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SENATE

RURAL AND REGIONAL AFFAIRS AND TRANSPORT
LEGISLATION COMMITTEE

ESTIMATES

(Budget Estimates)

FRIDAY, 30 MAY 2003

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SENATE

RURAL AND REGIONAL AFFAIRS AND TRANSPORT LEGISLATION

COMMITTEE

Friday, 30 May 2003

Members: Senator Heffernan (*Chair*), Senator Buckland (*Deputy Chair*), Senators Cherry, Colbeck, Ferris and O'Brien

Senators in attendance: Senators Buckland, Colbeck, Crossin, Ferns, Heffernan, Lundy and O'Brien

Committee met at 9.02 a.m.

TRANSPORT AND REGIONAL SERVICES PORTFOLIO

Consideration resumed from 29 May 2003.

In Attendance

Senator Boswell, Parliamentary Secretary to the Minister for Transport and Regional Services

Corporate Governance Group

Mr Peter Yuile, Acting Secretary

Ms Lynelle Briggs, Deputy Secretary

Regional Programmes Division

Ms Leslie Riggs, First Assistant Secretary

Ms Wendi Key, Assistant Secretary, Stronger Regions

Dr Leo Dobes, Assistant Secretary, Regional Access

Ms Vicki Dickman, Acting Assistant Secretary, Regional Network

Ms Kelly Pearce, Director, Area Consultative Committee and Regional Package Team

Territories and Local Government Division

Mr Mike Mrdak, First Assistant Secretary

Mr Andrew Wilson, Assistant Secretary, Non-Self-Governing Territories

Mr Adrian Beresford-Wylie, Assistant Secretary, Self-Governing Territories
Local Government and Natural Disaster Management

National Capital Authority

Ms Annabelle Pegrum, Chief Executive

Mr Lindsay Evans, Managing Director, Business

Mr Graham Scott-Bohanna, Managing Director, Design

Mr Ross Addison, Director of Finance

Mr David Wright, Director, National Capital Plan

Mr Ted Schultheis, Principal Planner, National Capital Plan

CHAIR—On this beautiful, sunny, frosty morning I declare open this public meeting of the Senate Rural and Regional Affairs and Transport Legislation Committee. The committee will continue its consideration of the 2003-04 budget estimates for the Department of Transport and Regional Services. As I stated yesterday, answers to questions on notice and additional information should be received by the committee no later than Friday, 11 July. We are continuing on the Regional Programs Division.

Senator O'BRIEN—Before we do that, there is a matter I want to raise. On Tuesday this week, the Secretary of the Department of Agriculture, Fisheries and Forestry, Mr Taylor, advised the committee that he would make a copy of the current report and recommendations concerning the axing of ABARE and BRS available to rural stakeholders by posting them on the department's web site, and that he would then listen to the stakeholders, who, for the first time, would have an opportunity to read the report.

A draft report has been posted on the web site. While I am pleased some recommendations concerning ABARE's future have been made available for the first time, I am advised that the report on the web site is not the current report but rather a redundant report containing some obsolete recommendations. I understand a final, amended report has been under consideration by the secretary for quite some time. The posting of a draft report would not be consistent with the spirit of the undertaking given to this committee on Tuesday by the Secretary of AFFA.

I treat the undertakings that are given to this committee of the Senate seriously and, accordingly, I would ask Senator Boswell to contact the department and establish whether the report currently under consideration by the secretary is the same report to which stakeholders, including farmers, farm organisations and commodity groups, now have access through the department's web site. You will be aware that the *AM* program this morning reported that a decision had already been made to axe ABARE and BRS. That report is not consistent with the advice provided to this committee on Tuesday. I was assured that the secretary was committed to consulting widely with the relevant stakeholders and, accordingly, I ask that you seek formal advice in relation to whether the assurance given to this committee will be honoured. Senator Boswell, I request that you initiate immediate inquiries and seek advice on the two matters I have raised: the provision of the current ABARE report and the commitment to listening to stakeholders' view before reaching decisions on the future of the bureaus. I request that that advice be provided to the committee this morning.

Senator BOSWELL—Senator O'Brien, can you give me a copy of the statement that you have just made so that I can get accurately what you are asking?

Senator O'BRIEN—I certainly can.

Senator BOSWELL—I will see if we can do that.

CHAIR—Thank you very much for that.

Department of Transport and Regional Services

Mr Yuile—Chair, before questions begin may I make one slight correction. I think yesterday afternoon in answering a question from either you or Senator Stephens—I cannot remember who—about the regional community liaison officer in Longreach, I mentioned that

they were located in the local shire council chambers. They certainly used to be, but I now understand that they are co-located in an office in the preschool precinct. I just wanted to correct the precise locations.

CHAIR—Thank you.

Senator BUCKLAND—Last night we were talking about the administration costs. I have almost completed that. Is the rate of funding that is available for staffing—I may have asked this, so if I repeat myself tell me quickly—a fixed rate or is it based on the number of staff and board members?

Ms Riggs—Senator, last night I was explaining that the funding available to each ACC through what I was describing as our base funding grants was based on their commitment to delivering a business plan, and we provided resources consistent with that. There is no fixed formula for any component of what an ACC might include in its business plan, including for staffing resources.

Senator BUCKLAND—What is worrying me about this whole process is the lack of guidelines or directives for the spending of taxpayers' money. There does not seem to be any direction as to how many board members there will be, or how many development officers there may be or how many clerical staff. The business plan is one thing but it seems to me that the ACCs are being encouraged to get as much as they can, and nothing more.

Ms Riggs—Once the business plan has been negotiated, they are then obliged to deliver on it. It is a highly accountable arrangement. They have to acquit against the elements of the business plan and the funding they have received for it, and they have to report each year on their achievements against that business plan.

The ACCs cannot have a single set of one-size-fits-all rules. There are 56 of them; they range from being single large ACCs that cover entire metropolitan and outer metropolitan areas to being quite small ACCs that have community liaison responsibilities for quite large tracts of land but potentially quite small populations. There is no such thing as a one-size-fits-all set of rules for an ACC.

Senator BUCKLAND—I want to come later on to a specific one that is a bit of a worry to me. Are there reportable outcomes that have to come back to you each year to be reassessed?

Ms Riggs—The process of funding for ACCs is based on an annually negotiated business plan—that is, it is negotiated each year—and each year they must report on their achievements under that business plan.

Senator BUCKLAND—Who reviews those reports?

Ms Riggs—The department does.

Senator BUCKLAND—What is the process of review?

Ms Riggs—We review them. We receive their reports, they are discussed, we make an assessment of the extent to which they have met the commitments they have made in their business plan, and that informs the way in which the dialogue about the next year's business plan is shaped.

Senator BUCKLAND—I am still extremely concerned about this process. I understand the business plan; you have been through that a couple of times and I am very clear on that. But who makes the ultimate decision as to how much money is spent on administration, rental, the cost of the board travelling around—I will highlight one case shortly on that particular issue—and the cost of running the ACC, as opposed to the quantum of money that is spent on projects?

Ms Riggs—In the first instance, the minister basically decides how the total sum of money available for the Regional Assistance Program will be split between the funding for ACCs and that for projects at a national level each year. The second component of this is that, guided by existing funding bases, our regional managers have a dialogue with the ACCs within their area of responsibility based around business plans for the forthcoming year. At the end of the day, the delegate for the Regional Assistance Program, based on recommendation from our 11 regional managers, makes a decision about the acceptability of the business plan and the associated funding resources recommended to them.

Senator BUCKLAND—At the end of each reporting year, which I imagine is the financial year—

Ms Riggs—That is right.

Senator BUCKLAND—are the ACCs required to put in a further projected plan for the year, or is that done on a month by month, project by project basis?

Ms Riggs—Planning of the work of the ACCs is done in terms of the annual business plan.

Senator BUCKLAND—I think this question has been answered at previous estimates, but just to refresh my memory: each project is funded on its merits at the time that the application is made; am I right?

Ms Riggs—As I said last night, the ACCs do not make decisions about funding projects.

Senator BUCKLAND—But they put in their proposals.

Ms Riggs—The ACCs might work with a project proponent under the existing arrangements for Dairy RAP or RAP, and they might indicate their endorsement or otherwise of a project. But the decision makers for the Regional Assistance Program and the Dairy Regional Assistance Program to date have been delegates within the department. Under the proposed new arrangements, the decision maker will be the responsible minister.

Senator BUCKLAND—I appreciate that. Thank you. It appears that the ACCs are beginning to play a role in supporting programs funded by other Commonwealth agencies. Can you provide me with a detailed list of the funding for and through ACCs for all Commonwealth agencies for 2002-03?

Ms Riggs—I do not have that information available. I can ask my colleagues in other departments if they are able to give it to us, but we are not responsible for the total operations of ACCs, so we do not have that information.

Senator BUCKLAND—But you will make inquiries?

Ms Riggs—I will make inquiries.

Senator BUCKLAND—Thank you very much. Could you also make inquiries and provide me with the same details for the arrangements for the 2003-04 financial year?

Ms Riggs—We will ask if they have plans for expenditure in that area, yes.

Senator BUCKLAND— In 2002-03, at additional estimates, it was indicated that the Regional Assistance Program had an allocation of \$24.533 million for the 2002-03 year. I think that is right.

Ms Riggs—Yes, that is correct.

Senator BUCKLAND—In reply to a question from the last hearing, it was indicated that the operational funding of area consultative committees accounts for \$14,408,751. Therefore, the anticipated expenditure for the Regional Assistance Program, other than for operational funding of ACCs for 2002-03, is of the order of \$10.1 million. What is the estimated actual expenditure for this part of the program in 2002-03?

Ms Riggs—For project funding?

Senator BUCKLAND—Yes.

Ms Riggs—I think we went through this last night. My best current estimate of actual expenditure on projects under the Regional Assistance Program in the current year is some \$11.4 million.

Senator BUCKLAND—For the projects part of this program, how much money committed prior to 2003-04 will be expended in 2003-04, 2004-05 and beyond?

Ms Riggs—I do not have those details with me. I will take that on notice.

Senator BUCKLAND—Thank you.

Ms Riggs—You should bear in mind that what we can do is indicate what commitments have been generated under the Regional Assistance Program up to the end of the day on which we answer the question. But the Regional Assistance Program does not continue in 2003-04; it is subsumed within the Regional Partnerships program.

Senator BUCKLAND—In respect of the operation funding of ACCs, have you developed benchmarks for the allocation of the resources?

Ms Riggs—I am sorry, I do not quite understand the question.

Senator BUCKLAND—We have partly been through this. For the operation funding of ACCs, which we were talking about earlier—

Ms Riggs—With their base funding grant?

Senator BUCKLAND—Yes. Have you developed benchmarks for the allocation of these resources?

Ms Riggs—To each ACC?

Senator BUCKLAND—Benchmarks that they should comply with.

Ms Riggs—No. I have been describing to you a situation in which, based on their past experience, the negotiation of the business plan and an associated set of resources, we look each year at what they are seeking for their funding. Our regional managers, as I said last

night—I believe it was when we were talking about the lease component of the accommodation—have experience, based on past years and on their knowledge of what is happening in other ACCs, for each of the components. Last night we were talking particularly about the lease component. There is no single benchmark for any of them, because for many the difference, for example, between the costs in a capital city and the costs in a rural town is simply very, very different.

Senator BUCKLAND—I refer now to the New England North West Area Consultative Committee in New South Wales. Minister Anderson has recently appointed a Mr Kevin Humphries to chair this committee. Was Mr Humphries previously employed by Dunavents?

Ms Riggs—I am sorry, I do not know.

Senator Boswell—Employed by whom?

Senator BUCKLAND—Dunavents.

Ms Riggs—We will check what we know of Mr Humphries's previous experience.

Senator BUCKLAND—Does this particular ACC that I have referred to still have its offices at 2/287 Peel Street, Tamworth, as indicated in the department's web site?

Ms Riggs—That is my understanding.

Senator BUCKLAND—Does this particular ACC have any offices?

Ms Riggs—I understand it has a single office in Tamworth.

Senator BUCKLAND—Are there any plans to move this ACC from Tamworth, or to open another office for this ACC in another location?

Ms Riggs—The chairman of that ACC has initiated a dialogue with the department about whether it might be possible either to relocate the office or to establish a second office, yes.

Senator BUCKLAND—Are you aware that the Moree Plains Shire Council has announced that the old council chambers will be leased to the ACC?

Ms Riggs—No, I am not.

Senator BUCKLAND—As far as you are aware, did the Moree Plains Shire Council approve moving buildings because the existing building is in need of a major upgrade?

Ms Riggs—I have no knowledge about why any particular shire council in Australia might be contemplating moving its premises.

Senator BUCKLAND—I refer now to another ACC, to go through a few things with you. I have done what many people have been suggesting to me, and have looked at the web site, including for an ACC that is familiar to me as it operates out of my home city—that is, the Flinders Regional Area Consultative Committee. You may recall that at the last estimates I put questions to the department in relation to accountability. Is there a need for public meetings to be held?

Ms Riggs—The requirements for each ACC's operations will be determined by their articles of association. All ACCs, at a minimum, are registered associations under the relevant state associations law, so they all have to have all articles and/or memoranda, depending on what the state law prescribes. Those include the nature of the way in which the organisation

basically constructs its governance arrangements. I am not familiar with the individual arrangements of each of the 56 ACCs.

Senator BUCKLAND—Is there a need for public accountability by having an annual general meeting of ACCs?

Ms Riggs—I am not familiar with the South Australian legislation, but for two of the states and territories I know, for other than work related reasons, that it would be a requirement.

Senator BUCKLAND—We have already established that the size of the board is basically up to the ACC itself. Is it a requirement that the board move around their area of responsibility?

Ms Riggs—Again, there is no requirement from the department that they do that. But as part of their accountability to us in terms of being able to meet one element of their charter, which is about understanding the needs of their regions and consulting and being able to inform and advise the department and the government about those sorts of matters, we would certainly regard it as good practice that members of ACCs made themselves available to members of the communities that they work within over the course of the year.

Senator O'BRIEN—I want to return to the issue of the ACC office which moved from Tamworth to Moree. I know you have said that you do not necessarily know the reasons that moves occur. Presumably, you would be told if there was a change of address of a particular ACC, although maybe that is not the case.

Ms Riggs—Yes, we would need to know a change of address, contractually. An organisation that we have a contract with would have to advise us of a change of address—that is a simple mechanistic thing. Their details on the ACC web site would need to change—again, a mechanistic thing. More importantly, to the extent that any accommodation move would change substantially their leasing arrangements, and those are part of an approved budget associated with the business plan, any changes to those need to be consulted about with the department.

Senator O'BRIEN—So if there is a leasing arrangement involved in the changed of address, the department would have to be notified in advance?

Ms Riggs—That is right. It would have to be discussed with us in advance.

Senator O'BRIEN—Can you find out if that discussion did take place?

Ms Riggs—I understand that the ACC we are talking about still has its office base in Peel Street in Tamworth, and I have already said in response to Senator Buckland that the chairman of that ACC has initiated discussions with the department about whether or not there is a possibility of either moving or opening a second office.

Senator O'BRIEN—The reason the opposition wants to pursue this issue is that we are concerned that it may not be merely coincidence that the Moree Plains Shire Council agreed to buy a building from the cotton company Dunavant, which is the employer of Kevin Humphries, who was subsequently appointed the chair of the local ACC by the minister, who is the local member. The ACC in Tamworth is, from what you say, possibly to be moved to Moree, on the northern edge of the region, with the ACC leasing the old building from the shire council.

There seems to be a bit of a round robin transaction going on there, where the chairman of the ACC appears to have connections to commercial interests which might have an interest in the transaction. That is the reason we are raising that issue. Could you take our concerns on notice, unless you can respond to them now, and come back to us with a view as to whether propriety is being observed in relation to the issue of the potential move of the ACC office and the involvement of outside interests which stand to benefit from that transaction? I suppose the other question is: would the department care if that were the situation?

Ms Riggs—I am very grateful to you for describing so completely the nature of your concern. At this stage, I really have to say again that the process in hand is absolutely the process that we would require of any ACC. Issues to do with the location of the office, vis-a-vis the size and shape of the area it covers and so on, are matters that we would take into account, as is the impact on the state of the finances, the approved budget, of the ACC. Now that you have drawn a number of other matters to our attention, we will consider whether those are issues about which we ought be concerned, given the nature of the relationship between the Commonwealth and the ACC.

Senator O'BRIEN—Thank you for that. I take this opportunity to thank Mr Yuile for having a chat with us about an issue which is on the front page of most of the papers. As a Launceston based senator with a longstanding role on this committee and concern about aviation, I am concerned about the events yesterday on QF1737, as all air travellers would be. Is it possible to call relevant departmental officers who would be in a position to provide advice about this matter? I would like to ask some questions. We have had the aviation security division here. I know they have been released, but I think it would be an opportunity that this committee should not miss.

Senator Boswell—Do you want a private briefing?

Senator O'BRIEN—I think the public would prefer a public response, unless there is some reason why it should not be public.

Senator Boswell—I will ask Mr Yuile to answer that. It was explained to me that you wanted a private briefing.

Senator O'BRIEN—We have been through intermediaries, in some respects, so perhaps it has not been clear.

Mr Yuile—I may have misunderstood. As you can imagine, our staff have been working all night and this morning both in assisting, as part of our role, with the response to the incident and then, of course, beginning the investigation which the minister indicated yesterday afternoon. I had understood, perhaps mistakenly, that you would like a private briefing. We are just clearing that with the minister's office at the moment, as you can appreciate we would do.

Because this matter is still under investigation, and there are obviously facts to be established and so on, at this stage we would be happy—subject to the minister's clearance—to share with you what we know of the incident and what the process is for the investigation. That would be our preference at this stage. From talking briefly to the minister last night, I am sure he will be keeping the public aware of everything of which he becomes aware. I think he

was waiting to get a clearer picture of the facts before he took it any further, at this stage, in a public way.

Senator O'BRIEN—So are you are saying—

Mr Yuile—If, subject to the minister's clearance, we can give you a private briefing at this stage, that would be helpful.

Senator O'BRIEN—Thank you for having that matter considered. I was concerned that there be an opportunity to brief the committee at the same time, but we will take advantage of whatever opportunity we have in this regard.

Mr Yuile—Senator Boswell was just asking me whether Mr Martin Ferguson would be part of that briefing, but I understand he is not present in Canberra at the moment.

Senator O'BRIEN—No.

Mr Yuile—Then perhaps one of his staff members might join us. Have you got a preferred time?

Senator O'BRIEN—Because I am not doing National Capital Authority estimates, probably when that is due to start.

Senator BUCKLAND—I go back to the operation of the board and the board members. I refer to the Flinders Ranges ACC, which has a board of 13 people from throughout the area. On their web page they have several pages of what one might call 'happy family snaps', which describe 'places we have visited'. I have got to say that that sort of thing, to me, is essential to have on a web site of an organisation such as this, except that as you go through that—and I encourage you have a look at the site—you see that there are happy snaps of such things as a sign that says 'on your plate', which is apparently advertising the Parachilna hotel. I do not know where the hotel is and what has that really got to do with it. There is a picture entitled 'Flinders Ranges'—I think it might be from the Flinders Ranges, although I know most of those areas I cannot pick that spot. There is a picture of someone standing against the side of the road, with a caption 'pit stop on the way to Coober Pedy'. There is a picture of a road sign telling you the way to William Creek and the way to Oodnadatta. There is a photograph of a road, and God knows where that road is leading to.

CHAIR—Bosie, you know where that road is, don't you?

Senator BUCKLAND—I would suggest that Senator Boswell has been down there many times, the same as me, but I am not sure where it is going.

CHAIR—Where is this long, winding road leading us?

Senator BUCKLAND—It is not a long, winding road, and this story is leading somewhere. There is a picture entitled 'a mighty ghost gum in the Flinders. I am wondering what the ACC's board is doing if that is all they can put on. I would have thought that what these people were doing would be more important and that that would have been monitored by the department. Wouldn't it be better to have photographs of the projects they have completed, with the people who have worked on these projects? What are we really spending our money on?

Ms Riggs—I would be happy to share with you the key objectives of the Flinders Rangers ACC for the year 2002-03, if that would assist you in understanding what that ACC have defined as their business priorities for the 12 months that have nearly come to an end. The ACC are not actually responsible for the project grants. They work with proponents and help us to understand how projects will fit into their communities and how they will contribute to the benefit of those committees, but the grants are not necessarily theirs, any more than they belong to the communities or the proponents that have brought them forward. It is important, in terms of the ACC charter, that ACCs are seen to be out and about. The second of their core responsibilities is that ACCs are the link between government, business and the community. The elements of that are to promote and disseminate information on government policies and programs, particularly those oriented towards businesses and communities; to inform government of the impact of policies and programs on businesses and the community—and it is important therefore that they be out and getting a view from business and the community of what that is; to, from a local community context, provide comment on and, as appropriate, endorse project proposals, and we have talked about that; and to provide constructive and regular advice and feedback to government on community needs, services and development requirements. Again, I would suggest that you need to be out there to have some sense of what those might be.

So while others might have a view about how they have chosen to display on their web site the breadth of their travels through the community that their work is intended to support, I think the fact that they do undertake such travels is really quite essential to their delivering on a key element of the charter that the government has given them.

Senator BUCKLAND—I understand that. The funding of travel is one thing, but the reason I am concerned is that these are just family happy snaps as you go around—the type of thing I would do with my family. Apart from being a travelogue, none of these photos actually relates to anything that the ACC's charter directs that they should do, and that concerns me.

Ms Riggs—The department is not responsible for what individual ACCs have on their web sites; we do not vet the operations of ACCs to that level of scrutiny of their inputs. Our interest is in the outputs they achieve. Their methods for achieving them are, by and large, matters for them to determine.

Senator BUCKLAND—But at the end of the day, the department is responsible for the money that is paying for this.

Ms Riggs—That is what I said. We are interested in the outcomes they achieve from that money.

Senator BUCKLAND—From this web site I see that a reasonably new CEO has been appointed to that ACC. It says, in part, that Minister Anderson has developed his new priorities for the ACC network, and it goes through a number of things. One of those is:

- Addressing pressing social issues faced by regional communities, particularly through building community skills and capacity ...

That is a very noble statement, and one that I would wholly endorse. But as I read through that, I saw no mention of tourism as a priority; from my reading of this document, it would be

an offshoot. The only time I see tourism mentioned in the notes from the incoming CEO is where they announce that there have been:

Consultations with major stakeholders including local government, transport industry, tourism industry, and small business ...

Tourism gets mentioned there; that is the entire mention of tourism. When I then go to the projects of this ACC I see that every one—there may be one exception, but I do not think it is a major one—is linked to tourism. I am not suggesting for one moment that they are not reasonably worthy in most cases, except they do not seem to be addressing what the minister has been saying are the new priorities: social issues and building community skills and capacity.

Ms Riggs—The minister has identified eight priority areas for the work of ACCs. The one that you read out is the third of those. The first is: supporting a planned, cooperative approach to regional development, particularly the social and economic impacts of structural change in rural, regional and metropolitan Australia. The second is: improving the business and investment environment in regions. Another is: encouraging the growth of regional business and employment. None of the eight priorities mentions any industry sector in particular, but three of them—those three that I have read out—clearly identify regional development, regional business, growth and opportunities as key priority tasks for the ACCs. If the Flinders Ranges ACC has identified tourism—as indeed many ACCs do—as one of its key strategic advantages in terms of business development, it is quite appropriate that many of the projects it would recommend to the minister would be those that would, consistent with those priorities I have read out, support the development of the tourism industry in that region.

Senator BUCKLAND—Yes, I understand that. But, if you take, for instance, one of the projects that has been approved, for \$29,700, the Arno Bay ecotourism walk—and I am familiar with the area, so this might be unfair to you—how does that benefit the town, apart from the tourists, who already go there?

Ms Riggs—I do not have the details of that project with me, but I will take it on notice to provide you with the nature of the benefits described for that project.

Mr Yuile—As you would appreciate, Senator, with many of those tourist projects—and, indeed, other projects in other areas—as Ms Riggs has said, it is very much not a matter of one size fits all. The priorities that the minister has articulated are applied to the 56 regions, which vary enormously, of course, and some of those can have a greater focus on tourism, others on natural resource management and others on manufacturing and services. There would be both direct and indirect employment and other benefits, as you would appreciate. If facilitating a tourist walk, or other things, generates a greater level of tourist activity, there are a whole range of flow-on benefits for other parts of the local economies. Like Ms Riggs, I do not know the particular details of the project you mentioned, but we can pursue that. They are the sorts of considerations that ACCs would take into account.

Senator BUCKLAND—I understand, from looking at some of the other web sites, that some awfully good projects have been undertaken. My concern with this one is that, and it goes back to the questions I asked at the last estimates about the selection of ACC chairs and CEOs, all of those projects mentioned for the Flinders Ranges ACC, which takes in about 92

per cent of South Australia's landmass—it is one of those that you talked about with a low population and a large area—are linked to tourism. The chair of that particular board makes every effort to get on every tourism board or group that she can get on, because it benefits her business. I believe that better scrutiny in the selection of chairs is required.

Mr Yuile—So your suggestion is that the chair of the ACC is not acting properly?

Senator BUCKLAND—My suggestion is that the chair influences what the board decides should be projects. I am also wondering why the government does not wish to either directly fund local government to administer these funds or go through the regional development boards that are set up in most centres. Why do we need another level of bureaucracy to administer funds that go to the same place?

Ms Riggs—The ACCs do not administer the project funds; the department does. The ACCs provide a layer of advice from their communities to the department, to aid it in the assessment of those projects, and to the minister.

Senator BOSWELL—I want to point out, Senator Buckland, that the people who are on the ACCs do a very good job and all give their time voluntarily. I know many of them put in huge amounts of work and get nothing for it—only the satisfaction of seeing things take place. I know that you do not mean to say anything derogatory about these people, but when you are making your submissions I ask you to consider the effort that they make.

Senator BUCKLAND—I am the first to acknowledge the effort of people, particularly in regional areas. It is generally the same people doing the same work on every committee. I am the first to admit that. I am concerned when there seems to be a singular focus. That is why I come to the point of the funding arrangements. Why is there this level of bureaucracy through the ACCs when the money could go directly to the well-established and effective development boards that are set up in most regions now? It seems that one is overriding the other or one has to talk to the other. It says that they work in conjunction, but it seems to me that there is a layer of bureaucracy, there is a layer of staff and there is a layer of administration costs that could be eliminated simply by dealing directly with those people who are close to the action, such as local government and the local development boards.

Ms Riggs—In South Australia there are six ACCs. One is the Adelaide metropolitan ACC. Therefore, there are five that cover non-metropolitan South Australia. Each of those has cross-membership with the local regional development board, so there is a high degree of interface between those organisations. We understand that the South Australian government has decided to initiate a review of the interface between the ACCs and the regional development boards. I regret to say that the department has not, to my knowledge, been formally approached by the South Australian government to participate in that review. It might further the sorts of conversations that you perhaps are alluding to were that to be the case. But we find ourselves in some confusion as to how we might contribute to the review since we have not been approached.

Senator BUCKLAND—It is not matter of a review. It is something that has been there for some time now—that is, you have this additional level of bureaucracy that is costing the public money to administer when there is already established—

Senator BOSWELL—You are getting into government policy. It is government policy that we have an ACC. If you do not like that, it is your right not to like it. If you get back into government, you may change it. I do not think you are suggesting that the ACC is not doing its job. What you are suggesting is that there should not be an ACC and a lot of other boards. Whether we choose to have an ACC or not is government policy. I cannot see where your criticism is leading.

Senator BUCKLAND—My criticism is that we have an additional level of bureaucracy. Each ACC has a board, an office, an administration and costs that are duplicating work that has already been done by local government and by regional development boards.

Senator Boswell—I do not think that is right. Local government has a different role than an ACC.

Senator BUCKLAND—And they have a role in their regional development boards.

Senator Boswell—Not all places have regional development boards either. It is the government's choice and we think we get phenomenal value for money, since we do not pay anything. The people that work—I have one of two in mind—are successful businessmen that devote about 60 per cent of their time to ACCs. We think we get very good value out of them. I think there is a secretary that is paid, and maybe an executive officer, but the rest of the people who work there do so on a voluntary basis. Whether you think it is wrong or that we are not getting value for money or that there is duplication, it is the government's choice to run with ACCs. You may disagree with it but you are getting into government policy.

Senator O'BRIEN—I want to ask about the Regional Solutions Program. Where in the PBS will I find the funding for the program into the out years?

Ms Riggs—You will not find it, because regional solutions becomes part of the Regional Partnership Program. In the table on page 64, the side tag of the fifth line down is regional partnerships which has a footnote that describes the programs that make it up.

Senator O'BRIEN—In terms of the Regional Solutions Program activities that are current—

Ms Riggs—Anything that is already under contract or that has been announced as approved under the program will proceed.

Senator O'BRIEN—So in the PBS the amounts into the out years will include moneys already committed under—

Ms Riggs—That is the funding source from which commitments already entered into will come.

Senator O'BRIEN—Thank you. I want to be clear in my mind how that line item in the budget works, in the context of your explanation about the ongoing funding of the Regional Solution Program. The minister provided an answer to Mr Ferguson, No. 1187, with regard to the Regional Solutions Program and details about the number of organisations and their projects. I want to ask about some further detail in that regard. When did the Regional Solutions Program Advisory Committee consider the Bowen Collinsville Enterprise Group Inc. application for the Bowen Shire e-Commerce Centre?

Ms Riggs—I think we will have to take questions of that level of detail on notice.

Senator O'BRIEN—Okay, but I have quite a few of them. I am mindful, Senator Boswell, that Minister Macdonald has made a number of statements about putting questions on notice—and I am not being critical of Ms Riggs' response in this regard. I wonder if there is a way we can ensure that, as far as it is possible, information is available. We are certainly not averse to communicating about the areas that we want to pursue. If that is helpful and acceptable to the government, we are happy to do that rather than put the department to the expense of preparing answers to questions on notice. I am not being critical in saying this.

Ms Riggs—One of the issues for us as a programs division is the number of projects in the existing programs. For example, there are over 150 approved RTCs and another 100-plus business plans in development; there have been, over the life of the Dairy Regional Assistance Program, over 300 approved projects; the Regional Assistance Program has already approved 95 new projects this year; the Regional Solutions Program has approved over 600 in its lifetime; and the Sustainable Regions Program has approved 64 projects, the vast majority of those just in the last three to six months.

Even if you were to identify the program that you were interested in, it is simply not physically possible for us to carry with us the details of every project funded and not funded, because sometimes your questions go to projects where the decision ultimately has been to not turn them into projects—or, at least, not projects funded by us. And then, quite frankly, the level of detail that you want is not things that we would routinely record in a systematic way. They are facts about each project but they are not captured in a systematic way because they are not necessarily relevant to the way in which we then manage the program of projects once it has been established. I would love to be able to answer and not take questions on notice. My staff do not like it any more than you like having to wait for the answers. But there is a heck of a lot of information here, so even with help there are going to be occasions when it is impossible for us to do anything other than take the question on notice.

Senator O'BRIEN—Okay.

Mr Yuile—Just to add to that; if you are saying that an indication ahead of time of the areas to be pursued would be helpful, then clearly—subject to Senator Boswell's view—it would be; and we would do our best to be able to respond to you.

Senator O'BRIEN—I am happy to do that. Certainly, we have managed this difficulty better in other areas, if I can put it that way. I have a series of questions which go to the detail of particular projects and announcements. Probably the best thing is to outline them and, if you have any significant detail here, then they might be worth pursuing. If you do not, then we will give you a list of questions on notice rather than put them on the *Hansard* record now. I have a question about the Gippsland Timber Development Inc. application for the forests for the future interpretative centre.

Ms Riggs—You are after that same information?

Senator O'BRIEN—Yes.

Ms Riggs—No.

Senator O'BRIEN—Okay, you do not have that detail here. I would like to know when the Southern Downs Steam Railway Association Inc. proposal for steam locomotive refurbishment, boiler rebuild and recommissioning was first publicly announced and by whom. No?

Ms Riggs—No.

Senator Boswell—Where is that—in Warwick, is it?

Senator O'BRIEN—I have not got that detail in front of me, but we can get that for you if that is helpful. It looks as though most of these questions go to that level of detail. In terms of the tabulation, within the department, of information on these programs, in what form is general material on programs kept? For example, do you have spreadsheet programs which will tell you the name of the project, who the proponent is, when applications were received, when they were approved, when they were announced—all that detail?

Ms Riggs—You will appreciate there is a very different history for each of the programs that come into this area. They are certainly not the same system by any means. Generally, we would have captured on an IT support system—and yes, it is commonly a spreadsheet or an access database—details of when the application was received and when it was approved. For some subsets, the system actually captures the entirety of the assessment process for the public record; for others, it does not. The system would know the date on which we contracted a program but not the date on which it was announced, because that is often, as you know, not done by the department but by ministers offices and it is not a necessary part of how we then administer the contract. The system would record the total value of the grant. In some cases it splits that grant up over not just its individual payment chunks—if I can use a really unscientific term—but also the month in which those are due, all other things being equal with the project. I have to say they are not enormously sophisticated systems and the work that goes into compiling answers to questions like 1187 is pretty heavily dependent on trawls through the files. It is very time consuming.

Senator O'BRIEN—Is it possible to short-circuit the question and answer process by receiving copies of the database, for example for the Regional Solutions Program? It is a broad question, but it would obviate many questions and individual answers.

Senator Boswell—Maybe Mr Yuile can answer that one.

Mr Yuile—I am just thinking about it.

Senator O'BRIEN—I am looking for the detail of the program. If there is a spreadsheet, or an access database resource, which sets out the information for the Regional Solutions Program—first, is it a simple exercise to reduce it to a printed form; and second, can that be supplied to the committee?

Ms Riggs—Before Mr Yuile considers the second question, no database is able to simply be reduced to a printed form without you telling the database how you want that printed form constructed. It is pretty uncommon, quite frankly, for reports—particularly specific purpose reports—to ask a database to simply dump every item of data that it has in it. With the regional solutions database, for example, where there have been 630-odd approved projects and at least that many non-approved projects, we are talking about a heck of a lot of data

cells. Technically, of course, it is feasible to do that. As to whether it would be possible for you and those who support your investigations to make a lot of sense out of what you received through that and whether it would be feasible to do that on some routine basis—I think there are probably some questions that might be worthy of examination in terms of what it is that you are really seeking to gain from it.

Senator O'BRIEN—Obviously I wanted to ask some questions with regard to information on particular projects, when the applications were received and when approvals were given. I presume that, if you tell me that the date of announcement is not necessarily kept on the file, the appropriate minister's web site will contain details of announcements, but that may or may not be the case; we will have to ask the minister's office for that.

Ms Riggs—Certainly a lot of the material you have sought—who is the proponent; what is the project title; broadly, what does it do; when was it received; when was it approved; what is the underpinning rationale; and those sorts of things—is on the database. The one I pointed out—the date of announcement—is not necessarily on each of the databases because, as I said, the databases, from a departmental point of view, are about how we support administration of the program, and that is not a vital piece of information in that context.

Senator O'BRIEN—Sure. Probably the best thing that I can do is to put a question on notice which is aimed at obtaining from the database the information that we want. That may make the preparing of the answer easier. If there is other information that does not fit within the statement that you have just made about what is easily accessible on the database, we can put that into a separate question. That will make the task of the department perhaps a little easier, and at the same time it will allow us to have access to the information expeditiously.

Ms Riggs—Yes.

Senator O'BRIEN—Was the Mackay Tourism and Development Bureau project entitled 'Mackay's artificial reef project' suitable to be considered under the Regional Solutions Program?

Mr Yuile—Do you mean did it fit within the guidelines?

Senator O'BRIEN—Yes. The additional estimates documents indicated that \$20.6 million would be spent on this program in 2002-03.

Ms Riggs—That is right.

Senator O'BRIEN—Is that still likely to be spent?

Ms Riggs—Yes.

Senator O'BRIEN—How much money has been committed in this financial year or previous financial years for expenditure in 2003-04 and beyond?

Ms Riggs—About \$15 million.

Senator O'BRIEN—Is it possible to break that down into 2003-04, 2004-05 et cetera?

Ms Riggs—Not here, but I can tell you that the vast bulk of it is in 2003-04. A very small share of it would flow on—and you would appreciate that sometimes these projects do not all work like clockwork—but, at this stage, because of the way that payments under the Regional

Solutions Program are constructed, the vast bulk of anything that we have a written a contract for to date would be for expenditure in 2003-04.

Senator O'BRIEN—On 31 October 2001, the member for Dawson announced funding of \$440,000 for a call centre and training facility in Bowen. I will place on notice some questions as to fine detail, but can you tell us how much money has been paid to the proponent of this project to date?

Ms Riggs—I am sorry, Senator; we have not brought that detail with us.

Senator O'BRIEN—The reason I am asking is that my advice is that there has been no progress on this project. How common is it for an extensive delay in the start of a project to occur—and this seems to have been a reasonably significant one?

Ms Riggs—I would have to say that I think it is quite a delay, but perhaps Ms Key can comment more generally about the way in which the Regional Solutions Program has run in this regard.

Ms Key—I cannot give you any specifics in relation to the project, but certainly on occasion there would be projects that may slip a few months. Sometimes the personnel involved in the project change, new people come on board and they have to get up to speed. Sometimes people want to refine their business plans and negotiate with us over the milestones, the contract and the like, so it is not unusual for dates to move about a little bit.

Senator O'BRIEN—I guess the issue is that when funding is announced, is there an expectation as to when there will be a take-up of funds? Is there a point at which you say, 'We said we would fund this; you said you could do this, but nothing has happened. We are reassessing'?

Ms Key—We do endeavour to work with our proponents to ensure a quick turnaround but, again, because we have a funding agreement involved we do negotiate over that agreement and it can take some time. We certainly also endeavour to ensure that, if we are funding a project over, say, two financial years and we are making funds available in that way, we meet those spending profiles. So we do actively engage on that issue.

Senator O'BRIEN—Does the contract have provisions which require funds to be spent in a certain period of time?

Ms Riggs—The contract has a schedule of proposed payments linked to the achievement of milestones. The general practice has been that, if a proponent wants the contract signed and they are running behind, we will negotiate with them how better to reschedule the payments. Once we have made the initial payment, we will not make a second payment until the appropriate milestone has been achieved and the first payment has been acquitted as having been used towards the project. Some projects are delayed for legitimate reasons, but generally the flow of money to projects goes along with the achievement of significant outcomes for the project.

Ms Riggs—I have a small number of details about the Mackay artificial reef project. I do not know whether you would like to ask your questions now.

Senator O'BRIEN—Sure.

Ms Riggs—I imagine that if you go into significant detail, I will be asking to take questions on notice but, perhaps, we could at least talk a little bit about this.

Senator O'BRIEN—Does it fit within the Regional Solutions Program guidelines?

Ms Riggs—I am advised the assessment is that it does fit within the aims of regional solutions in that it is a project aimed at assisting the region to build economic capacity through implementing a locally identified development project. It has the strong support of the local community, I believe, including the port authority, the Tourism and Development Bureau and Mackay City Council.

Senator O'BRIEN—Can you tell me why the Regional Solutions Program Advisory Committee did not consider this project?

Ms Riggs—No, I cannot, Senator. It was before my time, but we will be happy to provide you with an explanation.

Senator O'BRIEN—All right. I will put some questions on notice, in the context of our exchange, about what can be obtained using the marvellous technology that the department has. I hope I am not exaggerating there. Earlier, mention was made of the Rural Transaction Centre program. Additional estimates indicated that the budgeted expenditure for 2002-03 was \$30.619 million. In February it was indicated that it would be about \$15.5 million. Is that still the best estimate?

Ms Riggs—I know you needed a break last night, but, as we explained to Senator Buckland last night, our current estimate in the PBS—and we are working hard to achieve it—is \$18.6 million.

Senator O'BRIEN—Are there payments to be made or have those payments actually been made in this financial year?

Ms Riggs—No, there are still some payments that we would hope we will be able to make this financial year. Again, this is a program where you have to meet milestones in order to get money. We have to get to contract in order to make first payments and so on.

Senator O'BRIEN—How much has actually been paid out as of now, for this financial year? Perhaps you have a date somewhere that you have drawn a line at and you are able to give us a number for.

Ms Riggs—I will go and chase another piece of paper. Perhaps Leo has it.

Dr Dobes—I do not have the exact details. Could I come back with that one on notice? I am sorry to do that to you. Because projects are moving, I do not have it exactly like that.

Senator O'BRIEN—Okay. I would like to know how many Rural Transaction Centres are now operational.

Dr Dobes—If you had asked me that last night I would have said 77. I think at the moment it is 78.

Senator O'BRIEN—Is it 77½?

Dr Dobes—One is being opened today, so it is 78.

Senator O'BRIEN—How many are approved but not yet operating?

Dr Dobes—A total of 157 are approved. Of those, 78 are operational.

Senator O'BRIEN—Is the one that is being opened today operational?

Dr Dobes—As of today it is operational, but I think it has been providing services to a limited extent until now. It is at Bendoc in Victoria.

Senator O'BRIEN—Using the delightful technology you have, is it possible to have a list of the Rural Transaction Centres that have been approved, the amount committed to each of those projects and the years that expenditure is likely to be incurred?

Dr Dobes—We could certainly get that for you. It is not a problem.

Senator O'BRIEN—Of the 79 that are approved but not yet operating, how many are expected to be operating by 30 June this year?

Dr Dobes—I do not have that figure in my head. As Ms Riggs said, it is always very hard to predict exactly what is going to happen, because it is a community driven project.

Senator O'BRIEN—But sometimes you know that announcements are pending, and we are very close to the beginning of the last month of the financial year.

Dr Dobes—I just do not have the figure in my head. The point I was trying to make is that sometimes it comes down to very small frustrating things like not having the right invoice because the community has not sent the right thing and your prediction goes way off.

Senator O'BRIEN—What is the total amount expended on this program to date?

Dr Dobes—Again, because of the question that we agreed we could take on notice in terms of expenditure in this year, I would like to come back with that whole total. I can give you some previous years but I will give it to you all in one neat table.

Senator O'BRIEN—Thank you. While you are doing that can you also tell me how much of the expenditure is attributable to departmental expenses? That will be part of the program expenditure.

Ms Riggs—Yes, certainly, Senator.

Senator O'BRIEN—At the last estimates hearing the department indicated that the rural transaction centre field officer network would continue until 31 December this year.

Dr Dobes—I would like to correct that, Senator. I cannot remember the exact date but it is more in the middle of December. I am informed it is the 14th.

Senator O'BRIEN—That was my interpretation; you did not say the end of the year. Will the cost of the field officers for the financial year 2003-04 now be picked up as part of the Regional Partnerships program?

Ms Riggs—To the extent that the RTC program comes within that broad bucket, yes, in the same way that the cost of the RTCs will be—

Senator O'BRIEN—So when we see the amounts for coming financial year and the outyears for this aspect of the broader program—certainly for the coming financial year, I should say—we would understand that the field officers costs will be picked up out of that amount.

Proceedings suspended from 10.27. a.m. to 10.37 a.m.

ACTING CHAIR (Senator Ferris)—We will now proceed to output 2.3, Services to territories.

Senator CROSSIN—We have seen a fair bit of each other this year, so my questions will perhaps not be as long this time. I want to look at the First Home Owners Scheme first. How many residents on Christmas Island to date have been affected by the decision regarding the first home owners grant?

Mr Mrdak—I am sorry, we are not aware of any details in relation to that. The first home owners grant, as you would be aware, is a program administered through the Treasury and applied through the WA authorities, so we have no details in relation to that program at all.

Senator CROSSIN—Would you like to take all these questions on notice, go back to Treasury and come back to us with the answers?

Mr Wilson—As Mr Mrdak rightly pointed out, that is an issue for our colleagues in Treasury. If you have a number of questions that go to the detail of that, that would probably be the best approach.

Senator CROSSIN—My understanding is that to date there have been only two cases of people affected. Just for your background: the situation is that people on Christmas Island applied for the first home owners grant and were given it. It would be useful for me to know who approved that grant. I am assuming it was somebody in Western Australia. They must administer that.

Mr Mrdak—They do.

Senator CROSSIN—Then a year later—so a whole 12 months later—they got a letter saying that they had been deemed ineligible. Can you explain to me what transpired in that year and what the process was for the Western Australian government approving it and then 12 months later rescinding that decision?

Mr Mrdak—I certainly do not know the details of those cases, but the first home owners grant has never applied to Christmas Island. The First Home Owners Scheme is part of the package that came in as part of introduction of the GST. As the GST does not apply to the Indian Ocean territories, that scheme does not apply to the Indian Ocean territories. I can only assume that in that case the applications should not have been dealt with at the time they were lodged. If there have been errors made, they would have been made by the Western Australian authorities, who administer that scheme on behalf of the Commonwealth in accordance with the Commonwealth-state agreement. I have no details of those programs, but my guess would be that they have been inadvertently paid the money when the scheme should not have applied to IOTs.

Senator CROSSIN—Was there not a first home owners grant in place prior to the introduction of the GST?

Mr Mrdak—Not that I am aware of.

Mr Wilson—Not that I am aware of. Again, it is not a question that directly relates to this portfolio. We can answer in generalities, but the specifics of the answers—

Senator CROSSIN—Perhaps you could have a look at the transcript and send across to Treasury the answers that you have not been able to provide. I would be grateful for a copy of the state-Commonwealth agreement that would regulate this—the agreement that actually specifies the administration of the first home owners grant. Is there such an agreement?

Mr Mrdak—My understanding is that there is an agreement in place between the Commonwealth and the states in relation to the administration of the first home owners grant scheme.

Senator CROSSIN—I would appreciate getting a copy of that. I am assuming there is some clause in there that would say it does not apply to Christmas, Cocos or Norfolk Island; is that correct?

Mr Wilson—I believe the arrangement is that the Indian Ocean territories were excluded from the GST legislation and, therefore, the flow-on effect from that is that they were excluded through the arrangement for the First Home Owners Scheme. So it was an effect cascading down from the GST arrangements.

Senator CROSSIN—I understand that. I am just trying to get the bottom of why a decision in the first place, made by whomever, was that they could get the cheque, they have been given their money and now 12 months later they are in quite dire straits. You can appreciate that they have had \$7,000 for 12 months, and now they have been asked to pay it back.

Ms Briggs—Yes, I understand the point you are raising. That is obviously an issue of concern, and I would be concerned about it if it had happened to me. I think the best way to handle this is for you to direct your questions to the estimates committee that covers the Treasury. We will advise them of these concerns of yours, so that they are prepared for those questions—that is assuming, of course, that they have not already been before a committee. I would hate to have my officers attempting to answer questions and maybe misleading you because they do not know the history of the First Home Owners Scheme—what arrangements might be in place and so on. I think we can guarantee you a better service if we handle in that way, with the committee's agreement.

ACTING CHAIR—Senator Crossin, it might be useful if one of the members of the secretariat could check whether Treasury has been having their estimates this week and, if they have, they could see whether you could put the questions on notice. I am advised that Treasury's estimates are next week.

Senator CROSSIN—Economics is next week.

ACTING CHAIR—Yes, so perhaps it might be possible to do that.

Senator CROSSIN—I understand all that and, with due respect, I do not need to be patronised about this. You actually administer the Commonwealth and state agreements with respect to Christmas and Cocos islands, so I am asking whether or not that is part of one of those agreements or whether the first home owners grant is part of the general Commonwealth-state agreement with respect to that grant, outside the arrangements your department has with the territories.

Mr Mrdak—Yes, that agreement is completely outside any arrangements that we have with the Western Australian government in relation to the IOTs.

Senator CROSSIN—Has your department done any assessment of any impact these administrative mistakes have had on these people? Has there been any approach by your department or the administrators on the islands to these people?

Mr Mrdak—Not that I am aware of.

Senator CROSSIN—Is it not correct that these people are seeking to buy Commonwealth properties that you are wanting to divest yourselves of?

Mr Wilson—I am not aware of that. I am not aware of who the people are. I am aware of one person, from the transcript of the joint standing committee in March; however, I am not aware of what property they are seeking to buy.

Senator CROSSIN—How many properties on both Christmas Island and Cocos have been put up for sale in the last 18 months?

Mr Mrdak—There have been several auctions, held regularly. We would probably need to take that on notice to give you a precise number.

Mr Wilson—To give you a precise number, at the last auction we had nine properties up for sale.

Senator CROSSIN—On where?

Mr Wilson—On the two islands—I will give you the precise numbers. We had three properties on Cocos and six properties on Christmas Island.

Senator CROSSIN—How many of those were sold?

Mr Wilson—All nine were sold. The auction was in October last year.

Senator CROSSIN—On both islands?

Mr Wilson—Three on Cocos and six on Christmas Island, yes.

Senator CROSSIN—If you could find out for me what you can in those areas I have mentioned where you do not have the information with you, that would be good.

Mr Wilson—Certainly.

Senator CROSSIN—I will also send questions over to the economics committee.

ACTING CHAIR—It will be meeting on Tuesday, Wednesday and Thursday.

Senator CROSSIN—I know what the estimates timetable is, thank you, Chair. I now want to move to the St John Ambulance service on Christmas Island. What is the background to that service being set up?

Mr Mrdak—My understanding is that we in the Indian Ocean Territories Health Service—which is administered by our department—own the ambulances and the equipment. The St John centre was established on the island in 1997 by St John, as they do in other locations in WA. There are a group of volunteers who man that service and, as I said, the Commonwealth through the Indian Ocean health service provides all of the equipment and the facilities and the ambulances and the like for that volunteer service.

Senator CROSSIN—So the St John Ambulance service would be responsible for just the staff, medical protocols and operating the service—is that right?

Mr Wilson—Training and the like, yes.

Senator CROSSIN—Has there been any decision made about funding of that service on Christmas Island recently?

Mr Mrdak—There has been no decision on funding. I have written to the St John Ambulance subcentre on Christmas Island and also to their office in Perth suggesting an alternative future operation for the ambulance arrangements, to put in place similar arrangements to those which happen in other WA communities whereby St John actually own the assets and the like. We would suggest a form of funding over the next few years to allow them to transition to a more normal arrangement, similar to what they would do in other remote WA communities. That was a proposal which I put to St John. They have come back to me suggesting that they do not agree with the initial proposal I put forward. I have since had a discussion with them and we have written back to them again asking that they put forward an alternative proposal, which would try to move to what would be a more normal WA arrangement for the provision of ambulance services on Christmas Island.

Senator CROSSIN—So the Commonwealth is seeking to divest its interests in the St John Ambulance service on Christmas Island—is that correct?

Mr Mrdak—Not necessarily divest, but that may be one of the outcomes—we may no longer own the ambulances and the services. But at this stage we are trying to talk to St John about normalising it—putting it into the same framework so their subcentre volunteers on Christmas Island would operate as they do on the mainland in WA, whereby the volunteers and the subcentre would actually own the assets.

Senator CROSSIN—Who made a decision to write to St John Ambulance on Christmas Island about this matter?

Mr Mrdak—I did.

Senator CROSSIN—Were you asked or directed to write to St John about this?

Mr Mrdak—No, it is a decision coming out of our ongoing review of the health services on Christmas Island. We are undertaking a complete review of the way we deliver health services, as we have discussed previously through the JSC. One of the areas we have looked at is the way in which we deliver ambulance services on the island, in accordance with the policies we have discussed at the JSC about normalisation of service delivery of the island. This is one of those areas that we had progressed to the point where we believed we had a proposal we wished to discuss with St John. On that basis I wrote to them putting that forward, to seek their views.

Senator CROSSIN—Was it done in consultation with anybody?

Mr Mrdak—At this stage it is very much our proposal, developed by our health service manager and the administration on the island. The consultation is really my letter to St John starting that process with them.

Senator CROSSIN—How did the community feel about this? What impact will it have on the cost of the service on this island?

Mr Mrdak—I do not think there is any impact at this stage.

Senator CROSSIN—You do not think there is an impact, or there is no impact?

Mr Mrdak—At this stage we are simply exploring with St John how they would operate a service if they did it in the same way as they do in WA. The way the WA model works with St John is that the volunteer subcentre undertakes things such as billing patients, fundraising and the like. As you know, at the moment on Christmas Island all of the health services are provided by the Commonwealth at no cost.

Senator CROSSIN—Is that such a bad thing?

Mr Mrdak—It depends on the issue. Are we delivering an effective service, albeit at no cost at the moment? That is the sort of thing we are exploring through the whole review.

Senator CROSSIN—An effective service is one that costs money or people have to pay for. Is that it?

Mr Mrdak—Not necessarily. At the moment we are expending Commonwealth funds in relation to providing a health service. What we do not understand at the moment is whether we are providing the most effective service for the way we are delivering things. Part of our review of the whole health service is all about identifying what the needs of the community are. I am not saying that the community has to pay more, but we are exploring whether there is a better way to deliver the service.

Senator CROSSIN—What does your letter mean for the operation of the St John Ambulance service on Christmas Island?

Mr Mrdak—At the moment it means no change to what has been the practice since 1997. All I am doing is initiating a discussion with St John about alternative approaches. I have put in place an opening for them to come back to us with an approach which might bring things into more normal operation in terms of what happens in other centres in WA.

Senator CROSSIN—What is their current response?

Mr Mrdak—Their response to this stage is that they have not agreed to my initial proposal. They have said that they are prepared to discuss further alternative approaches to operating their service on the island. That is all we have done at this stage.

Senator CROSSIN—We will come back to that, no doubt, in the future. I want to ask you about the Cocos freight service charge. As I understand, the charges for freight services have recently increased. Is that correct?

Mr Mrdak—For stevedoring services on the islands—is that what you mean? The unloading of containers and the like?

Senator CROSSIN—Yes.

Mr Mrdak—Yes, that is my understanding. That is not a decision of the Commonwealth; that is a decision of the Cocos Cooperative, which provide stevedoring services on the island.

That is their decision based on their costs of providing the service. That is not a Commonwealth decision.

Senator CROSSIN—This is the \$375 per cubic, up to \$400?

Mr Mrdak—That is correct. I am not familiar with the figures but I am aware of an increase. They have advised people on the island that their costs for stevedoring and moving containers have increased.

Senator CROSSIN—Were you given any reason why the charges were increased?

Mr Mrdak—My understanding is that the community has been advised that it relates to increased costs—wages and the like—for the cooperative.

Senator CROSSIN—Did they have to formally advise you they were doing this?

Mr Mrdak—No, it is a commercial decision that they have taken. They advised us at the same time that they advised the island residents.

Senator CROSSIN—You have no involvement in this? You do not make an assessment of the impact on the residents, or the effectiveness of the freight service?

Mr Mrdak—The cooperative is a key employer of the home island community. It is a key part of the community. They have reached a commercial judgment about what their costs are and what costs they need to pass on to their customers. I know that the cooperative, by virtue of operating the way they do and because of their importance to the community, do make an effort to contain costs because that impacts on the community, of which they are part. But at the end of the day, they make a judgment in relation to that. We obviously are aware of the increase because it has an impact on the Commonwealth as a major importer and exporter. That is really as far as we have been involved.

Senator CROSSIN—Regarding the Cocos administration, there are six DOTARS staff still on Cocos—is that correct?

Mr Wilson—That is correct.

Senator CROSSIN—Are there any proposals in the budget to change that?

Mr Wilson—As we outlined at the joint standing committee, we are restructuring the way in which we deliver the services that we put out to the islands. It is our intent at the moment to close the Cocos administration some time over the next 12 months.

Senator CROSSIN—So to have nobody there at all?

Mr Wilson—To have no Commonwealth departmental officers on Cocos.

Senator CROSSIN—What sort of saving will that be for you?

Mr Wilson—I do not have the number in totality. What it will mean is that I will not have six officers on the island and I will not have three non-Cocos residents resident on the island, which means I will make savings in housing, some savings in salaries and savings in support for staff in a remote location.

Senator CROSSIN—And you are saying that you intend that that will be the case within 12 months?

Mr Wilson—Within 12 months.

Senator CROSSIN—Is that reflected in the budget papers?

Mr Wilson—What it will mean is that the budget funding for my area will be able to stretch further to deliver services on the island. So, rather than have what I would consider to be an extra layer of middle management actually on the island, we will be able to expand the level of services that we provide to the island.

Senator CROSSIN—How is that island going to be serviced? From people from Christmas Island?

Mr Wilson—No, from Perth. We will put in place arrangements. Most of the services that we currently provide on Cocos are done through contract, so the services will not be affected in that way. The contract management will, however, change from contract management on island to contract management from Perth.

Senator CROSSIN—So is this a good way of finding money for the ferry service?

Mr Mrdak—It is one of the ways in which we are trying to save money to fund areas. As we have discussed at the JSC, we have a number of cost pressures in relation to the provision of health services and the like. We are trying to streamline our administration, as Mr Wilson has indicated, to be able to fund those service delivery areas. As you know, most of our service delivery now is by contract. What we are really doing is shifting the administration of those contracts to a specialist contract area in Perth which can do that and save us some—

Senator CROSSIN—Is that a specialist contract area within DOTARS?

Mr Mrdak—Within DOTARS, yes.

Senator CROSSIN—Do you have any local employees on Cocos?

Mr Wilson—I believe there are three permanent employees and two or three casual employees—

Senator CROSSIN—Who are residents of Cocos?

Mr Wilson—Residents on Cocos, yes.

Senator CROSSIN—What does this change mean for those people?

Mr Wilson—They will no longer be employed.

Senator CROSSIN—So they will be offered redundancy packages?

Mr Wilson—They will. Those staff who are DOTARS employees, APS employees, will be offered redundancies in line with the certified agreement of the department.

Senator CROSSIN—So what are the plans for the ongoing administration of the island? It will be administered from Perth—is that right?

Mr Mrdak—Principally. We continue our administrative arrangement. Mr Wilson has responsibility for all of the islands. There will be an administrator, as there currently is. There will be a future administrator for the islands who has a governance regime based around that.

Senator CROSSIN—Will there be staff for the administrator based on Cocos?

Mr Mrdak—Not on Cocos. That support for the administrator will be based through his existing arrangements on Christmas, and also the support which already happens from Canberra and Perth for the administrator.

Senator CROSSIN—Are there any plans to transfer any of the duties or responsibilities from this staff on Cocos to the shire council?

Mr Wilson—We are having discussions with the shire at the moment in regard to defining a level of responsibility between the shire and ourselves as a quasi state government. Some of the issues associated with, I guess, delineation of those responsibilities may involve transfer of assets and transfer of functions between the two levels of government. It may be that, at the end of the day, some of the staff or a staff member currently employed by the administration may be picked up by the shire if some of the functions are transferred down to the shire. There may be a case where we contract with the shire to deliver some of the functions that we currently carry out on the island, rather than deliver them ourselves, and again there may be opportunities for some of the staff we currently employ to obtain employment through the shire.

Senator CROSSIN—So what sorts of services are we talking about?

Mr Wilson—In terms of some of the services that would be transferred across to the shire?

Senator CROSSIN—Yes.

Mr Wilson—I do not have the details in relation to where we are at with those. We are currently defining what levels of service and what assets back those services.

Mr Mrdak—For instance, we provide water and sewerage services on the islands, which in most jurisdictions in Australia are provided by local government. As part of this process, as Mr Wilson has indicated, they may be the sorts of services and infrastructure provision which would more appropriately sit with local government rather than with us as the Commonwealth and effectively the state government for the islands. So it is that rationalisation—

Senator CROSSIN—So one would assume that, if you are going to transfer that service to the shire council, you would transfer the money as well that goes with maintaining that service?

Mr Mrdak—That is correct. They are the discussions which are now under way, as Mr Wilson has indicated, in relation to the broader role of the shire—

Senator CROSSIN—Who is involved in those discussions?

Mr Wilson—Officers of mine.

Senator CROSSIN—From Perth?

Mr Wilson—Actually at the moment from Adelaide. I have an outposted officer who works in the regional office in Adelaide who is carrying the negotiations forward. I am travelling to Cocos Island next week and will be having discussions with the shire. I am certain that this will be one of the issues that they raise, amongst others.

Senator CROSSIN—I am sure it will be. I would like a bit of an update on the quarantine station, because we talked about that less than three weeks ago now, from memory. Has there

been any change or movement on the quarantine station since we last had evidence before the JSC?

Mr Mrdak—No.

Senator CROSSIN—Nothing has changed? Nothing has happened?

Mr Mrdak—No.

Senator CROSSIN—Is the ownership of the quarantine station currently being transferred from AQIS to DOTARS?

Mr Mrdak—No. As we have discussed at the JSC, the first matter is that a decision needs to be taken by DIMIA and the government more broadly in relation to its requirements for future processing of illegal arrivals to the islands. Once that—

Senator CROSSIN—Why is that? You are going to have this half a billion dollar detention centre just up the road at Christmas Island pretty soon, aren't you?

ACTING CHAIR—That is a pretty offensive thing to say, Senator Crossin.

Senator CROSSIN—You would not need to use Cocos Island any more, surely.

ACTING CHAIR—Senator Crossin, could I draw to your attention that you are questioning on budget estimates and not making opinions which may or may not be relevant to the questions.

Senator CROSSIN—That might also apply to the chair, I would say.

ACTING CHAIR—It is not relevant to try to draw officers out in that offensive way. I would encourage you to continue with your questions.

Senator CROSSIN—So, Mr Mrdak, what are the future plans for the quarantine station? Are you saying that, if asylum seekers arrive in that vicinity, they would be placed at the quarantine station in future?

Mr Mrdak—At present, the requirement is still there by the department of immigration that the facility be available should future arrivals occur. We are currently discussing that with Immigration and other agencies as to whether that requirement continues. Our hope is that it would not need to be continued on for that purpose and thereby a decision could be taken on its future in terms of disposal—

Senator CROSSIN—Why would they need that as a requirement when they have got the centre that was used for the Sri Lankans on Christmas Island?

Mr Mrdak—There is that immediate need should a boat arrive. The process that took place over the last few years, particularly in 2001, is that, when boats did arrive at the Cocos Islands, people were held at the quarantine station until alternative accommodation could be made available on Christmas or elsewhere.

Senator CROSSIN—I am aware of all of that.

Mr Mrdak—It is that interim period until such time as they can be relocated from Cocos which needs to be catered for and, at this stage, the quarantine station has been identified by DIMIA as being needed for that purpose.

Senator CROSSIN—There is an awful lot of spare accommodation on Christmas Island these days. You would be aware of that, wouldn't you?

Mr Mrdak—There is, Senator—but in the sense that it is that interim period until arrangements could be made for them to be flown to Christmas Island or elsewhere that needs to be catered for.

Senator CROSSIN—I am not sure if you have seen the status of the quarantine station these days. You might be interested to have a look at it next week, Mr Wilson.

Mr Wilson—I will be.

Senator CROSSIN—It was not in good shape when I was there a few weeks ago. Who is responsible for maintaining the quarantine station—cutting the grass and making sure it is liveable if it needs to be used?

Mr Wilson—I believe arrangements are with AQIS, as the property owner.

Mr Mrdak—AQIS have put in place arrangements with a local contractor. That is my understanding.

Senator CROSSIN—So at this stage you have no responsibility over whether that contractor does that work yearly or monthly?

Mr Mrdak—No, we do not, Senator. Where the administration and the shire have raised issues with us in relation to the status, we have spoken to AQIS about that and brought that to their attention. AQIS have undertaken, as I think they did to the JSC when they appeared before you a few weeks ago, that they have set in place a regular maintenance program for those grounds to meet those concerns. We have no responsibility, apart from drawing that to their attention and trying to get that work addressed on behalf of the shire and the community.

Senator CROSSIN—Have there been any discussions or approaches by the shire council to DOTARS about having the quarantine station transferred to them for their use?

Mr Mrdak—Over many years, Senator. Since the quarantine station was no longer required by AQIS some years ago, those proposals have been put forward in discussions with the department. As I said, those proposals have been reflected in our discussions with AQIS and other agencies in relation to the future of the quarantine station.

Senator CROSSIN—Have you done any work, research or analysis as to whether or not the shire council should in fact get the quarantine station or on the benefit it might be to the community?

Mr Mrdak—The position until 2001 had been that, as a Commonwealth asset, it would be put onto the market. We were doing a lot of work with the shire and AQIS in relation to developing future planning and zoning for the site to enable it to be redeveloped. But until that stage, the policy position had been that it would be sold on the market, not transferred.

Senator CROSSIN—Until what stage?

Mr Mrdak—Until 2001, when it was required for DIMIA purposes. That decision has yet to be revisited.

Senator CROSSIN—Is it still the position of your department that it should be put on the market?

Mr Mrdak—That was not a view of our department; that was a view of the Department of Finance and Administration and AQIS—in terms of asset disposal. We have put views to those agencies, but that is the position at this stage.

Senator CROSSIN—Thank you. You would be aware that we raised in the JSC the issue of the \$900 yearly rent for the youth club on Christmas Island?

Mr Mrdak—Yes.

Senator CROSSIN—Has there been a decision to revisit that?

Mr Mrdak—No, Senator. We did review that lease.

Senator CROSSIN—As I understand it, you gave a commitment to the JSC on 28 March that you would be reviewing that.

Mr Mrdak—We did review that lease. Given that when the lease was signed it was the last of many that had been signed by community groups for those premises, that the lease contained somewhat of a 40 per cent discount on the market rental value and also that we included provisions such as waiving the rent for the first year of the lease, we felt that that was an appropriate position to take. Mr Wilson might want to outline that since that time we have made assistance available to the youth club through other programs.

Mr Wilson—Club High received \$15,760 in a grant for the provision of a musical development program, and it could utilise some of those funds to pay the rent. In addition, we have provided a grant of \$34,500 for the employment of a youth worker for the CI neighbourhood centre which, as you would be aware, is located in the same building.

Senator CROSSIN—I have to congratulate you on that; that is terrific.

Mr Wilson—Thank you. We did look at the rent. Given that rent is paid by other users of the same building, we feel that the \$900 this year—and increasing to \$1,800 next year—was a reasonable rent, given the discount of zero from last year and the fact that the rent, even at \$1,800, is a significant discount on what market rent probably would be.

Senator CROSSIN—Does the youth club have control of the \$34,000 for the employment of the youth worker, or by whom is the youth worker being employed? Is it the shire?

Mr Wilson—I would have to check the exact details.

Mr Mrdak—I think it is the club but we will confirm that for you. I think the grant has been made to the club.

Mr Wilson—If you do not mind, I will take that on notice.

Senator CROSSIN—Thanks again for recognising that need and putting funds towards it. That is terrific. Is it correct that the permanent processing and reception centre is a contract that is now being administered by the Department of Finance and Administration?

Mr Mrdak—Yes, for the detention centre itself.

Senator CROSSIN—It may well be that some of these questions have been asked earlier this week, but is your department aware of what the cost of the project will now be or is that on hold now that it has been re-tendered?

Mr Mrdak—We have not been privy to any of the costs of the IRPC. That has been managed by the department of immigration but is now with the department of finance, as you have said. We have been involved in ensuring that our infrastructure projects are coordinated and meet their specifications. We have not been involved in any of the processes which have been undertaken in relation to terminating the current contract and moving into the new contract arrangements.

Senator CROSSIN—What sort of infrastructure have you provided, and what is there still to provide?

Mr Mrdak—We have provided services to the site—water, power and telecommunications. We have provided limited roads—

Senator CROSSIN—I know the water tanks are in place but are the others finalised?

Mr Wilson—Predominantly. Some work is still to be finalised and there are additional water projects that we may need to do next financial year, depending on the quantity of water that the IRPC will require. But most of our work is completed. We were also responsible for the construction of the housing.

Senator CROSSIN—Is that the 160 single bedsitter units?

Mr Mrdak—We were responsible for the construction of the 160 single beds in the 12 houses. We were responsible for the construction of the crab crossings. We have also undertaken some pavement upgrading at the wharf to enable containers to be moved more efficiently.

Senator CROSSIN—Did you build the construction site?

Mr Mrdak—No.

Senator CROSSIN—Who was responsible for building the construction site?

Mr Mrdak—DIMIA, through the contractor Walters Construction.

Senator CROSSIN—Is anybody living in the 160 bedsitter units? Are they occupied?

Mr Mrdak—No, they are not. Responsibility for those assets has transferred to the department of immigration. We were responsible for construction and they are now the property of the department of immigration.

Mr Wilson—I would like to clarify that. They still remain on the department of transport's asset register. However, they are controlled through agreements between the department of transport and the department of immigration. It will be the intent of both departments that the assets transfer in the long term to the department of immigration.

Senator CROSSIN—Has your department done any work on the impact of this decision on businesses on the island and what effect that has had on the way in which businesses last year got ready for this centre and have now been severely jeopardised by this decision?

Mr Mrdak—Do you mean the decision to change the contract arrangements for the IRPC project?

Senator CROSSIN—Or put it on hold—whatever the case may be at this point.

Mr Mrdak—The project is proceeding. The Department of Finance and Administration is now commencing a new tender process for that construction. I am aware that concerns have been raised by the chamber of commerce on the island and some businesses in relation to the change in the process, but we have not done any analytical work in relation to that.

Senator CROSSIN—Has no-one been up to the island to talk to the businesses who at this time last year invested quite a lot of money in an expected expansion which has not come through as quickly as they were anticipating?

Mr Mrdak—We have had lengthy discussions. I certainly have, and I know the minister has, at length spoken to the chamber of commerce and businesses who have raised those concerns.

Senator CROSSIN—At length?

Mr Mrdak—At length, certainly.

Senator CROSSIN—Are you talking about yourself or the minister?

Mr Mrdak—Myself.

Senator CROSSIN—How many times have you been up to the island in the last 12 months?

Mr Mrdak—Twice. I was there in February and held meetings with the chamber of commerce and business representatives. Certainly the island has been going through, over the last 12 to 18 months, what we would certainly class as a boom. The island businesses have been doing extremely well. There are concerns on the island—

Senator CROSSIN—Over the last 12 months?

Mr Mrdak—Over the last calendar year, 2002, the island businesses have done better trade—this is what they were saying to me—than they have done in many years previously. Certainly they have raised concerns—

Senator CROSSIN—One of the reasons I asked you whether your department has done work with them is that prior to Christmas a lot of them put a lot of investment into things like additional hire cars and commercial washing machines and dryers, anticipating 300 people in a construction centre, moving to 160 people in your single bedsits. None of those additional bodies have materialised yet. I am not sure who you are talking to, but the people we are talking to—through representations we have had from the chamber of commerce—say they are struggling because they have invested so much in anticipation of this major capital development.

Mr Mrdak—I am sorry. I was referring to your point about businesses that had been struggling for some time. Through the course of last year the advice to us has been that, because they were working in terms of this project and other growth on the island, it was a very good year for them.

Senator CROSSIN—But it has all come to a sudden halt.

Mr Mrdak—I recognise that the change in the detention centre project, in terms of timing, has had some impact. But to some degree those changes were going to happen. Our capital works projects in relation to the IRPC were coming to an end and other works were coming to an end so, to some degree, as that building activity scaled back there was always going to be some change for those businesses.

Senator CROSSIN—But there is a 300-place construction centre empty on the island at this point of time. Is that right?

Mr Mrdak—That is correct.

Senator CROSSIN—You can appreciate that businesses—I mean restaurants, shops, car hire people—were actually anticipating quite a lot of activity this year. None of that has transpired. Has your department sent some people up there to work with some of these businesses about what they do in the meantime while they waiting for this major capital project to come on board? I am assuming very little money is still going to tourism. What are these businesses doing? What is your department doing to help these businesses during this phase?

Mr Mrdak—I am not too sure that—

Senator Boswell—The department does not do anything; it administers what the government does. That is more of a question to the government: ‘What are you doing to help these people?’ I am not following the inquiry and I do not know what you are referring to with these bedsits, but the department does not sponsor business. That is a role of the government. You may want to put that question on notice to me. I do not think you can ask a public servant how they are sponsoring private enterprise.

Senator CROSSIN—I did not ask about sponsoring; I asked what you are doing to support or assist. That might be sending people up to help with refocusing business plans or business development.

Senator Boswell—Again, if you want to make representations to the government because you represent the island, that is a question you ask the government, not public servants.

Senator CROSSIN—Mr Mrdak, do you have a committee established on the island that looks at business opportunities, to which I think your department gave around \$78,000 last year?

Mr Mrdak—There is an economic development committee on the island to which we provide support, but we are not a member of that committee. That is very much driven by the private sector and the council on the island to identify business opportunities. We fund that operation but, as the senator has indicated, it is not really a role which we have undertaken. Certainly there are a range of Commonwealth projects and, as a major purchaser of services on the island, we are an important player in the economy, but this is really a matter for those businesses.

Senator CROSSIN—Since the decision to put the detention centre on hold or retender it—whichever way you want to look at it—have you actually been up there to meet with the

Economic Development Committee to see if there is a need to increase those funds, to refocus that committee and to provide better support for that committee?

Mr Mrdak—I have certainly met with the chamber of commerce and the businesspeople on the island since the decision was taken by the government to retender the process—

Senator CROSSIN—Have you met with the Economic Development Committee?

Mr Mrdak—Not the committee as a whole but I have met with all of the members during my visit there in February and I have spoken subsequently on a number of occasions to members of the committee. I am certainly aware of the concerns that they are raising but they have never raised with us the need for additional resources for the Economic Development Committee.

Senator CROSSIN—You have not looked some of the transcripts from when the JSC was on the island?

Mr Mrdak—Yes, I have looked at those.

Senator CROSSIN—That was raised during those hearings.

Mr Mrdak—I did not pick that up in the transcript.

Senator CROSSIN—I might get you to go back and have a look at it perhaps. It is an issue that needs to be addressed. I am wondering whether the department can take on board that there is a need to revisit further or better support for the economic development activity at this point in time.

Mr Mrdak—We will certainly look at that. But I am certainly not aware of any approach to us for additional resourcing for the EDC.

Senator CROSSIN—Regarding the health services on the island, at the February estimates hearings I think you said, Mr Wilson, that the general manager of the Christmas Island Health Service was currently conducting a review of the health services on the island. Is that correct?

Mr Wilson—That is correct.

Senator CROSSIN—What is that review up to? Has it been completed?

Mr Wilson—I guess I would not use the word ‘completed’, Senator. The general manager has been appointed to continue a constant review of the processes that we have out there rather than undertake a static review. She has undertaken a review of the services that we provide. She has raised a number of issues with Mr Mrdak and me in regards to the services that we deliver, the way we deliver them, and the coverage of our health service across the islands. We are considering ways in which we can improve the services to both Christmas Island and Cocos Island through the health services.

Senator CROSSIN—How is this actually working? Does she actively review certain aspects and then write a report on those?

Mr Mrdak—No, Senator. She has been appointed to manage the health service so her role is to manage the health service and, as she does so, she is identifying what the service delivery needs are. This is a new position that we have a specially created to identify the health needs and progressively, as Mr Wilson has indicated, we are working our way through

and identifying areas where we can better match service delivery. It is an ongoing process. It is not the case of simply writing a review report. Her role is to manage the health service as well as monitoring the continuous improvement of it.

Senator CROSSIN—Late last year I understand that a report to your department recommended that health services be privatised. Has this report been analysed or considered by your department? Is that still the case?

Mr Mrdak—I do not think it is fair to categorise it as simply saying that the health service should be privatised. The report was one of many that have been done over the last few years on the health service and the way in which it could be mainstreamed and normalised and made more efficient and effective. One of the options identified may well be private provision of such a service in the future. That has been considered and the appointment of the health service manager is designed to pick up many of the identified areas of improvement, but no decision has been reached in relation to future ownership and delivery of that health service.

Senator CROSSIN—So no decision has been made about privatising any aspect of that service?

Mr Mrdak—No, Senator.

Senator CROSSIN—Did that report include a full cost brief analysis of the proposed privatisation?

Mr Mrdak—No. It was prepared by the former chief medical officer on the island and was really designed to talk about what some of the issues would be if that approach were considered. But it certainly did not get down to that sort of detail of financial analysis of an outsourcing option.

Senator CROSSIN—Has one been done since then?

Mr Mrdak—No, Senator.

Senator CROSSIN—Have you undertaken any consultation with the residents on the island about the review of the health services?

Mr Mrdak—Certainly. The health service manager is in ongoing discussions daily with the community through various forums and has contact with people dealing with the health service. That is happening in relation to trying to get a better mix and match of services to suit community needs. One of our concerns that has been identified for several years—we have adopted a very clinical approach to the delivery of health services on the islands—is very much based around the hospital and the clinical service side of it. There was not enough emphasis on the community health issues and the preventative side of things. That is the sort of interaction that she is now having with the community—what are their needs in a preventative and health service delivery area? She is working through those needs.

Senator CROSSIN—Has your department done any analysis at all of the viability of a health service such as that—in a place with a population of 2,000, and providing the range of services that it does—or is this all part of the ongoing review?

Mr Wilson—Sorry, is that its viability in terms of privatisation?

Senator CROSSIN—Yes.

Mr Wilson—No, at this stage we have not done any work on the viability.

Senator CROSSIN—What is the level of subsidy that the Commonwealth is committing to the health service this year?

Mr Mrdak—We meet all the health costs for the community on the island. This year the IOT's health service budget, within our total Christmas Island budget, is of the order of nearly \$6 million.

Senator CROSSIN—Has there been any consideration of imposing private, general, GP fees on doctors on the island?

Mr Mrdak—No, Senator.

Mr Wilson—No, Senator.

Senator CROSSIN—I wonder if anything has been done about renegotiating with the Therapeutic Goods Administration to speed up the importation of the schedule 8 medications that were raised during the JSC inquiry.

Mr Mrdak—Yes, there has been quite a bit of work, and Mr Wilson has undertaken discussions with them.

Mr Wilson—Yes, they are going to introduce a rolling approval rather than a single approval, so there will be an approval for a bulk shipment that will be reviewed to ensure compliance with the approvals. That should hopefully speed up the approval process.

Senator CROSSIN—Is this on a trial basis or are they actually going to move to this? Because I think it would be a better way.

Mr Wilson—They are going to move to this.

Senator CROSSIN—All right—that is a good thing. Have any finances been committed or spent on the space station project to date?

Mr Mrdak—Certainly the company has expended funds in relation to preliminary earthworks and the like on the site. But in relation to financial close and the full funding of the project, no, we are still awaiting advice from the company.

Senator CROSSIN—So there has been no communication or indication from the company yet that they have financial close on this venture?

Mr Mrdak—The company has brought to our attention that they have entered into an agreement with other parties in relation to funding the project, but we have not yet received advice that they have achieved full financial close.

Senator CROSSIN—Are you in a position to be able to tell us who those other parties are? Could you take that on notice, perhaps?

Mr Mrdak—Yes, if I may.

Senator CROSSIN—Are you doing anything to actually assist APSC to progress towards being able to get this project up and going?

Mr Mrdak—Certainly our portfolios provide a great deal of assistance in accordance with the government's decisions to support this project, principally through providing access to the

identified site, which has been through a licence agreement. We have also been assisting APSC in terms of working with other Commonwealth agencies in relation to obtaining all the necessary regulatory approvals, particularly Environment Australia and the like, and assisting them in those processes. So we have provided a great deal of assistance. We have also been progressing projects such as the port and other infrastructure as we have been able to disentangle that from the APSC approval process.

Senator CROSSIN—With respect to transport services, expressions of interest for the provision of a regular, scheduled air service to the Indian Ocean territories were advertised. They closed, I understand, on 25 April. Is that correct?

Mr Wilson—Late April—that is right.

Senator CROSSIN—What has been the response?

Mr Wilson—We have had five expressions of interest.

Senator CROSSIN—Was any interest shown in expanding the service from Indonesia?

Mr Mrdak—No.

Mr Wilson—The expressions of interest with regard to services from or to the north predominantly revolve around a similar service to what is currently provided.

Senator CROSSIN—I assume that National Jet is one of those?

Mr Wilson—Yes.

Senator CROSSIN—Are you in a position to be able to tell us who the five are who expressed an interest in providing the service?

Mr Wilson—We can take that on notice.

Senator CROSSIN—Proposals for the provision of a ferry service between Home Island and West Island closed on 28 March, I understand. What has been the response to that?

Mr Wilson—We have had six expressions of interest.

Senator CROSSIN—Have any decisions been made with regard to that service yet?

Mr Wilson—No. We have written back to the six proponents seeking some additional information to ensure that we have as much information as we can to base a decision on.

Senator CROSSIN—Are you still tending towards fully privatising the ferry service between the two islands?

Mr Mrdak—What the future operations of the ferry will be or what service will be provided will be dependent on the outcome of this process. No decision has been taken on where this is going as yet.

Senator CROSSIN—In relation to the ferry, who made the decision to not provide the ferry on Anzac Day?

Mr Mrdak—The Cocos Islands administration.

Mr Wilson—In consultation with the department.

Senator CROSSIN—Are you talking about the shire?

Mr Mrdak—No, it was us—the administration which is part of our department. I was referring to the office on Cocos which manages this contract.

Senator CROSSIN—When was that decision made?

Mr Mrdak—It was made during the week leading up to Anzac Day. I think it was early in that week, following the discussions that took place with the Home Island community.

Senator CROSSIN—As a result of that, what happened? I have a letter here from Mr Tuckey, and it really only describes what we already knew. Why was there the decision to not run the ferry that day?

Mr Wilson—Under the contract, we normally do not provide services on public holidays. For Anzac Day we look at the expected patronage of the Anzac ceremony. Given the circumstances surrounding this Anzac Day and the extremely low level of interest expressed, it was decided that we would not operate the service.

Mr Mrdak—As the minister, I think, has indicated in his correspondence to you, alternative arrangements were put in place for the very small number of people who wished to travel across the lagoon that day.

Senator CROSSIN—I understand that. I am sure you helped him draft the letter, Mr Mrdak. Did the Commonwealth do anything about subsidising that alternative arrangement that day?

Mr Mrdak—The alternative arrangement was going to be provided by the AFP using their boat. That cost would have been met through the AFP. They operate under contract to us.

Senator CROSSIN—Would you take on notice for me the amount of money that has been appropriated out of the budget to your department on the administration of Christmas and Cocos islands for the last 12 months and for the next 12 months. Would you break that down for me by service delivery. You have given me \$6 million for health. Is it possible for you to give me your total budget appropriation across the department for the two islands?

Mr Mrdak—Yes, we can do that.

Senator CROSSIN—Where is the situation at with the \$20,000 owed to the laundry workers?

Senator CROSSIN—There is no change in the position as advised by the minister to the Union of Christmas Island Workers. The Commonwealth does not believe it has any further action that it can take on this matter.

Senator CROSSIN—It is still the situation that the Commonwealth holds the \$119,000 that it got from the sale of the assets of the laundry in your department's funds or in consolidated revenue?

Mr Mrdak—It would have gone into the department's accounts and would have been expended some time ago on providing services to the islands.

Senator CROSSIN—So it is still the situation that the Commonwealth has maintained and kept the money it got from the sale of the assets of the laundry but it has a position that it still does not believe it has a responsibility to pay the laundry workers their \$20,000?

Mr Mrdak—When you say ‘maintained and kept’, the amounts would have been taken into the department and then expended by the department in relation to territories administration, but certainly the position is as per the minister’s advice to the union that the Commonwealth believes it has no responsibilities in relation to this matter.

Senator CROSSIN—Who does the Commonwealth believe the debt money for those workers should come from?

Mr Mrdak—The normal position on such a view would be that they should take this matter up with the directors of the company which employed them.

Senator CROSSIN—Is it the department’s view that the liquidator should now be paying these people?

Mr Mrdak—Sorry, this is separate to the liquidation of the casino.

Senator CROSSIN—That is correct.

Mr Mrdak—I do not know what action has been taken by the workers or by the union on their behalf with the directors. All that we are aware of is an approach to the Commonwealth to support those people. We do not know what action, if any, has been taken directly in relation to the directors of that now defunct company.

Senator CROSSIN—So the government’s position has not changed over that \$20,000—is that what you are saying?

Mr Mrdak—That is correct.

Senator CROSSIN—Mr Mrdak, in a statement to the JSC on 28 March you said:

... the most efficient and effective delivery arrangements are via Western Australian government agencies or private providers under contract to the Commonwealth.

Would you be able to provide me with any examples or actual costings of where in fact you believe that this is the case in relation to Christmas and Cocos islands?

Mr Mrdak—What I was expressing there is that we are testing, which is consistent with Commonwealth practice, each of our service delivery arrangements against benchmarks and are market testing the delivery of services. Where we believe there is a case for doing that, as we can get a better outcome, we do so. I can certainly take that on notice and have a look at that for you, but, as a general policy principle, this is very much driven by trying to normalise operations on the islands. It is whereby we are utilising state government delivery agencies for delivering those services and then market testing the direct service delivery that we might do with the private sector. For instance, over the last year or so one of the key areas in which we have made a change has been the management of the port on Christmas Island. We have contracted a private sector provider to do that, and that has actually provided a great deal of management expertise which has not otherwise available to the Commonwealth. That has been one area that has clearly been of benefit, and that is starting to show through with better management of the port facilities.

Senator CROSSIN—What is the situation with the cleaning and gardening arrangements under Christmas Island shire council? When we were up there with the JSC earlier this year,

there had been a proposal to actually look at privatising the cleaning and gardening arrangements.

Mr Wilson—Sorry, Senator—under the shire or the administration?

Senator CROSSIN—Sorry, it is under the administration.

Mr Wilson—We are currently finalising tender documentation for both the cleaning and the gardening services that are provided through direct employment by the administration. I understand that the documentation in relation to the cleaning services will be finalised by the end of this month. We will test the marketplace in relation to those services.

Senator CROSSIN—I thought you had already done that.

Mr Wilson—No. We sought expressions of interest to determine whether or not there was a level of interest on the island.

Senator CROSSIN—How many did you get?

Mr Wilson—We got nine.

Senator CROSSIN—Where were they from? Were they from the mainland?

Mr Wilson—I believe predominantly they were from the island.

Mr Mrdak—From the island.

Senator CROSSIN—Were the nine expressions of interest from companies on the island?

Mr Wilson—I believe predominantly they were; I do not know whether all nine were from the island.

Senator CROSSIN—Can you check that out for me?

Mr Wilson—I will check that out for you.

Senator CROSSIN—You are now going ahead to prepare tender documents for the cleaning and gardening contracts, is that right?

Mr Wilson—Yes. As I indicated, we will test the marketplace and then do an analysis of the costs that we currently incur providing the services in-house and determine whether or not the services as tendered are more efficiently delivered through an external provider.

Senator CROSSIN—Also on 28 March at the JSC hearings, problems were mentioned about the Home Island sewage situation, the works being inadequate and sewage seeping back through the pipes. Has anything been done to investigate this problem?

Mr Mrdak—Yes, there has. In fact, we have investigated those complaints, and in our response to the JSC we outlined the response we received from our contract managers and our specialist consultants. On top of that, we have completed a full analysis of the system, and the report of that analysis is now being considered, as I understand it.

Mr Wilson—Yes.

Senator CROSSIN—Where do we go from here with that? What happens after this?

Mr Mrdak—The water corporation which manage the system on our behalf were surprised by some of those claims because the system, by all reports, is working. There were

some minor issues early on when the system was first being commissioned, but a number of those concerns that were raised with the JSC do not seem to be backed up by analysis that has been undertaken, and that has been outlined in our response to the JSC. This report—the consultant’s report—which we have now got, is really looking at where there are areas of improvement. We have an ongoing watch over the system, but we have not seen brought to bear any of the concerns that were raised with the JSC.

Mr Wilson—As we outlined to the joint standing committee, we believe that the incident that was referred to occurred a year previously to when you were out there and that was prior to the system actually being fully commissioned.

Senator CROSSIN—So you are not anticipating there will be any problems now?

Mr Wilson—I cannot give you an ironclad guarantee that there will not be any problems associated with the sewerage system.

Senator CROSSIN—Is there any progress on the new sewerage systems for Home and West islands? I understand they were to be completed sometime this year, is that correct?

Mr Wilson—Not that I am aware of.

Mr Mrdak—We have completed all of the sewerage works now.

Senator CROSSIN—So that relates to the answer you gave me previously about an update on where that is.

Mr Wilson—Yes.

CHAIR—As there are no more questions for you, thank you for appearing here today.

Mr Mrdak—Thank you.

[11.45 a.m.]

National Capital Authority

ACTING CHAIR—Good morning to the officers of the National Capital Authority. Good morning, Ms Pegrum. We are on our final lap of these marathon estimates.

Senator LUNDY—The home run.

ACTING CHAIR—Senator Lundy, I believe you have some questions.

Senator LUNDY—Thank you, I do. I would like to start with an issue that is a little out of left field: the use of blimps in the ACT for the purposes of providing broadband services. Would the NCA have any role to play in the approval of stationary blimps being anchored over suburbs of Canberra?

Ms Pegrum—I do not believe so but I will take it on notice. I hardly think so. I do not believe airspace has been designated as either national or territory land!

Senator LUNDY—I thought I had better ask that up front. Just to put the question into context—I told you it was a little out of left field—

Ms Pegrum—Sorry, Senator—I am advised that the only works approval would be the guy wires and the footings, but it would depend on whether they were in a designated area.

Senator LUNDY—The context is that a company in the UK has apparently introduced this prospect as a way of delivering affordable broadband services to various communities in the UK. Given the particular challenges facing some of the suburbs in Canberra— especially those with their services underground—this is a conceivable solution for broadband access in the suburbs of Gungahlin, Dunlop, Isaacs and others that are affected by the same thing. It sounds a little strange but it is actually a serious question. The worst outcome would be if significant investment were made only to find that the NCA would not approve the structure.

Ms Pegrum—Since one of my colleagues is writing away here, may I ask Mr Schultheis to answer your question?

Senator LUNDY—Certainly.

Mr Schultheis—As Ms Pegrum said, there would be works approval required in designated areas—

Senator LUNDY—Would a guy wire holding a blimp in place constitute works?

Mr Schultheis—If it is anchored to the ground, there would be a works approval involved within the designated areas where we have an approval role . Outside those areas, approval would be by the territory government. There used to be provisions in the plan regarding the heights of craft—airspace controls. They were removed from the plan because there were other controls in place. So they may have an effect as well, governing the height of the blimps.

Senator LUNDY—There are other regulations?

Mr Schultheis—Yes, there are other regulations.

Senator LUNDY—Just so I am clear on this, what designated land is there in Gungahlin?

Mr Schultheis—There is no designated land except for the approach routes—the Federal Highway and the Barton Highway. Otherwise there is an inner hills area that is shown, but it is not designated. So there are no designated areas.

Senator LUNDY—So you cannot see it being a consideration for the NCA in any way?

Mr Schultheis—If it were used in some way as a telecommunications facility, for instance, there would be an involvement; but beyond that, no.

Senator LUNDY—Would you be involved if the companies wanted to advertise on the blimps?

Mr Schultheis—Not unless there was a works related matter which meant it had to be anchored to the ground.

Ms Pegrum—In a designated area.

Senator LUNDY—So it is still in a designated area?

Mr Schultheis—Yes. But outside of that, no.

Senator LUNDY—Even if you could see it from the national approaches?

Ms Pegrum—No.

Mr Schultheis—No.

Senator LUNDY—Thank you. I do not know if we will see blimps in Canberra, but I thought it was probably a good question to ask up front, to remove some of the red tape. I turn now to the Gungahlin Drive extension. The ACT Minister for Planning released the government's plan for that the day before yesterday. Does the NCA support all aspects of the proposal that has been unveiled?

Ms Pegrum—We actually have not seen the proposal, other than what was unveiled publicly. No works application has been lodged to date. One of our officers had an early meeting with ACT Roads, I believe—some time ago, after the decision for the eastern alignment was made by the authority—but until we receive a works application I cannot say categorically one way or the other.

Senator LUNDY—After the NCA made the decision that it had to be the eastern route, what consultation occurred between yourselves and the ACT government?

Ms Pegrum—From what I understand, there has been this one meeting between Mr Schultheis, as it happens, and ACT Roads. That is all, I believe.

Mr Schultheis—There was an officer level meeting with ACT Roads about process, to try and ensure that when a works application was lodged there would be a process worked out. Apart from the more formal consultation meeting that was held on the whole issue, organised by the consultants, that was the only meeting we attended.

Senator LUNDY—But you are reasonably satisfied that the proposal is within the broad parameters of what the NCA wanted, surely?

Mr Schultheis—We received yesterday the documentation that was released to the public. From that it is on the eastern alignment, which is consistent with the intent. We have not had a chance to look in detail, but it is consistent with the general principles.

Senator LUNDY—Are you suggesting that there is further opportunity for the NCA to reject works proposals by the ACT on this project?

Mr Schultheis—The works application process is one of lodging an application for consideration by the authority against the policies in the plan, and then issue of a works approval if it is consistent. It would only be rejected if it were inconsistent.

Ms Pegrum—This is because it is a designated area.

Senator LUNDY—I appreciate all of that. But I am sure you can understand that, in the context of the whole debate about the Gungahlin Drive extension, I would have presumed you were in a position today to say that you support the proposal and that it will go ahead in its current form.

Ms Pegrum—Senator Lundy, as we said, the ACT government had not shown us these designs before we found out about them through the press, in the same way as the majority of the community. They as the proponent are responsible for that, and I think Mr Schultheis has said that, on the face of it, it would seem to be consistent with the plan.

Senator LUNDY—Would you just step me through the process now for the issuing of works approval, and the types of things that could possibly lead to the NCA once again putting a spanner in the works.

Ms Pegrum—The primary consideration on this would be in relation to its being on the alignment, as agreed, within that reservation and its association with the master plan or the development control plan for the AIS, as I understand it.

Mr Schultheis—That is correct.

Senator LUNDY—Have you got any reason to believe that those technical details have not been complied with in the latest proposal?

Ms Pegrum—I personally have not seen the drawings at all, other than what was in the *Canberra Times*.

Mr Schultheis—From my observations of the drawings it appears generally consistent with the principles laid out in the plan. We have not yet looked at any detail, other than an alignment. We will be looking more closely at that over the next few days, but at this stage there is nothing that indicates a difficulty.

Senator LUNDY—When will you be in a position to say one way or another whether it complies?

Mr Schultheis—We can make some formal response as to the consistency in principle when they lodge a works application—and that is a process where they will come and put the detail before the authority for approval in a preliminary way, before they go to the final drawings. The alignment that they have shown to date is consistent generally with the principles shown in the National Capital Plan.

Senator LUNDY—Are you telling me that the NCA will not publicly say, ‘This is an appropriate route’ or ‘This is supported by the NCA,’ until the works approvals are submitted and assessed?

Ms Pegrum—I don’t think we can. Sorry, Senator Lundy—

Senator LUNDY—‘I don’t think I can’ sounds to me like we are just going to cause as much trouble as possible for this project.

Ms Pegrum—No, I am saying that, by statute, we would not be able to advise whether in fact we supported a work or not unless it had been formally lodged. In principle, we would be able to, and we have done so with other works in the past.

Senator LUNDY—Indeed you have.

Ms Pegrum—So I would imagine that, when we have had a look at the detail, we should be able quite quickly to give an in principle opinion about the works being consistent or not. In effect, I think that is what Mr Schultheis has just done.

Senator LUNDY—In the context of those comments, the NCA has made some very strong statements about your in principle views about the location of the route and the path of the routing, including spending \$6,000 on expressing those views in the *Canberra Times* via an ad. So I am very concerned that you are now saying that you are not going to be as decisive about your view, now that you have something to actually reflect upon.

Ms Pegrum—I think you are confusing two processes. The process in terms of the alignment was an amendment process to the plan, and the authority was public about its position—in other words, its recommendation to the minister for the appropriate alignment

for amendment to the plan—and that is the public interest statement that was made in the *Canberra Times*. It was not an in principle position.

Senator LUNDY—The political advertisement.

Ms Pegrum—No, it was not a political advertisement at all, and I have answered that to you in the past in these hearings. What the authority stated was not an in principle position but a firm recommendation to the responsible minister for approval of amendment and then through the parliamentary scrutiny processes. This process that you are referring to now is a works application under a designated area of the plan. In principle, we should be able to advise quite quickly, but we cannot by statute give a works approval until such time as one is lodged.

Senator LUNDY—I appreciate that. What I am looking for today is something that I think you just said has already been provided: that is, whether there was in principle support for the proposals that have been put on the table by the ACT government.

Mr Schultheis—That is correct.

Senator LUNDY—With your assessment to date, Mr Schultheis, is there any element of that plan in which you can foresee problems with a works approval?

Mr Schultheis—No, we needed to be certain about the need, if it arose, for any lease amendments that might have arisen. My reading at this stage is that there is only one that is required—in relation to ActewAGL. The advice that is in the papers provided to us is that consultation with the AIS has demonstrated that they have issues but they are not unresolvable issues.

Senator LUNDY—So it should be smooth sailing?

Mr Schultheis—Yes. We have not read the full environmental impact of the particular line that has been picked—whether there are any issues arising—but we will look at that and feed that back if there is any comment that—

Senator LUNDY—There have been environmental impacts done on both routes, I think, for a while now. Are you suggesting that you might be in a position to recommend that another one be done on this final route?

Ms Pegrum—No, Senator. What Mr Schultheis is saying is that he has not had a chance to read this yet. In order for him to make that judgment, which he is required under the legislation to do, he needs to take that into account. He cannot guess at this.

Senator LUNDY—And that will not occur until you have a works approval presented to you? What we have now is an in principle support and you will not be involving yourself in any way until you see a works approval?

Ms Pegrum—No. What we will do is expedite as much as possible—and we have made that clear to the ACT government—our considerations on this. We will treat it as a priority for the obvious reason that it is in the community interest here. We cannot give a formal approval until it has been formally lodged.

Senator LUNDY—I appreciate the process; I am really looking for the public support that I would expect the NCA would now put behind this project.

Ms Pegrum—That is what I think you are seeing evidenced here, Senator, as much as is possible.

Senator LUNDY—Within the processes?

Ms Pegrum—Within the processes and having received the design for the first time yesterday afternoon.

Senator LUNDY—Are you trying to make a point about that? Are you suggesting you should have seen it before yesterday?

Ms Pegrum—No, not at all. I am simply answering your question.

Senator LUNDY—I just wanted to make that clear. The ACT government was not under any obligation to show you the plan prior to making it public?

Ms Pegrum—Certainly not.

Senator LUNDY—I was just making sure that you were not implying that they were. In relation to answers to questions on notice, I am grateful for the comprehensive responses provided. Reading through some of the correspondence that relates to the Gungahlin Drive extension, it seems to me that one piece of correspondence that I wanted to ask about is missing. In the table of correspondence provided, there is a letter to you, Ms Pegrum, from Lincoln Hawkins dated 18 January, 2002. It thanks you for your letter of 22 November 2001. Why is that letter from you to Lincoln Hawkins not contained in the correspondence?

Ms Pegrum—I do not know. I am happy to go back and check that.

Senator LUNDY—I am particularly interested because in the response from Lincoln Hawkins to you it says, ‘I note your concern about the potential effects on the Australian Institute of Sport. The ACT government has commenced discussions with the AIS with a view to addressing any issues which might arise as a result of the change to a western alignment.’ There is certainly nothing to imply in this piece of correspondence that any veto had been applied at that stage to the eastern alignment. I think the only way to deal with this is for you to provide that piece of correspondence on notice.

Ms Pegrum—I am happy to have a look for that, and also to liaise with Mr Hawkins to see whether he has a copy of the correspondence he is referring to.

Senator LUNDY—It is a letter from you to him so I expect you are more likely to have it.

Ms Pegrum—I am sorry, Senator Lundy, I thought you were advising that you thought it was missing because he was referring to it and it was not in the package. Is that correct?

Senator LUNDY—It is not in the package.

Ms Pegrum—And you are noting that it must exist because Mr Hawkins refers to it?

Senator LUNDY—Mr Hawkins is referring to a letter you wrote to the ACT government dated 22 November 2001. By the nature of Mr Hawkins response, clearly the NCA did express some view about the western alignment versus the eastern alignment. But I would like to go on to note that correspondence from the NCA prior to that point does not indicate any veto or insurmountable concern about the western route. Indeed, I also make the observation that it is not until the spectre of the AIS and their concerns is raised by the former Liberal

member for Ginninderra, Mr Harold Hird, that it becomes an issue within this body of correspondence. Indeed, even Senator Macdonald, the former minister for territories, identifies in his response to Harold Hird that formal consideration of the western route—or community option—was still part of the decision making and still part of the considerations at that stage.

Ms Pegrum—Can I take your comment not as a statement but as a question? You have raised this previously and I have answered that we did in fact write to Lincoln Hawkins after the election in order to ascertain whether or not they intended to continue with the eastern alignment, because they had concluded their variation to the territory plan process and the authority had not concluded the amendment to the National Capital Plan. So we were interested to find out whether the territory planning authority were changing their position. We advised at the time that the AIS, as part of the public comment period on the eastern alignment, had indicated that they would not support a western alignment. I believe I have given that answer to you in similar hearings.

Senator LUNDY—Certainly. I guess I found it very interesting to read back through the correspondence—presuming all the correspondence is here that was exchanged via the NCA on this matter, apart from that one letter I identified. Even the minister said at the time, responding to Harold Hird in a letter dated 20 November 2000:

I am advised by the authority—
meaning the NCA—

that the broad interests of national significance will be served equally by either the “Community Option”, or the option that passes to the east and south of the AIS towards Caswell Drive.

So at some time between 20 November 2000 and further correspondence between the Sports Commission and the Liberal members of the assembly that view changed.

Ms Pegrum—If you look at the introduction to the draft amendment for the eastern alignment, I think you will find that similar comments were made. That refers to the fact that either alignment would serve the road necessity for the Gungahlin extension, which had been discussed from early in the 1990s, if not earlier. That was not particularly saying that one alignment was better than the other; it was simply saying that a road connection on either side was necessary.

Senator LUNDY—I appreciate that. But clearly there was a far more agnostic view held by the authority on 20 November 2000 about the route than there was a year later.

Ms Pegrum—I do not think that is an accurate statement to make. The draft amendment proposed was in alignment at that time with the territory planning authority’s view as to what was the best alignment, which also took advice from a public hearing and inquiry that the ACT government had undertaken. The public comment period for that indicated that the AIS would have a negative position on the western alignment. So when it became apparent that the ACT government might change its view, with the change of election, we asked the question. From there on in, it was the responsibility of the territory government and territory planning authority to demonstrate that they could take into account those concerns—as well as the balance of the woodlands and the like—in that scenario.

Senator LUNDY—But let me quote from Harold Hird's correspondence, dated 7 November 2000:

Until this week, the ACT government's stated preferred option was for a route to the east of the Australian Institute of Sport and the new Bruce Stadium, with an offshoot cutting through O'Connor Ridge to meet Belconnen Way near its intersection with Fairfax Street. Following public consultation and a great deal of healthy debate, the government has now decided to favour a route which would see the parkway sited to the east of the AIS but then swinging around to meet Belconnen Way at its intersection with Caswell Drive in Aranda.

He goes on to say:

Irrespective of the government's preferred option, my committee is still required to report back to the assembly with the findings of its inquiry.

The correspondence goes on to say that it was at that point that the concerns were raised by the AIS and the Bruce Precinct Association. It says that the ACT government's change of preference had placed the standing committee on planning and urban services on a shortened timetable, requiring them to report by the end of November that year and requiring them to investigate these new issues. The correspondence also seeks comment from the minister.

Ms Pegrum—Senator Lundy, if I am correct in my hearing of the dates, that was prior to either a draft variation or a draft amendment being proposed. So this was prior to that committee reporting to the Assembly on its findings.

Senator LUNDY—It seems to me, through subsequent correspondence from the minister at the time, Ian Macdonald, to Harold Hird, that an earlier committee—dating back to 1991, in fact—recommended a provision not be made in the National Capital Plan for a John Dedman east road but, indeed, for a John Dedman west road, and that at that point in time the NCA had not established an alternative view.

Ms Pegrum—I believe at that time the authority decided to show two dotted eastern alignments in the plan. If you look at the plan—

Senator LUNDY—Effectively, at the behest of the changed position of the ACT government.

Ms Pegrum—No, I am talking about 1991.

Senator LUNDY—I appreciate that, but my reading of the correspondence is that, until the spectre was raised about an eastern route, the NCA had a preference for a western route on the plan. Is that correct?

Ms Pegrum—Not that I am aware of, Senator.

Mr Schultheis—There was a confusion in terms of the use of 'western route'. The western route was effectively what is now the eastern route, because it was west of the ridge line, which was O'Connor Ridge. There was a community option at that time, which was further west, so when there is mention of the western option, that was in fact the western element of either the east or the west one around the O'Connor Ridge area. There is confusion with the terms.

Ms Pegrum—That is why, when you look at the plan as it is now, there is no community option alignment to the west. As Mr Schultheis said, there are two dotted lines—one is the eastern alignment and one is slightly west of that.

Senator LUNDY—I will quote the minister again. In correspondence dated 20 November 2000, the minister said:

The government accordingly did not agree to delete from the plan the John Dedman east road at the time. The government noted that environmental assessments of the community option and the John Dedman west alignments were ACT government responsibilities but that the Commonwealth government would need to consider the implications for the National Capital Plan of any proposed works.

I am making the point that the reference was to both.

Ms Pegrum—Yes, but as Mr Schultheis pointed out, at the time they meant the two dotted eastern lines that are shown in the plan, not the community option.

Senator LUNDY—Are you saying that the community option and the John Dedman west option mentioned in this correspondence are both east of the AIS?

Ms Pegrum—Are you referring to the 1991 correspondence or to the—

Senator LUNDY—No, I am talking about the correspondence dated 20 November 2000.

Ms Pegrum—That would refer to the east and to what is now called the community option. You are correct.

Senator LUNDY—Okay. That same piece of correspondence from the minister went on to state:

The precise alignment can be best resolved through assessment by the proponent, the ACT government, of environmental and other impacts on the various options. To ensure consistency between the National Capital Plan and proposed actions of the ACT government there may, however, be a need for the Commonwealth to consider an amendment to the plan.

My reading of that is that, at least at that time, the federal minister was of the view that the issues pertaining to the environmental and other impacts were best assessed by the proponent. But that did not happen in the end.

Ms Pegrum—I would imagine that that is correct and that is why, after that ACT Committee came down and supported the eastern alignment and the ACT planning authority wrote to the authority recommending the eastern alignment, we then proposed an amendment for the eastern alignment.

Senator LUNDY—When the view of the ACT government changed, why did you not change according to the prevailing view of the ACT government?

Ms Pegrum—Because we wrote to the ACT planning authority, who had finalised their variation to the plan, as we as we are required to do by statute—to liaise with the planning authority—as to what their position would now be. They indicated, as you are aware from the correspondence, that the new ACT government was interested in the western alignment. At that point in time, we said to them that we would look forward to their advice on this matter, and quite publicly said that on a number of occasions, but they would need to take into account the AIS's comments, which they had made in the public commentary period, and, of

course, the environmental issues, and quite specifically Black Mountain nature reserve, which would have been an issue regardless of which alignment was used.

Senator LUNDY—In other words, the rules changed. New factors were introduced in view of the change of government.

Ms Pegrum—A whole new alignment was introduced which had not been appraised.

Senator LUNDY—It had been appraised through previous inquiries.

Ms Pegrum—The previous inquiry supported an eastern alignment. That was the advice from the ACT planning authority at the time.

Senator LUNDY—Can you tell me the implications of the latest draft amendment affecting the Aranda nature reserve or that vicinity?

Ms Pegrum—Draft amendment 46 has been referred to the minister. I believe he is referring it to the standing committee for consideration.

Senator LUNDY—What does it affect?

Ms Pegrum—Basically it recommends an alignment that is fairly much in the same vicinity that the ACT government was recommending, which moves the road a fairly minimal distance into the Black Mountain nature reserve. It increases the road reservation within that area.

Senator LUNDY—Is draft amendment 46 consistent with the plan that has been put forward by the ACT government?

Mr Schultheis—Fundamentally it is.

Senator LUNDY—And you have done that assessment quickly having only seen the plan yesterday?

Mr Schultheis—No. What they have proposed in their document that I saw yesterday stays within the general alignment that has been the subject of DA 46. It is outside now; it would be outside of the reserve and the design would be one that the territory would—

Senator LUNDY—So, if DA 46 were to pass unencumbered, that would in no way present a barrier or a complication for the ACT government's plans? In fact, it would facilitate them. Is that correct?

Ms Pegrum—It would appear that that is correct, in the same way as for DA 41.

Senator LUNDY—Can you take on notice to confirm that in writing?

Ms Pegrum—Absolutely.

Senator LUNDY—Thank you.

Ms Pegrum—I feel obliged, since you have asked us to confirm that in writing, to also confirm for the record both draft amendments 41 and 46. Draft amendment 46 has not been approved by the minister at this point in time and draft amendment 41 is still subject to a motion to disallow. In effect, both of them are subject to the statutory processes for approval and parliamentary disallowance. Whatever our opinion might be, in writing to you, obviously those processes are the priority.

Senator LUNDY—I am not asking you to comment on the political processes—

Ms Pegrum—Thank you.

Senator LUNDY—just on the technical application of the amendment to the proposed plan.

Ms Pegrum—Of the draft amendments—that is the point that I am making.

Senator LUNDY—Yes. Has the minister said anything on the public record as yet about the proposals put forward by the ACT government?

Ms Pegrum—Yesterday's proposals? Not to my knowledge.

Senator LUNDY—Has the minister given any indication as to his view of draft amendment 46?

Ms Pegrum—Not to my knowledge.

Senator LUNDY—I look forward to hearing from him. With regard to a report commissioned by the NCA, the responses to the questions on notice related to the report by Dr Young.

Ms Pegrum—R.A. Young and Professor Black—or Professor Black, I think he is.

Senator LUNDY—Looking through the correspondence, the expenditure totalled some \$94,000. I know I asked this question last time but I want to go back over it: did the NCA expend any other money on reports associated with the Gungahlin Drive extension?

Ms Pegrum—If you went back to the nineties, there were a number of—

Senator LUNDY—I do not want to go back to the nineties.

Ms Pegrum—The GETS study was a fairly substantial report at the time, which was required by the authority and by the ACT Planning Authority. I cannot find the value of the GETS study. Mr Evans advises me that it was somewhere between \$600,000 and \$1 million at the time. The substantial study that was done looking at the connection between Gungahlin Drive was a transport strategy appraisal.

Senator LUNDY—I know I am going back over it but, in terms of the decision to spend that amount of money on a report assessing the Gungahlin Drive extension in the lead-up to the support of the eastern route, can you tell me whether any reports were commissioned to do a thorough environmental assessment and so on. I am just looking for the terms of reference.

Ms Pegrum—Because this was prior to my time as chief executive, I was trying to ascertain whether the Maunsell report and the GETS report were partly funded by the authority. I understand the Maunsell report was not, which was a fairly substantial one, again done earlier in the 1990s.

Senator LUNDY—The terms of reference in the Young report are:

Identify relevant studies that have been prepared relating to the Gungahlin Drive extension in terms of its needs, scale and location; evaluate if there is sufficient available data to carry out a comparative study of the eastern and western options for the GDE, as it passes by the Institute of Sport; provide a comparative assessment of the environmental, engineering and urban design impacts on the eastern and western road options of the road past the Institute of Sport and assess the options for providing GDE

from Belconnen Way to the Glen Loch interchange in a way that avoids or minimises intrusion to the Black Mountain reserve and maintains effective noise impact on residents.

Those terms of reference, in part, seem to apply equally to the eastern and western routes. Given the significant debate about this in the lead-up to the eastern route, why didn't the NCA commission this type of study making all of these assessments at that time? Why did you wait until the western option became the proposed option to expend nearly \$100,000 to do, essentially, a historic or forensic assessment of the data available associated with both the eastern and western options?

Ms Pegrum—I think I have answered that before, but I am happy to go through it again. The difficult situation that the authority had been placed in was that all of the detailed appraisal undertaken by the ACT government, including the responses to the concerns we were raising as issues to be resolved, was focused on the western alignment. So we had very little detailed information on the eastern alignment to allow us to make a comparison.

Senator LUNDY—But that did not stop you previously supporting the eastern alignment and preparing a draft amendment to allow the eastern alignment to be built, so you were either being political or you were abrogating your responsibilities in considering the eastern route.

Senator Boswell—Public servants being political; I cannot imagine anything less political in the Canberra Public Service, and certainly it would not be politically in favour of the coalition. I would just ask you to modify your accusations.

Senator LUNDY—Which rock have you been under?

CHAIR—If I could answer that for you: a fairly large rock.

Senator BOSWELL—A fairly what?

CHAIR—She was just having a shot at you, Bosy.

Ms Pegrum—Perhaps for the record I should express my concern at public servants being accused of being political.

CHAIR—Thank you very much for that.

Senator BOSWELL—You may pass that back to your Territory minister, because on the radio he accused them of being political.

Senator LUNDY—I am on the record as stating the same thing, and I note Ms Pegrum's concern.

CHAIR—We have noted the response and the comments from both sides. Let us move on.

Senator LUNDY—In answers to questions on notice from the February estimates, you provided the committee with comments from Minister Tuckey, made in an interview on Canberra radio station 2CC on Tuesday, 24 December 2002, stating that he was in support of an eastern alignment. Did the minister express that view to the NCA? Was it a view that the NCA took into account in formulating their response to the ACT government's proposed western route?

Ms Pegrum—On no occasion or in any way did Minister Tuckey or—prior to Minister Tuckey—Senator Macdonald, who was the minister then, try to influence the decision of the authority in its recommendation on draft amendment 41.

Senator LUNDY—I would like to turn to another issue. Can you outline the NCA's involvement in the Canberra Theatre Centre and Civic Library proposal?

Ms Pegrum—Yes. The Canberra link proposal, which is the one I believe you are referring to, is in a designated area of the national capital, therefore our role is to give works approvals on application. The Territory government—some two years ago, from memory—started to look at a proposal to establish a new link between what is the Canberra Theatre and the Playhouse Theatre as part of the Cultural Facilities Corporation, which is a statutory corporation of the ACT government. In the first instance they were looking primarily at a link including things like booking facilities and reception areas and public foyers for the theatre and playhouse. At some point in that process the Territory decided to incorporate a library as part of the link proposal and we began working with their consultants on the proposal.

Senator LUNDY—What problems did you have with the proposal?

Ms Pegrum—The primary concerns were that, to put it simply, the area of the building was too great for the site, particularly when the library was incorporated.

Senator LUNDY—Why?

Ms Pegrum—The site is quite constrained in both its east-west position in between two existing buildings and its height, being on the Mount Ainslie vista. The heritage considerations for that vista had been advised to the Territory government quite early in the piece. I am happy to provide those dates to you.

Senator LUNDY—Yes, please.

Ms Pegrum—That space for the building that was being proposed was just too small, and the more they pushed into the available space the higher the building became and in fact it blocked the vista.

Senator LUNDY—The vista is the line of sight from where to where?

Ms Pegrum—It is a line of sight between the top of City Hill going through along the Ainslie Avenue axis. This particular requirement and consideration of significance is one of the Register of the National Estate and also one of the ACT Heritage Council.

Senator LUNDY—So if someone was standing on top of City Hill and wanting to see the top of Mount Ainslie, they would not be able to do that if the building was too tall—is that the point?

Ms Pegrum—Without the sections in front of me, I could not say about someone standing on top of City Hill, but the concept is that that vista should remain open, particularly as you move around Vernon Circle.

Senator LUNDY—The issue that I am trying to get to is this: what is the specified line of site vista that we are talking about? Say I am standing on top of City Hill. Where must I be able to see something to preserve the vista?

Ms Pegrum—Perhaps if I describe it this way: if you were in Civic Square and you looked up towards City Hill, you would want to have a sense that City Hill was there and not see it. Equally, from Vernon Circle, you would want to be able to look across where the link building is, down Ainslie Avenue.

Senator LUNDY—So when you said Mount Ainslie, it has nothing to do with Mount Ainslie per se—

Ms Pegrum—Not the top; it is the axial view between the view.

Senator LUNDY—And it is only important between the Canberra Centre and Capital Hill?

Ms Pegrum—No, the Canberra Centre was built over the vista.

Senator LUNDY—Exactly—that is my point.

Ms Pegrum—It was a decision of the National Capital Development Commission.

Senator LUNDY—Why the different standard for the Canberra Centre and a new library?

Ms Pegrum—The National Capital Development Commission made that decision, and that was pre the National Capital Plan. I personally do not think it was the right decision or a good decision. The vista—

Senator LUNDY—So, given that decision had been made and the vista has effectively been spoilt, why is the NCA being so pedantic about what is left of the vista, which is approximately 500 metres?

Ms Pegrum—I do not think the vista has been spoilt. It has been diminished, in my view, because of the Canberra Centre, but I think anyone driving along Vernon Circle or down on Civic Square would recognise the value of the visual link.

Senator LUNDY—I just want to get this clear: the value that you are seeking to preserve in essentially not allowing the ACT government to proceed with their plans is so that people—

Ms Pegrum—We have given approval to the design.

Senator LUNDY—Yes, I know, but you have had a lot of involvement, too. You want people on London Circuit to be able to see the trees on Capital Hill and you want the people driving around Capital Hill to be able to see the Canberra Centre. Is that it; does that sum it up?

Ms Pegrum—I am not trying to be rude, Senator, but I think that is simplistic. I would rather provide a copy of the planning controls that we gave to the territory government very early in the piece and the Heritage Commission's view about what is valuable in this area. Primarily, the issue here was that a single storey height of building was required in order to retain those things which were deemed to have value.

Senator LUNDY—Okay. Can you explain what the notification processes were in relation to the building taking place at the Benjamin Offices site and the NCA's involvement?

Ms Pegrum—I will ask David Wright to come to the table. The Benjamin Offices site was part of the Commonwealth divestment program. We do not have works approval in that area, it is not a designated area, but it is subject to special requirements, I believe.

Mr Wright—In response to your question about the Benjamin Offices, there is a provision in the plan that seeks to secure the territory's interest in areas where national land is involved. Constitutionally, the territory cannot have control over the Commonwealth, but, because of the extensive nature of national landholdings in the ACT, those sorts of decisions can have a

significant bearing on the ACT. Consequently, the plan makes a provision for taking into account the relevant provisions of the territory plan. The mechanism that we use for that is a development control plan. It contains provisions which we think are appropriate and also the relevant provisions of the territory plan that apply to that site—in this case, the policies that apply to the Belconnen Town Centre. We normally prepare the development control plan, discuss it with the territory and get a written sign-off from the territory, although in fact the judgment is ours. The liaison with the territory is a protocol and a courtesy in law, but it is fundamental to the way we have handled the divestment program throughout.

Once that development control plan is in place we assess any proposal that is put forward by the Commonwealth and, again, we usually liaise with the territory to ensure that their interpretation and their interest is secured. We normally write to DOFA to say that the proposal as submitted is not inconsistent with the development control plan. There is no works approval involved. Once it has gone through that process it is normal practice for the site to become territory land once it is sold. That then removes the requirement for the development control plan—the development control plan is redundant—and the decision about development control is a matter between the new lessee and the territory as if the national land had never existed.

Senator LUNDY—So do you or did you have any role in the notification processes in relation to the building taking place at the Benjamin Offices site?

Mr Wright—Not in terms of notification. That would have been done by the proponent or by DOFA as the land manager.

Senator LUNDY—Who is responsible then for not notifying the businesses in the nearby churches centre that walkway access would be blocked as a result of those works?

Mr Wright—That would be a matter for the lessee and the ACT planning authority, if the land has become Territory land. But, if it has not, it would be a matter for DOFA.

Senator LUNDY—It would be a matter for DOFA?

Mr Wright—Yes.

Senator LUNDY—Not the NCA?

Mr Wright—No.

Senator LUNDY—So what experience does DOFA have in notifying tenants of building works?

Mr Wright—I cannot comment on that, I am afraid.

Ms Pegrum—You would have to ask DOFA.

Senator LUNDY—I think that is my point. The point I am trying to make here is that there is a loophole where no notification is provided. I am making perhaps an unfair assumption that DOFA would not have had a clue that they had any responsibility in that regard at all. The information I have is that there was no notification whatsoever. So between that time of formal transfer to ACT land, there was a build-up of activity and no-one was responsible for notification. By the time the ACT government picks up responsibility, it is effectively too late. Can I ask the NCA to take it on notice to consider what role they could possibly play to

ensure that adequate notification of tenants affected in similar circumstances does occur in the future. I know you have no statutory responsibility based on what Mr Wright has just said, but I think in the interests of smooth sailing and cooperation it might be something worthy of your consideration.

Mr Wright—I think this is a relatively unusual situation in that the expectation was that the site, having been sold several months ago, possibly as long as two years ago—

Senator LUNDY—I am not suggesting it is not unusual.

Mr Wright—should have become Territory land. Our expectation was that it would become Territory land much sooner and, to my knowledge, I do not think it has yet.

Senator LUNDY—I think my point is still valid. I would like to move on.

Ms Pegrum—Senator Lundy, I just want to query taking this on notice. I do not think there is any point because we do not have a statutory role there. We try and advise other agencies that are, as part of the Commonwealth government's divestment role, divesting—

Senator LUNDY—Can you show me any correspondence between you and DOFA where you have advised them of their statutory responsibilities to notify nearby tenants?

Ms Pegrum—I do not believe we do, because they do not have a statutory responsibility and nor—

Senator LUNDY—But that is the point. Surely it is a concern. I know it is not your responsibility, but surely, in the interests of good governance, you would attempt to address this matter.

Ms Pegrum—Perhaps that is a matter for the department of territories in their liaison with the territory government. It is not a planning issue.

Senator LUNDY—Okay. I would ask the minister to take this question on notice as well. That is for you, Senator Boswell. Just read the *Hansard* later; I need to move on. Can you outline for the committee your involvement in the request to remove the structures outside the tent embassy in October and February respectively?

Ms Pegrum—I think the two that you are referring to are the kangaroo structure in October and the large A-frame structure in February.

Senator LUNDY—Yes.

Ms Pegrum—They were illegal structures. The kangaroo, in particular—a very large, tall, tripod structure—was put up virtually early in the morning or late in the evening. Because of its particular scale and position, and because there had been extremely windy conditions before, we requested that the police remove the structure under the trespass ordinance. With the A-frame structure—similarly, a very large structure—it went up overnight or early in the morning and, equally, we requested removal by the police. After we do that, it is up to the police to decide whether they believe it is appropriate to do so. If they do, we are able to provide them with contractors that act under their direction.

Senator LUNDY—I just wanted to clarify the NCA's involvement.

CHAIR—Any old farmer could tell that that A-frame was dangerous.

Senator LUNDY—Be quiet, Chair! I am in a hurry. Can you clarify for me whether there is a distinction between Commonwealth and national land, as distinct from ACT land?

Ms Pegrum—All of the land within the territory is Commonwealth land owned by the Commonwealth on behalf of all Australians.

Senator LUNDY—That is everyone—and why we have leases.

Ms Pegrum—Exactly. Some of that land, under the ACT (Planning and Land Management) Act 1988, is deemed to be national land.

Senator LUNDY—And where is that?

Ms Pegrum—Which is land required by or used by the Commonwealth. That can include land such as that set aside by the Department of Finance, Defence and other agencies—CSIRO and the like. Some of that land is declared to be land required for the special purposes of Canberra as the national capital, and that is the land that the authority manages. All of the rest of the land is territory land, which is administered by the territory on behalf of the Commonwealth.

Senator LUNDY—I am just talking about national land. On national land, can you tell me what the status is for national purposes of the parliamentary triangle and the area in which the tent embassy exists?

Ms Pegrum—Most of the land within the parliamentary zone that is public land, or what you would normally call public land, is administered by the National Capital Authority, and that includes the land that the tent embassy is on.

Senator LUNDY—Do you have a power under the act to appoint inspectors to visit national land?

Ms Pegrum—We do not but the minister does.

Senator LUNDY—Can inspectors appointed under that part of the act have the power to remove trespassers or structures from sites in that jurisdiction?

Ms Pegrum—As I understand, yes, they could.

Senator LUNDY—Has that power ever been used by the minister and/or the NCA?

Ms Pegrum—Not to my knowledge.

Senator LUNDY—Why not?

Ms Pegrum—I do not know; you would have to ask the responsible ministers.

Senator LUNDY—I put a question on notice to ask the minister if that power has ever been used. Perhaps I should say how far back.

Ms Pegrum—It is a very old ordinance, as you know.

Senator LUNDY—A historical account is appropriate here. We will go right back to Federation or whenever the act became relevant.

Ms Pegrum—Mr Wright seems to have a recollection of when it might have been used.

Senator LUNDY—I am happy just to put that on notice. I guess what I wanted to establish was that that power had not been used in the last year or so and was certainly not used or

considered in relation to the removal of these structures. Perhaps, Mr Wright, you could confirm for me whether or not the NCA makes any recommendations to the minister about the use of either the AFP or, indeed, the power to appoint an inspector for the purposes of managing that national land.

Ms Pegrum—The AFP are inspectors for the purposes of the ordinance. To date, the authority—as I said, prior to the authority’s establishment I am not sure what the arrangements might have been—has issued requests to the police purely because they are there and they are inspectors within the ordinance.

Senator LUNDY—I appreciate that. But there is an opportunity to appoint a different inspector under that power.

Ms Pegrum—Yes. They are fairly broad powers. The inspectors under that particular ordinance have the powers to, for example, restrain a person, exercise force, detain persons and the like, hence the police being the obvious people to have those powers under the ordinance.

Senator LUNDY—When the police were called on those particular incidents, is the process that the NCA is instructed or requested by the minister or is it an activity that the NCA initiates itself? Can you tell me the circumstances for those two particular incidents?

Ms Pegrum—I can say with assurance that on every occasion that I have been involved in this process it has been the authority that has initiated the request. But we do always, of course, brief the minister on these matters.

Senator LUNDY—Could the NCA use its powers to close the tent embassy? Is that consistent with section 8 of the ACT (Planning and Land Management) Act and the ACT Supreme Court ruling over the tent embassy in February this year?

Ms Pegrum—The authority could request the police now to remove all structures and, I believe, all campers on the site. It would then be a matter for the police to decide whether or not they would do so. They have different criteria associated with that.

Senator LUNDY—It was reported in the *Canberra Times* on 18 May, in an article entitled ‘Peace vigil threatened’ that parliamentary security requested that the Women in Black leave the grounds of Parliament House. Is this correct? If so, did the NCA order this notification? The article says—as I am sure you are aware—that the women were standing in an area controlled by the National Capital Authority, but the implication is that, if it is parliamentary security, they would be under the jurisdiction and responsibility of Joint House or the Presiding Officers.

Ms Pegrum—I do not know the occasion you are referring to at all, but if it is in the parliamentary area then, under the Precincts Act, it is entirely within the Presiding Officers’—

Senator LUNDY—I appreciate that, but if they were outside the parliamentary precinct it would be up to the National Capital Authority.

Ms Pegrum—If it were on land that we administered, yes, but we would be primarily concerned—and I assume this is a protest; I do not know of the occasion—

Senator LUNDY—Yes, it is.

Ms Pegrum—We would be primarily concerned with structures associated under the protest requirements, not with protesters.

Senator LUNDY—There was no structure involved. The women involved were with the Women in Black group, so it was a very small number. There are five people in this photograph, but my impression is that it was never a large group. They were approached by parliamentary security and told that if it was more than two people standing together they were considered a security threat, and they were moved on. The Women in Black, when they were told to move on, had access to the book *The Right to Protest* and observed that the footpath where they had been standing was in fact an area controlled by the NCA and was not in the parliamentary precinct. Could you take this thing on notice? The article I am referring to was by Renee Cutrupi. It was entitled ‘Peace vigil threatened’ and was dated 18 May 2003. Could you just provide some feedback to the committee about your assessment of where they were standing—it was on a footpath on one of the lead-up roads—and whether that was your land. It may mean that my inquiries are best aimed at the Joint House Department or the Presiding Officers.

Ms Pegrum—We will definitely do that, but just as a clarification: if people are standing and protesting we have no role whatsoever in moving people on. Our concern is only with structures or, as is the case with the tent embassy, an illegal activity—which is the camping overnight, because of the structure. Even if they were on our land, we would not be the party who would be giving any request or indication to move on. That would be entirely a matter for the AFP.

Senator LUNDY—I look forward to your response. Is the NCA moving into events management?

Ms Pegrum—We have been looking at what might be under our function to promote awareness of Canberra as the national capital and what might be the kinds of events that could influence perceptions of the capital or enliven the national public areas. To that end, we have been actively encouraging people to use some of the public areas. You might be aware of things like ‘Summer in the Capital’. Prior to that there was ‘Discover Your National Capital’ and the like. Equally, we have been looking for events, as I said, that may be of a significant type that are appropriate to the capital and that could influence positively perceptions—hence ‘Celebrate! Christmas in the Capital’.

Senator LUNDY—Are you trying to compete with the Canberra Tourism and Events Corporation?

Ms Pegrum—No, not at all. I am very happy to say that I think our functions complement each other extremely well.

Senator LUNDY—What level of consultation and cooperation have you had with the Canberra Tourism and Events Corporation?

Ms Pegrum—For ‘Celebrate! Christmas in the Capital’, we applied to them for sponsorship of that event. That was not successful, but we kept them closely involved with what was happening. Since that time, we have held an industry events forum jointly with Canberra tourism, which was a half-day forum. We have formed an events alliance with them. We have provided sponsorship towards their recent advertisement to raise awareness of

tourism, post the bushfires. Mr Ross MacDiarmid, who is the Chief Executive of Canberra Tourism and Events Corporation, was also involved with our Events and Marketing Advisory Panel.

Senator LUNDY—So you were seeking sponsorship from the ACT government for NCA events?

Ms Pegrum—We sought sponsorship for that event, as indeed they have sought—and have received—sponsorship from us.

Senator LUNDY—I hope it ends up being an area that is complementary, as you say, and not competitive.

Ms Pegrum—We are trying to make it so.

Senator LUNDY—I will be placing some questions on notice. There is a black spot at the new roundabout on Anzac Parade. I do not know whether you have driven there lately, but it is an absolute nightmare. My understanding is that the NCA did have a role in the design and even the traffic conditions of that roundabout. Is that true?

Ms Pegrum—A significant role.

Senator LUNDY—Did you manage it all?

Ms Pegrum—This particular project has been running for a number of years. You may be aware that the territory government's proposal, in the first instance, was traffic lights at the intersection of Anzac Parade—

Senator LUNDY—And you said no to that?

Ms Pegrum—We did not give works approval for that.

Senator LUNDY—Because it would spoil the vista?

Ms Pegrum—Yes. The RSL and the Australian War Memorial, in particular, were profoundly concerned about the traffic lights. We then embarked on looking at what other solutions there might be.

Senator LUNDY—Yes. I am aware of that. It has created some quite difficult circumstances, including the converging lane leading towards the War Memorial from the lake when turning left onto Limestone Avenue. I have personally experienced this and have had a surprising amount of feedback about the difficulties people are experiencing when trying to turn left there.

Ms Pegrum—We have not had a single indication that there is a problem.

Senator LUNDY—Probably because all the complaints go to ACT traffic. This is the one scenario where there, in fact, are lights—

Ms Pegrum—We liaise quite significantly with ACT traffic, and they have not indicated that there is a problem.

Senator LUNDY—It is now officially on the record that there is a problem, because I have received complaints and I have experienced difficulties. There is also the issue of the lights—once you turn left, there is a set of traffic lights there for pedestrian purposes. Those traffic lights potentially impact a build-up of cars back onto the roundabout, which is quite a

dangerous situation as people have the expectation that traffic continually flows around the roundabout but, in fact, the placement of those pedestrian lights can lead to a traffic build-up and stopping during peak times. So could you take that concern on notice. I do not think I have asked a question but, perhaps, you could contact ACT traffic and see what their assessment is.

Ms Pegrum—Could I respond because it is an important project and a lot of energy and detail in the engineering and liaison with ACT Roads and Traffic have been undertaken—to the extent that they contributed \$300,000 towards those pedestrian signalised lights. So all I can do is advise you that we have had no indication of any concern and that ACT traffic has been involved with the detailed design in relation to this.

Senator LUNDY—Okay. I am speaking on behalf of constituents. I will be placing questions on notice.

CHAIR—I take it this is all about the 30-minute peak hour in Canberra, is it?

Senator LUNDY—You won't be so flippant if someone is seriously injured.

Ms Pegrum—I am able to table that letter to Lincoln Hawkins that you were asking for in relation to Gungahlin Drive extension. [Note that this letter was previously provided to the committee secretariat on 25 March 2003 in response to questions on notice NCA 06, attachment H].

CHAIR—Thank you. I understand that the minister would like to make a statement or place a statement on the record.

Senator Boswell—Earlier today, Senator O'Brien asked me to answer some inquiries regarding ABARE and BRS reporting. Rather than read it into the record, I will table it.

CHAIR—Is it the wish of the committee that the document be incorporated into the transcript of evidence? There being no objection, it is so ordered.

The document read as follows—

ABARE/BRS Review

Suggested Speaking Notes for Senator Boswell

At the start of today's hearings, Senator O'Brien asked me to make immediate inquiries of the Department of Agriculture Fisheries and Forestry and advise him about two matters:

- The posting on AFFA's website of the current report of the ABARE/BRS review
- Confirmation of AFFA's preparedness to listen to stakeholders' views before any decision is taken on the future of ABARE/BRS.

On Tuesday, Senator O'Brien asked Mr Michael Taylor, Secretary of AFFA "In view of the wide distribution of the draft, can interested farm organisations and even farmers get a copy of the recommendations concerning ABARE's future? Is it on the web?"

Mr Taylor responded "It is not on the web site. If you think it would be useful, I am happy to have it put on the web site."

Later in the proceedings, Senator O'Brien went on to request "I take it the material will be on the web site quickly to allow people who have a view to communicate it quickly."

Mr Taylor responded “I am sure Mr Pahl will assist me in getting the report on the web site.”

This was done on the same day (Tuesday).

As Senator O’Brien is aware, the review of ABARE/BRS is being undertaken by a former senior Departmental Officer (David Banham) oversighted by a reference group chaired by former AFFA Deputy Secretary, Mr Geoff Gorrie.

The review team prepared a draft report that was made available to ABARE/BRS staff and other stakeholders on 7 April.

- This is the same draft report that has been posted on AFFA’s web site, as Senator O’Brien requested. I am advised that the review team is still revising its report in the light of feedback that has been received.
- The report has not been finalised.

No final decision will be made until the review team completes its report. However, as Mr Taylor indicated on Tuesday, organisational arrangements within AFFA including the way in which economic and scientific research will be delivered are administrative decisions which he is empowered to take as part of his obligations to manage the Department in an efficient, effective and ethical way

- The proposal is not to “axe” the bureaux as Senator O’Brien asserts but rather to merge them into a single multidisciplinary bureau to provide more integrated research.
- Mr Taylor also made it abundantly clear that “those very strong—if you like—icon activities that sit within both bureaux will be a key part of the new framework.”
- Mr Taylor went on to assure Senator O’Brien that the Outlook Conference, important survey work, greenhouse issues, trade and forestry and fisheries related research will be retained. He also made the point that these areas were illustrative “I do not want to leave the impression that others are not important.”
- as Mr Taylor indicated, he has been consulting Ministers and other key stakeholders before making his final decision.

The report of the ABARE/BRS review is expected to be finalised over the coming days and will include consideration of any further views that may be received. A decision will be announced shortly thereafter

- copies of the report will of course be made public once the review process is completed.

I might add that since Senator O’Brien issued his media release yesterday, 29 May 2003, urging farmers, Farm Organisations and Commodity Groups to phone AFFA to put their views on this matter, only 1 call has been received from the public (to 11.45 am Friday 30 May 2003).

Committee adjourned at 12.55 p.m.