?

**Mr Wilson**—I would hope that the details of his decision in regard to the capital program would be known before the end of this financial year.

**Senator O'BRIEN**—When the decision is made, can this committee have a copy of it?

**Mr Wilson**—Of the overall capital program?

**Senator O'BRIEN**—Yes.

**Mr Wilson**—Certainly, Senator.

**Senator O'BRIEN**—Thanks. Who owns the building in which the Christmas Island Club operates?

**Mr Wilson**—The Commonwealth owns the building.

**Senator O'BRIEN**—And who owns the land on which it is located?

**Mr Wilson**—The Commonwealth, I believe.

**Senator O'BRIEN**—What role does the Commonwealth have in determining the management of the club?

**Mr Wilson**—The Commonwealth is currently going through lease negotiations with the current occupier of the site.

**Senator O'BRIEN**—What role do the members of the club play in this process? Have they selected the occupier?

**Mr Wilson**—I believe that there is an on-island dispute between members of the Christmas Island Club Inc. and the current occupier of the site, who has been in place since 2003, I think. So there is a dispute between the two parties, I think. Christmas Island Club Inc. is not party to the current lease negotiations between the Commonwealth and the current occupier of the club.

**Senator O'BRIEN**—Who is the current occupier of the club? How would you identify the entity that occupies the club?

**Mr Wilson**—I would have to check the name of the entity that currently occupies the club; I do not have it with me.

**Senator O'BRIEN**—Is it another iteration of the Christmas Island Club?

**Mr Wilson**—I do not believe so, Senator.

**Senator O'BRIEN**—So the club that is incorporated is not party to the negotiations about the club but it bears the club's name?

**Mr Wilson**—I believe that the Christmas Island Club site has previously been used by the Christmas Island Club Inc. but has not been used for a number of years by the Christmas Island Club Inc. So, yes, the site bears its name but no more, as far as I am aware.

**Senator O'BRIEN**—I suppose it will be unusual if you have 'Christmas Island Club' and someone purporting to be the Christmas Island Club because they have the lease.

Have any Christmas Island businesses been forced to vacate premises by this department because their activities are not consistent with the 'town plan'? I use the words 'town plan' in inverted commas.

**Mr Wilson**—In March this year, we indicated to five businesses that are occupying Commonwealth land without formal documentation that their continued occupation of the land could be in breach of the land administration act. We gave them a 27 May deadline to address the issues and to provide us with their intent in terms of a way forward. One business has advised the department that it will be relocating its business by 27 May. The other four occupiers have been offered licences to occupy their respective sites for the next 12 months, with an option of three months at the end of that, to go through the process of putting in place appropriate, proper leases to occupy.

**Senator O'BRIEN**—Which they will have to negotiate with the Commonwealth?

**Mr Wilson**—Which they will negotiate with officers on the island.

**Senator O'BRIEN**—Which business vacated?

**Mr Wilson**—I believe that it was the local bus business, the local transport business, but I would have to check.

**Senator O'BRIEN**—Thanks for that. I have questions in relation to the Cocos (Keeling) Islands. I think we have established that there are no longer any staff of this department residing and working on Cocos (Keeling) Islands.

**Mr Wilson**—That is correct.

**Senator O'BRIEN**—When did the staff withdraw?

**Mr Wilson**—I believe we closed the Cocos office in December 2003 and the last staff member left in January 2004.

**Senator O'BRIEN**—In February there was a Cocos (Keeling) Islands community bulletin in your name—

**Mr Wilson**—February 2004?

**Senator O'BRIEN**—It was 21 February 2005.

**Mr Wilson**—Was it regarding Home Island water issues?

**Senator O'BRIEN**—Yes. It noted:

... water storage levels have continued to decline and are now at an all time low on Home Island.

It said that decisions had to be made about a long-term solution to Home Island's water needs and that solutions, including a desalination plant, would be examined. That was in February; what has happened?

**Mr Wilson**—Water Corp, the company that provides water management and operational services for the Commonwealth on Cocos, are currently undertaking an assessment of the best options for the provision of additional water. That assessment has centred on the provision of a desalination unit. They are currently assessing what is the most efficient desalination unit, the most efficient location and the most efficient drawing arrangements—whether you draw out of the lens or the sea. Once they have completed their assessment we will be putting a recommendation to the minister for his consideration. We envisage having additional water resources available for the next dry season, later this year.

**Senator O'BRIEN**—Does the department fund the purchase of water-saving devices?

**Mr Wilson**—The Indian Ocean territories services program provides funding through the Waterwise program equivalent to the Western Australian system. I understand that 100 low-water shower-heads have recently been purchased for Home Island which offer something like 66 per cent savings on water usage.

**Senator O'BRIEN**—The bulletin refers to a question mark hanging over the sustainability of the current Home Island population. In light of that observation, has the department commissioned a demographic study in consultation with the shire?

**Mr Wilson**—One of the issues that the Shire raises in the Vision 2010 document is the need to determine a future demography study. We have not had a direct approach from the shire as yet about a partnership arrangement to fund a demography study. However, I note from looking at the document that there is a notification that the Commonwealth could make a contribution towards that. We will be considering that as part of the development of the 2005-06 budget for the minister's consideration.

**Senator O'BRIEN**—What are the changes to the WA Water Corporation contract for Cocos (Keeling) Islands, given that I understand that from July the corporation will drop home maintenance from its duties?

**Mr Wilson**—We will be removing Water Corp from doing the residential, commercial and community property maintenance and management from 1 July. That is the change.

**Senator O'BRIEN**—Who will take over that?

**Mr Wilson**—Jones Lang LaSalle will be taking over the responsibilities for the role.

**Senator O'BRIEN**—I did not see them having an office on island. It is a Perth based operation, I take it?

**Mr Wilson**—I do not see them having a major office on island.

**Senator O'BRIEN**—I suppose the point is that they do not now have a presence on the island, whereas Water Corp does. Is there some rationale for the change?

**Mr Wilson**—The Commonwealth went to open tender. My understanding is that Water Corp had indicated a desire to no longer undertake those tasks. We went to open tender, I think, earlier this year for the services and Jones Lang LaSalle won the tender.

**Senator O'BRIEN**—What conditions does the department impose on its contractors on Cocos with respect to the disposal of waste?

**Mr Wilson**—The contracts that we have in place have the normal clean site provisions within them. So sites are to be cleaned up after construction. But there is no provision in terms of regulating how they dispose of their waste.

**Senator O'BRIEN**—The waste disposal issue is a major issue on the island. Has some thought been given to requiring disposal off island?

**Mr Wilson**—To date, no. However, as it has been raised recently we will look at the issue. I have had discussions with the shire CEO with regard to disposal of waste off the island. It is an issue. This issue has now come forward; we will consider it with regard to future contracting arrangements.

**Senator O'BRIEN**—The community bulletin of 2 May this year, signed off by you, Mr Wilson, says:

In the coming week, Mr Steve Lane of Hovercocos will be presenting his Public Environment Report to the Cocos (Keeling) Islands community as required by his environmental assessment process under the EPBC Act.

Has a public environment report been presented?

**Mr Wilson**—I believe the public environment report was released on 2 May.

**Senator O'BRIEN**—Does the department have a copy and can the committee be supplied with one if they do?

**Mr Wilson**—Yes.

**Senator O'BRIEN**—Thanks. Are there any requirements of the preliminary contract yet to be met by Hovercocos?

**Mr Wilson**—The first condition to be met will be environmental approval.

**Senator O'BRIEN**—And after that?

**Mr Wilson**—After that there will be conditions associated with financial training and provision of identification of the hovercraft.

**Senator O'BRIEN**—So do you have any idea when a decision about the hovercraft service will be made?

**Mr Wilson**—I am hoping that the PER will be completed by 30 May. There is a period of acceptance following that, for comments. Subject to it being approved, we will be in a position to go forward with it some time in July.

**Senator O'BRIEN**—What are the environmental issues?

**Mr Wilson**—The environmental issues that I believe have been raised have been around turtle disturbance, seagrass disturbance, access to the island from water to land, noise and the route across the lagoon. I think those are the major ones.

**Senator O'BRIEN**—Is it expected that a hovercraft would operate in conjunction with the existing ferry service?

**Mr Wilson**—I would not anticipate so.

**Senator O'BRIEN**—There is a great deal of concern about the condition of the jetty on West Island. It seems to be held together a bit. I did not see it in bad weather, so I do not know how it performs in bad weather. What assessment has been made of its structural integrity?

**Mr Wilson**—I would have to take the structural integrity question on notice. I do not recall when the last time we did a structural test was.

**Senator O'BRIEN**—Are there any plans to strengthen or modify it?

**Mr Wilson**—There are plans to replace it. To put all of the pieces of the puzzle together: the hovercraft will operate between the Home Island jetty and the airport terminal, removing the need for the jetty in its current format. In addition, the Commonwealth has plans to construct a low-impact facility for the handling of freight where the existing freight handling is carried out, which would also enable people to gain access to and from smaller boats.

**Senator O'BRIEN**—So, the jetty area; not at Rumah Baru?

**Mr Wilson**—Near the jetty area. It is about 150 metres down from the jetty area. We would construct a short facility that would allow shallow draft barges to pull up with a crane at the end and trucks to be able to drive out onto the jetty and load directly off the barges. Those two combined would remove the need for the existing jetty. The plans are to maintain the jetty in its current format until we can put in place the other two alternatives.

**Senator O'BRIEN**—I am trying to get the geography right. Is the freight facility going to be located at Rumah Baru?

**Mr Wilson**—No.

**Senator O'BRIEN**—It is between Rumah Baru and the existing jetty?

**Mr Wilson**—Yes. I am not certain whether, when you were there, you—

**Senator O'BRIEN**—I went to both.

**Mr Wilson**—You will have gone to both.

**Senator O'BRIEN**—I just could not get it into my head how far apart they were when you said '150 metres'.

**Mr Wilson**—No, Rumah Baru is a fair way down the island. The jetty is right at the top end of the island. I am not certain whether they showed you where the existing freight handling is undertaken.

**Senator O'BRIEN**—There was not a lot to see, I must say.

**Mr Wilson**—No, there is not a lot to see. That is where we would locate the new facilities to handle freight. That is about 150 metres south, I think, from the existing jetty.

**Proceedings suspended from 10.30 am to 10.45 am**

**Senator O'BRIEN**—Who are Western Stevedores Group?

**Mr Wilson**—My understanding is that they are a subsidiary company of Toll Holdings.

**Senator O'BRIEN**—So the department is undertaking a detailed investigation of a proposal from Western Stevedores with regard to the cargo handling facility on West Island?

**Mr Wilson**—That is correct.

**Senator O'BRIEN**—Who owns the cargo handling facility on Home Island?

**Mr Wilson**—The Commonwealth.

**Senator O'BRIEN**—There is some equipment there. Who owns the equipment?

**Mr Wilson**—Predominantly the Commonwealth.

**Senator O'BRIEN**—Is it possible for the committee to receive a copy of a description of the Western Stevedores proposal for freight handling facilities on West Island?

**Mr Wilson**—Yes, I can provide that.

**Senator O'BRIEN**—With a diagrammatic explanation of the facility?

**Mr Wilson**—Yes, I can provide that with a diagrammatic explanation of the facility.

**Senator O'BRIEN**—Is that subject to the hovercraft proposal being given effect?

**Mr Wilson**—We have provided instructions to Western Stevedores to develop the proposal to the point where the Commonwealth can go through the preliminary environmental stage and do a detailed costing of the facility to obtain ministerial approval to proceed further without a final decision on the hovercraft proceeding. So at this stage the short answer to your question is, no, it is not.

**Senator O'BRIEN**—Who operates the stevedoring arrangements at the moment?

**Mr Wilson**—The Cocos Islands Cooperative Society Limited operates the stevedoring facilities.

**Senator O'BRIEN**—Do I presume that their operation will be replaced by the Western Stevedores operation if this proposal goes ahead?

**Mr Wilson**—No, it is not our intention that Western Stevedores would provide the stevedoring operations on Cocos. Western Stevedores are employed by the Commonwealth to manage the port operations on both Christmas Island and Cocos Islands. They licence stevedoring operations on both islands so they do not provide stevedoring operations in their own right.

**Senator O'BRIEN**—Earlier in the week I asked Airservices Australia a question about the future of soon to be decommissioned transmission tower on West Island that carries important local services, including, as I understand it, radio and television. I was told that Airservices would consult the local community before making any decision about its future. Will the department play any role in ensuring that other departments do not take action that would adversely affect the Cocos Keeling Islands communities?

**Mr Wilson**—I think the short answer to that is yes. We as a service provider on the island require the provision of services from Telstra through the internet and the like so we are as much a stakeholder in these types of situations as others. So we will do what we can to ensure that those services are maintained for two reasons: (1) because we need them and (2) because the communities need them.

**Senator O'BRIEN**—Is the department aware of claims that a crew of Telstra contractors recently arrived on West Island with the intention of dismantling a tower that carries the local internet and mobile telephone services?

**Mr Wilson**—I understand Telstra turned up in February this year to dismantle a tower.

**Senator O'BRIEN**—Apparently without consulting anyone.

**Mr Wilson**—I understand that there was inadequate notification provided to the community, yes.

**Senator O'BRIEN**—Do you mean there was some, or you do not know of any?

**Mr Wilson**—I do not know of any.

**Senator O'BRIEN**—A pretty ordinary set of circumstances.

**Mr Wilson**—I would not want to comment on that.

**Senator O'BRIEN**—What procedures have subsequently been put in place to prevent unexpected potential calamities like that from occurring?

**Mr Wilson**—With regard to the towers, we have been having a dialogue with both Telstra and Airservices. I understand from the discussions that you had with Airservices on Tuesday that those negotiations may have progressed considerably further than they had to date.

**Senator O'BRIEN**—What does that mean? We made progress on Tuesday that you had not before?

**Mr Wilson**—My reading of the transcript is that Airservices may be willing to transfer ownership of the tower. We will continue to negotiate with both Airservices and Telstra to ensure the services that both the department needs to provide services and the community needs are maintained.

**Senator O'BRIEN**—What are the burial arrangements on West Island? Has the department received any requests for the use of Crown land as a cemetery?

**Mr Wilson**—We have. There are currently no burial arrangements on West Island. We have received a request from the shire of Cocos to establish arrangement facilities for burials to occur on West Island, and we are currently working through it to enable that to occur.

**Senator O'BRIEN**—Has a site been selected?

**Mr Wilson**—I believe it has. I believe the site includes an existing fenced memorial with several existing gravestones. I cannot precisely tell you the coordinates of it.

**Senator O'BRIEN**—The coordinates would not help me. You could probably point it out on a map. Can you do that on notice?

**Mr Wilson**—I would have to point it out on a map. If you like, we will provide you a map with where it is.

**Senator O'BRIEN**—Thanks for that. The AFP provides policing services in the Indian Ocean territories. How many sworn officers are currently serving on Christmas Island?

**Mr Wilson**—I would have to take that on notice.

**Senator O'BRIEN**—I want to find out if they have a full complement.

**Mr Wilson**—I believe they have the full complement on Christmas Island.

**Senator O'BRIEN**—What about Cocos Island?

**Mr Wilson**—On Cocos they are one short.

**Senator O'BRIEN**—Do you know what the complement is at the moment?

**Mr Wilson**—I believe there is one officer there, one full-sworn officer.

**Senator O'BRIEN**—That is an officer based on West Island?

**Mr Wilson**—That is an officer based on West Island.

**Senator O'BRIEN**—I visited the horticulture farm on West Island. Has the minister also visited that property?

**Mr Wilson**—He has.

**Senator O'BRIEN**—It is the only commercial horticulture farm at Cocos, which obviously means that all other fruit and vegetables are sourced from the mainland or South-East Asia. Is that right?

**Mr Wilson**—My understanding is they are all sourced from the mainland, but there may be some sourced from South-East Asia.

**Senator O'BRIEN**—What funding support has the department provided to this farm?

**Mr Wilson**—I do not believe that to date we have provided the farm with any funding support. Nor do I believe we have been approached by the farm for funding support.

**Senator O'BRIEN**—Would it be the role of this branch to assist the farm operator or the shire to explore sources of funding, including programs run by the regional services area of this department?

**Mr Wilson**—We act in two ways in terms of sourcing of funding. As you may be aware the government runs an equivalent Western Australian state funding program. So grants are available to people in the Indian Ocean territories through application to Western Australian equivalent state grants. We facilitate that. My office in Western Australia is charged with responsibility to assist in that facilitation and is in contact with the shire and local residents in regard to that. In addition to that, we provide a facilitative role in terms of regional type funding arrangements that the department administers in other branches of the department through the Western Australian office, who are co-located with Regional Partnerships—the regional programs people.

**Senator O'BRIEN**—I was wondering why this property would not be able to benefit—or the property through the shire perhaps—from some assistance under the Regional Partnerships program, given that it is the only possible commercial source of fresh food and, as I understand it, hydroponics is the only viable vegetable production system there is, because of soil organism problems.

**Mr Wilson**—Yes, I understand that the major production is through hydroponics, although I understand they are also doing some quite interesting things, utilising coconut palms as hybrid—

**Senator O'BRIEN**—Instead of other mediums, but using the hydroponics system.

**Mr Wilson**—But to date I am unaware that the operator of the farm has approached either the Western Australian or—

**Senator O'BRIEN**—He had not thought of it. That is why I was asking what role the department might have, because it seemed to me there was an opportunity there. Certainly the gentleman who operates the farm indicated that he was not all that comfortable with the idea of preparing detailed applications and would need the assistance of the shire. It just seemed to me that there was an opportunity to develop something there. That is why I was asking whether that had occurred to the department.

**Mr Wilson**—Having had it raised, we will look into it.

**Senator O'BRIEN**—I might say that it seemed to me that, apart from the nutrition factor, that facility provided an employment and training opportunity for a remote community that could help itself in that way.

**Mr Wilson**—There are returns across the broader spectrum in terms of increased availability of fresh fruit and vegetables. That is a positive to the health outcomes that the community is looking for as well. We will look into it.

**Senator O'BRIEN**—Did the Minister visit the clam farm?

**Mr Wilson**—Yes.

**Senator O'BRIEN**—Again there seems to be some great untapped potential. I know the shire is looking at aquaculture industry as a source of income and employment for the Cocos community for the future. I have been told that the absence of a baseline disease study for the Indian Ocean territories is inhibiting the expansion of the clam farm and the aquaculture industry on Cocos more generally. Has the department been asked to fund or is it considering funding a baseline disease study?

**Mr Wilson**—I do not recall being asked to fund a baseline study. We have had discussions now in regard to the ongoing operations of the clam farm for certainly the whole period that I have been in the Territories Branch. We have worked our way through to work out that the base issue facing the clam farm in regard to importation from Cocos into the mainland is the lack of a baseline pest and disease analysis. We will be examining what the most appropriate funding arrangements for the establishment of that baseline will be.

**Senator O'BRIEN**—I would have thought the discussions with Western Australian Fisheries about a service delivery agreement would have been an opportunity to explore that.

**Mr Wilson**—Yes, and officers have had further discussions for me this week with the Western Australian Department of Fisheries about that very issue.

**Senator O'BRIEN**—Does that mean something is likely to happen in that regard?

**Mr Wilson**—There are number of issues for me to work through. Were it to involve Commonwealth funding through the Indian Ocean Territories program, it would be a decision for the minister, so once we have completed our analysis of the situation we will put a recommendation to the minister about any future actions that we may take.

**Senator O'BRIEN**—I know that no visit to West Island is complete without a goat drive-by. Can you tell me when the goats arrived on West Island? They have their own detention

centre, I notice. When and how is the current impasse about their presence and their future going to be resolved?

**Mr Wilson**—I believe the goats were imported onto the island in April 2004. The proponent obtained some of the necessary approvals, but the goats were imported without the approval of the Shire of Cocos (Keeling) Islands or the Department of the Environment and Heritage under the EPBC Act. A referral has been made to the department of the environment under the EPBC Act. I am advised that it requires a range of reporting provisions under the act and that DEH have been working with him since January 2005.

**Senator O'BRIEN**—Do you know what the main issues are?

**Mr Wilson**—I do not know definitively. I think you would probably need to ask the department of the environment.

**Senator O'BRIEN**—Do we know about the proposal to use the quarantine facility for the transit of—I think—Thai elephants en route to Australia?

**Mr Wilson**—I probably cannot add terribly much more than AQIS answered to you earlier this week. The issue of the importation of the elephants is sitting with them.

**Senator O'BRIEN**—What is the current status of Government House, as it is described, on West Island?

**Mr Wilson**—Government House is currently being used by the department to cycle through contract teachers, nurses and medical staff as we pursue an ongoing repairs and maintenance program for the housing stock that the Commonwealth owns for staff on Cocos island. That procedure is ongoing and has been so for the last 15 months. I believe it will continue for at least another six months.

**Senator O'BRIEN**—So is that the timetable for its sale? Will you sell it then?

**Mr Wilson**—No decision has been made as to whether or not Government House would be sold. That would be a decision for the minister.

**Senator O'BRIEN**—So is it kept for the use of visiting officials or the minister?

**Mr Wilson**—No. As I said, at the moment it is being used to relocate staff whose houses are being repaired and brought up to standard.

**Senator O'BRIEN**—Can you tell me what vocational education and training courses are available on Cocos (Keeling) Islands?

**Mr Wilson**—I would have to take that on notice to give you a full list.

**Senator O'BRIEN**—Okay. I am interested to find out what sort of tourism hospitality training is available on island. I understand year 11 and 12 is not currently available on Cocos.

**Mr Wilson**—It is not.

**Senator O'BRIEN**—Has any consideration been given to providing facilities for these critical years of education on island?

**Mr Wilson**—Not as far as I am aware.

**Senator O'BRIEN**—Do you know what the notional year 12 retention rate for Cocos students is?

**Mr Wilson**—I would have to take that on notice.

**Senator O'BRIEN**—Has the department had any role in discussion about a custom Work for the Dole program to assist the shire of Cocos (Keeling) Islands to maintain and improve the cemetery on Home Island?

**Mr Wilson**—I held discussions with the CEO of the shire when I was on island in March with the minister. He indicated what the shire's proposal was and indicated that the shire would be putting the proposal to the Minister for Employment and Workplace Relations. Other than that, the department has not had any input into the proposal.

**Senator O'BRIEN**—Christmas Island District High School now goes to year 12, doesn't it?

**Mr Wilson**—That is correct.

**Senator O'BRIEN**—I know that particular island community in my state has recently had provision made to go to year 12 as well. Do you know whether any thought has been given to considering it for Cocos?

**Mr Wilson**—As I said, it is not an issue that has been raised with me, and it has not been under active consideration at any stage during my time in the role.

**Senator O'BRIEN**—What are the financial arrangements that apply to a student who wishes to undertake education to year 12?

**Mr Wilson**—The Commonwealth provides support for children from Cocos to travel to the mainland to undertake years 11 and 12. I would have to take it on notice to give you a detailed answer that covers all of the provisions that we provide.

**Senator O'BRIEN**—I would appreciate that. Has anyone raised the issue of the time away from island in years 11 and 12 being a barrier to further study for some of the children?

**Mr Wilson**—Not directly with me.

**Senator O'BRIEN**—It was a matter that was raised with me. Last May, Mr Wilson, you told this committee that the Commonwealth would shortly be calling for expressions of interest for a resort on West Island. What has happened since then?

**Mr Wilson**—We ran an expressions of interest process last year which indicated that there was sufficient support for the Commonwealth to take the next step in a process, which would be a request for proposal. Since that time we have undertaken consultations with the community on Christmas Island and commenced work in terms of development of a detailed request for proposal documentation. The last consultation took place, I believe, in April when two officers were on Cocos and had comprehensive discussions with the shire and the local community groups with regard to the possibility of the Commonwealth running that request for proposal. The feedback from that community consultation is that the community supports the concept of a possible small resort development and the concept of the Commonwealth running a request for proposal to engender interest in the island.

**Senator O'BRIEN**—What role would the Commonwealth play in the facilitation and development of any resort?

**Mr Wilson**—The Commonwealth is finalising the documentation associated with it, which would include identification of possible sites including Commonwealth land that could be used for such a facility. Any future role is still to be defined.

**Senator O'BRIEN**—How long has this been in contemplation by the Commonwealth?

**Mr Wilson**—I believe it has been contemplated now for about 18 or 20 months.

**Senator O'BRIEN**—What site has been identified?

**Mr Wilson**—The most likely Commonwealth owned land is contained within the current quarantine station. However, discussions with the community on Cocos during the April visit identified the potential for another site to be used, which is on trust land to the north of the island near Trannies Beach. Part of the future discussions around the request for a proposal would involve discussions with the Shire, who are the trustees for the Cocos trust land.

**Senator O'BRIEN**—Is the department aware of any other private resort or major developments on the drawing board for West Island?

**Mr Wilson**—Yes, we are aware of the Cocos Pulu resort. I believe the proposal has Shire approval and that the development has now obtained trust approval, because it would be constructed on trust land, which is held in trust by the Shire on behalf of the Cocos Malay people. As part of those approval processes the proponent has 18 months to lodge a development application, which is the next step in the approval process. The proponent has indicated that they will seek to have financing arrangements in place within the next 12 months.

**Senator O'BRIEN**—What role has or will the department play in facilitating such a project proposal?

**Mr Wilson**—The role has been and will continue to be our normal state government role involving approvals that we are responsible for.

**Senator O'BRIEN**—I understand the Cocos Island Tourism Association is moving its offices closer to the airport. Has the department provided any funding to assist the move or enable the association to expand its office opening hours or visitor services?

**Mr Wilson**—Through the Indian Ocean territories services program, the department provides ongoing annual funding to the Cocos tourist association. In 2004-05, I believe we provided them \$44,000 to assist in their operations. We also provided \$15,000 in ongoing funding to the Christmas Island Tourist Association to provide a mentoring role for the Cocos tourist association. The Cocos tourist association has made an indicative bid to the department with regard to 2005-06, which will be included in the overall operating budget that we will prepare and provide to the minister. Regarding your question, I am unaware of whether or not the program provided specific funding for the move from its current location to the alternative location. I would have to check.

**Senator O'BRIEN**—If you could, I would appreciate that. Did the minister and his party view the Shire of the Cocos (Keeling) Islands Vision 2010 presentation during its recent visit?

**Mr Wilson**—They did.

**Senator O'BRIEN**—Can you tell me what role the department will play in assisting the shire to realise its vision?

**Mr Wilson**—There are a number of roles identified for the Commonwealth in the Vision 2010. Some of them concern funding, some of them are facilitative and some of them are partnership roles. In terms of funding, there are a number of areas where the shire has identified state-equivalent grants to assist it in achieving its vision. We will have them assessed by the Western Australian government under the SDAs, in accordance with the program guidelines; we will therefore facilitate those funds. We will act in partnership with the shire in terms of some of its longer-term objectives—such as Strategy 2010, I believe the term is, which the shire sees as drawing together the shire's role in Vision 2010 and the Commonwealth's role as a state government in Vision 2010. We will work through that with the shire, in partnership.

**Senator O'BRIEN**—Who made up the minister's party during his visit?

**Mr Wilson**—The minister, the minister's wife, his senior advisor, the advisor for territories, Senator Scullion, Mr Yuile and me. On the trip from Christmas Island to Cocos, the Administrator, Evan Williams, accompanied the party; and he accompanied the party back to Canberra.

**Senator O'BRIEN**—Why was Senator Scullion invited?

**Senator FERRIS**—It is part of his territory.

**Senator O'BRIEN**—But he is not the only senator for that territory.

**Senator FERRIS**—He is a government senator, though.

**Mr Wilson**—I believe that Senator Scullion was invited as a senator for the electorate of the Northern Territory, of which the Indian Ocean territories make up a part.

**Senator O'BRIEN**—Can you ask the minister why Senator Crossin was not invited?

**Mr Wilson**—I believe that Mr Snowdon was invited on behalf of the opposition, but I am unaware of the discussions between the minister's office and Mr Snowdon.

**Mr Yuile**—We will take that on notice, Senator. My understanding is that a representative of the opposition was invited but, for whatever reason, was not able to accompany the minister. We can certainly get you that information.

**Senator O'BRIEN**—I would appreciate that. Can you outline the current arrangements with regard to the ownership and operation of the vessel *RJ Hawke*?

**Mr Wilson**—The ownership stands with the Commonwealth. The management of the vessel is with the Cocos co-op.

**Senator O'BRIEN**—There is no plan to change the name to the *PH Costello*, is there?

**Ms Varova**—Apparently it is very bad luck to change the names of vessels, Senator.

**Senator O'BRIEN**—Bad luck—we can't have that, then! What is the future of the vessel?

**Mr Wilson**—At the moment, subject to the successful introduction of a hovercraft, we are reviewing the ongoing needs of the portfolio in terms of the ownership of the *Hawke*, in regard to search and rescue and the provision of a backup facility for transportation across the lagoon.

**Senator O'BRIEN**—It is the only vessel that can get to North Keeling.

**Mr Wilson**—That is correct, Senator.

**Senator O'BRIEN**—It is the only vessel that can really get outside the lagoon in any sort of weather.

**Mr Wilson**—As I said, one of the things we are doing is reviewing the ownership of the *Hawke* in terms of the department's role and responsibilities and whether or not we should own it or whether somebody else should own it and provide the services that it currently provides. At the moment, no decision has been made as to the long-term ownership or control of the vessel.

**Senator O'BRIEN**—When do you expect that there will be a firmer understanding of what the future holds?

**Mr Wilson**—I do not have a date in mind.

**Senator O'BRIEN**—As we are all aware, Cocos (Keeling) Islands are a pretty low-lying island group. What assessment has been made of the impact of global warming on the future of the island?

**Ms Varova**—My recollection is that—and this is some years ago—in the late nineties an assessment was made, but I would have to dig into history about the exact date. My recollection is that the impact, as it was assessed at that stage, would be minimal. However, that is an old report, I have to admit. I am not aware of anything that has been done since then.

**Senator O'BRIEN**—There was one assessment of my home state that was talking about a range of inundation of up to 0.8 metres.

**Mr Yuile**—Over what period?

**Senator O'BRIEN**—Over a considerable period of years.

**Mr Yuile**—A 100-year period?

**Senator O'BRIEN**—I do not remember whether it was 50 or 100 years, but that was the outer range that at that stage was predicted. You hear all sorts of things such as that, if the ice on Iceland melted, there would be another 20 feet.

**Mr Yuile**—I have heard a variety of scenarios. You would have to be clear about the parameters. With some of the modelling and predictions, it is garbage in and garbage out, quite clearly.

**Senator O'BRIEN**—Sure; you do not know how likely it is. There is the calculation of the ice mass converted to water and what impact that would have on the ocean.

**Mr Yuile**—And tidal movement and therefore the shift of water.

**Senator O'BRIEN**—Could you give me the reference for the late-nineties work and a copy of it?

**Ms Varova**—Yes, we will take that on notice and get the details for you.

**Mr Yuile**—My recollection—and we might check this for you—is that there is quite a deal of work going on around small island states and the impacts of global warming. That is not Cocos (Keeling) per se; I know it is more to do with the Pacific. Certainly, the IPCC and various scientific committees work in that area. If we can find some reference, we will pass that on.

**Senator O'BRIEN**—Thank you very much for that. I am now ready to go to the NCA.

[11.25 am]

### **National Capital Authority**

**CHAIR**—I welcome the witnesses from the National Capital Authority.

**Senator O'BRIEN**—It looks like the whole National Capital Authority is here!

**Ms Pegrum**—We are a just a little bigger than that, Senator.

**Senator O'BRIEN**—I welcome Ms Pegrum and the other officers from the National Capital Authority. Can you confirm that the National Capital Authority is budgeting for a deficit of almost \$1 million in the coming financial year and each financial year thereafter out to 2008-09?

**Ms Pegrum**—Yes, we are showing that in the portfolio budget statements. That is associated with the premium related to our insurance.

**Senator O'BRIEN**—Do you mean that the government has refused to provide funding to cover the insurance premium increases?

**Ms Pegrum**—We have had no guarantee at this time of supplementation for the insurance.

**Senator O'BRIEN**—Have you asked for that?

**Mr Evans**—We will do in the additional estimates process.

**Senator O'BRIEN**—Did you ask for it in the lead-up to the budget?

**Mr Evans**—This year there are a number of agencies which have a similar issue to us—that the insurance premiums have increased rapidly over the last few years as a consequence of a substantial change in the insurance market. The premium that we were required to pay exceeded what we could pay so supplementation has come through in the preceding two years. Last year it was provided through the budget process. The previous year it was provided through the additional estimates process. We anticipate that it would be provided this year through the additional estimates process.

**Senator O'BRIEN**—Does the NCA have a bad history of claims?

**Mr Evans**—Not at all.

**Ms Pegrum**—No, we do not. These are just the sorts of increases that have occurred over the years, particularly associated with public liability. In fact we have sought to contain the insurance risk that we have with our risk management approach. We won the small agency

category in the 2003 Comcover Awards for Excellence. That resulted in premium reductions for us in 2003-04. We received \$70,569 in Comcover's 2003 benchmarking program. In 2004-05, by winning the small agency category in that program, we received a further \$46,083. In, Comcover's 2004 benchmarking program we received a further \$76,805. So we have taken a proactive approach to limiting our liability but the reality is that, across the board, there have been very substantial increases in the insurance premiums over time.

**Senator O'BRIEN**—And your insurer is Comcover?

**Ms Pegrum**—Correct.

**Senator O'BRIEN**—When was the government approached to fund the increase?

**Mr Evans**—Each year it has been approached to cover the previous two years. As I said before, there is a process across a number of agencies who have a similar issue to us. I might point out that the reason our insurance premium is so high for public liability is that we administer a significant amount of land and other assets. As a consequence of those administered assets our insurance premium is being driven up—it is not because of our normal activities.

**Ms Pegrum**—And most of those areas are public areas to which of course we are encouraging people to come to events and to participate in events. So there is an implication of that.

**Senator O'BRIEN**—But, Mr Evans, I did not ask about the other agencies; I asked when this agency approached the government about increasing its funding to cover the premium increase.

**Mr Evans**—We were advised in the current budget round that the insurance premium would not be included in the budget round but we would be able to come back through the additional estimates process.

**Senator O'BRIEN**—What about in previous rounds?

**Mr Evans**—In the previous budget round—that was the budget for the current year—the premium was included. There was a difficulty, in a sense, in that the initial premium estimate at the time of the budget was in excess of what our final premium was. The premium actually fell when it came time to determine the premium, and money was paid back during the additional estimates process of this current year.

**Ms Pegrum**—I am also advised by one of our finance officers that the Department of Finance and Administration advised our people at the time of budget preparation that this would not be dealt with as part of the budget process but as a separate process across the agencies.

**Senator O'BRIEN**—You may want to do this on notice. Can you provide details of your insurance premium payments for the past two financial years—the last and this current financial year—and expected premiums demanded for the coming financial year?

**Mr Evans**—I do have the figures here.

**Senator O'BRIEN**—If you could give them now, that would be good.

**Mr Evans**—In 2001-02 there were \$513,726. In 2002-03 the premium was \$1,361,681, and we received supplementation of \$636,000. In 2003-04 the premium was \$1,764,469 and supplementation was \$986,000. In 2004-05 the premium was \$1,536,114. In the current year our expectation is that it will be less than that. We have an estimate, but we have not had the current year's estimate finalised yet.

**Ms Pegrum**—We can give you that estimate.

**Senator O'BRIEN**—What is the estimate?

**Mr Evans**—Approximately \$1.1 million.

**Senator O'BRIEN**—This year and last year's PBSs show a sea of red in the bottom line. When did the authority last project a budget surplus?

**Mr Evans**—We normally would project a break-even outcome.

**Senator O'BRIEN**—When was that last achieved?

**Mr Evans**—It will be achieved for this year because we received supplementation for our insurance premium.

**Ms Pegrum**—Without going on back to the record I cannot recall having projected a surplus. I am told some three years ago. We would be happy to provide those figures if you would like them.

**Senator O'BRIEN**—Yes, please. Can you explain the drop in receipts for sale of goods and services shown in table 2.3 in this year's PBS, on page 151?

**Mr Evans**—I might get our assistant CFO to go through the detail of that. I do have it, but she is more familiar with it than I.

**Ms Jowitt**—The revenue you can see on page 151 is on a cash basis. It is our section 31 revenue we receive from departmental activities.

**Senator O'BRIEN**—Why are we seeing a decline from \$1.825 million to a projected \$1.513 million in the current financial year?

**Ms Jowitt**—We had additional revenues this year which are not expected in the following year.

**Senator O'BRIEN**—What sort of revenue?

**Ms Jowitt**—Examples are one-off contributions and also water from prior years where we had not charged some of our users for water usage.

**Senator O'BRIEN**—So it was collection of arrears of water charges?

**Ms Jowitt**—Yes. It included water charges and one-off contributions from the Department of Finance and Administration, and we also received a refund from Comcare for a staff member. We had a refund from Comcover of \$35,000. That amount had been previously charged to us and was returned to us.

**Senator O'BRIEN**—So all of this appears in sales of goods and services, does it?

**Ms Jowitt**—Yes. It is all section 31 revenue under the FMA Act.

**Senator O'BRIEN**—What was the one-off contribution from the department of finance?

**Ms Jowitt**—That was for relocation expenses of the office.

**Senator O'BRIEN**—And the Comcare refund?

**Ms Jowitt**—The Comcare refund was for a staff member who had been on workers compensation for the past two or three years, and it had never been settled.

**Senator O'BRIEN**—Why does that appear in the document as sales of goods and services? It is hardly that, is it?

**Ms Jowitt**—It is just an overall way of describing section 31 revenues.

**Senator O'BRIEN**—You have 'other' in there, which is the same.

**Ms Jowitt**—'Other' relates purely to revenue that is in kind or free of charge—for example, this \$43,000 relates to an amount that the Audit Office would normally charge to the authority, but it is a sort of in-kind arrangement whereby you recognise it as a revenue in kind and you also recognise it as an expense.

**Senator O'BRIEN**—Can you provide details of the proposed expenditure by output, please?

**Ms Pegrum**—In the coming financial year?

**Senator O'BRIEN**—In the coming financial years.

**Ms Pegrum**—At the moment, where we are at is finalising the details of our business plan. Each year, we produce a business plan that describes in detail the projects, if you like, against each of the outputs and addresses the strategies with performance indicators. So, typically—if this is the sort of answer you would like—

**Senator O'BRIEN**—Yes.

**Ms Pegrum**—under the amendments to the National Capital Plan, we would be looking at a series of projects that may result in proposing draft amendments to the plan, subject to the authority's considerations. We are looking at a number of those—one, for example, would be to look at the format and language of the National Capital Plan. There are also amendments that are currently in draft in the public realm. At the moment, these include draft amendment 50, for the main avenues in Canberra. That will need to be finalised, resolved and determined by the authority during the coming year.

**Senator O'BRIEN**—Do you have financial costs allocated to these tasks?

**Ms Pegrum**—What we do is indicate where we require funds that are not associated with salaries, against these projects. You would appreciate that they are estimates. There are few projects to which we allocate such costs. The majority are carried out by our in-house staff.

**Senator O'BRIEN**—So could you isolate the salary costs to output?

**Ms Pegrum**—Yes, we can do that.

**Mr Evans**—We have not finalised the complete salary costs towards output for 2005-06. We have it for 2004-05, and we expect it to be very similar to that.

**Senator O'BRIEN**—Perhaps on notice you could supply us with that.

**Mr Evans**—Yes.

**Ms Pegrum**—But we can give you the order of it now as well.

**Senator O'BRIEN**—Okay.

**Mr Evans**—Bearing in mind that the figures include the total revenues, which is appropriations plus section 31, and so are slightly higher than those in the output tables, for output 1 the total salary cost expected for this current year is \$1.793 million; for output 2, the total salary cost is \$2.434 million; for output 3, it is \$2.891 million.

**Senator O'BRIEN**—Do I take it that there is an overall budget for the additional amounts that would be budgeted in the outputs at this stage?

**Ms Pegrum**—Do you mean the components that might, for example, be for consultancies?

**Senator O'BRIEN**—Yes.

**Ms Pegrum**—At the moment we have got those against each of the draft business plan projects. Again, I would be happy to provide that on notice.

**Senator O'BRIEN**—That would be great, thank you. Last month the Chief Minister said that the Commonwealth should announce a birthday present for the ACT ahead of its centenary year. Mr Lloyd said he would think about it. There was not much done, obviously, before the budget, because there is nothing in the budget that is additional, is there?

**Ms Pegrum**—Not in our budget.

**Senator O'BRIEN**—In fact, the PBS says that there were no new measures disclosed for the NCA in the 2005-06 budget. Did the NCA have any bids in for new measures?

**Ms Pegrum**—Not that I recall—certainly not associated with gifts.

**Mr Evans**—There was nothing associated with the Chief Minister's statement.

**Ms Pegrum**—In fact, I do not think at budget time we were aware of those.

**Senator O'BRIEN**—So the NCA was not seeking funding for any new projects in the budget?

**Ms Pegrum**—The reason we are looking a bit quizzical here is that we do receive capital works injections and we have put up a program. I think, from memory, it is over three years ongoing, but the actual works for which we have sought the agreement of the minister have been put forward over a number of years. Some of those are nominated in the minister's media releases associated with the budget. They have to do with the administered side and not the departmental side of our work. Part of the arrangement when we were advised that this funding would be available over a series of years was that we would, in the first two or three years—and I can clarify that by checking our records—seek ministerial approval for that works program.

**Senator O'BRIEN**—Page 155 of the PBS contains a table explaining average staffing levels. It shows 86 positions this year, expecting to rise by one next year. How many of the current staff are ongoing?

**Ms Pegrum**—At 30 April 2005 there were 90 paid employees, which equates to 83.63 full-time equivalents. Of those, 81 per cent were engaged on a full-time basis. The others were

engaged on a part-time or casual basis. At 30 April 2005 there was a total of 76 ongoing staff, 13 non-ongoing staff, and one person—me, as chief executive—on a fixed term.

**Senator O'BRIEN**—Can you provide us with a staffing profile by classification or employment level?

**Ms Pegrum**—I can table for you today the employment categories, age profile and classification profile, as well as staff employed as full-timers, part-timers and casuals. That is at 30 April this year.

**Senator O'BRIEN**—I would appreciate that. The last annual report shows that in 2003-04 the NCA employed just one Indigenous Australian. Are you confident your recent employment policy is working?

**Ms Pegrum**—I am confident that we are trying, but we are not happy with having only one. I think that number is the same at the moment. We are looking at that matter. We have taken steps to encourage Indigenous graduates in areas associated with the kind of work that the authority does. Over the past few years we have contributed to a scholarship with the University of Canberra—and that has just been transferred to the Canberra Institute of Technology—particularly in areas related to design. The one with the CIT is broader than that and relates to all of our areas, so marketing, promotions, land management et cetera are possibilities. So that is one technique that we have tried, to encourage people to look at the kinds of works we do regarding Indigenous people and also to find possibilities of getting involved in our projects and perhaps be attracted to the organisation. Other than that, our diversity approach and program are being looked at again, but, clearly, we would like to see an increase in that number.

**Senator O'BRIEN**—Thank you for that. Can you provide the committee with an update on the Griffin Legacy project, which was launched in September 2002? You might be able to tell what milestones have been achieved and what will be achieved in the coming financial year.

**Ms Pegrum**—Since the publication launch of the Legacy in December last year, there has been enormous interest in it at a national level as well as from the local community and from the ACT government. We have been able to generate considerable debate associated with some of the Legacy proposals, and we have been rather pleased at the interest generated by the City Hill area as part of the Griffin Legacy and also part of the ACT government's approaches to that area, as well as their proposals for the City West area, particularly associated with the ANU and Childers Street.

We have also been liaising with the Canberra Institute of Technology regarding the potential of their campus associated with Constitution Avenue, and with St John's Church on Constitution Avenue, which, again, is a neighbour of the CIT. Both of them are enthusiastic about development possibilities associated with their sites. In addition to that, we have had a forum of interested government stakeholders—those that are landowners, if you like, bearing in mind that all of the land in the ACT is leased—to discuss strategic initiatives. One of the outcomes of that was a general feeling that the party should enter into some sort of memorandum of understanding for implementation. To that end, it is my understanding that

our minister has written to the key stakeholders with landholdings in the area, inviting them to become party to a memorandum of understanding for implementation.

In addition to that, we continue to have a role in the Canberra Central Implementation Program. You may have noticed in the recent local press that the ACT Minister for Planning, Simon Corbell, has announced a new task team coming out of that to specifically look at City Hill. That met for the first time this week. They have a very tight time frame of August this year to come forward with principles for the way City Hill should be used, including the nature of development but also delivery mechanisms for that. In parallel, we have started work internally towards the master planning of City West and Constitution Avenue. They are definitely projects in next year's business plan.

**Senator O'BRIEN**—Are you satisfied with the level to which the ACT government and NCA have been able to pursue similar objectives?

**Ms Pegrum**—Very much so. It has been an interesting process over the last two years, particularly over the last 18 months since the territory government established an ACT Planning and Land Authority. They focused on a non-statutory policy document called the Canberra Spatial Plan. There were two other components to the Canberra plan, which were an economic white paper and a social plan. In parallel, we were working on Griffin Legacy—in fact, we announced Griffin Legacy as part of our contribution towards the development of the spatial plan, because we were looking at the central national areas in particular. It established a very good rapport at an early stage on this issue. The proposals that they have been coming forward with—in particular those I mentioned like Childers Street, City West generally and City Hill—have been very closely aligned to Legacy and the overall strategic framework. I think it has been important for them to get a clear steer on what the authority considers to be important so that they can develop their proposals in detail.

**Senator O'BRIEN**—Does the government's failure to fund any new measures in this year's budget mean that there will be delays to the Griffin Legacy project?

**Ms Pegrum**—I do not believe so. As I said, we are working on our business plan, and the priority projects for output 1 will focus on Legacy. Any related potential coming out of outputs 2 and 3 will also align with Legacy. Typically, under the projects in output 3 we are looking at master planning for Kings Park and starting to do some of the capital infrastructure work in Kings Park that is associated with things like memorials, which deliver on components of Legacy. Similarly, on the land access between Kings Park and Commonwealth Park we will be doing some works that start to deliver. So we are using it as a strategic direction to prioritise the funding and putting those recommendations to government on what we have.

**Senator O'BRIEN**—So you are doing the work that you do not need money for now, in case you go below that?

**Ms Pegrum**—It is always very nice to get money.

**Senator O'BRIEN**—Yes. What role does NCA have in the proposed redevelopment of Civic?

**Ms Pegrum**—Civic breaks down into a number of areas. Obviously, the strategic planning relates to Griffin Legacy. There are special requirements on parts of Civic in which the authority would be required to approve a development control plan. The highest level of responsibility that we have is for the City Hill precinct itself. I will describe that as incorporating the City Hill park and the development blocks running down to London Circuit—in effect, the ‘doughnut’. In that area we obviously have the strategic planning, but we also have detailed development approval responsibilities because it is a designate area in the National Capital Plan. Really, what that means is that it is considered to have the special characteristics of the capital. So our role is as a strategic planner, at one level, and a regulator once development proposals are before us. What we said in the first meeting of the new task team—which we were very pleased that the territory included us on—was that we will set out what issues we see as being of most importance at a very early stage.

**Senator O’BRIEN**—How does the ACT government tailor with the NCA’s view of its role in the Civic redevelopment?

**Ms Pegrum**—I believe it tailors quite well.

**Senator O’BRIEN**—But how does the ACT government see that?

**Ms Pegrum**—You would have to ask the ACT government. From comments that Minister Corbell has made to me and from the discussions we have had with the head of their planning area, we have certainly had indications that it is a very positive relationship. We have also had draft amendment 49 to the National Capital Plan approved recently, which replaces the special requirements for Civic that I mentioned previously with those principles and policies that we consider to be important. That is before the House at the moment as part of the disallowance period. Other than in the designated area, that gives the planning responsibility to the Australian Capital Territory, provided they are consistent with the plan. So it gives them latitude to deliver things like Childers Street and City West.

**Senator O’BRIEN**—Is that regulation what Mr Lloyd described as consideration of a ‘recalibration’ of the NCA’s role?

**Ms Pegrum**—I do not believe so. I am not actually aware of the comment. I am advised that it could relate to the Uhrig review. A number of agencies throughout the Commonwealth are being assessed, and we are under assessment at the moment by the department of transport and, of course, DOFA. But you would have to ask Minister Lloyd.

**Senator O’BRIEN**—Perhaps someone could, because on 9 March an article in the *Canberra Times* by Andrew Fraser said:

Territories Minister Jim Lloyd is to consider some recalibration of the role of the National Capital Authority ...

Later the article said:

He agreed, however, that times had changed since self-government in 1989, and believed Mr McMullan could have a point about NCA involvement in the resettlement of Pierces Creek after the 2003 bushfires and in the forced rerouting of the Gungahlin Drive extension.

**Ms Pegrum**—All I can say is that I am aware we are under assessment under part of the Uhrig review, which is looking at our governance constraints, but we operate under the current legislation with respect to our responsibilities.

**Senator O'BRIEN**—Perhaps the parliamentary secretary at the table, Senator Colbeck, can ask Minister Lloyd if he would elaborate on what he means by 'recalibration' of the NCA.

**Senator Colbeck**—I will certainly take that on notice.

**Senator O'BRIEN**—Has Mr Lloyd initiated any finetuning of the agency since that time?

**Ms Pegrum**—Not that I am aware of—other than, as I have said, the fact that we are under assessment for the Uhrig review.

**Senator O'BRIEN**—I am taking from your comments that the minister has not had any conversations with you or anyone in the authority about the views that I just recounted with regard to the resettlement of Pierces Creek or the rerouting of Gungahlin Drive.

**Ms Pegrum**—Not about Gungahlin Drive, other than obviously asking for a briefing on the background. On Pierces Creek the minister certainly advised me and a number of our officers verbally that there had to be a government response to the joint standing committee's report into Pierces Creek, and that has not yet been tabled. Also, I understand that the Chief Minister made comments about wanting permission for the authority to propose an amendment for Pierces Creek that would allow an increase in the number of residences that are there. The authority to date has had one public position, which is that it will not propose a draft amendment to allow additional residences in Pierces Creek. But obviously the government response to the joint standing committee report is yet to be tabled.

**Senator O'BRIEN**—Can you provide the committee with an update on the Centenary of Women's Suffrage Commemorative Fountain? Will it be completed by the bicentenary?

**Ms Pegrum**—It has been completed and was officially opened, together with the Old Parliament House gardens reconstruction in December last year. It is still under the defects period and it had some time where it was not operating as well as we would have liked, but I believe it is operating well now.

**Senator O'BRIEN**—Did the project come in on budget?

**Ms Pegrum**—Yes, it did. The budget for the fountain I believe was \$365,000 plus GST and it has come in on budget.

**Senator O'BRIEN**—Not a cent less or a cent more?

**Ms Pegrum**—I am advised that is the final cost.

**Senator O'BRIEN**—That is very good budgeting. Has all that money been paid?

**Ms Pegrum**—Yes, all the money has been paid. It does look beautiful.

**Senator FERRIS**—I attended the opening. I can vouch for that.

**Senator O'BRIEN**—I always trust your judgment, Senator Ferris.

**Senator FERRIS**—Thank you, Senator O'Brien.

**Senator O'BRIEN**—What national memorials have been approved that are currently subject to design competitions or are under construction?

**Ms Pegrum**—From memory, the only national memorial that is currently out to competition is that for the Australian Federal Police. The jury has met on that, but the Canberra National Memorials Committee has not met and their agreement to the general character is required prior to any announcement on that. The most recent national memorial that has been completed is the emergency services memorial, and that was officially dedicated in July last year.

**Senator O'BRIEN**—The web site gives two completion dates for the national police memorial—29 September is a common, but the year differs between 2005 and 2006. It is 2006, I take it.

**Ms Pegrum**—Certainly and I apologise for that. If it is that, I am hoping that that does not mean that is the end of the competition. Certainly it is September 2006.

**Senator O'BRIEN**—There are two entries with different dates.

**Ms Pegrum**—I apologise and will fix that.

**Senator O'BRIEN**—Section 7(10) of the ACT Planning and Land Management Act 1988 gives the minister power to give the authority general directions in writing about the performance of its functions. Has the authority received any such directions in the past 12 months?

**Ms Pegrum**—No, we definitely have not.

**Senator O'BRIEN**—Can you outline the NCA's responsibility with respect to Lake Burley Griffin?

**Ms Pegrum**—Lake Burley Griffin is considered to be national land under the National Capital Plan, so we are responsible for the planning of Lake Burley Griffin. It is also an administered asset that we manage on behalf of the Commonwealth. We have responsibility for issuing licences, for example, to commercial ferries that operate on it. We have responsibility for the lake water quality management. We have responsibility for lake water abstraction, and for policies and strategies associated with the lake. We also maintain and are responsible for Scrivener Dam as an asset and, again, administer the asset on behalf of the Commonwealth.

**Senator O'BRIEN**—What impact is the current severe drought having on the lake?

**Mr Lasek**—The drought has reduced the lake level by about 110 millimetres.

**Senator O'BRIEN**—Is that all?

**Mr Lasek**—That is all. It has, in the past, been reduced by a greater amount, but we had a good rainfall earlier in the year that has lifted the lake level back to normal.

**Senator O'BRIEN**—Is there any impact on water quality?

**Mr Lasek**—No, there has not been; it has been a very good year for water quality.

**Senator O'BRIEN**—I have some questions about the Australia Day concerts. The NCA has a three-year contract with the Australia Day Council in relation to these concerts. I believe we are in year two.

**Ms Pegrum**—Yes.

**Senator O'BRIEN**—According to your annual report, the 2004 concert cost the NCA \$714,947.

**Ms Pegrum**—Yes.

**Senator O'BRIEN**—What did the 2005 concert cost?

**Ms Pegrum**—We contributed \$500,000, excluding GST, towards the concert production and an additional \$150,000, excluding GST, towards site management and promotion. The total cost of the event was approximately \$1.14 million, which includes sponsorship and funding from the national Australia Day concert. I understand we also contributed another \$20,000 towards Australia Day in the national capital on 26 January. But with respect to the concert, my understanding at this time is that it was \$650,000, excluding GST.

**Senator O'BRIEN**—Was the 2004 figure inclusive or exclusive of GST?

**Ms Pegrum**—I would have to check on that. I would imagine that it is inclusive of GST. My recollection is the authority was budgeting on the \$650,000, but if that is not correct I will confirm it for you.

**Senator O'BRIEN**—It would be within that range, obviously. Can the committee be provided with a copy of the contract between the NCA and the Australia Day committee?

**Ms Pegrum**—Yes, you can.

**Senator O'BRIEN**—Can the committee be provided with an update on applications for commercial filming on national land? For example, in 2002-03 there were 15 film or photo shoots and in 2003-04 there were 18.

**Ms Pegrum**—The approach we take when it is on unleased national land—that is, land for which we are responsible—is associated with the way in which we normally regulate the conduct of events and activities. We encourage commercial filming on national land because we believe it does lead to a positive image of the capital, particularly being broadcast nationally and even internationally. We have had a number of films that have been from international film crews. The number of commercial filming activities for 2002-03 was 15 and for 2003-04 was 18. We have not charged a fee for commercial filming to date and would only do so if the organiser wished to have exclusive use of an area—in effect, a licence over an area for a particular period of time. That has not occurred to date.

**Senator O'BRIEN**—In many people's view, all great cities of the world have a great volunteer visitor program. Can you provide us with some details of the NCA's volunteer program, including the number of volunteers involved?

**Ms Pegrum**—Yes, I can. We currently have 25 members on the volunteer program. The way in which we manage that is set out in our volunteer program policy. It includes designated volunteer activities. The program procedures are also contained in a volunteer handbook. The volunteers work together with staff as partners in a number of areas. As part of

the process of attracting and keeping volunteers, we have a job description which outlines their duties. We have a police check undertaken on the volunteers. We interview them when they join our program, and they sign a letter of agreement with the National Capital Authority.

They work a minimum of four hours per week, which is one shift, at one of our managed facilities, activities or events—and that includes things like the National Capital Exhibition, Blundells Cottage and the National Carillon. They provide walking tours around areas like Commonwealth Park and the parliamentary zone. Whilst they are undertaking their duties, they wear uniforms supplied by the authority and they comply with occupational health and safety standards and the like relating to things like sun protection. They are rostered as interpretive guides at the exhibition and at Blundells Cottage, and they help with schools groups and visitors and provide tours at some of those facilities. We provide training sessions for the volunteers. In particular, they have induction and orientation training. All new volunteers have a probation period of three months—some 12 shifts—at the National Capital Exhibition. During that time, they are buddied with a staff member or another experienced volunteer. They are all assessed on an annual basis using the same process; we look at things like the accuracy of their presentations as well as their customer service skills as our main areas of assessment.

We have also just begun a volunteer program that is specific to Old Parliament House. It is called ‘friends of the Old Parliament House gardens horticulture volunteers’ and members of the friends are invited to nominate to become horticulture volunteers to assist with maintenance like deadheading, weeding and general maintenance of the garden beds. I understand that at the moment they are nominating for that but I do not think we have finalised the horticulture volunteers yet. I think we have a reduction in the number of volunteers since last year’s annual report and we are looking, at the moment, at our volunteer drive to see what is causing that. We are looking at the potential—only the potential, and we have made no decisions on this yet—for specific volunteers for things like the Celebrate! concert.

**Senator O’BRIEN**—I regret that I was not aware of your volunteer program until I read your annual program. How do visitors find out about the volunteer program? How does the community know about it? How can you raise its profile so that more visitors can benefit from knowledgeable and dedicated volunteers?

**Ms Pegrum**—To get volunteers we have been advertising but there are still a small number. As you would appreciate, it is a fairly new program. I think we first brought it in in 2000. I have copies of the documents associated with the program that I have mentioned. Most visitors find out about the volunteers by visiting the National Capital Exhibition. I recall that we have a poster at the National Carillon that advises people of when the tours, and the like, are on and we advertise those. It would be a good thing if we could broaden recognition of what the program offers and widen the program. One of the things we would all like to see is more guided walking tours with volunteers, because few people are getting an opportunity to, say, walk through the parliamentary zone and understand what it is about.

**Senator O’BRIEN**—You mentioned the Carillon. Can the committee have a breakdown of the costs associated with maintaining the Carillon for the current financial year?

**Ms Pegrum**—I do not think we have the maintenance costs here—the annual report records the costs for the refurbishment of the National Carillon which was undertaken a year ago—but I can provide those for you.

**Senator O'BRIEN**—Thanks. What revenue was generated from tours of the National Carillon?

**Ms Pegrum**—The tours are \$8 for adults and \$4 for concession holders. I am told we have generated around \$3,000 for tours.

**Senator O'BRIEN**—What is the indicative budget for 2005-06?

**Ms Pegrum**—For maintenance or an estimate for revenue?

**Senator O'BRIEN**—Both. What are you expecting to spend to maintain it and how much revenue is expected?

**Ms Pegrum**—I will have to give you that on notice.

**Senator O'BRIEN**—I suppose this is a 'Christmas in winter' question, but I want to ask about the National Christmas Tree. A story published in the *Australian* newspaper on 18 December last year quoted influential government MPs being critical of the NCA's decision to give the National Christmas Tree away. Mrs Bronwyn Bishop said she was outraged. Senator Lightfoot said he was sorry and upset. Who in the authority made the decision to give the tree away?

**Ms Pegrum**—The process started in 2003 in March when the authority decided to transfer the investment we had in 'Celebrate! Christmas in the Capital' to 'Celebrate Australia Day in the Capital'. It made that on the basis of the Australia Day celebration aligning more completely with the kinds of events that we were looking to establish in the capital. There had been discussions prior to that with the National Australia Day Council, who had a similar vision, if you like, for what that event could do.

The second milestone in that decision was in the consideration of the 2004-05 budget, in which the authority was asked to consider new partnership opportunities to help promote Canberra as the national capital in a cost-effective way. In April the Australian Centre for Christianity and Culture wrote to the authority seeking a sponsorship associated with the tree, and that letter and a brief went to the authority meeting in June 2004, at which time we decided that the appropriate decision was to divest ourselves of the tree but that in the first instance we would write to the Department of Parliamentary Services seeking their interest in transferring the National Christmas Tree to their department. They responded in July that they could not justify the cost of the tree's installation and removal, which is in the order of \$55,000 to \$60,000.

In June 2004 the authority agreed to look at partnership arrangements to offset the installation costs and it agreed that the first people that we should be talking to were the city government, to seek their interest in installing the tree and running a celebration event around it. The Chief Minister's Department accepted that offer in October 2004 and the tree was then transferred to the ACT government, who ran a very successful program around it by installing the tree in Civic Square, which is between the assembly building and the Canberra Museum and Gallery.

**Senator O'BRIEN**—Was the minister, Senator Campbell, informed when the authority made its decision?

**Ms Pegrum**—No, not directly—but the minister receives copies of the authority papers and of the minutes of each of the meetings routinely.

**Senator O'BRIEN**—What was the tree worth?

**Ms Pegrum**—I can give you the purchase price now. We have provided the costs and the value of the tree to this committee previously.

**Senator O'BRIEN**—If you can refer me to that answer, that would be fine.

**Ms Pegrum**—I am happy to provide that again. It was purchased for \$171,522 in 1999. We transferred to the territory for \$1.

**Senator O'BRIEN**—That is a big depreciation.

**Ms Pegrum**—From our point of view, the important thing was for the tree to be installed in the capital and to see it used in a worthwhile way. The options we had before us were either to run some other programs or to install the tree again for \$65,000. The time that we did that prior to the first Celebrate! concert, we of course could not afford a concert as well, so we attracted far fewer people—I think something like 400 people attended the lighting of the tree. So it seemed important, from a promotion of the capital point of view, for the opportunity with the territory to be taken advantage of.

**Senator O'BRIEN**—How has the gift to the ACT government been reflected in the budget papers?

**Mr Evans**—The tree itself was an administered asset. It will be picked up in the administered assets sale.

**Senator O'BRIEN**—At what page?

**Mr Evans**—I believe it is on page 176, but we will check on that and get back to you. It is under infrastructure, plans and equipment for 2004-05. We will take that on notice to confirm the tracking of those dollars.

**Senator O'BRIEN**—I appreciate that. I am reminded of an article in the *Weekend Australian* of 18 December which said:

Two weeks ago, Sydney's Lord Mayor, Clover Moore, was accused of being a Scrooge with Christmas decorations and the Prime Minister said she was being ridiculously politically correct.

"Decorating a city and so forth brings people together, it brings happiness to children," he said at the time.

Has the NCA or the minister reflected on the Prime Minister's disdain for Scrooge-like behaviour when it comes to civic Christmas decorations, and has there been any suggestion that the NCA reinstate its role in the Christmas tree tradition?

**Ms Pegrum**—There has been no suggestion that we reinstate our role with the Christmas tree that I am aware of. All I can say with respect to the other is that the tree is in Canberra and was both installed and had a major project developed around it by the territory government. I should also point out that we had replaced the decorations on the tree shortly

before the handover—I think it was a year or 18 months before; again, I will correct that if I am wrong—so it was in very good shape when it was transferred to the territory.

**Senator O'BRIEN**—Are you saying that if the territory government had not picked it up then the NCA would have kept it and erected it?

**Ms Pegrum**—Certainly we would have continued to hold it as an administered asset, but I would be speculating as to whether we would have invested again in installing it on the mall, because we were looking at the transfer of budget to the Celebrate concert. It was not just the costs of the installation; it was also that we did find the year before that getting it down and then putting up the infrastructure for the concert was quite complex in the time between Christmas and the 25 January event. So we did not really entertain that at the time, because we were looking at a partnership.

**Senator O'BRIEN**—I asked that because I think the defence that it went up anyway is consequent only on the offices of the territory assembly rather than a strategically achieved outcome.

**Ms Pegrum**—In terms of the strategy, having received and considered the letter from the Australian Centre for Christianity and Culture the authority quite consciously decided to go to the Parliamentary Services first, to see whether it could be held on the mall. In the event that that was not forthcoming—which it wasn't—it decided to then go to the territory government, again so that it could be in a public place. That was a conscious decision of the authority. What I cannot speculate on is whether, if none of those partnership options had been welcomed, the authority would have chosen to install it and to offset the cost by deciding to not do some of its other programs like the Summer in the Capital program, including music in Commonwealth Place and the like.

**Senator O'BRIEN**—Can you outline the costs incurred in relation to the Capitals Alliance in 2004-5.

**Ms Pegrum**—Yes. In 2004 the cost for the Canberra delegation was \$8,497, excluding GST. That was to Brasilia. The cost associated with the Capitals Alliance in 2003 was reported in the annual report as being \$30,239.

**Senator O'BRIEN**—Can we get a breakdown of those costs?

**Ms Pegrum**—Yes, I can provide that on notice for the 2003 Capitals Alliance trip, and I can table it now for the 2004 trip.

**Senator O'BRIEN**—Thank you very much. What Capitals Alliance activities are planned for 2005-06?

**Ms Pegrum**—At the moment, Ottawa has an invitation for September this year. That completes the four-year cycle of the first round. At the next meeting, which is 17 June, the authority is going to consider the delegation, if any, that it will send.

We did consider the report of the Capitals Alliance attendance in Brasilia last year. I was the person who went to that one, as well as Dr David Headon, although Dr Headon paid his own airline costs. When our report went to the authority in November last year, we recommended that a reasonable delegation be sent to Ottawa, because it provides an extraordinary opportunity to see how a very similar agency to ours, with very similar

jurisdictional issues and promotional activities, works. It will be the end of this first round, but I cannot tell you what numbers, if any, until the authority actually decides that next month.

**Senator O'BRIEN**—Can we be appraised once that decision is made?

**Ms Pegrum**—Absolutely.

**Senator O'BRIEN**—The last annual report notes an instance of fraud, which it describes as minor. What do you mean by 'minor'?

**Ms Pegrum**—We were advised, through a complaint, that an employee had used a postage-paid envelope of the National Capital Authority for private mail. That was the instance of fraud. The employee was counselled.

**Senator O'BRIEN**—Have any other instances of fraud been detected?

**Ms Pegrum**—No.

**Senator O'BRIEN**—When the annual report was published, the authority was reviewing its sponsorship policy and intending to replace it with a partnership plan. What is the difference?

**Ms Pegrum**—We put in place a sponsorship policy a number of years ago, and we were really quite new at looking at this sort of thing. It was dealing with both outgoing sponsorship, and criteria around that, and incoming sponsorship. The experience of things like the Celebrate concert and other partnerships, like the memoranda of understanding coming out of the Parliamentary Zone review that concerned the way in which we relate with stakeholders in the Parliamentary Zone, showed us that it was a very positive way forward, one for really joining with other people in making events, projects or visions come to life. Certainly, as part of the 2004-05 budget process, Minister Campbell did, as I said, ask us to look at partnership possibilities.

We have developed a draft plan, which is currently with the minister for his consideration. It looks at how the partnership policy and strategy can help us to engage with other agencies and with other stakeholders. It covers things like Australian government agencies, ACT government agencies, the private sector, the diplomatic community, the Australian public generally, bequests, gifts and the like. It looks at some of the opportunities that either we have established or that we would be looking at establishing.

**Senator O'BRIEN**—What difference will this make to organisations that have received sponsorship from the NCA in the past?

**Ms Pegrum**—Each of those would still be considered on a merit basis, against the same guidelines that we currently have. We do not give out huge amounts of sponsorship. To date, and certainly in the last year or so, for the smaller sponsorships—things like the fun runs organised by the *Canberra Times*—we have not withdrawn that sponsorship, but every year we make it clear that we are considering it on a case-by-case basis. This is more about establishing partnerships to do additional things or to share a vision.

**Senator O'BRIEN**—How long has the minister had the documentation?

**Ms Pegrum**—A couple of weeks.

**Senator O'BRIEN**—When are you expecting to know from the minister what his view is of your proposal?

**Ms Pegrum**—I could not say, Senator. Some of these partnerships have already been in place, as I said—Celebrate and the MOUs, for example. We have just entered into a partnership with the Canberra Institute of Technology. What our former minister, Senator Campbell, was looking for was for us to think about that strategically and to document a plan and a way forward.

**Senator O'BRIEN**—Did the NCA extend its personnel services contract with Spherion when it expired in March?

**Ms Pegrum**—No, it didn't. We entered into a different contract after a tendering process.

**Senator O'BRIEN**—Who is the contract with now?

**Ms Pegrum**—The new contractor is called United KFPW.

**Senator O'BRIEN**—What services does that contractor provide?

**Ms Pegrum**—Payroll processing and HR related services, but primarily it is payroll processing.

**Senator O'BRIEN**—What is the value of the contract?

**Ms Pegrum**—The estimated cost over three years is \$133,050—on average \$44,350 per year.

**Senator O'BRIEN**—Thank you. Does the NCA have any matters currently before courts or tribunals?

**Ms Pegrum**—Yes. Draft amendment 41 with regard to Gungahlin Drive is before a full bench of the Federal Court, subject to an appeal by the Save the Ridge group, I think they are called.

**Senator O'BRIEN**—Has a hearing date been set?

**Ms Pegrum**—The hearing has actually been heard, and the justices are now making their determinations.

**Senator O'BRIEN**—That is the only one?

**Ms Pegrum**—That is the only one.

**Senator O'BRIEN**—What has that action cost the authority in legal fees?

**Ms Pegrum**—In 2003-04 it cost \$13,380.40. In 2004-05 the cost has been \$102,319 so far.

**Senator O'BRIEN**—In total, what has the authority spent on legal fees in the current year?

**Ms Pegrum**—Costs and disbursements billed by Australian government solicitors for 2003-04 totalled \$314,235.79 and, in 2004-05, for the year to date, the total is \$263,487.94.

**Senator O'BRIEN**—Is that including the—

**Ms Pegrum**—Yes, that is including advice on the GDE.

**Senator O'BRIEN**—Under section 6(f) of the Australian Capital Territory (Planning and Land Management) Act, the authority may, with the approval of the minister, perform planning services for any person or body. Did the NCA perform any of these services in the current financial year?

**Ms Pegrum**—We provided planning services associated with urban design guidelines for perimeter security last financial year. We have just had an approval to provide planning services associated with the Griffin Legacy implementation. We are particularly looking at that in relation to St John's Church.

**Mr Larmour-Reid**—I should just correct that advice. The planning services for perimeter security did extend into this financial year.

**Ms Pegrum**—Thank you, John.

**Mr Larmour-Reid**—They commenced in 2003 under Minister Tuckey, who gave approval for that work, and the perimeter security works at Russell have recently been implemented and completed.

**Senator O'BRIEN**—What was the value of those services?

**Mr Larmour-Reid**—I am advised that the value was \$15,937, excluding GST.

**Senator FERRIS**—Ms Pegrum, I draw to your attention section 21 of the budget statement. I note that \$29 million is to be spent under that program.

**Ms Pegrum**—Senator, if you would not mind, could you give me the page?

**Senator FERRIS**—It is the appropriations table on page 150. How much of that \$29 million is going to be spent on the Griffin Legacy program?

**Ms Pegrum**—We have not allocated it down to that. The majority of the Griffin Legacy project is swept up in output 1. As I said to Senator O'Brien, we are looking at the detailed projects under that. The majority of those will be by staff and we have nominated some where we may need consultancies. I am happy to provide those figures once they have been finalised. They will be estimates, of course.

**Senator FERRIS**—You might remember that I wrote to you in December last year outlining my concerns with the program. I have never received an acknowledgement or a response to that letter. In the letter I included a copy of a speech I gave to parliament outlining the concerns that I raised with you in the letter. I made that speech either on the night of the launch of the Griffin Legacy or the following night in an adjournment debate. Can you tell me why that letter has not been acknowledged or answered?

**Ms Pegrum**—We have actually replied. I certainly signed off for that letter to return to you. We will check what has gone wrong with our correspondence tracking and our ministerial tracking.

**Senator FERRIS**—Given that it is six months later, perhaps you can outline to me what it was that you said in the letter.

**Ms Pegrum**—Would you mind repeating your concerns? I am sorry.

**Senator FERRIS**—The concerns that I raised both in the letter and in the adjournment speech related to the continued decision by the National Capital Authority to totally ignore the role and contribution of Marion Mahony Griffin in the development of the plan of Canberra. On the day of the launch of the Griffin legacy, one of Marion Mahony Griffin's illustrations was reproduced in the brochure. I do not think it was even acknowledged that it was hers. There was no mention of the contribution that she has made. This is a concern that I have raised with you before here, some years ago. I just wonder how much longer we who care so much about Canberra are going to have to see Walter Burley Griffin acknowledged constantly and publicly, by naming a lake after him, and absolutely nothing about the role that his wife played in both his prize-winning design entry and, over the years, the way in which that design has been implemented. She was fundamental to it, I am sure you would agree. I find it quite curious, given the Griffin legacy work that had been done, that there has been nothing to acknowledge her work in that. I just wonder how much longer it is going to be before the Griffin legacy encompasses both members of that family and not just one.

**Ms Pegrum**—In answer to the first—and without knowing the detail of my letter, but I do recall it—one of the important issues that I have raised in there is that there is no academic agreement about the role of Marion Mahony Griffin with respect to the design, as distinct from the illustrations associated with the competition. There is definite recognition that the illustrations are hers, but you would find rigorous discussion, if you like, in many forums about whether she was the illustrator—a magic illustrator, but only the illustrator—versus whether she had a significant hand in the actual design of the competition. The references to Marion's work are made in the foreword of the report which addresses the important role that she had in that. Then there are further references to her work. We did discuss it at length, and so did the advisory panel as I understand. Really, it came down to where the evidence was that suggested that she was actually a codesigner as distinct from an illustrator.

**Senator FERRIS**—That is laughable. We are talking about a woman who was I think among the world's first registered architects. She was married to the person who was the architect who designed this city as a result of this prize-winning design. Are you telling me that some academic argument about whether she had a pencil in her hand when he put in the entry or whether it was just a paintbrush is going to decide whether or not she gets some recognition in this city? We have got people recognised in this city for all kinds of reasons and rightly so—Australians who have made a contribution. Whether or not she had a pencil or a paintbrush when that entry was put in, she was an architect as well. It is laughable if not ludicrous—and I see Senator Lundy nodding in agreement—to talk about whether there is an academic argument about whether or not she had some contribution which is going to determine fifty years later whether she gets some recognition in this city.

**Ms Pegrum**—That goes to the second part of your letter. I was addressing the first.

**Senator FERRIS**—I hope it has got more of a basis for the answer.

**Ms Pegrum**—No, we agree completely with you that it is most appropriate that she is recognised in the capital. There has been discussion over the years, as you well recall, about the naming of some part of the capital. Ones that we have not supported in those discussions are things like tiny inlets on the lake because they would not be appropriate—

**Senator FERRIS**—Patronising.

**Ms Pegrum**—for the weight of her contribution. There is a response being formulated to correspondence, from memory, from the chief minister associated with this as well. We certainly have in mind a major naming associated with Marion's contribution in the near future, subject of course to ministerial agreement on that. Briefs are being prepared on that.

So there is no argument about recognition. The only debate—and that is not argument; I think it is healthy debate—is the nexus between design and illustration. What is agreed is that without the illustrations the design's magic would not have been recognisable as readily to the jury. It is certainly the illustrations that most people align with the vision. There is no consideration that she should not be recognised—she should be and in a significant way.

**Senator FERRIS**—She should have been a significant part of the launch as well—there should have been more than simply one reference to her in the pamphlet that was launched. There was nothing in any of the speeches, because I attended the launch up here specifically for that reason. It was my disappointment with the way she was acknowledged that led me to make the adjournment speech I did and to write to you six months ago, within the context of the launch, to try again to get some sort of recognition for this woman. Many Canberra women admire her enormously for what she was able to do then and for the way in which she was able subsequently to go on and design a number of buildings. To suggest that her role in the design was questionable is somewhat academic, I would have thought. Here we are, 50 years later, and we are still arguing about whether we are going to put something in the national capital that recognises her. I am going to come back to the next estimates and continue to push this, because it is something that I have a very passionate interest in on behalf of many women in Canberra who admire enormously Marion Mahony Griffin's contribution to this city—and I am sure you do, too.

**Ms Pegrum**—Absolutely.

**Senator FERRIS**—Well, perhaps when we next have our estimates process, and after I have had an opportunity to receive the letter—because I can assure you I have been looking for it and I have been disappointed that I have not received it—I will ask you again and you will be able to give me some answer.

**Ms Pegrum**—Yes, thank you.

**Senator FERRIS**—I look forward to it.

**Ms Pegrum**—You may be right on the snapshot, but I will point out that in the actual document there is significant recognition and reference to Marion's component, philosophically—as well as her illustrations.

**Senator FERRIS**—I would like to see it realistically.

**Senator LUNDY**—This issue has been around for some time. To what extent is Marion Mahony's contribution recognised in the National Capital Exhibition at Regatta Point?

**Ms Pegrum**—Quite significantly. There are photographs of Marion, there are her illustrations—

**Senator LUNDY**—Is she recognised as an architect in that exhibition?

**Ms Pegrum**—I would have to check the text. I could not say off the top of my head. Certainly, in all of our—

**Senator LUNDY**—Could you take that on notice?

**Ms Pegrum**—Yes, I will.

**Senator LUNDY**—The fact that she played a professional role as an architect in Canberra generally, irrespective of the controversy around the plan, should at least be recognised in the references to her in that exhibition.

**Ms Pegrum**—I will go further—if she is not recognised as an architect, we will make it happen in the exhibition, because it really would have been an oversight in the text if it is missing. I should just qualify something. It is not so much a controversy over her role in the design; it is more of a debate. As I said, I think the two are of such equal weight that there is no question that she should be recognised.

**Senator FERRIS**—While academics debate it, let us hope that we can actually do something about it.

**Senator LUNDY**—Does the NCA have a view on her role?

**Ms Pegrum**—Do you mean the authority itself?

**Senator LUNDY**—Yes. Is there an official policy or view?

**Ms Pegrum**—To my knowledge, that has never been discussed.

**Senator LUNDY**—What would have guided your consideration of the way you couched the reference to her in the National Capital Exhibition, for example?

**Ms Pegrum**—I actually remember this quite clearly, because part of the discussion that took place at the time was whether it was to be called the plan by Walter and Marion or illustrated by Marion. This is some five years ago, but, as I turn this over in my mind, I think she is named as architect and his wife. This was because one of the issues was that in many texts you see the fact that she was his wife put before the fact that she was an architect. But really it came down to the fact that there does not seem to be—and no doubt we will have a swag of correspondence on this after this hearing—an international position on this.

**Senator LUNDY**—Why can't you make one?

**Ms Pegrum**—I suppose we could. If we did do that, it would be on the weight of academic input available on this. There is a growing interest in the Griffins. They are coming into their own, if you like, and so there are many articles and documents that start to address this sort of notion. One of the things that is interesting in this discussion is that there does not seem to be evidence that Marion herself said at any time that she was the designer. And she was a pretty strong and gutsy woman, so I think, had she felt that she was not being recognised in the right way, she might have found a way to make that clear. But, again, the times were so different, so who knows? But you are right: we could have a policy position in our documentation.

**Senator LUNDY**—There is clearly a role for the NCA to provide some leadership in that international void that seems to equivocate about the degree of recognition she should be afforded for her role in the National Capital Plan. I will look forward to those changes.

**Senator FERRIS**—Both of us will.

**Senator LUNDY**—We both will. That is formidable. That is excellent. The NCA has suggested that, under draft amendment 50, Melbourne Avenue, Hobart Avenue, Brisbane Avenue, Kings Avenue, Sydney Avenue, Commonwealth Avenue and parts of Adelaide Avenue will:

...progressively be realised as multi-use boulevards providing corridors of higher density mixed-use development, public transport, broad tree-lined footpaths for promenading and outdoor dining and the like, and onstreet parking.

Am I right in my understanding that this will open the way for commercial development on all of those main avenues leading to Parliament House?

**Ms Pegrum**—No. This issue has been raised by a number of people in response to the draft. There is no intention to change the land use on most of those avenues at all. This was about the replacement of special requirements with principles and policies in the plan so that the Australian Capital Territory had planning responsibility, without the authority being required to approve a development control plan at the time. But there has been response to that extent, and we have had a number of public meetings, which Mr Larmour-Reid will outline, where it has been made clear that that is not the intent of the DA.

**Senator LUNDY**—That was certainly my interpretation of the subsequent article—

**Ms Pegrum**—And others have had the same.

**Senator LUNDY**—that was printed in the *Canberra Times*.

**CHAIR**—So the article in the *Financial Review* today is off the mark? It shows the development of high-rise buildings right up to the bridge before you go over the lake.

**Ms Pegrum**—I have not seen that.

**CHAIR**—Well, there you go; you are not up to pace, are you?

**Senator LUNDY**—We are not talking about that.

**CHAIR**—You have to get up earlier in the morning!

**Ms Pegrum**—I am told it is to do with City Hill.

**CHAIR**—It would be a great shame if that were true.

**Ms Pegrum**—No, that is not an accurate interpretation of the intent of DA 50. I cannot say whether the *Financial Review* article is true, because I have not seen it.

**Senator LUNDY**—Focusing on the Parliament House precinct and the Parliamentary Triangle on this side of the lake to start with, obviously some of the areas covered by this change are currently residential. Can you describe, particularly for the precinct in which the NCA does have planning control—that is, the area covered by DA 39—how this amendment will impact on that area, given that that is not under the control, if you like, for land use purposes, of the ACT government? Land use is actually under the control of the NCA.

**Ms Pegrum**—This amendment does not overlay draft amendment 39. It is completely separate from draft amendment 39.

**Senator LUNDY**—Draft amendment 39 does touch on two of the avenues mentioned, though, as they converge on State Circle. So for the residents on that side of those avenues—Hobart Avenue and Melbourne Avenue, I think—surely there has to be some overlay, given that both Hobart Avenue and Melbourne Avenue are mentioned as part of draft amendment 50.

**Ms Pegrum**—If that is not clear in the draft amendment, it would be one of the considerations. But all of the residences that are currently in the Deakin-Forrest residential area will be dealt with through draft amendment 39, not draft amendment 50.

**Mr Larmour-Reid**—The department will clarify: draft amendment 50 is dealing with very broad, big picture policies and principles dealing with built form. I have said at two public consultation meetings that I understand how the interpretation you have just described has come out of the drafting that we have prepared and that we will clarify that the intent is not to change the land use policies which are at a more detailed level. The same goes for DA 39. That is a more detailed level of planning control—dealing with that specific area—so while the DA 50 does provide broad principles that apply to that area, it is not intended to override the more detailed provisions, either in terms of land use or in terms of the detailed planning provisions in DA 39.

**Senator LUNDY**—Will that require you to carve out the area covered by DA 39 of your description of the impact of draft amendment 50, or will you just leave it?

**Mr Larmour-Reid**—We have not at this point determined how we will respond to the public consultation. That is open until 31 May. I imagine what we will do is clarify the intent.

**Senator LUNDY**—Under the drafting of DA 50, what research has been done into the feasibility of higher density accommodation needs and the argument, if you like, for or against more restaurants, cafes and commercial business space in the area? Again, that is specifically focusing on the State Circle area and the avenues converging on State Circle.

**Mr Larmour-Reid**—DA 50 does not change the land use permissible in the designated area. There has been no research into land use impacts.

**Ms Pegrum**—We have acknowledged that people seem to be confused by the language. Areas like Constitution Avenue have obviously been looked at separately under the Griffin Legacy, but the area that most people have not understood from the draft is that this is not about changing land use.

**Senator LUNDY**—Nonetheless, as I understand it, this draft amendment is about creating very broad parameters for the potential change of land use down the track. That is, the National Capital Plan following DA 50 will become less of an impediment to proposals that include restaurants, cafes and commercial business space et cetera, because they will fall under this broad description. Is that a fair observation?

**Mr Larmour-Reid**—No, I do not believe so, with respect. This is broadly describing a character that we are trying to achieve in the longer term for the key avenues and approach routes. In fact, the reference to the mixed use and multi-use was intended to apply to the avenues that already have that character, such as Constitution Avenue, Northbourne Avenue,

parts of Canberra Avenue and parts of Brisbane Avenue. It was never intended to change the mixture of uses or land use policies in any of the other avenues.

**Senator LUNDY**—So why do it?

**Mr Larmour-Reid**—The principal purpose of the amendment is to uplift the need for dual planning controls outside the designated area. Its principal purpose is for those areas outside the designated area, where at present a development approval is required from the ACT and, in addition, a development control plan is required from the NCA. That primary purpose was to replace specific special requirements with broad principles.

**Senator LUNDY**—Which, I think, means that the statement I made earlier about how this amendment passing will reduce the impediment for developers to undertake these kinds of activities is true. There will be a lessened impediment when they no longer have to go through both planning authorities.

**Ms Pegrum**—Yes, it would be a change in the regulatory environment.

**Senator LUNDY**—That being the case, tell me whether I am correct that, following the passage of draft amendment 50, in all areas, except for the residential area that remains in the control of the NCA, developers or proposals will have to go through only one authority outside the Parliamentary Triangle itself.

**Ms Pegrum**—Outside designated areas, yes, that would be correct.

**Mr Larmour-Reid**—That is correct.

**Senator LUNDY**—To come back to the residential area once again, do you think it would be necessary to insert some clarity into DA 50 or to make the point that it is the decision of the government that that particular residential area will not be part of either a designated area or a nondesignated area because it is an area under direct control of the National Capital Authority?

**Ms Pegrum**—The way in which the language of DA 50 is changed will take on all of the consultation comments. That point has been made. If DA 50 progresses, then we would like to make it as clear as possible for the community. All of these comments we can put together only once the consultation period has closed and the authority starts to consider the DA again, which may take a very lengthy period.

**Senator LUNDY**—In terms of designated areas that will remain, has the NCA done any studies into higher-density accommodation needs or the needs for more restaurants, cafes and commercial facilities?

**Ms Pegrum**—No, we have not.

**Senator LUNDY**—When was the decision made to extend the consultation period for DA 50? Perhaps you could give me a time line on the preparation, the request for public input and then the extension of DA 50.

**Ms Pegrum**—We went to public comment on 26 March 2005, inviting submissions to be received up to 29 April. On 7 May the period for receiving submissions was extended until 31 May. On 6 May the *Canberra Times* published an article that interpreted DA50 and the policies associated with that, and that generated considerable interest in the draft amendment.

**Senator LUNDY**—Had the consultation period been extended previously?

**Ms Pegrum**—No, it was extended on 7 May.

**Senator LUNDY**—The original date of closure for comment was 29 April?

**Ms Pegrum**—Yes.

**Senator LUNDY**—Will that be the final date?

**Ms Pegrum**—We really do not know, because we may need to go out again with another version of the draft amendment or a completely different approach, depending on the comments after the consultation period has closed. The public meetings have been told that.

**Mr Larmour-Reid**—At the public meetings, a spectrum of responses was made relating to the submissions we had received—everything from abandoning the amendment to coming back with a revised draft. The only commitment I did make was that, if we did revise the draft, we would clarify that issue—particularly about Melbourne Avenue and Hobart Avenue. Other than that, because that was a clear and obvious concern and it was an interpretation that we did not support either, that was the only reassurance I wanted to give, apart from the fact that after the conclusion of the public submission period we would make a decision about further progress.

**Senator LUNDY**—What is the overall intent or timetable that the NCA has now put into your program? I say that looking at poor old DA39, which has now been ticking over for, what, five years.

**Ms Pegrum**—Almost, yes.

**Senator LUNDY**—We will have to have a party to celebrate the fifth year of a draft amendment, although I do not think the residents will come.

**Ms Pegrum**—Other than saying that draft amendment 50 is in this year's business plan under output 1, we have not put a time frame on that. You really do not know until you see the comments, and then there is generally a referral to the joint standing committee and the like.

**Senator LUNDY**—Will that be referred to either the minister or to the joint standing committee this year?

**Ms Pegrum**—That is the minister's decision, as you know.

**Senator LUNDY**—I think you can opt to send something to the committee.

**Ms Pegrum**—No, actually we cannot.

**Senator LUNDY**—Okay. If your obligation is to get it to the minister, do you have an indicative timetable for doing that?

**Ms Pegrum**—No, because we do not know what the total outcome of the consultation is going to be and what changes are likely to happen from that.

**Senator LUNDY**—How do you plan your annual activities if you do not put indicative time frames around concluding any given DA?

**Ms Pegrum**—With draft amendments it is extremely difficult, because you really cannot pre-empt what comes out of the public consultation or other concerns.

**Senator LUNDY**—With all due respect, we have learned some pretty harsh lessons as a result of DA39. How have they informed your ability to more effectively consult and liaise and not allow it to drag out for years and years and years?

**Ms Pegrum**—Certainly, at the moment one of the things we are looking at is a consultation strategy to form a protocol for these sorts of things drawn from our experiences on not only draft amendments but also other projects, and output 1, as one of the components, is going to be producing that. But it is extremely difficult to commit to time frames on draft amendments. For things like development assessments there are indicative time frames that we use as protocols, but with draft amendments it depends on the level of input that one gets from the community. And they are only drafts.

**Senator LUNDY**—How many comments or reactions—letters, e-mails—have you got on DA50, and how many community meetings have you conducted?

**Mr Larmour-Reid**—To date we have 20 submissions and two petitions.

**Mr Schultheis**—There are attached petitions that include about 30 names, in that order, from a number of associations supporting the petitions, but there are 20 covering letters as at today's date.

**Senator LUNDY**—And how many community or public consultations have you had on DA50?

**Mr Larmour-Reid**—We have had two meetings.

**Mr Schultheis**—One on 19 May and one on 23 May.

**Senator LUNDY**—Where was the one on 19 May?

**Mr Schultheis**—At the authority's offices.

**Senator LUNDY**—What about the one on 23 May?

**Mr Schultheis**—That was at the authority's offices as well.

**Senator LUNDY**—What time of day were those meetings held?

**Mr Schultheis**—They went from 5.30 pm and they ran for, generally, two hours.

**Senator LUNDY**—Are you planning any more?

**Mr Schultheis**—They were held in response to submissions received to date. There may be further requests received to have further meetings, but there is nothing planned at this stage.

**Senator LUNDY**—What happens after the 31st of this month, when you have received all the submissions and you have got the intelligence you have gathered from two public meetings? What is the next step for the NCA?

**Ms Pegrum**—The norm is that the first responses to those go to an authority meeting. Usually professional staff make recommendations to the authority on that and then the authority will determine, as Mr Larmour-Reid pointed out, whether to either abandon that draft amendment, change it or proceed with it as it is on the basis of that. Certainly consultation will be discussed but at the moment we are not necessarily going in July because we may not have the consultation report completed sufficiently for the authority to consider it.

**Mr Larmour-Reid**—That is correct. We are not reporting to the authority in July because we will not have time.

**Senator LUNDY**—So you will not be reporting to the authority in July?

**Ms Pegrum**—No, because we believe we will not have time to make strong recommendations after the comment period closes. That might change depending on what we can put together, but normally the authority papers go out at least a week before a meeting.

**Senator LUNDY**—In terms of the original intent of this amendment, which was to remove a dual planning obligation on potential developers—that is, to remove some red tape—what sense of urgency do you place around that original intent, notwithstanding the confusion that has occurred about interpreting DA50?

**Ms Pegrum**—The primary consideration cannot just be to remove red tape; the primary consideration has to be planning and development in accordance with national significance under our act. So when the authority proposes amendments of this kind it is making judgments about what principles and policies can be put into the plan to address these issues. Another example of having done this is an amendment for Northbourne Avenue some years ago. A more recent example is the amendment for Civic—that is amendment 49 from memory—that replaced the special requirements with principles and policies. So we have been looking at each of these, and they were priorities at the time—

**Senator LUNDY**—Are they still priorities?

**Ms Pegrum**—They are completed. Whether this one will result in a different approach or changes we will not know until the public comment period closes. The primary objective for the authority to make a decision on proposing an amendment is not to remove red tape; the primary decision is looking at national significance and areas of consideration.

**Senator LUNDY**—So what lessons has the NCA learnt in how to express the intent of DA50, given this debacle where it seems that concerned residents right around the area have incorrectly interpreted—and have interpreted these general principles as effectively having a land use effect on all of the main avenues. I think the NCA itself is responsible for that confusion, and now your reaction seems to be, ‘Oh well, we’ll take it off the boil and see what happens.’

**Ms Pegrum**—We are not taking it off the boil; I think we are giving due consideration to the comment.

**Senator LUNDY**—The comment was generated because of the unfortunate and misleading way in which the DA was expressed.

**Ms Pegrum**—I would not say that, because there are other comments forthcoming as well. Part of it—

**Senator LUNDY**—There may well be other comments about the actual true intent of this, but a lot of the comments and a lot of the feedback that I got from residents was because there was a very genuine fear that this was precisely about changing the land use of areas subject to considerable debate already, not only around Melbourne Avenue, Hobart Avenue and State Circle residential precincts but also along avenues like Adelaide Avenue. There was a lot of confusion. Don’t you take some responsibility for that confusion having been generated?

**Ms Pegrum**—The responsibility will be taken in the way in which we address this through the public comments we have received—which we have been very open to and which we have been responding to. We have held meetings to try to help residents understand what the intent of the DA is. That has been the approach on this issue. We certainly would not look at fast tracking something like this, particularly with the kind of comment—

**Senator LUNDY**—I am not suggesting that you fast track it; I am suggesting that you are going to drop it because it is all too hard because you presented it in such a confusing and misleading way.

**Ms Pegrum**—I do not think we drop things because they are too hard—we will address the issues and, if there is a way to make this clearer, then the authority will take that into consideration.

**Senator LUNDY**—But it is your intention to push ahead with the real intent of this draft amendment?

**Ms Pegrum**—That will be a matter for the authority to consider, when it sees the comments.

**Senator LUNDY**—To go back to DA 39: my understanding is that you have now placed on the record the assurance that DA 50 will not affect the eventual outcome of draft amendment 39.

**Ms Pegrum**—That is correct.

**Senator LUNDY**—Can you tell me whether or not the general statement in draft amendment 50, about the ambit of the character of main avenues around the parliamentary triangle, has had any impact, or is likely to have any impact, on the minister's consideration of draft amendment 39?

**Ms Pegrum**—Draft amendment 39 and the considerations that the authority have given to it have always taken into account the character of that particular precinct in relation to its location on State Circle and in proximity to Parliament House.

**Senator LUNDY**—Is that general description of the character contained in DA 50 having an impact on the minister's current deliberations around the final nature of DA 39?

**Ms Pegrum**—You would have to ask the minister about that.

**Senator LUNDY**—That is a fair enough comment. I was reviewing the extraordinary history of draft amendment 39, and I note from the original report, *Striking the right balance*, prepared by the Joint Standing Committee on the National Capital and External Territories, that in the evidence received at the time that there was a very strong proposal put forward by the developer, Mr Drummond, on the nature and description of development that should be permitted on State Circle. Late last night the minister, Mr Lloyd, tabled a response which was not to that report but to the broader report, *A National capital, a place to live*, which also references draft amendment 39. Recommendation 10 that the committee makes is about the height limitations on State Circle being set at two storeys and the plot ratios being 0.4 on single blocks and 0.8 on amalgamated blocks. That recommendation been specifically disagreed with by the minister?

**Ms Pegrum**—Yes.

**Senator LUNDY**—The minister says in his response:

The government considers that the design and siting requirements in the February 2004 Draft Amendment 39 have been prepared to achieve balanced, quality urban outcomes and provide appropriate protection to the amenity of residents. These requirements include permission for three storey multi-unit developments on blocks fronting State Circle under certain conditions.

Are you able to confirm now that the next phase in the DA 39 saga is that the minister will introduce a draft amendment 39 that contains the provision for residential development of buildings up to three storeys on State Circle?

**Ms Pegrum**—I am just taking advice from my officers who have just been advised that draft amendment 39 has been gazetted as we sit here.

**Senator LUNDY**—It is being gazetted today?

**Ms Pegrum**—That is my understanding

**Mr Wales**—Yes, that is correct.

**Senator LUNDY**—Are you able to provide the committee with a copy now? It would be a useful reference for my questions.

**Ms Pegrum**—No. I do not have the approved amendment with me, but I can get it to you immediately after this meeting.

**Senator LUNDY**—I would like you to get that under way because I would not mind framing some of my questions in the context of that draft amendment, if it has just been gazetted. I think it is important for the committee to note that this particular draft amendment has been a long time coming.

**Ms Pegrum**—It has.

**Senator LUNDY**—It has been a very difficult and complex amendment to handle, particularly from the residents' point of view. Can you take the opportunity now to describe what the parameters will be for draft amendment 39?

**Mr Wales**—I have been advised that draft amendment 39 has been gazetted—lodged on the ComLaw web site—and it is intended to be tabled in the House on either Monday or Tuesday.

**Senator LUNDY**—Can you tell me what it contains?

**Ms Pegrum**—As the government response to recommendation 10 of the committee indicates, it supports the February 2004 amendment. The general principles contained in it are: residential uses but provisions for home based business, as generally aligned to the territory as is possible in the National Capital Plan; a plot ratio of 0.4 for development of all sites in the area, with the exception of those blocks fronting State Circle where a plot ratio with amalgamation of up to 0.8 is permissible; and three storeys permissible for amalgamated blocks fronting State Circle and those blocks isolated by amalgamation on State Circle. I think they are the primary provisions. There are also the design envelopes that were included in that February version, including specific setback provisions and a sectional envelope for development associated with any three-storey development that might be proposed. From

memory, that rear setback is still 18 metres, with a mandatory front setback of 10 metres but allowing some incremental intrusions into that 10 metres—for example, a balcony or an entry porch. There are landscape provisions and provisions for car parking that include basement car parking being preferred with three-storey development.

**Senator LUNDY**—Including the basement or on top of the basement?

**Ms Pegrum**—The basement, if it is included, does not count as gross floor area. So, if you like, it is an incentive for basement car parking rather than surface car parking.

**Senator LUNDY**—Is there a measurement based height restriction as well as the three-storey description?

**Ms Pegrum**—Yes.

**Mr Schultheis**—There is an indicative envelope that gives guidelines to setbacks for sunlight penetration and overshadowing.

**Ms Pegrum**—I believe for three storeys it is 12 metres, as an indicative guideline.

**Mr Larmour-Reid**—That is correct.

**Senator LUNDY**—What about differential treatment of the corner blocks—is that removed? It was an issue that I think the committee sought clarification on at an earlier stage.

**Ms Pegrum**—Certainly the blocks that were isolated by amalgamation which previously did not have the opportunities for the plot ratio were picked up in the reversion.

**Senator LUNDY**—So blocks isolated by amalgamation will be permitted to be higher.

**Ms Pegrum**—Maybe. If they meet the other design and development conditions. There is a discretion there, if you like.

**Senator LUNDY**—So State Circle, with amalgamation, can have 0.8. But you are suggesting that blocks isolated by amalgamated blocks could also be given 0.8.

**Ms Pegrum**—If they can meet the development conditions.

**Senator LUNDY**—That is, if it looks nice enough.

**Ms Pegrum**—No, it is the building envelope that looks at setbacks, sun penetration and the like.

**Mr Schultheis**—The exception does apply to blocks flanking Melbourne Avenue.

**Senator LUNDY**—The exception does apply?

**Mr Schultheis**—Yes. In other words, the blocks flanking Melbourne Avenue do not need to be amalgamated.

**Ms Pegrum**—In order to have three-storey development.

**Senator LUNDY**—What about Hobart Avenue?

**Mr Schultheis**—The provisions take account of the fact that, as there is no determined outcome, blocks that are not included in the amalgamation, if they can meet certain standards of excellence and are isolated—and that includes Hobart Avenue and Melbourne Ave—would have the opportunity to go to a higher level than 0.4, provided they meet certain standards.

**Senator LUNDY**—Is there or is there not a differential in the treatment of the corner blocks of Hobart Avenue and State Circle, and Melbourne Avenue and State Circle?

**Mr Larmour-Reid**—Only for Melbourne Avenue, not for Hobart Avenue.

**Mr Schultheis**—If I could correct that.

**Senator LUNDY**—So there is a difference.

**Mr Schultheis**—They can achieve the same outcomes under the provisions, so there is no differential.

**Senator LUNDY**—Do they have to go through different processes to achieve the same outcomes?

**Mr Schultheis**—It is an outcome that is assessed by the design proposal for the sites.

**Senator LUNDY**—Can you answer my question, please. Do they have to go through different processes to achieve the same outcomes?

**Ms Pegrum**—I am not sure that we understand what you mean by that.

**Senator LUNDY**—I understand that the plot ratios for the corner blocks on State Circle on the corner with Melbourne Avenue have a specified treatment under this proposed amendment.

**Ms Pegrum**—We are all being cautious because we have not printed off the amendment that has been gazetted. I would be very happy to provide those answers this afternoon once we have done that.

**Senator LUNDY**—It is an important point because the joint standing committee sought clarification on what one of the lessors argued was discrimination against his block, which I understand is a corner block on Hobart Avenue, saying that it was treated differently from the corner blocks on Melbourne Avenue. I want to know if there is any difference at all in the description of how those corner blocks are treated under DA 39 as it has been gazetted.

**Ms Pegrum**—From memory, I believe that issue related to the isolation of a block by amalgamation, not having access to the 0.8. That has been addressed, but I am very happy for us to go back to the office and provide that advice.

**Senator LUNDY**—You are still not answering my question about whether there is differential treatment of those two blocks, the corner block of Melbourne Avenue and the corner block of Hobart Avenue. What I am hearing—and this concerns me greatly—is that there is a difference, which means that the advice given by the NCA to the joint standing committee was wrong.

**Ms Pegrum**—Without going back and looking at that advice and without downloading the draft amendment—

**Senator LUNDY**—Fine. It could be resolved if we could get a copy of what has been gazetted to the committee now. In the meantime, I will ask questions about car parking. So perhaps you could make that happen. I am sure you have someone in the building who can get it off the web site in the minister's office or something. Notwithstanding that, I should make a very general point, which is that the residents have consistently argued and the joint standing

committee has consistently recommended that there be a height limitation of two storeys. In their original advocacy of the provisions for the State Circle frontage treatment, the National Capital Authority were in favour of dual-occupancy buildings with a height restriction of two storeys, and one was subsequently approved. That can be seen in all its glory, having been completed. It was only after introduction of the advocacy of Mr Drummond and State Circle Developments that the prospect of going higher than two storeys with amalgamated blocks entered the spectre of consideration by both the joint standing committee and the National Capital Authority. Can I ask the National Capital Authority why they have chosen to concur with one developer who clearly already has in their possession a number of blocks that may well be amalgamated? I put to you that this amendment is designed specifically to facilitate the interests of that one developer. Why have the NCA chosen to do that?

**Ms Pegrum**—The NCA have not chosen to do that, Senator Lundy. You have asked this question in a number of fora before in different ways. The authority's decision to change the height occurred because of the submissions made to the first inquiry into draft amendment 39. A number of parties indicated that the provisions for two storeys may not have allowed or afforded a character or an urban scale that was appropriate to State Circle and Parliament House. We took that into account and made the changes after looking at urban design studies prepared by our professional staff. The proponent you have referred to has not been the major reason for and has not had major input into any of the decisions associated with this draft amendment.

**Senator LUNDY**—But you do not deny that they will be pretty much the sole beneficiary of the exercise in terms of any development that will now take place in that area?

**Ms Pegrum**—I would not even know who the people are who own those various blocks at this point in time.

**Senator LUNDY**—Well, you should if you have read the report or the *Hansard*, because it was clearly placed on the record that State Circle Developments did have an interest in at least some of those blocks.

**Ms Pegrum**—I am sure they do, but they are not the reason why this draft amendment was proposed or solely the reason why it was changed.

**Senator LUNDY**—Has any employee of the National Capital Authority been required to lodge conflict-of-interest or interest statements in relation to this whole issue of State Circle Developments?

**Ms Pegrum**—Every meeting of the authority starts with a conflict-of-interest statement. From memory, no person has made any statement of conflict of interest.

**Senator LUNDY**—Can you guarantee that no member of the board of, or someone employed by, the National Capital Authority has an interest in this development?

**Ms Pegrum**—All I can say is that no member has stated that they have and, at each meeting, members are asked to state any conflict of interest.

**Senator LUNDY**—Do you have that gazetted amendment yet?

**Mr Wales**—It is coming.

**Senator LUNDY**—While we wait, I will proceed with a couple of other general questions about the impact of draft amendment 50, in particular about the concerns expressed by the CPSU. I understand that they have made representations expressing concern about a number of things—first of all, about the impact on the already very high parking load in the Parliamentary Triangle and surrounding precincts. We have had an inquiry into that too. Has there been any investigation, research, study or other analysis on any impact of draft amendment 50 on increasing the load or density of or the demand for parking in the Parliamentary Triangle or surrounding area?

**Ms Pegrum**—Because draft amendment 50 is not about changing land use, that has not been the concern.

**Senator LUNDY**—Have you been able to explain that to the CPSU?

**Mr Larmour-Reid**—We received that submission this week. As we are still awaiting the conclusion of the public submission period, we have not responded other than to acknowledge the receipt of the letter.

**Senator LUNDY**—Can I also mention the general issue, which I believe is also touched upon in that submission, about the National Capital Authority's response to the pay-parking inquiry—again, quite a perennial issue. I know it has been going on for a long time. What is the current thinking, and why has the NCA not progressed a comprehensive policy analysis, project or research effort into what happens next with the pay parking and parking facilities in the Parliamentary Triangle and surrounding area?

**Ms Pegrum**—We were waiting for the government response to be tabled, and that was tabled in November 2004. The government response agreed with the committee's recommendations. The authority has considered a way to bring forward responses to the concerns. There has been correspondence to stakeholders, and a group is being established.

**Senator LUNDY**—What has been established—a group?

**Mr Evans**—We are establishing a steering committee of policy interests—mostly Commonwealth government agencies but ACT as well. That group will provide input to and be able to give reflection to the consultation process which will occur with the stakeholders in the Parliamentary Zone and surrounds.

**Senator LUNDY**—Who is on that group? And why were the CPSU not notified of that government response and your subsequent activities? Their submission implies that they were not aware that the NCA had taken the next step.

**Ms Pegrum**—Do you mean the CPSU response on draft amendment 50?

**Senator LUNDY**—Yes.

**Ms Pegrum**—I understand that it has just been received this week.

**Senator LUNDY**—No, I mean that, because they refer to this issue in their submission, I want to know whether or not the NCA had written to the CPSU previously about the parking issue, given that they have always made strong submissions and would clearly be described as a major stakeholder in the issue of pay parking in the Parliamentary Triangle and surrounding area.

**Mr Evans**—We would obviously intend to consult directly with the CPSU as a stakeholder with an interest in the Parliamentary Zone when we start the formal process of consultation. We have not yet commenced that process.

**Senator LUNDY**—Did it cross your mind to put them on the group of people who are managing that consultation process?

**Ms Pegrum**—I do not believe that the authority would have considered putting a particular union on that group. There may be other unions that have an interest in this matter as well, although, from memory, the CPSU certainly did make a submission at the time of inquiry.

**Senator LUNDY**—You would know from the submissions that they were probably the only one that took a leading advocacy role.

**Ms Pegrum**—I think you are right, but I cannot remember all the submissions.

**Senator LUNDY**—So you just do not want to put unions on that group? You do not think it is appropriate, or is it something worth considering?

**Ms Pegrum**—At this point, we are meeting the committee's recommendations, by coming forward with more detail on the kinds of structures that could be considered if pay parking supported this policy.

**Mr Evans**—And also to undertake an extensive consultation process, which is what we intend to do.

**Senator LUNDY**—Has the NCA rectified the situation where new buildings have been constructed with inadequate parking servicing those buildings? I think the Minter Ellison building was one such building that has been constructed with inadequate parking for its occupants, hence that full paddock every morning next to it.

**Ms Pegrum**—As I understand it, the level of parking in all the buildings in that area meets the requirements of the plan.

**Senator LUNDY**—That is my point: the plan is inadequate. What are you doing about it?

**Ms Pegrum**—What we have said before is that we also have responsibilities in looking at parking that is sustainable. One of the objectives goes to things like greenhouse emissions and matching territory standards associated with car parking and trying to move people onto public transport. So simply increasing the generation of cars with more car parking is not a responsible planning measure to take.

**Senator LUNDY**—So we end up with people filling up paddocks.

**Ms Pegrum**—Part of the theory is that you wind up with people moving on to public transport and fewer people using cars.

**Senator LUNDY**—From my recollection, that was not shown to be the definitive trend in the way parking and pay parking were handled in the Parliamentary Triangle. I am just making that observation. So it remains a problem. Can you take it on notice to provide the committee with all the relevant information—that is, the government response and the steps you have taken subsequently to address this issue and what the plans are?

**Ms Pegrum**—Yes, we can, but you would appreciate that the government response went on the government web sites immediately.

**Senator LUNDY**—Yes, I appreciate that. I confess I missed that one. It would be good if you could put me on the distribution list of your initiatives as well. Before I refer to the gazette, perhaps I could go through some of the other responses to the report. The government has now officially rejected the recommendation that all amendments to the National Capital Plan be referred to the joint standing committee. Does the NCA have a view on that?

**Ms Pegrum**—This is the government response, and I accept the government's response.

**Senator LUNDY**—I should note for the record that we do not have a minister present, so I think my efforts to work through this government response will be slightly limited.

**CHAIR**—Do you want to get him out of—

**Senator LUNDY**—No, not really. I do not think the minister representing the minister would be of much use, somehow. Perhaps the way to do it would be to place my specific questions on notice.

**CHAIR**—That sounds good.

**Senator LUNDY**—While we are still waiting for the gazette information, it is worth noting that the government has taken it upon themselves to agree to a couple of the recommendations, but in general there is disagreement to what I would consider to be the nuts and bolts of the recommendations contained in the original report. The government response does respond to the review of corporate governance and statutory authorities and office holders in the Uhrig report. Four of the recommendations refer back to the NCA for consideration in the course of that particular review on corporate governance. How are the NCA progressing the issues that have been referred to the Uhrig report?

**Ms Pegrum**—The Uhrig report is a report on governance, as you know. It is not a matter of self-assessment—that is made quite specific by the report and as adopted by the government. DOTARS is conducting the assessment together with the department of finance. They have begun that process and I believe we are scheduled for June of this year. In terms of the assessment process, they have appointed consultants to assist them. We have met with the consultants once as a group and we have provided some information to them. But it is very specifically not a self-assessment because it is about government structures.

**Senator LUNDY**—So effectively these recommendations are referred to that group.

**Ms Pegrum**—That is my understanding.

**Senator LUNDY**—And they will consider them in the context of looking at the overall governance and operation of the NCA?

**Ms Pegrum**—That is our understanding, yes.

**Senator LUNDY**—Do you have the *Gazette* notice?

**Mr Wales**—Yes. It is just being copied now.

**Senator LUNDY**—I will ask you a few more questions about the Griffin Legacy while we wait. Notwithstanding the article in today's paper, for the record, to what extent does DA 50

have any impact on the ability of the ACT Planning and Land Authority to develop the Civic precinct in accordance with the Griffin plan?

**Ms Pegrum**—The Griffin Legacy gives the ACT government a picture, if you like, of what the forward thinking is about central Canberra's development. The area that the territory government is most focused on at the moment is Civic. Amendment 49 to the plan replaced special requirements with principles and policies for Civic. That has been approved and is tabled in the House at the moment, from number of disallowance days to go. In effect, that has already identified for the territory those things that we consider to be of value. That will then allow them to deal in the main part with development applications without the developer also requiring a DCP approved by the authority.

The City Hill precinct is different. That is a designated area in the National Capital Plan. So there is only one planning approval agency, which is ourselves. Both the proposals before the territory government at the moment—their own, which is really their planners' rather than a government adopted proposal, and that developed by the Snows—are being considered by this task team that they have established. We have attended the first meeting of that this week. The issue there is not one or the other but what they would like to do with the City Hill precinct. Nothing that we have seen to date is contra to the intents of the Griffin Legacy, so I would say that we are very well aligned.

**Senator LUNDY**—That was really where I wanted to get to, whether the Snow plan or any other proposals that have been articulated to the degree of detail necessary to make an assessment would conflict with the Griffin Legacy or the NCA's vision of what sort of development is feasible, appropriate and suitable for that City Hill precinct.

**Ms Pegrum**—Not on the face of it. There are some issues though in both plans. In the Snow plan there are issues about widening London Circuit that could have a marked effect on some buildings that would be considered of heritage value possibly by the territory government and there are issues about the heritage value of City Hill itself and whether it would be appropriate to build through it or across it. But without the detail, it is far too early to start to get into that. The territory really has not adopted a firm position on this itself. There is nothing fundamentally different to—

**Senator LUNDY**—I appreciate that. I am just trying to get the parameters of the NCA, because it is designated land and I presume you will be the authority with planning control of the actual City Hill. If the parameters are stated early then at least it helps those investing time, money and effort, both at the government level and in the private sector, to get an idea of the scope within which they can come up with ideas.

**Ms Pegrum**—That is right, and that is the sort of input that I anticipate the task force will looking for from us.

**Senator LUNDY**—So when you just talked about whether or not there can be any building on it at all, is there a question about the heritage value or potential heritage value of City Hill as a tree-covered grass mound?

**Ms Pegrum**—There could well be. There could also be significant environmental ones.

**Senator LUNDY**—But wouldn't you already know that, because the plan would already tell you that? Wouldn't the National Capital Plan already have it earmarked if there were any such concerns?

**Ms Pegrum**—It shows it as a land use in the National Capital Plan. If you built through it, arguably it could need a draft amendment to the plan and for the authority to have to make a decision whether or not to propose one.

**Senator LUNDY**—What would be the heritage test at that point of the draft amendment?

**Ms Pegrum**—I guess the problem at the moment is that the territory has not actually said 'this plan' or 'that plan'—and, in fact, may not use either plan. Where we do feel that we align with them is that they have talked about developing those sites, that they are looking at enlivening the sites and that they are looking at an integration with City Hill and down to the lake. All of those things align with the proposition in the Griffin Legacy. The Griffin Legacy itself may need draft amendments to the plan.

**Senator LUNDY**—I think they need more guidance than that at this stage. For that task force to even start contemplating what type of development could be appropriate, they need to know right now whether or not any type of development is actually going to be permitted. Forget the subjective nature of it and all the assessments that will come later. If there is an issue now about the potential for there being no development, don't you think that you have a responsibility to be absolutely clear about that right now?

**Ms Pegrum**—As I said, I anticipate that that is what the task force will be asking from us. That is what the authority will certainly be looking at with them.

**Senator LUNDY**—You do not have to wait for them to ask to tell what is in the plan.

**Ms Pegrum**—We have offered that we will put that together, but have met for the first time this week.

**Senator LUNDY**—So you have not put that together yet.

**Ms Pegrum**—There were no terms of reference until this week.

**Senator LUNDY**—So you have not done an assessment on whether or not anything could be developed on City Hill as yet.

**Ms Pegrum**—We have given the territory comments on that, because they came to us prior to developing the territory planners' proposal. They are generally supportive. The Snow plan was presented to us, as it was to many other people, but the territory government's plan on how to address these things is very new.

**CHAIR**—We have been an hour and we have *Hansard* on—

**Senator LUNDY**—I am waiting for this *Gazette* notice. I am using my time constructively in the meantime.

**CHAIR**—Can we get the *Gazette* notice afterwards? It can be delivered to you and we can—

**Senator LUNDY**—No, because I want to ask some questions about it.

**CHAIR**—How long is this bloody *Gazette* notice likely to take?

**Mr Wales**—It is actually here.

**Senator LUNDY**—The point is that, given the conflict that has existed between—

**CHAIR**—We are winding up, so can we go to your questions on the *Gazette* notice?

**Senator LUNDY**—I have to have a quick look through it. I will do that while I am asking this question. Because of the differing views between the ACT government and the National Capital Authority specifically about the route of the Gungahlin Drive extension, which effectively led to the National Capital Authority asserting its view over the view of the ACT government, I am concerned that the ACT government could expend a great deal of money, time and energy on developing exciting new options for City Hill only to be told by the NCA at some point down the track that that type of development is not permissible or appropriate, in the subjective view of the NCA. What sort of assurances can you give up-front that the NCA is genuinely and constructively engaged in looking at new and innovative ways to integrate Civic in accordance with the Griffin Legacy?

**Ms Pegrum**—A statement of our track record.

**Senator LUNDY**—That is not such a positive thing, when people look at the NCA's track record on things like the Gungahlin Drive extension.

**Ms Pegrum**—I would argue that the recommendation on the Gungahlin Drive extension was the right one and in fact did align with the ACT government's own committee hearings on this particular matter. The draft amendment was out with the ACT Planning Authority's support for the eastern alignment. That position changed following an election, but, from memory, the planning position was out prior to the election. What followed, as you are well aware, was the discussion as to whether they could meet other objectives associated, for example, with the AIS. The relationship with the ACT Planning Authority on key planning matters has been extremely good over the years—in fact, from the start of self-government—and one would say it is stronger now than it has ever been. Minister Corbell is on the public record as indicating that.

**CHAIR**—The committee will now table the NCA document entitled, 'Approval of amendment 39 of the National Capital Plan (Deakin/Forrest residential area)'.

**Senator LUNDY**—I need a few minutes to go through the detail of this. We need to go back to the points of clarification I was asking earlier. I have just gone to attachment B, which seems to outline the general development conditions.

**Ms Pegrum**—Yes, and if you look at those there are the general conditions for the area and on the next page there are development conditions for the sites fronting State Circle.

**Senator LUNDY**—Yes.

**Ms Pegrum**—If you look at '(iii) Plot ratio', it states:

... the plot ratio for residential redevelopment of existing blocks is 0.4. If sites are amalgamated the plot ratio may be up to 0.8.

The emphasis there is on 'may'. It continues:

An exception applies to blocks flanking Melbourne Avenue ... which are permitted to develop to a plot ratio of 0.8 without amalgamation. For other blocks, including blocks isolated by amalgamation—

and this is the point that I think you had at issue—

a plot ratio higher than 0.4 and up to a maximum of 0.8 may also be permissible (where it can be demonstrated ...

So those blocks are the same as the other blocks with the ‘may’.

**Senator LUNDY**—They are not, because this says, as a statement fact:

An exception applies to blocks flanking Melbourne Avenue ... which are permitted to develop to a plot ratio of 0.8 without amalgamation.

That is not a question of ‘may’, is it?

**Ms Pegrum**—They would still have to meet the development envelopes that are in the attached pages.

**Senator LUNDY**—Sure.

**Ms Pegrum**—What that means is that they could be considered for development up to 0.8 without being amalgamated and without being isolated by amalgamation.

**Senator LUNDY**—Yes, but that implies a different treatment than for the other corner block—the State Circle-Hobart Avenue corner block?

**Ms Pegrum**—That would be true if you were considering that as being able to develop up to 0.8 without amalgamation and without being isolated, and from memory that aligns with the position that was made in February.

**Senator LUNDY**—That was explicitly the point that the committee sought clarification on on behalf of a lessor with a specific interest. We were assured that there would be no differential treatment of the corner block of Hobart Avenue and Melbourne Avenue. Yet this amendment implies that there is and that there will be the possibility of discretion by the NCA in granting the 0.8 ratio for the corner of State Circle and Hobart Avenue.

**Ms Pegrum**—I would have to check that evidence.

**Senator LUNDY**—If the corner block on Melbourne Ave Avenue and State Circle and the corner block on Hobart Avenue and State Circle were both isolated blocks—everything was amalgamated in between—my understanding is that in that scenario, because they are both isolated, they would both be able to go to 0.8.

**Ms Pegrum**—That is correct—provided they met the development controls.

**Senator LUNDY**—Provided they met the development envelopes. But if the amalgamated blocks did not extend right up to that corner block and perhaps finished at the dual occupancy, which left some single blocks before the corner block, regardless of the isolation of the corner block of Melbourne Avenue, that block would still be able to go to 0.8, but the block on Hobart Avenue would have to come to you and ask and therefore have an additional hurdle or approval to get over to take it up to 0.8.

**CHAIR**—Who are we talking about?

**Senator LUNDY**—We are talking about the residents and lessors.

**CHAIR**—Is this Sir Lennox Hewitt?

**Senator LUNDY**—Yes, it is. What is the answer in that scenario?

**Ms Pegrum**—If I am understanding the scenario, I think the way you are describing it would be accurate.

**Mr Schultheis**—Both would have the potential to achieve a maximum development on the site, subject to performance criteria.

**Senator LUNDY**—The corner of Hobart Avenue and State Circle, and all the blocks across there, would have the possibility, because it says ‘may’ go up to that level, but you would have the discretion to approve it or not.

**Mr Schultheis**—In all of them the provision is that there is an upper limit, and they would be developed up to that limit.

**Senator LUNDY**—If that is the case then the lessor with the concern, Sir Lennox Hewitt, who has appeared before this committee on a number of occasions, has been specifically discriminated against in the construct of this draft amendment. That is why he sought clarification. The NCA, I thought quite genuinely, bent over backwards to provide reassurance to that particular lessor that he would not be discriminated against—and now you have got differential treatment for those two blocks in the amendment.

**Ms Pegrum**—I will have to go back to the assurance we gave that resident, because I do not have that evidence here. I will take this on notice and we will try and respond to you this afternoon.

**Senator LUNDY**—If you could provide a formal response. Go back to that original query by the joint standing committee on behalf of this particular lessor, Sir Lennox Hewitt. He has made a number of submissions and expressed a very clear view that he felt he was discriminated against. It was entirely appropriate for the committee to seek assurances from the NCA that there was no discriminatory treatment being applied. I believe we got that assurance. I do not believe this draft amendment reflects the assurance that we were given by the NCA.

**Ms Pegrum**—I will take that on notice.

**Mr Yuile**—Senator O’Brien asked us, I think on Tuesday night—it was a long time ago—for a list of rural transaction centres which have been approved but are not yet operating. I have a list here and a short explanation of where things stand. I would like to place that on the record as an answer to the question.

**Senator O’BRIEN**—Can we incorporate that into *Hansard*?

**Mr Yuile**—If you wish.

**CHAIR**—Yes.

*The answer read as follows—*

#### **Rural Transaction Centre Programme**

The purpose of the Rural Transaction Centres Programme is to assist smaller rural communities to have access to services and technology that enable them to obtain information and carry out transactions. The Government funded this Programme through the Rural Transaction Centres Reserve established under the *Telstra (Further Dilution of Public Ownership) Act 1999*. As with other regional

programmes, partnership funding is an important component of the RTCs Programme. The legislation allows funds from this Reserve to be accessed until 30 June 2005.

This requires Government payments to be claimed by 30 June 2005. Under robust programme management principles reflected in funding agreements the Department of Transport and Regional Services is able to make payments to grantees who can demonstrate an ability to complete their RTC within a reasonable period of time after 30 June 2005 (eg. a signed contract with a builder).

RTC grantees have been made fully aware for some time of their obligations under their funding agreements and have been advised regularly of the need to claim RTC Programme payments by 30 June 2005. The Department is giving extensive support to groups with RTC grants to assist them to claim the stage payments to which they are entitled before 30 June 2005.

169 of the 239 RTC approved are now operating and providing services to their communities. Progressively over the coming months the majority of the RTCs listed below will be fully operational. A small number of groups may not complete their RTCs under this Programme.

As at 27 May 2005, the following Rural Transaction Centres are not yet operating:

- Baradine (NSW)
- Bermagui (NSW)
- Captains Flat (NSW)
- Coonamble (NSW)
- Greta (NSW)
- Gundagai (NSW)
- Henty (NSW)
- Kendall (NSW)
- Menindee (NSW)
- Tibooburra (NSW)
- Tingha (NSW)
- Wilcannia (NSW)
- Cann River (Vic)
- Wedderburn (Vic)
- Aurukun (Qld)
- Badu Island (Qld)
- Bamaga (Qld)
- Birdsville (Qld)
- Boigu Island (Qld)
- Coen (Qld)
- Dauan Island (Qld)
- Doomadgee (Qld)
- Erub Island/Darnley Island (Qld)
- Gunana (Qld)

- Horn Island (Qld)
- Jundah (Qld)
- Kubin, Moa Island (Qld)
- Mapoon (Qld)
- Mer Island (Qld)
- Pormpuraaw (Qld)
- Seisia Island (Qld)
- Umagico (Qld)
- Wujal Wujal (Bloomfield Valley) (Qld)
- Yam Island (Qld)
- Yarrabah (Qld)
- Augusta (WA)
- Bidyadanga (WA)
- Boddington (WA)
- Boyup Brook (WA)
- Frankland (WA)
- Jerramungupn (WA)
- Jigalong (WA)
- Kalannie (WA)
- Leonora (WA)
- Morawa (WA)
- Mukinbudin (WA)
- Northcliffe (WA)
- Roebourne (WA)
- Waroona (WA)
- Wagin (WA)
- Yalgoo (WA)
- Blanchetown (SA)
- Marree (SA)
- Streaky Bay (SA)
- Yunta (SA)
- Mole Creek (Tas)
- Galiwin'ku, Elcho Island (NT)
- Naiiyu, Daly River (NT)
- Nguiu (NT)
- Yuendumu (NT)

**CHAIR**—I thank DOTARS, AFFA and everybody else who has been here all this week putting up with us and vice versa. Mr Yuile, we will see you back here in another form, I suppose, in due course.

**Committee adjourned at 1.58 pm**