



LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY

SELECT COMMITTEE ON ESTIMATES 2012-2013

ANSWER TO QUESTION TAKEN ON NOTICE DURING PUBLIC HEARINGS



Asked by Mr Smyth on 18 June 2012: Mr Ahmed took on notice the following question(s):

[Ref: Hansard Transcript 18 June 2012, Page 88]

In relation to : **Rates Thresholds**

Mr Ahmed: Mr Coe, there would be very few property transactions in relative terms at the lowest bracket but it serves a purpose in setting out a marginal tax rate, and an effective tax rate, and that can be made progressive. But I can draw your attention to less than \$100,000. By the way, that bracket has been abolished now, clearly for that reason; it has been combined and taken up to a \$200,000 tax bracket. But looking at \$100,000—your duty payable currently is \$2,750. By 1 July 2016 it drops to \$1,480, so there is a saving over this period. Even in the first year there is a \$300 saving. But as you increase the property value the savings increase. It is not in dollar terms but in relative terms.

Mr Barr: I was just going to observe that for every property part of the value will fall within this element. It is how many are wholly contained below that threshold that I think was the intent of your question. We can get that figure for you but, given that these are progressive marginal rates, every property is under that threshold.

MR SMYTH: If you are getting the number of properties in that first category, can we have a breakdown of each of the properties in the seven categories, please?

Mr Barr: As in wholly contained within?

MR SMYTH: Yes.

Mr Barr: Okay. Yes, I imagine so.

MR SMYTH: And it will fall under 100, 100 to 200, 200 to 300?

Mr Barr: But you do understand that it is progressively?

MR SMYTH: I do understand marginal tax rates, yes.

Mr Barr: Yes, I think you do.

THE CHAIR: So that has been taken on notice?

Mr Barr: Yes; we are going to take it on notice.

Treasurer: The answer to the Member's question is as follows:--

For 2011-12 YTD, the proportion of Conveyance Duty transactions in each marginal tax bracket are shown in the table below.

Up to \$100,000	2%
\$100,001-\$200,000	4%
\$200,001-\$300,000	13%
\$300,001-\$500,000	49%
\$500,001-\$1,000,000	29%
\$1,000,001+	3%

Approved for circulation to the Select Committee on Estimates 2012-2013

Signature: *Andrew Barr*

Date: 26.6.12

By the Treasurer, Andrew Barr MLA



LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY

SELECT COMMITTEE ON ESTIMATES 2012-2013

ANSWER TO QUESTION TAKEN ON NOTICE DURING PUBLIC HEARINGS



Asked by Mr Brendan Smyth on 18 June 2012: Mr Neil Bulless took on notice the following question:

In relation to : **Staffing movements between the 2011-12 and 2012-13 Budgets**

[Ref: Hansard Transcript 18 June 2012, Pages 91-92]

MR SMYTH: Right. So how many contractors are converting to full-time staff?

Mr Bulless: From my recollection, Mr Smyth, about 230 in Health have moved from a contract basis to permanent.

MR SMYTH: And is that included in the numbers that we talked about previously, the extra 325?

Mr Bulless: Yes, in that reconciliation between budget 2011-12 and budget 2012-13 staff numbers, part of that increase in Health relates to the conversion to permanent staff.

MR SMYTH: So of the extra 325, how many are conversions and how many will be new employments?

Mr Bulless: We would have to take that on notice and get an accurate response to that one. Off the top of my head, though, broadly the increase, budget to budget, was about 1,040. That is in terms of FTEs reported in budget paper 4. Of that 1,040, about 250 were related to staff funded through the 2012-13 budget. A component of that was offset through the savings, about 180. 340 came from Actew moving the water business in-house. 230 of those related to Health staff moving from an agency basis to permanent.

Across the rest of the public service, the residual component of that was a combination of staff moving to permanent positions, new initiatives and differences in the way the numbers were counted in the last budget compared to this budget. Usually there is a seasonal effect in terms of education and CIT.

It depends at what point in time you want the estimate of staff on salary being paid by the government. There were some corrections to estimates from this budget to last budget across a couple of directorates as well, which accounted for some of that increase. As the Treasurer indicated, there is a range of positions funded through the capital works program, and also national partnerships, which have been picked up in that 1,040.

MR SMYTH: All right, but you will give us that breakdown?

Mr Bulless: We can give you a breakdown.

THE CHAIR: So that's been taken on notice?

Treasurer: The answer to the Member's question is as follows:--

The following table details staffing movements for Directorates and agencies between the 2011-12 and 2012-13 Budgets:

2011-12 Budget	Full Time Equivalent	17,667
2012-13 Budget	Description	FTEs
New Initiatives (net)	New staff arising from 2012-13 Budget initiatives	119
Savings	Estimated staffing reduction resulting from 2012-13 Budget savings initiatives (based on average remuneration)	-184
ACTEW	Re-integration of staff associated with the water and sewerage business back into ACTEW following termination of the Utilities Management Agreement	342
ACTION	Additional drivers for ACTION services to facilitate rest breaks between shifts	10
CFC	Staff transferred to permanent arrangements and expected employment arising from the 2012-13 program of events	6
CMCD	Additional staff engaged for coordination of the Centenary of Canberra celebrations	7
CSD	Additional staff funded through Commonwealth programs	6
CSD	Retained staff funded through administrative savings, instead of previously estimated staff savings	16
EDD	Correction of underestimation of 2011-12 Budget staffing	52
ETD	Additional Teachers – Annual Enrolment Adjustment	50
ETD	Additional Teachers – National Partnership Programs	61
Health	New Initiatives funded through the Health Growth Envelope	130
Health	Agency staff transferred to permanent arrangements	232
JACS	Staff to address waiting times in the Supreme Court	10.5
JACS	Additional staff from Cost Recovery Activities	17
JACS	Additional staff for the ACT Election	10.4
JACS	Additional staff for ACT Ambulance Services from past Budget initiatives + Capital Initiatives	13.8
TAMS	Additional Library staff	17
TAMS	Additional Canberra Connect staff	10
TAMS	Temporary staff funded through Commonwealth and Capital Works Projects	9
TAMS	Additional staff for Parks, Conservation and Land	26
TAMS	Additional staff for the MyWay program	9
TAMS	Filling vacant funded positions across the Directorate	17
TAMS	Retained staff funded through savings in non-staffing expenses, instead of previously estimated staff savings	11
SSC	Staff transferred to permanent arrangements	12
SSC	Additional staff for ICT and Procurement Services	5
SSC	Increased graduate intake	7
Other	Various small agency staff variations	16
2012-13 Budget	Full Time Equivalent Revised Position	18,705

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Date: 26.6.12

By the Treasurer, Andrew Barr MLA



LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY

SELECT COMMITTEE ON ESTIMATES 2012-2013

ANSWER TO QUESTION TAKEN ON NOTICE
DURING PUBLIC HEARINGS



Asked by Mr Brendan Smyth on 18 June 2012 : Mr Andrew Barr took on notice the following question(s):

In relation to: **Details of Enterprise Bargaining Agreements Across the ACT Government**

[Ref: Hansard Transcript 18 June 2012, Page 93]

MR SMYTH: Could you provide the committee with a timing of the EBAs and a percentage increase each year?

Treasurer: They are all publicly available.

MR SMYTH: That is okay, but can you provide it anyway?

Treasurer: Can we do the legwork for you?

MR SMYTH: Yes, that is good.

Treasurer: I am sure that through the industrial relations minister you could, and the relevant portfolio minister—

MR SMYTH: So you, as Treasurer, cannot provide that, even though you take it into account when you do this?

Treasurer: All right. For the sake of compiling all of the information and saving you asking all of my other colleagues, I will do that administrative work for you.

Treasurer: The answer to the Member's question is as follows:—

The table at Attachment A outlines the annual percentage increases and timing of the current Enterprise Bargaining Agreements.

Approved for circulation to the Select Committee on Estimates 2012-2013

Signature:

Handwritten signature of Andrew Barr in black ink.

Date: 26.6.12

By the Treasurer, Mr Andrew Barr, MLA

Attachment A

	Directorates/Agencies	ACTPS and related Collective Agreements	Enterprise Agreement			Agreed	2011-12	2012-13	2013-14	Notes
			Start Date	Expiry Date	Agreement Length (Months)					
Enterprise/Collective Agreements	Chief Minister and Cabinet Directorate	Chief Minister and Cabinet Directorate Agreement	18/08/2011	30/06/2013	23	Yes	3.5%	3.5%		Approved by FWA on 8/12/2011 and commenced operation from 15/12/2011. Payment made to staff on 22/12/2011.
	Community Services Directorate	Community Services Directorate Agreement	18/08/2011	30/06/2013	23	Yes	3.5%	3.5%		Approved by FWA on 10/01/2012 and commenced operation from 17/01/2012. Payment made to staff on 02/02/2012.
	Economic Development Directorate	Economic Development Directorate Agreement	18/08/2011	30/06/2013	23	Yes	3.5%	3.5%		Approved by FWA on 30/01/2012 and commenced operation from 06/02/2012. Payment made to staff on 16/02/2012.
	Environment and Sustainable Development Directorate	Environment and Sustainable Development Directorate Agreement	18/08/2011	30/06/2013	23	Yes	3.5%	3.5%		Approved by FWA on 22/12/2011 and commenced operation from 29/12/2011. Payment made to staff on 19/02/2012.
	Education and Training Directorate (non-teachers)	Education and Training Directorate Agreement	18/08/2011	30/06/2013	23	Yes	3.5%	3.5%		Approved by FWA on 15/12/2011 and commenced operation from 22/12/2011.
	Health Directorate	Health Directorate Agreement	18/08/2011	30/06/2013	23	Yes	3.5%	3.5%		Approved by FWA on 11/01/2012 and commenced operation from 18/01/2012.
	Justice and Community Safety Directorate	Justice and Community Safety Directorate Agreement	18/08/2011	30/06/2013	23	Yes	3.5%	3.5%		Approved by FWA on 13/01/2012 and commenced operation from 20/01/2012. Payment to be made to staff on 16/02/2012.
	Territory and Municipal Services Directorate	Territory and Municipal Services Directorate Agreement	18/08/2011	30/06/2013	23	Yes	3.5%	3.5%		Approved by FWA on 22/12/2011 and commenced operation from 29/12/2011. Payment to be made to staff on 19/01/2012.
	Treasury Directorate	Treasury Directorate Agreement	18/08/2011	30/06/2013	23	Yes	3.5%	3.5%		Approved by FWA on 07/03/2012 and commenced operation from 14/03/2012. Payment made to staff on 29/03/2012.
Public Authorities	ACT Auditor-General's Office	ACT Auditor-General's Office Agreement	18/08/2011	30/06/2013	23	Yes	3.5%	3.5%		Approved by FWA on 16/03/2012 and commences operation on 23/03/2012. Payment to be made to staff on 12/04/2012.
	Cultural Facilities Corporation	Cultural Facilities Corporation Agreement	18/08/2011	30/06/2013	23	Yes	3.5%	3.5%		Approved by FWA on 07/03/2012 and commenced operation from 14/03/2012. Payment for the majority of staff was made on 15/03/2012.
	Canberra Institute of Technology	Canberra Institute of Technology Agreement	18/08/2011	30/06/2013	23	Yes	3.5%	3.5%		Approved by FWA on 28/03/2012 and commenced operation on 04/04/2012. Payment to be made to staff on 26/04/2012.
	Legislative Assembly Secretariat	Legislative Assembly Members' Staff Agreement	18/08/2011	30/06/2013	23	Yes	3.5%	3.5%		Approved by FWA on 16/12/2011 and commenced operation from 23/12/2011. Payment to be made to staff on 19/01/2012.
	Legislative Assembly Secretariat	Legislative Assembly Secretariat Agreement	18/08/2011	30/06/2013	23	Yes	3.5%	3.5%		Approved by FWA on 28/11/2011 and commenced operation from 05/12/2012. Staff paid increase and back pay on 08/12/2011.
Role Specific Agreements	Territory and Municipal Services Directorate	ACTION Agreement	1/07/2010	30/06/2013	37	Yes	3.0%	3.0%		Agreement covers 3 Years. Approved by FWA on 21/09/2011 and commenced operation from 28/09/2011. Payment to be made to staff on 19/01/2012. Increase of 2.5% for 2010-11
	Justice and Community Safety Directorate	ACT Ambulance Service Agreement		30/06/2011		No				Negotiations still underway
	Canberra Institute of Technology	Canberra Institute of Technology Teaching Staff Agreement	18/08/2011	30/06/2013	23	Yes	3.5%	3.5%		Approved by FWA on 07/03/2012 and commenced operation from 14/03/2012. Payment to be made to staff on 29/03/2012.
	Education and Training Directorate	Education and Training Directorate Teaching Staff Agreement	1/10/2011	30/09/2014	37	Yes	5.0%	3.0%	1.5% 2.5%	Differential pay increases (average 5.0%) effective from 01/10/2011. Bi-annual increase in 2013-14 - 1.5% on 1 Oct 2013 and an additional 2.5% on 1 April 2014. Approved by FWA on 20/04/2012 and commenced operation from 27/04/2012. Payment of increased salary and allowances to staff 10/05/2012.
	Justice and Community Safety Directorate	ACT Fire Brigade Agreement		30/06/2011		No	3.5%	3.5%		Negotiations still underway
	Health Directorate	Health Professionals Agreement	18/08/2011	30/06/2013	23	Yes	3.5%	3.5%		Approved by FWA on 30/05/2012 and commences operation from 06/06/2012. Payment to staff 21/06/2012.
	Health Directorate	Medical Practitioners Agreement	18/08/2011	30/06/2013	23	Yes	3.5%	3.5%		Approved by FWA on 03/05/2012 and commenced operation from 05/05/2012.
Health Directorate	Nursing and Midwifery Agreement	1/07/2011	30/06/2013	24	Yes	3.5%	3.5%		Approved by FWA on 07/02/2012 and commenced operation from 14/02/2012. Payment to staff 01/03/2012.	

Note: Backdating staff under most agreements received a 3.5% p.a. pay increase from 18/08/2011 - with a further increase of 3.5% from 01/07/2012. All clerical agreements expire on 30/06/2013.



LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY
SELECT COMMITTEE ON ESTIMATES 2012-2013

ANSWER TO QUESTION TAKEN ON NOTICE
DURING PUBLIC HEARINGS



Asked by Mr Brendan Smyth on 18 June 2012: Mr Andrew Barr took on notice the following question(s):

[Ref: Hansard Transcript 18 June 2012, Pages 93-94]

In relation to : **Variation in Employee Expenses across the Budget and Forward Estimates**

MR SMYTH: Employee expenses then go up 3.4 per cent and the following year they go up 2.8 per cent. Could we have a breakdown of the elements that give it over the next three years as to why it varies so much? Your WPI factor for each of these years is 3½ per cent.

Mr Barr: Certainly, yes. You would have seen wage policies written into previous budgets. EBAs have different outcomes with different expiry dates, yes.

MR SMYTH: Okay. It is just that it varies so much.

THE CHAIR: Sorry, what was that, Mr Smyth?

MR SMYTH: The minister is going to provide a breakdown of why the employee expenses go up about two per cent in 2013-14, about 3.4 per cent in 2014-15 and 2.8 per cent in 2015-16.

THE CHAIR: That has been taken on notice. Ms Hunter, a question?

Treasurer: The answer to the Member's question is as follows:–

Growth in employee expenses of 5.5 per cent from 2011-12 to 2012-13 includes additional employee costs in relation to:

- Enterprise bargaining outcomes:
 - Clerical and all Professional Agreements (excluding Education Teachers) are forecast to receive an additional 3.5 per cent increase on 1 July 2012.
 - Education Teachers are forecast to receive an additional 3 per cent on 1 October 2012.
- Staffing costs associated with the implementation of new initiatives and capital works projects from current and past budgets.
- Health Growth Funding and new initiatives funded under the growth envelope.
- Additional Education enrolments in public schools and the requirement to employ additional teaching staff.
- The delivery of new Commonwealth-National Partnerships, namely in the Education and Training, and Community Services portfolios.

This is partially offset by:

- Savings in employee expenses as detailed in the 2012-13 Budget.

The lower level of growth in employee expenses of from 2012-13 to 2013-14 (2 per cent), from 2013-14 to 2014-15 (3.4 per cent), and from 2014-15 to 2015-16 (2.9 per cent) reflects a combination of factors, including: expected staff resourcing levels; status of National Partnerships; ceasing budget initiatives; savings initiatives; and the end of the majority of enterprise agreements across government (with expiry dates of 30 June 2013, with the exception of the Education and Training (Teaching Staff) Enterprise Agreement, which is due to expire on 30 September 2014).

Growth in employee expenses across the forward estimates mainly relates to the Health and Education and Training Directorates accounting for around 62 to 63 per cent per annum of total employee expenditure from 2013-14 to 2015-16.

Approved for circulation to the Select Committee on Estimates 2012-2013

Signature: 

Date: *28.6.2012*

By the Treasurer, Mr Andrew Barr MLA



LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY
SELECT COMMITTEE ON ESTIMATES 2012-2013

ANSWER TO QUESTION TAKEN ON NOTICE
DURING PUBLIC HEARINGS



Asked by Mr Smyth on 18 June 2012: Ms Smithies took on notice the following question(s):

[Ref: Hansard Transcript 18 June 2012, PAGE 17]

In relation to :

MR SMYTH: On page 76 of budget paper 3 you have got the line for conveyances in your taxation table 5.1.3. What is the split in collection between commercial properties and residential and, indeed, rural? And if you have to take it on notice that is fine.

Ms Smithies: We will have to take that one on notice.

MR SMYTH: Yes, so can we have it for the current year to '11-12 and then for the four years covered by the budget?

Ms Smithies: Yes.

Treasurer: The answer to the Member's question is as follows:—

The split of conveyance duty between residential and commercial sector is provided in the table below. The transactions of rural properties are few and are not forecast separately.

	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000
Residential	210,971	215,087	223,327	227,592	231,685
Commercial	56,907	57,522	60,901	63,658	64,574
Total	267,878	272,609	284,228	291,250	296,259

Approved for circulation to the Select Committee on Estimates 2012-2013

Signature: *Andrew Barr*

Date: 5.7.12

By the Treasurer, Mr Andrew Barr MLA



LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY

SELECT COMMITTEE ON ESTIMATES 2012-2013

ANSWER TO QUESTION TAKEN ON NOTICE
DURING PUBLIC HEARINGS



Asked by Mr Smyth on 18 June 2012: Mr Ahmed took on notice the following question(s):

[Ref: Hansard Transcript 18 June 2012 Page 98]

In relation to: **General Rates**

Mr Ahmed: It is in budget paper No 3 as well. I think the largest line is the commercial land tax, which is about \$54½ million, going to close to \$61 million. All of that gets transferred over to general rates.

MR SMYTH: You have got the increase. What is the number of properties expected to increase over these years as well? That gives you part of the picture. When you split it down into commercial and into residential, can you then put in a line that tells us how many new properties you expect and what the collection from those new properties is expected to be?

Mr Ahmed: The collection on average will be the same as any other property on average.

MR SMYTH: Numeric value, though?

Mr Ahmed: Yes. I do not have the exact figures with me but the growth rate will be in the order of about one per cent.

MR SMYTH: If, from your calculations, you could tell us what that is, that would be good.

Mr Ahmed: Yes, we can certainly give you that.

THE CHAIR: So that is on notice.

Treasurer: The answer to the Member's question is as follows:--

The forecasts for General Rates across the forward estimates beyond 2012-13 incorporate:

- revenue replacement in accordance with Table 3.2.7 on page 54 of Budget Paper 3;
- Wage Price Index escalation at the long run average of 4 per cent; and
- Revenue growth from new property of 0.84 per cent on average. The revenue growth includes the effect of increases in stock as well as the composition of the stock.

The actual revenue for General Rates would be determined by the actual WPI in the proceeding period to December.

Approved for circulation to the Select Committee on Estimates 2012-2013

Signature: *Andrew Barr*

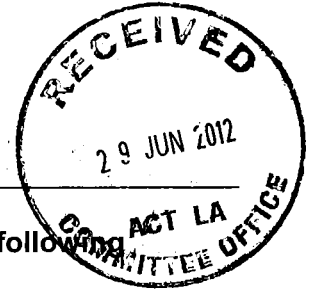
Date: 27.6.2012

By the Treasurer, Andrew Barr MLA



LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY
SELECT COMMITTEE ON ESTIMATES 2012-2013

ANSWER TO QUESTION TAKEN ON NOTICE
DURING PUBLIC HEARINGS



Asked by Mr Coe on 18 June 2012: The Treasurer took on notice the following question(s):

[Ref: Hansard Transcript 18 June 2012, Page 98-99]

In relation to : **Land Values – Properties with Decreasing AUVs**

MR COE: In any given year how many properties might receive a decrease in their land value?

Mr Barr: In any given year?

MR COE: Yes.

Mr Barr: So excluding the changes to the marginal tax rates?

MR COE: The land value.

Mr Barr: Okay. I wanted to clarify that because the policy changes contained within the budget in fact deliver a quarter of all properties a reduction in their rates.

MR COE: Yes, but that is separate to the land value.

Mr Barr: We would need to go back and have a look at that data. The *Canberra Times* reports on it every year, so you could do a parliamentary library search and they would be able to—

Mr Ahmed: Land values have been generally increasing over the past few years. With respect to the actual decrease in land value, I do not think we have ever forecast a decrease in land value. No, we do not. The land values that are used for setting rating factors for the coming year are, again, values to year, and they are finalised before the budget, in around March. Again it is not a forecast for the next year; it is the actual land value as at before the budget. So I am not sure whether we can actually tell you—

Mr Barr: You want any examples of where land values have fallen; that is what you are asking for?

MR COE: That is right.

Mr Barr: I am sure we can find some.

Mr Ahmed: We can certainly find some and give you some examples.

MR COE: So how many—

THE CHAIR: That is taken on notice?

Mr Barr: Yes.

Treasurer: The answer to the Member's question is as follows:—

Some examples of individual properties identified by suburb that experienced a decrease in the Unimproved Value of land for 2012-12 are shown in the table below.

Suburb	2011 UV (\$)	2012 UV (\$)	Diff (\$)	Diff (%)
Ainslie	578,000	559,000	-19,000	-3%
Forrest	1,647,000	1,564,000	-83,000	-5%
Cook	553,000	490,000	-63,000	-11%
Gungahlin	208,000	198,000	-10,000	-5%
Farrer	551,000	535,000	-16,000	-3%

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Signature: *Andrew Barr*

Date: 28.6.12

By the Treasurer, Andrew Barr MLA

PROOF

Answered in hearing - extract of transcript,
18 June 12, pp. 99-100.

Mr Ahmed: Land values have been generally increasing over the past few years. With respect to the actual decrease in land value, I do not think we have ever forecast a decrease in land value. No, we do not. The land values that are used for setting rating factors for the coming year are, again, values to year, and they are finalised before the budget, in around March. Again it is not a forecast for the next year; it is the actual land value as at before the budget. So I am not sure whether we can actually tell you—

Mr Barr: You want any examples of where land values have fallen; that is what you are asking for?

MR COE: That is right.

Mr Barr: I am sure we can find some.

Mr Ahmed: We can certainly find some and give you some examples.

MR COE: So how many—

THE CHAIR: That is taken on notice?

Mr Barr: Yes.

MR COE: How many parcels of land are assessed for rates or land tax at present?

Mr Barr: The total number of properties? Does someone have that figure off the top of their head?

Mr Ahmed: The number of dwellings is in the order of about 140,000. That is a rough estimate, but we can give you a more precise number.

MR COE: Would you please take on notice the total number of residential dwellings and the total number of commercial dwellings that pay rates.

THE CHAIR: That is taken on notice as well.

Mr Barr: For the purposes of undertaking this work, which date would you like us to use? Obviously the second you give that date, there will be more that will come online.

MR COE: You just said it is retrospective; you said you did it in March.

Mr Barr: Okay, for the purposes of calculation of this year's budget?

MR COE: Yes.

Mr Barr: That is easy. Thank you.

MR COE: Of that, it would be handy if you could say how many of those have had a decrease in their—



PROOF

Mr Barr: As a result of a land valuation decrease?

MR COE: Land valuation. And—

Ms Smithies: In the last year or—

MR COE: Yes, in the last year.

Ms Smithies: as a rolling three-year—

Mr Barr: It is a rolling three-year average.

MR COE: Okay, rolling three years.

Mr Ahmed: Can I answer the question that we were just discussing? I do have the information. For residential, it is 141,653.

MR COE: As of when?

Mr Ahmed: As at May. For commercial, it is 5,722, again as at May.

MR COE: Okay, thank you.

MR SMYTH: And rural? If you have got those figures, how many rural properties are there?

Mr Ahmed: I think I do have rural—174. Can I clarify the question around the decrease in land value? Are we talking about decrease in average unimproved value or are we talking about decrease in unimproved value for the current year, for this estimates period?

MR COE: Sorry, it is not intended to be a curly question.

Mr Ahmed: I know, Mr Coe; I am just trying to clarify—

Ms Smithies: No, I think we are just seeking clarification.

MR COE: I am quite happy with whatever is easiest for you to produce.

Mr Ahmed: Sure.

MR COE: We are looking for a ballpark figure here.

Mr Ahmed: Sure. I am just trying to ascertain what is the best way of answering your question that gives you the information you need, and to assist the committee, without failing to become helpful.

MR COE: No, it is all right.

THE CHAIR: You are being very helpful.



LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY

SELECT COMMITTEE ON ESTIMATES 2012-2013

ANSWER TO QUESTION TAKEN ON NOTICE DURING PUBLIC HEARINGS



Asked by Mr Coe on 18 June 2012 : Mr Marina took on notice the following question(s):

[Ref: Hansard Transcript 18 June 2012, Page 111]

In relation to : **Repeals against Land Valuation in 2011-12**

Mr Marina: I look after the valuations when they come through. The Australian Valuation Office do a number of things when they are going out to revalue all the parcels of land in the ACT. They look for vacant land sales wherever possible, because obviously it is unimproved land value. But where there are no vacant land sales in the suburb, they look at the improved sales and from there they deduct any improvements. They will go out and inspect those parcels of land and residences, especially before they are sold, and they deduce the land value from that, which they then can apply to the unimproved value of the whole suburb.

Within a suburb they do have different localities. As you can appreciate, some parts of the suburb may be more valuable because of views or location, or the size of the block. They take all those sorts of factors into account. They might have a number of localities within a suburb and pick out a benchmark block within that locality and say, "That's a benchmark block." They apply factors, plus or minus, for different variances in the different types of blocks that exist around that benchmark block and then they apply their analysed sales, from either the improved sales or land sales, to that benchmark property and then to the rest of the property. They do it on a mass appraisal system.

MR COE: Sure. People are able to appeal their valuation. Do you get many people doing that?

Mr Marina: Not many, no. We had about 80 objections to unimproved land values last year. I think about 60 were residential and about 20 were commercial—something of that order.

MR COE: And of those 80, how many were presumably reduced, in compliance—

Mr Barr: I do not think there are that many people who are appealing the higher level.

MR COE: That is right.

Mr Barr: "Sorry; my land's worth more."

MR COE: That is right—making cheques out to the Revenue Office unnecessarily. How many of those 80 disputes were reduced?

Mr Marina: I do not have those figures on hand. I can take that on notice.

MR COE: If you could take that on notice, that would be good.

Mr Marina: Yes.

THE CHAIR: That is taken on notice. Thank you.

Treasurer : The answer to the Member's question is as follows:—

26 land valuations were reduced on objection during 2011-12.

Approved for circulation to the Select Committee on Estimates 2012-2013

Signature: 

Date: 27.6.2012

By the Treasurer, Andrew Barr MLA



LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY
SELECT COMMITTEE ON ESTIMATES 2012-2013

ANSWER TO QUESTION TAKEN ON NOTICE
DURING PUBLIC HEARINGS



Asked by Ms A Bresnan on 18 June 2012: Ms Megan Smithies took on notice the following question:

[Ref: Hansard Transcript 18 June 2012, Page 114]

In relation to: **University of Canberra Capital Injection Saving of \$1.3 million**

THE CHAIR: No, it was just to get clarification. Also, there is a saving here of \$1.3 million in a loan to UC, just if there is any explanation in relation to that?

Ms Smithies: Yes, actually, we will have to take that one on notice, sorry

Treasurer: The answer to the Member's question is as follows:—

By way of background, the maximum loan approved for the University of Canberra was \$23.350 million and a capital injection was provided for this amount.

The savings on the loan of \$1.3 million is made up of two components:

- 1) Undrawn loan balance of \$0.5 million; and
- 2) As provided for under the loan agreement, it was also agreed to transfer interest paid on the loan of \$0.8 million to the principal amount. This effectively meant that a capital injection was not required.

The University of Canberra did not require the extra funds because it was able to achieve some efficiencies to deliver the accommodation arrangements as required in the loan agreement. As a result, Treasury did not have to draw down a capital injection of \$1.3 million and this was returned to budget.

Approved for circulation to the Select Committee on Estimates 2012-2013

Signature: *Andrew Barr*

Date: 26.6.12

By the Treasurer, Mr Andrew Barr, MLA

PROOF

Answered in hearing - extract of transcript,
18 June 12, pp. 118-119.

MR HARGREAVES: Okay. Does that explain, then, why the increase in \$2.874 million also contains the same project advice of \$0.599 million? That is a different one again? If it is a different one again, I might just suggest that either a note to that effect or some brackets in future years might be helpful, because it looks like you have taken two into the decrease and whacked one into the increase and there is no way of being able to tell what it is.

Ms Smithies: Sure.

MR HARGREAVES: Another little one: just for the record, page 159, the same BP—your budget for resources received free of charge for 2011-12 was \$1.339 million. Congratulations on achieving the estimated outcome of \$1.339 million, because it is the only one you got right in that column. I do not know how you can do it so accurately to the “9”, but that is Treasury for you. Could you tell us what those resources were that you received free of charge, worth almost \$1½ million?

Ms Smithies: I might ask Scott to talk to that. I know that certainly it is our legal costs and a number of other resources that are provided across the ACT government.

Mr Brown: Mr Hargreaves, could I just ask you to repeat that question?

MR HARGREAVES: Sure. Page 159, BP4, the line, “Resources received free of charge”—the budget was exact to the estimated outcome. That is really rare. I think it is the only one on that whole page that meets exactly the figure to the \$1,000, so I congratulate you on getting that right. I would just like you to give us an explanation of what those resources were that you got free of charge.

Mr Brown: To answer your first question, you are right—

MR HARGREAVES: I know; thank you.

Mr Barr: No. User charges—ACT government, \$10,000, \$10,000. That is spot on.

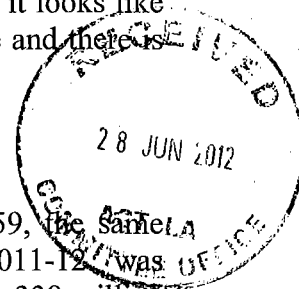
Mr Brown: With the 2011-12 figure, we actually get that number at the end of the year from Shared Services. Because it is resources free of charge, it is a book entry. We go with the budget because we have no better number at this stage to use. We do not get that final number until close to the end of June. We have got no way of really giving you an estimated outcome.

MR HARGREAVES: Does that mean, then, that you do not get an indication of how you are travelling throughout the year?

Mr Brown: I would have to take that on notice, but, no, I do not think we do. Because it does not impact our cash position, it is essentially an in and out transaction for us. It has no impact on our bottom line.

MR HARGREAVES: Thank you.

Mr Brown: To answer your second question, a lot of it is legal fees—PCO, GSO;



PROOF

those sorts of things. I cannot give you a breakdown on last year's, but if you are after it, I can get back to you.

MR HARGREAVES: No, it is okay. I understand now. Thank you very much for that.

MS HUNTER: I want to go to savings measures. It is BP3, pages 25 to 27. It is also at page 135 and goes on from there. Some of the savings measures that are listed on pages 136 and 137 are pretty much word for word the same as the previous year. Could you clarify whether these measures that are in this set of budget papers are in addition to what was listed in last year's papers or are they a revision of the savings?

Mr Barr: In addition.

MS HUNTER: And what did we achieve last year? We achieved the savings that—

Mr Barr: Those amounts were removed from agency budgets at the beginning of the financial year; so achieved in full, yes.

MS HUNTER: By not getting the money—

Mr Barr: Because they never got the money in the first place.

MS HUNTER: In relation to the fleet savings, the table on page 137 has the years 2011-12. It does not have 2015-16. It lists a zero dollars saving in 2011-12, whereas last year's budget seemed to indicate a saving of \$495,000. Was that achieved?

Mr Bulless: There are two things there actually, just looking at that page. The dates for both recruitment and training and fleet leasing have been moved. They should actually start with 2012-13 rather than 2011-12. The zero figure for 2012-13 for fleet leasing is correct. The reason for that is that the territory's leases are largely two-year finance leases, and the way we have rolled the saving through is to look at 50 four-cylinder passenger vehicles, average costs of the lease—repairs, maintenance, fuel et cetera, insurance—recognising that those cars will have to come off lease before we can actually have a saving by not renewing the lease.

MS HUNTER: So you are planning to take those out over the next couple of years?

Mr Bulless: Yes. So what we have done is: no saving next year because the cars will be there. Half of those cars, it is assumed, will roll off the two-year lease, and the full 50 cars by the second year.

MS HUNTER: That was part of the question. The other thing is in relation to energy efficiency and the \$5 million fund. If you go to budget paper 3, page 36, it talks about this in relation to the carbon price. Could you explain what role, if any, Treasury has in any of the initiatives and types of savings that you expect to achieve?

Ms Smithies: This scheme is run by ESDD; so they have got—

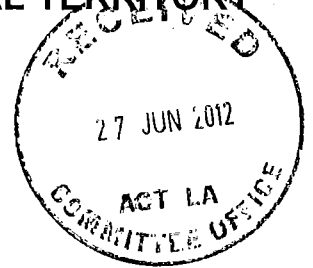
MS HUNTER: And the directorate will come in tomorrow. So you are not going to



LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY

SELECT COMMITTEE ON ESTIMATES 2012-2013

ANSWER TO QUESTION TAKEN ON NOTICE
DURING PUBLIC HEARINGS



Asked by Mr Brendan Smyth on 18 June 2012 : Mr Andrew Barr took on notice the following question(s):

[Ref: Hansard Transcript 18 June 2012, Page 126]

In relation to : **Total savings outlined in 2012-13 Budget, broken down by agency.**

MR SMYTH: The question is this: could you give us a breakdown by agency of what their share is of the various categories that you have listed? It seems to me that you are presenting numbers to the Assembly in terms of the approp but you have got no idea whether they would be achieved or not. I appreciate you have taken the money out, but whether the actual saving has been realised across the public service is the question. Have you actually realised the savings across the public service by category?

Treasurer: Sure, I am happy to—you want by directorate?

MR SMYTH: Lovely; that is fine.

THE CHAIR: That is taken on notice?

Treasurer: The answer to the Member's question is as follows:—

The table at Attachment A outlines the savings allocation for each agency for the particular categories between 2012-13 and 2015-16, as outlined in Chapter 6.3 of Budget Paper No. 3.

Approved for circulation to the Select Committee on Estimates 2012-2013

Signature:

Handwritten signature of Andrew Barr in cursive script.

Date: 27.6.2012

By the Treasurer, Andrew Barr MLA

	Travel and Accommodation				Printing, Publications, Admin, Postage and Stationery				Contractors and Consultants				Staff Training, Recruitment and Development			
	2012-13	2013-14	2014-15	2015-16	2012-13	2013-14	2014-15	2015-16	2012-13	2013-14	2014-15	2015-16	2012-13	2013-14	2014-15	2015-16
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
ACT Executive	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
CMCD	17	26	26	27	25	26	26	27	79	97	100	102	22	23	23	24
Health	144	221	227	233	345	354	363	372	155	190	195	200	324	332	340	348
TAMS	27	41	42	43	287	294	301	309	960	1,181	1,210	1,240	52	53	54	56
Treasury	0	0	0	0	73	74	76	78	0	15	15	16	53	55	56	57
Shared Services	0	8	8	8	164	168	173	177	674	829	849	871	51	53	54	55
EDD	24	37	38	39	48	50	51	52	214	263	269	276	24	25	25	26
JCSD	178	274	281	288	322	330	338	346	114	140	143	147	131	134	137	141
ESDD	41	62	64	66	58	59	60	62	316	388	398	408	69	71	73	75
CSD	94	144	147	151	81	83	85	87	42	52	53	55	129	133	136	139
Housing ACT	0	0	0	0	0	0	0	0	43	52	54	55	20	20	21	21
ETD	130	200	205	210	280	287	294	302	0	0	0	0	0	0	0	0
CIT	126	194	199	204	0	0	0	0	306	376	385	395	0	0	0	0
LDA	17	17	18	17	21	22	22	23	106	130	134	137	22	23	24	24
Legal Aid	0	0	0	0	32	33	34	35	0	0	0	0	0	0	0	0
Total	797	1,225	1,255	1,285	1,736	1,780	1,824	1,870	3,007	3,713	3,805	3,901	898	920	943	967

	Advertising and Marketing				Fleet Savings				Employee Expenses				Extending the Operating Life of ICT Equipment			
	2012-13	2013-14	2014-15	2015-16	2012-13	2013-14	2014-15	2015-16	2012-13	2013-14	2014-15	2015-16	2012-13	2013-14	2014-15	2015-16
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
ACT Executive	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
CMCD	46	71	73	75	0	0	0	0	244	228	229	230	0	0	0	0
Health	81	125	128	131	0	97	198	203	2,691	2,802	2,897	2,988	0	0	0	0
TAMS	0	0	0	0	0	77	158	162	1,380	1,374	1,371	1,368	0	0	0	0
Treasury	0	0	0	0	0	0	0	0	314	316	318	319	0	0	0	0
Shared Services	0	0	0	0	0	14	29	29	1,620	1,629	1,648	1,659	0	1,600	1,600	1,600
EDD	323	497	509	522	0	12	24	25	372	377	377	380	0	0	0	0
JCSD	0	0	0	0	0	0	0	0	3,057	3,038	3,071	3,098	0	0	0	0
ESDD	112	172	176	180	0	18	37	38	721	718	717	721	0	0	0	0
CSD	0	0	0	0	0	57	117	120	1,485	1,461	1,470	1,476	0	0	0	0
Housing ACT	0	0	0	0	0	0	0	0	392	401	409	418	0	0	0	0
ETD	0	0	0	0	0	9	18	19	3,367	5,263	4,920	5,011	0	0	0	0
CIT	107	164	169	173	0	0	0	0	1,137	1,150	1,156	1,163	0	0	0	0
LDA	149	228	234	240	0	0	0	0	195	204	212	222	0	0	0	0
Legal Aid	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	818	1,257	1,288	1,321	0	284	582	596	16,974	18,962	18,794	19,055	0	1,600	1,600	1,600

	LDA Selling and Employee Expenses				Other Agency Savings				Total			
	2012-13	2013-14	2014-15	2015-16	2012-13	2013-14	2014-15	2015-16	2012-13	2013-14	2014-15	2015-16
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
ACT Executive	0	0	0	0	0	17	34	50	0	17	34	50
CMCD	0	0	0	0	0	111	224	335	433	581	701	820
Health	0	0	0	0	0	1,881	4,025	6,037	3,739	6,001	8,371	10,512
TAMS	0	0	0	0	0	973	1,970	2,999	2,706	3,993	5,107	6,178
Treasury	0	0	0	0	0	164	326	488	440	624	791	959
Shared Services	0	0	0	0	0	21	38	57	2,509	4,321	4,398	4,456
EDD	0	0	0	0	0	329	638	957	1,005	1,590	1,933	2,277
JCSD	0	0	0	0	0	1,149	2,337	3,506	3,801	5,064	6,306	7,526
ESDD	0	0	0	0	0	330	663	994	1,316	1,819	2,188	2,544
CSD	0	0	0	0	0	979	1,998	2,998	1,831	2,908	4,008	5,026
Housing ACT	0	0	0	0	0	49	213	320	454	523	697	814
ETD	0	0	0	0	0	1,080	2,203	3,304	3,778	6,839	7,640	8,846
CIT	0	0	0	0	0	339	691	1,036	1,676	2,224	2,600	2,971
LDA	313	321	329	337	0	0	0	0	823	945	973	999
Legal Aid	0	0	0	0	0	12	25	38	32	46	59	73
Total	313	321	329	337	0	7,434	15,384	23,119	24,543	37,496	45,806	54,051

Note:

1. Table may not add due to rounding.
2. Ceasing Initiatives are not listed in this Table. A full breakdown by directorate can be found in 2012-13 Budget Paper No 3, p. 139.



LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY

SELECT COMMITTEE ON ESTIMATES 2012-2013

ANSWER TO QUESTION TAKEN ON NOTICE DURING PUBLIC HEARINGS



Asked by Mr Coe on 18 June 2012: Mr Ahmed took on notice the following question(s):

[Ref: Hansard Transcript 18 June 2012, Page 127-128]

In relation to: **Homebuyer Concession**

MR COE: You said that the proportion of first homebuyers that have bought established residences, new properties, has changed over the last few years. What are those proportions?

Mr Barr: Depending on the new land release in each year, it has been 50-50; it has been 60-40; it has varied. But ultimately the economic theory behind this is, as I say, twofold: one, if you are going to provide an increased purchasing power, then you want that chasing new supply, not pushing up the price of existing housing, because that defeats the purpose of providing the subsidy in the first instance.

Secondly, in the context of economic activity in the territory, we want to support the construction of new housing. We think that is the number one priority. It is no surprise that the New South Wales government of an alternative political persuasion has adopted exactly the same position, because we recognise the need to build new houses in the city. That is how you will put downward pressure on rents and on house prices, and that is what we are seeking to do.

MR COE: Could you take on notice for the last four years what proportion has been established versus new properties for the homebuyer concession?

Mr Barr: Yes.

Mr Ahmed: We have answered that question.

Mr Barr: That question on notice to that effect, yes.

Mr Ahmed: We have dealt with a question on notice to that effect and we have answered it. The question was around the first homeowner grant.

MR COE: It is separate from the concession, though—different requirements there.

Mr Ahmed: This is a different question. So you are asking about the concession?

MR COE: About the concession.

Mr Ahmed: Roughly—we will take it on notice, and you were asking about the last four years?

MR COE: That is right.

Mr Ahmed: Roughly, at this time, I would suggest it is roughly half and half, close to that number.

MR COE: Sure. All the same, if you could take that on notice that would be good, thanks.

Mr Ahmed: Yes.

Treasurer: The answer to the Member's question is as follows:—

The breakdown between established and new houses for the Home Buyer Concession Scheme is shown in the table below.

	Established Houses (%)	New Houses (%)
2007-08	86	14
2008-09	77	23
2009-10	50	50
2010-11	51	49

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Signature: 

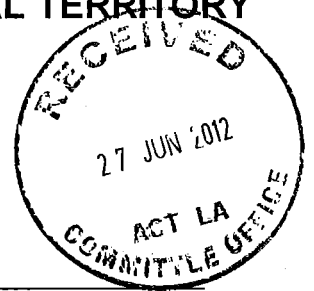
Date: 27.6.2012

By the Treasurer, Andrew Barr MLA



LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY
SELECT COMMITTEE ON ESTIMATES 2012-2013

ANSWER TO QUESTION TAKEN ON NOTICE
DURING PUBLIC HEARINGS



Asked by Mr Smyth on 18 June 2012: the Treasurer took on notice the following question(s):

[Ref: Hansard Transcript 18 June 2012, Page 129]

In relation to: **Homebuyer Concession – Definition of “Substantially Renovated”**

MR SMYTH: What is the definition of “substantially renovated” and how will that be dealt with?

Mr Barr: Same as the New South Wales scheme.

MR SMYTH: Yes, but I am asking you what yours is.

Mr Barr: So ours is the same. We have modelled ours on the New South Wales scheme and I can provide it. I mean, I am not going to go through it chapter and verse now but we can provide you the paperwork from—

Treasurer: The answer to the Member’s question is as follows:—

The definition of substantial renovations is found in Disallowable Instrument DI 2012-100.

Approved for circulation to the Select Committee on Estimates 2012-2013

Signature: *Andrew Barr*

Date: 27.6.2012

By the Treasurer, Andrew Barr MLA



LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY
SELECT COMMITTEE ON ESTIMATES 2012-2013

ANSWER TO QUESTION TAKEN ON NOTICE
DURING PUBLIC HEARINGS



Asked by Mr Smyth on 18 June 2012: The Treasurer took on notice the following question(s):

[Ref: Hansard Transcript 18 June 2012, Page 129]

In relation to : **Homebuyer Concession**

MR SMYTH: What proportion of homes on the market are considered substantially renovated?

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

MR SMYTH: All right.

THE CHAIR: That is taken on notice.

Treasurer: The answer to the Member's question is as follows:-

According to the Australian Bureau of Statistics (Cat No. 8731), on the basis of 5 year average, about 10 per cent of the residential building approvals (in terms of value of approvals) in the ACT are for substantially renovated dwellings.

Approved for circulation to the Select Committee on Estimates 2012-2013

Signature: *Andrew Barr*

Date: *27.6.2012*

By the Treasurer, Andrew Barr MLA



LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY
SELECT COMMITTEE ON ESTIMATES 2012-2013

ANSWER TO QUESTION TAKEN ON NOTICE
DURING PUBLIC HEARINGS



Asked by Mr Smyth on 18 June 2012: The Treasurer took on notice the following question(s):

[Ref: Hansard Transcript 18 June 2012, Page 129]

In relation to : **Homebuyer Concession**

MR SMYTH: How many homebuyer concessions have been given this financial year, as at 1 June?

Mr Barr: I will take that on notice as well.

MR SMYTH: And what is the estimated value of homebuyer concessions to be given in 2012-13?

Mr Barr: We will need to take that on notice as well.

THE CHAIR: That is all taken on notice.

Treasurer: The answer to the Member's question is as follows:–

The total number of Home Buyer Concessions that have been given as at 31 May 2012 is 1,600.

The total revenue foregone from the Home Buyer Concession Scheme in 2012-13 is estimated at around \$11.7 million.

Approved for circulation to the Select Committee on Estimates 2012-2013

Signature: *Andrew Barr*

Date: *26.6.2012*

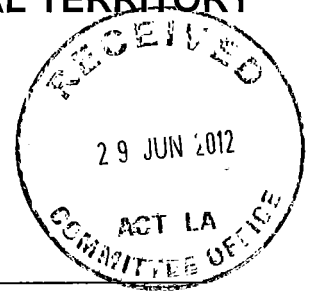
By the Treasurer, Andrew Barr MLA



LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY

SELECT COMMITTEE ON ESTIMATES 2012-2013

ANSWER TO QUESTION TAKEN ON NOTICE
DURING PUBLIC HEARINGS



Asked by Mr Smyth on 18 June 2012: The Treasurer took on notice the following question(s):

[Ref: Hansard Transcript 18 June 2012, PAGE 129-130]

In relation to : **First Homeowners Grant**

MR SMYTH: What analysis was undertaken on how these changes will affect first homebuyers entering the market?

Mr Barr: Sorry—what analysis?

MR SMYTH: What analysis was undertaken as to these changes?

Mr Barr: In terms of budgetary analysis or distribution of—

MR SMYTH: As to your changes to the scheme.

Mr Barr: There will be a shift, obviously, in purchase from existing to new dwelling—

MR SMYTH: But you have analysis to back that up?

Mr Barr: Yes. People will follow the evidence in other jurisdictions.

MR SMYTH: Is there any evidence for the ACT? Did you do any analysis for the ACT?

Mr Barr: Yes, there is. There are assessments made in terms of a shift in consumption. But there are other factors that impact on that—namely, the pricing point of new stock. It is linked also to our housing affordability threshold policy initiatives and the availability of properties. It is a dynamic marketplace, so it is not possible to model every possible outcome, but you can certainly look at consumer behaviour. It is exactly the same rationale that has been used in other jurisdictions previously and has applied over the last decade in the context of first homebuyer grants for new construction being considerably higher than for existing—noting that the first homeowner grant, the \$7,000, applies across all properties still, as that was introduced by way of compensation for the GST.

MR SMYTH: Can we see that? Can the committee have a copy of that analysis?

Mr Barr: I think elements of that may be able to be made available. Yes.

THE CHAIR: That was a yes?

Mr Barr: We will look at what we can provide to the committee.

Treasurer: The answer to the Member's question is as follows:-

The Member is referred to the ACT Taxation Review for a comprehensive summary of the analysis of the impact of conveyance duty on the dynamics of the housing market.

The distribution of recipients of the Home Buyer Concession Scheme disaggregated between established and new homes by district is provided in the table below.

	2010-11 (HBCS)			
	Established	New	Established (%)	New (%)
Belconnen	251	237	17%	16%
Gungahlin	122	379	8%	25%
Inner North	65	77	4%	5%
Inner South	24	5	2%	0%
Tuggeranong	251	23	17%	2%
Weston	17	2	1%	0%
Woden	48	20	3%	1%
Total	778	743		

In relation to the adequacy of the supply of new dwellings to meet demand, the Member is referred to the indicative residential land release program by district published in Budget Paper No. 2. (Page 43) and Budget Paper No. 3 (Page 151, Table 7.2.1).

Approved for circulation to the Select Committee on Estimates 2012-2013

Signature: *Andrew Barr*

Date: 29. 6. 2012

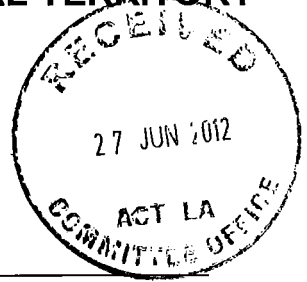
By the Treasurer, Andrew Barr MLA



LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY

SELECT COMMITTEE ON ESTIMATES 2012-2013

ANSWER TO QUESTION TAKEN ON NOTICE
DURING PUBLIC HEARINGS



Asked by Ms Hunter on 18 June 2012: Mr Ahmed took on notice the following question(s):

[Ref: Hansard Transcript 18 June 2012, Page 130-131]

In relation to: **First Homeowners Grant**

Mr Ahmed: Close to \$20 million.

Mr Barr: Close to \$20 million.

MS HUNTER: During last estimates I asked about the analysis of the first homeowner grant. Treasury indicated it was part of a COAG agenda and that was near completion. I am assuming it has been completed now. What were the results of those discussions?

Mr Ahmed: Yes, it has been. It has been considered by COAG. Basically what that report concluded was in large part that there are a whole range of factors that contribute to supply and demand questions and the impact of the first homeowner grant. That is difficult to isolate from the broader factors that come into play in the housing market. But having said that, economic theory will tell you that if you are giving demand-side subsidies and you have not got supply side to match up, that is the important question. That is the policy direction that the government has taken. If you have not got the supply side to match up, it will push up the prices.

MS HUNTER: The price will just go up?

Mr Ahmed: That is right. But if you have got the supply-side issues in place as well, you should not see much impact.

MS HUNTER: Is that report publicly available?

Mr Ahmed: Not to my knowledge, but we can certainly check.

Mr Barr: Mike Baird has written to everyone, all fellow treasurers, I understand, outlining the case for the reforms outlined in New South Wales. I am happy to provide that correspondence.

Treasurer: The answer to the Member's question is as follows:--

The Housing Supply and Affordability Reform (HSAR) Report has not yet been publically released.

The letter from the NSW Treasurer is attached.

Approved for circulation to the Select Committee on Estimates 2012-2013

Signature: *Andrew Barr*

Date: 27.6.2012

By the Treasurer, Andrew Barr MLA



Treasurer

Reference:
Contact: B Freeland

The Hon Andrew Barr MLA
Deputy Chief Minister and Treasurer
GPO Box 1020
CANBERRA ACT 2601

Received
1 JUN 2012

Dear Treasurer

Andrew

I am writing to inform you of a key measure in the NSW Budget released today.

Changes to the eligibility criteria for the First Home Owner Grant

The 2012-13 NSW Budget incorporates a major housing package – the Building the State Package – which will provide funding for additional housing infrastructure, accelerate the release of up to 76,000 new housing lots, remove blockages in the development approval process, better target incentives to boost housing construction and deliver the most generous first home buyer scheme in the country for new homes.

As part of this package, the Budget includes changes to the eligibility criteria for the First Home Owner Grant (FHOG). New South Wales proposes to limit assistance under FHOGs to eligible first home purchasers of only new dwellings only from 1 October 2012. Further, New South Wales will increase the grant available to first home buyers of new dwellings to \$15,000 from 1 October 2012 to 31 December 2013 and to \$10,000 thereafter.

Grants for the purchase of existing dwellings can increase prices in the absence of an increase in housing supply. The evidence from the period of the Housing Boost payments suggests that the increase in the grant was reflected in a commensurate increase in mortgage size. Importantly in this regard, the NSW Budget also incorporates significant measures to increase housing supply and the provision of housing related infrastructure.

The draft Report prepared by the Housing Supply and Affordability Reform Working Party for COAG found that general housing grants do not contribute to improvement in housing supply and affordability in the longer term. The Working Party found that the grants may be counterproductive to the extent that they increase house prices and thereby reduce housing affordability.

The Working Party also found that a more targeted FHOG for new housing below a value cap would be worth considering.

This Budget is designed to encourage new dwelling construction. The Budget papers outline a series of supply side initiatives funded from this change in FHOGs. We expect this retargeting to improve housing supply and affordability over time.

According to Section A31 of the Intergovernmental Agreement on Federal Financial Relations (IGA), details concerning eligibility criteria for the FHOGs are to be agreed between the Commonwealth and each state and territory.

Therefore, in accordance with the requirements of the IGA, I seek your agreement to the introduction of this change to the eligibility criteria for assistance under FHOgs.

Yours sincerely

A handwritten signature in black ink, appearing to be 'Mike Baird', written in a cursive style.

MIKE BAIRD MP
12 June 2012





LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY
SELECT COMMITTEE ON ESTIMATES 2012-2013

ANSWER TO QUESTION TAKEN ON NOTICE
DURING PUBLIC HEARINGS



Asked by Meredith Hunter MLA on 18 June 2012: Mike Buckley, A/g Senior Commissioner for the Independent Competition and Regulatory Commission took on notice the following question(s):

[Ref: Hansard Transcript 18 June 2012, Page 140]

In relation to: **ICRC Emissions Work - Consultancies**

MS HUNTER: That was one of my questions: that balance between staff that you employ and consultancies. I guess quite a lot of the money that has been allocated to those projects has gone on external consultants?

Mr Buckley: Some of it has. If you wanted me to, I would have to take on notice—

MS HUNTER: It would be great if you could take that on notice.

Mr Buckley: the breakdown between in-house staff and external consultants for projects.

MS HUNTER: What is the amount that the ICRC invoices the ACT government for producing the emissions work?

Mr Buckley: The secondary water inquiry will be paid for—

MS HUNTER: Just going back to the work that has been done, though, the emissions work you have done: how much did that cost? What invoice did you put in to the ACT government for that work?

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

MS HUNTER: If you could take that on notice; thank you.

TREASURER: The answer to the Member's question is as follows:—

- (1) The Commission's expenditure on employees for the 11 months ending 31 May 2012 was \$1.208M. Expenditure on consultancies for the same period was \$0.480M. The skills of specialist consultants are utilised to deliver the Commission's work program where staff require technical support or when there is a short term requirement for technical specialists.
- (2) The invoice provided by the Commission to the Environmental and Sustainable Development Directorate was in accordance with the agreed payment schedule and was not based on actual commission staffing or other costs over that period.

Approved for circulation to the Standing Committee on Estimates 2012-2013

Signature: *Andrew Barr*

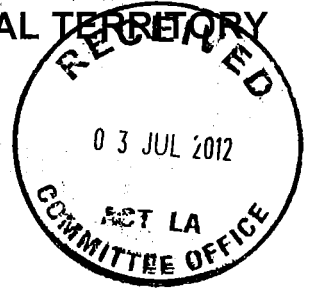
Date: **3.7. 2012**

By the Treasurer, Mr Andrew Barr



LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY
SELECT COMMITTEE ON ESTIMATES 2012-2013

ANSWER TO QUESTION TAKEN ON NOTICE
DURING PUBLIC HEARINGS



Asked by Meredith Hunter MLA on 18 June 2012: Mr Mike Buckley, A/g Senior Commissioner for the Independent Competition and Regulatory Commission took on notice the following question(s):

[Ref: Hansard Transcript 18 June 2012, Pages 140 and 143]

In relation to: **Greenhouse Gas Emissions Inventory**

- (1) **MS HUNTER:** What is the amount that the ICRC invoices the ACT government for producing the emissions work?
- (2) **Mr Buckley:** We do the emissions scheme, yes.

MS HUNTER: You do the emissions part of it on a fee-for-service basis. I notice there was a 50 per cent increase in staff in 2010-11 to 2011-12 and there is a forecast of a 50 per cent decrease from 2011-12 to 2012-13. What is that drop in the staffing level about? Is it to do with these types of projects you take on?

Mr Buckley: It is partly to do with the uneven nature of the work of the commission. It took on the secondary water inquiry and it has been gearing up for the review of water and waste water. In addition, there was the greenhouse gas emissions work which was done. The commission is also in the process of transitioning; there have been a number of retirements from the commission and the commission has taken on some new staff in preparation for retirements of staff. There are a number of factors which have contributed to that. I think Mr Gray last year also referred to the fact that we were attempting to build our capacity and use some more in-house staff rather than employing consultants as much as has been done in the past.

MS HUNTER: That was one of my questions: that balance between staff that you employ and consultancies. I guess quite a lot of the money that has been allocated to those projects has gone on external consultants?

Mr Buckley: Some of it has. If you wanted me to, I would have to take on notice—

MS HUNTER: It would be great if you could take that on notice.

Mr Buckley: the breakdown between in-house staff and external consultants for projects.

MS HUNTER: You took on notice a question just before on the work that is done around the emissions. You have taken on notice what you are invoicing the ACT government: I was wondering if you could include in that some sort of breakdown of what makes up that invoice in relation to staff hours and so forth.

Mr Buckley: Yes, we can do that.

MS HUNTER: The other question I had—and I was hoping you would be able to answer it—was this: what is the contribution of the transport sector to greenhouse gas emissions? Do you collect that data?

Mr Buckley: I would have to take that on notice but, from memory, the methodology which the commission is using follows the commonwealth's emissions arrangements. I think there is a transport component to it, but I am not definite on that. We will tell you precisely the transport component in it.

MS HUNTER: Thank you. Also, could you see whether you can provide a breakdown of the transport sector fuel usage by fuel type. It may be that you do not collect that; it might be a question for ESDD. But, if you do, could that be included, please.

Mr Buckley: If we can.

MS HUNTER: I think that is a yes from the back of the room.


THE CHAIR: So they are taken on notice; is that correct?

Mr Barr: Yes, but on that last one I think the answer will come back through ESDD.

TREASURER: The answer to the Member's questions is as follows:—

- (1) The Commission has invoiced ESDD \$0.313M (excluding GST) during the 2011-12 financial year in accordance with the schedule of payments outlined in a Service Level Agreement (SLA). Whilst the invoice was prepared and issued in accordance with the payments schedule under the SLA, the invoice does not necessarily reflect the Commission's actual costs incurred over the period of the invoice.
- (2) See data at part (11) in Question E12-126.

Approved for circulation to the Standing Committee on Estimates 2012-2013

Signature: 

Date: 3.7.2012

By the Treasurer, Andrew Barr MLA



LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY
SELECT COMMITTEE ON ESTIMATES 2012-2013

ANSWER TO QUESTION TAKEN ON NOTICE
DURING PUBLIC HEARINGS



The following question asked by Mrs Vicki Dunne on 18 June 2012 was taken on notice:

In relation to : **Treasury analysis of the ACTEW water initiative**

[Ref: Hansard Transcript 18 June 2012, Page 144]

MRS DUNNE: Just in passing, Madam Chair, I noticed when I was upstairs that I think Mr Bulless said that Treasury had done some analysis of the ACT ACTEW water initiative, and I was wondering as to whether we could obtain a copy of the Treasury analysis of the ACTEW initiative.

Mr Barr: I will think on that. It may be cabinet in confidence, but I will consider it.

Treasurer: The answer to the Member's question is as follows:–

The ACTEW business case and Treasury's advice on Project GROWS is commercial-in-confidence.

I can advise, however, that Treasury did provide advice on the Utilities Management Agreement, the ActewAGL Joint Venture, the role of the Voting Shareholders, and a review the validity of the business case that was prepared by ACTEW in order to advise the Voting Shareholders of the veracity of the proposal.

Approved for circulation to the Select Committee on Estimates 2012-2013

Signature:

Date: 26.6.2012

By the Treasurer, Mr Andrew Barr MLA



LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY

SELECT COMMITTEE ON ESTIMATES 2012-2013

ANSWER TO QUESTION TAKEN ON NOTICE
DURING PUBLIC HEARINGS



Asked by Mrs Vicki Dunne on 18 June 2012: Mr Sullivan from ACTEW took on notice the following question:

[Ref: Hansard Transcript 18 June 2012, Page 158]

In relation to : **ACTEW and cost savings from the integration of the Water Business**

MRS DUNNE: On this subject, what cost savings have been identified from the transfer and which particular operational areas would deliver those cost savings?

Mr Sullivan: I will take that on notice.

THE CHAIR: That is taken on notice.

Treasurer: The answer to the Member's question is as follows:--

ACTEW has advised that the assumed costs savings to date have been applied across the whole business with no specific areas identified for costs savings at this time.

Approved for circulation to the Select Committee on Estimates 2012-2013

Signature: *Andrew Barr*

Date: 29.6.2012

By the Treasurer, Mr Andrew Barr MLA



LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY
SELECT COMMITTEE ON ESTIMATES 2012-2013

ANSWER TO QUESTION TAKEN ON NOTICE
DURING PUBLIC HEARINGS



The following question asked by Ms Meredith Hunter on 18 June 2012 was taken on notice:

In relation to :

ACTEW and correspondence relating to the Human Rights Commission

Ref: Hansard Transcript 18 June 2012 PAGES 161-162

MS HUNTER: I wanted to go to compliance with the Discrimination Act, and this has come up during the year. The Human Rights Commission, I had raised some matters with the Human Rights Commission who had written to the Chief Minister and had also included the Treasurer and myself and the Auditor-General in that reply, and part of that was the Human Rights Commissioner, I guess requesting that government ensure that, you know, other, I guess, TOCS, if you like – it was certainly, was ACTEW included – were compliant with the Discrimination Act.

Mr Sullivan, did you receive letters to that effect, or was that checked? I am sure you are, but it was just a matter of -

Mr Sullivan: I would have to check whether we received a letter. I would hope that our compliance with the Human Rights legislation is always there.

MS HUNTER: That would be great if you could take that on notice.

Mr Sullivan: Just as to whether we received the letter? Or a letter, or?

MS HUNTER: Yes, I am assuming you would have received the letter from the Chief Minister or I am assuming it would have been the Chief Minister who sent that letter on, and it was just to check your compliance and to do, whether there was a review just around your compliance with the Discrimination Act.

Mr Sullivan: Well, being a TOC we would be of course subject to the Human, to the legislation. So it would not be a question of being able to not comply.

MS HUNTER: No, it is just the Human Rights Commissioner had raised it in a letter and I was just wondering if that had, that interflowed through and there had been contact with you.

Mr Sullivan: Okay.

Treasurer: The answer to the Member's question is as follows:–

Mr Sullivan, the Managing Director of ACTEW Corporation, has advised me that he has not received any correspondence from the ACT Government about compliance with the Discrimination Act.

I can confirm that there have been no breaches of, or complaints made about, ACTEW under the Discrimination Act. Although ACTEW was consulted about the matters raised in the letter, it was not considered necessary to write to ACTEW at that time.

Approved for circulation to the Select Committee on Estimates 2012-2013

Signature: *Andrew Barr*

Date: *17.7.12*

By the Treasurer, Mr Andrew Barr MLA



LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY

SELECT COMMITTEE ON ESTIMATES 2012-2013

ANSWER TO QUESTION TAKEN ON NOTICE DURING PUBLIC HEARINGS



The following question asked by Mrs Vicki Dunne on 18 June 2012 was taken on notice:

[Ref: Hansard Transcript 18 June 2012, Page 163]

In relation to : **Indexation of Government Payment for Outputs in 2015-16**

MRS DUNNE: In relation to the operating statement, what are the government payments for outputs? They are \$10.4 million essentially and there is a technical change in the last outyear.

Mr Wallace: It has been generally referred to as the commonwealth's indexation. It is a payment from the commonwealth. It goes to the ACT and then it comes across to ACTEW. The majority of this is relating to sewerage; I think, because we are an inland city, there is a higher cost to treat our sewage, our waste water, this payment is made to us annually, and it generally just inflates by CPI.

MRS DUNNE: Okay. But on page 460 there is an adjustment in the final, in 2015-16, for "revised indexation—assistance for water and sewerage services". What is that? There is \$209,000.

Mr Wallace: I will have to take that on notice. I am not 100 per cent sure.

MRS DUNNE: Okay.

THE CHAIR: That has been taken on notice. Mr Smyth, do you have anything further?

MR SMYTH: No, not at this stage.

Treasurer: The answer to the Member's question is as follows:—

The amount of directly reflects the funding provided by the Commonwealth Government representing indexation in the final year of the estimates period of around 1.9 per cent as applied to the Municipal Services Payments from the Commonwealth.

As detailed on Page 258 of Budget Paper No. 3 – funding is provided for the Assistance for Water and Sewerage Services for the higher maintenance and operational costs arising from the excess length of water and sewerage mains due to the dispersed nature of urban development in the ACT in its open space setting.

Approved for circulation to the Select Committee on Estimates 2012-2013

Signature: *Andrew Barr*

Date: 27.6.2012

By the Treasurer, Mr Andrew Barr MLA



LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY
SELECT COMMITTEE ON ESTIMATES 2012-2013

ANSWER TO QUESTION TAKEN ON NOTICE
DURING PUBLIC HEARINGS



The following question asked by Mrs Vicki Dunne on 18 June 2012 was taken on notice:

In relation to : **ACTEW advice to the Voting Shareholders on the transfer of the water business**

[Ref: Hansard Transcript 18 June 2012, Pages 166-167]

MRS DUNNE: Just getting back to the transfer of the water and sewerage business, you did say, Mr Sullivan, that shareholders were advised. When were they first advised, and were they advised more than once? And also, this is a job-lot of questions, you, I sort of got the impression that Jemena might have been a bit unkeen, because I got the impression from what you said that you would have liked this matter to be resolved earlier and that Jemena did not sign off until May. So were there issues for them as well?

Mr Sullivan: Look, I will handle the last one. Jemena were probably keener than we were. I mean, this is the only water – I mean Jemena has got two pieces of water business in Australia. One is a secondary water reuse facility at Rosehill in Sydney; the other was ACTEW Water Operations. They do not fit within an energy company. But Jemena is a good, good partner to be with in ActewAGL. They are a very thorough partner in terms of examining any commercial issue, and I think delay was more about their thoroughness than any design not to proceed with the deal.

MRS DUNNE: And the issue about how often the shareholders consulted over the period August to May?

Mr Sullivan: Yes, I will get you those.

MRS DUNNE: Thank you.

Mr Sullivan: I will get you those accurately.

THE CHAIR: So that is on notice. Okay

Treasurer: The answer to the Member's question is as follows:–

The following is a chronology of the written advice provided to the Voting Shareholders concerning the reintegration of the water business into ACTEW.

9 September 2011: Treasury prepared a brief for the Voting Shareholders on the ACTEW Board meeting held on 24 August 2011 including advice that a review was underway to consider bringing the water business back into ACTEW.

12 September 2011: Treasury prepared a brief for the Voting Shareholders concerning the ACTEW AGM on 19 September 2011 including advice that ACTEW would consult further with Treasury and the Voting Shareholders on the reintegration of the water business after undertaking detailed analysis of the proposal.

16 September 2011: Treasury prepared a brief for the Voting Shareholders on key contractual provisions relating to the water and sewerage operations contained in the Utilities Management Agreement between ACTEW and ActewAGL.

23 September 2011: ACTEW wrote to the Voting Shareholders indicating that as part of an internal strategic review a detailed business case was being prepared for the reintegration of water business into ACTEW and a meeting would be arranged to brief Treasury on the review.

31 October 2011: ACTEW wrote to the Voting Shareholders about matters discussed at the Board meeting held on 26 October 2011 including an update on the status of the reintegration of the Water Business into ACTEW and indicating that the Board would consider its final endorsement and support for the proposal at a future meeting.

7 November 2011: Treasury prepared a brief for the Voting Shareholders on matters to be discussed with ACTEW at a meeting held on 8 November 2011 indicating the Board had considered on 26 October 2011 a business case in support of reintegrating the water business into ACTEW.

8 November 2011: ACTEW meeting held with Voting Shareholders.

14 November 2011: The Treasurer wrote to ACTEW on behalf of the Voting Shareholders looking forward to receiving the final business case on the proposed reintegration including details of the financial implications, the risk assessment, the expected efficiency gains and the potential impact on consumers.

9 March 2012: ACTEW wrote to the Voting Shareholders to advise that at its meeting on 29 February 2012, the Board had approved the finalisation of the transaction to effect the reintegration of the Water Business into ACTEW.

21 March 2012: Treasury prepared brief to the Voting Shareholders on key issues raised for the ACTEW Board meeting on 21 March 2012 including advice that subject to final negotiations, ActewAGL and ACTEW had agreed to reintegrate the Water Business into ACTEW subject to final negotiations and with an expected commencement date of 1 July 2012.

13 June 2012: Treasury prepared brief to the Voting Shareholders on key issues raised for the ACTEW Board meeting on 22 May 2012 including advice on progress with the integration of the Water Business into ACTEW, the detailed actions required to meet the start date of 1 July 2012 and the financial payment arrangements.

The Managing Director of ACTEW has regular discussions with the Voting Shareholders on a range of matters relating to ACTEW.

I also have regular meetings with Treasury officials that provide advice on matters relating to ACTEW.

Approved for circulation to the Select Committee on Estimates 2012-2013

Signature: 

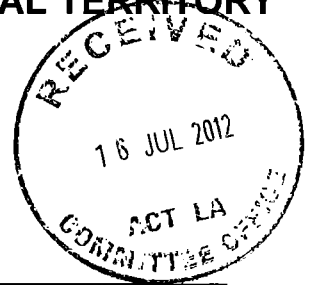
Date: 27.6.2012

By the Treasurer, Mr Andrew Barr MLA



LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY
SELECT COMMITTEE ON ESTIMATES 2012-2013

ANSWER TO QUESTION TAKEN ON NOTICE
DURING PUBLIC HEARINGS



Asked by Mr Brendan Smyth MLA on 18 June 2012: Ms Karen Doran took on notice the following question(s):

Ref: Hansard Transcript 18 June 2012, Page 178

In relation to: **The projected target funding date for the SPA Superannuation Liability, Budget Paper 4, Page 204**

MR SMYTH: Last year it was projected to be \$7.4 billion by 30 June 2030. What is driving that change and what strategies are in place to accommodate that change?

Ms Doran: Those changes in the projected liability are the outcomes of the most recent actuarial investigation. As I said, the main assumptions that impacted that result were around the demographic assumptions: pensioner mortality improving, the uptake of pensions as opposed to lump sums, the increased preservation of benefits as opposed to taking cash payouts as well as some higher salary levels than were originally assumed by the actuary. All of that pushes up the liability, which is a projection of the accrued liabilities for past service over an extended period. So it is very sensitive to those sorts of assumptions going forward.

In terms of how that will be managed going forward, again it is a matter of taking a long-term approach to matching that asset build-up to the liability growth. We still have some 18 years before 2030. It is realised that on the current basis that target probably will not be reached although, as I said, both assets and liabilities are sensitive to current assumptions. So we will just be monitoring that going forward and looking for opportunities in future budgets and perhaps in different budget circumstances look to top up that funding.

MR SMYTH: All right. If the target will not be reached by the due date, when is it likely to be reached?

Ms Doran: I am not sure that I have that with me at the moment. I think it was in the 2040s, but I can provide you with that information. I will take that on notice.

THE CHAIR: So that is taken on notice.

Treasurer: The answer to the Member's question is as follows:–

It is important to recognise that superannuation is a long terms liability which requires a long term funding strategy.

The estimates of liability and the value of assets can change quite substantially from time to time depending on a wide range of factors and parameters. Those include, for example, the performance of the financial markets, the long term bond rate, the demographic characteristics and members' preferences.

Based on the current parameters and the set of assumptions, the likelihood of achieving full funding coverage is very low.

Given the long terms nature of the liabilities, and the current volatility in the financial markets, the Government does not consider pursuing more aggressive investment returns or further investments at this point prudent.

The funding plan and progress towards the target will continue to be reviewed each budget.

Approved for circulation to the Select Committee on Estimates 2012-2013

Signature: 

Date: 13.7.2012

By the Treasurer, Mr Andrew Barr MLA



LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY

SELECT COMMITTEE ON ESTIMATES 2012-2013

ANSWER TO QUESTION TAKEN ON NOTICE DURING PUBLIC HEARINGS



Asked by Mr Brendan Smyth MLA on 18 June 2012: Ms Megan Smithies took on notice the following question(s):

[Ref: Hansard Transcript 18 June 2012, Page 182]

In relation to: **Statement of Risks, Budget Paper 3, Page 311 – Sensitivity to Discount Rate**

Mr McAuliffe: Yes, I can do that. For super funds, what we do with the SPA is that we will target an earnings estimate to come up with our investment return. The current target is that we use 7½ per cent. So on our earnings we are using 7½ per cent. When we have to do our valuation, we are using the long-term discount rate for the liability, as Megan just explained, of six per cent.

What the new accounting standard is going to require is for super funds to actually apply the same rate that they use for their discount rate assumption to their earning assumption. It means you have to set the two of them equally. Whilst that does not impact on the SPA itself, because the SPA is not a super fund, it impacts on the whole-of-government GFS, the net operating balance.

We have had this issue for some years where we bring back the difference. To put us on an equal footing with what super funds have to do, it means that rather than us bringing back the unrealised gains that are related to a 7½ per cent return, it would only be the unrealised gains related to a six per cent return.

MR SMYTH: So we will be using the six per cent for both?

Mr McAuliffe: It will be whatever the discount rate is. You have to set the two equally. If six per cent is the rate we are going to use for our discount rate, that is what we would use for the earning rate, for that general government sector calculation.

MR SMYTH: What does it do to the SPA?

Mr McAuliffe: SPA is reported on an AAS result, so it does not change that. It only affects the whole-of-government—the GFS net operating balance result.

MR SMYTH: What is the effect on that?

Ms Smithies: It will mean that, should we choose to adopt that particular standard, we will have a lower rate of valuation around our financial asset. So notwithstanding the fact that we have got—correct me if I am wrong, Pat—an earning rate that targets five per cent or 7½ per cent, and we structure our investment portfolio to achieve that particular rate of return, we will have to value it at the same rate as the discount rate that we use to value the liability.

MR SMYTH: What does that shave off the number?

Mr McAuliffe: I have not got the number. It is 2½ per cent on whatever our investment balance would be, roughly.

MR SMYTH: Can you take it on notice and tell us?

THE CHAIR: So that is taken on notice.

Treasurer: The answer to the Member's question is as follows:—

Assuming the requirements of the revised accounting standard are adopted, the estimated impact (reduction) to the Headline Net Operating Balance is:

2013-14 -\$39m

2014-15 -\$43m

2015-16 -\$48m

Approved for circulation to the Select Committee on Estimates 2012-2013

Signature: 

Date: 13.7.2012

By the Treasurer, Mr Andrew Barr MLA



LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY
SELECT COMMITTEE ON ESTIMATES 2012-2013

ANSWER TO QUESTION TAKEN ON NOTICE
DURING PUBLIC HEARINGS



Asked by Mr Brendan Smyth MLA on 18 June 2012: Ms Karen Doran took on notice the following question(s):

Ref: Hansard Transcript 18 June 2012, Page 178

In relation to: **The projected target funding date for the SPA Superannuation Liability, Budget Paper 4, Page 204**

MR SMYTH: Last year it was projected to be \$7.4 billion by 30 June 2030. What is driving that change and what strategies are in place to accommodate that change?

Ms Doran: Those changes in the projected liability are the outcomes of the most recent actuarial investigation. As I said, the main assumptions that impacted that result were around the demographic assumptions: pensioner mortality improving, the uptake of pensions as opposed to lump sums, the increased preservation of benefits as opposed to taking cash payouts as well as some higher salary levels than were originally assumed by the actuary. All of that pushes up the liability, which is a projection of the accrued liabilities for past service over an extended period. So it is very sensitive to those sorts of assumptions going forward.

In terms of how that will be managed going forward, again it is a matter of taking a long-term approach to matching that asset build-up to the liability growth. We still have some 18 years before 2030. It is realised that on the current basis that target probably will not be reached although, as I said, both assets and liabilities are sensitive to current assumptions. So we will just be monitoring that going forward and looking for opportunities in future budgets and perhaps in different budget circumstances look to top up that funding.

MR SMYTH: All right. If the target will not be reached by the due date, when is it likely to be reached?

Ms Doran: I am not sure that I have that with me at the moment. I think it was in the 2040s, but I can provide you with that information. I will take that on notice.

THE CHAIR: So that is taken on notice.

Treasurer: The answer to the Member's question is as follows:–

It is important to recognise that superannuation is a long terms liability which requires a long term funding strategy.

The estimates of liability and the value of assets can change quite substantially from time to time depending on a wide range of factors and parameters. Those include, for example, the performance of the financial markets, the long term bond rate, the demographic characteristics and members' preferences.

Based on the current parameters and the set of assumptions, the likelihood of achieving full funding coverage is very low.

Given the long terms nature of the liabilities, and the current volatility in the financial markets, the Government does not consider pursuing more aggressive investment returns or further investments at this point prudent.

The funding plan and progress towards the target will continue to be reviewed each budget.

Approved for circulation to the Select Committee on Estimates 2012-2013

Signature: 

Date: 13.7.2012

By the Treasurer, Mr Andrew Barr MLA



LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY

SELECT COMMITTEE ON ESTIMATES 2012-2013

ANSWER TO QUESTION ON NOTICE



Asked by Mr Brendan Smyth on 18 June 2012: Mr John Fletcher took on notice the following question(s):

[Ref: Hansard Transcript 18 June 2012, Page 189-190]

In relation to : **ACTIA – Discount Rates**

MR SMYTH: That is fine. All right. I want to go to the issue of the discount rate on, say, page 444. It stems from the notes on 448, where the outstanding claim is increased when the discount rate is used for employee expenses, which was often a decrease in the long service leave liability. Do we use different discount rates for each item, or is it the same discount rate throughout the authority?

Ms Smithies: The discount rate used for valuing employee long service liability is actually more around the prevailing wage rate and the enterprise bargain rate. So that is actually used to discount further purposes in valuing individual employee liabilities that relate to those employees employed by the authority, whereas the discount rate on the claims liability is actuarially assessed for you.

Mr Fletcher: That is right, in accordance with the accounting standards, which is a different discount rate.

MR SMYTH: So what is the claims discount rate then?

Mr Fletcher: We will take that on notice.

THE CHAIR: That has been taken on notice?

Mr Fletcher: Yes.

Ms Smithies: Yes.

Treasurer: The answer to the Member's question is as follows:--

A different methodology is used to calculate employee expenses liability and claims liability.

Employee expenses is discounted using the 10 year Commonwealth Government bond rate.

The outstanding claims liability is calculated using various discount rates to match the weighted term to settlement of insurance claims depending upon policy class and claim size.

Approved for circulation to the Select Committee on Estimates 2012-2013

Signature: *Andrew Barr*

Date: *26.6.12*

By the Treasurer, Andrew Barr MLA



LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY
SELECT COMMITTEE ON ESTIMATES 2012-2013

ANSWER TO QUESTION TAKEN ON NOTICE



Asked by Mr Brendan Smyth on 18 June 2012: Treasurer took on notice the following question(s):

[Ref: Hansard Transcript 18 June 2012, Page 194]

In relation to: **CTP – Correspondence from Dr Andrew Leigh**

MR SMYTH: Page 3 of your statement of intent talks about the report on the CTP review. I am curious. This may be more a question for the minister as much as for you, Mr McDonald, but I notice that the federal member for Fraser, Andrew Leigh, apparently on advice from your office, said that the delay in the Assembly dealing with the CTP reforms was caused by the Canberra Liberals and the Greens. Did you provide that advice to Mr Leigh and have you now corrected the record with him and confirmed that it was in fact the delay in the committee receiving the three-year CTP report that caused the delay?

Mr Barr: I will have to confirm that with Dr Leigh, as to whether he sought that advice from my office.

MR SMYTH: So you will take that on notice?

Mr Barr: I will confirm it with Dr Leigh.

MR SMYTH: I have a letter here from Andrew Leigh that says:

Thanks for your email. I have taken up the issue of CTPI ... in the ACT with the ACT Treasurer, Andrew Barr MLA. You'll be pleased to hear that the Minister is aware of this unsatisfactory situation and a bill to change it is currently before the assembly (it is being held up by the Liberals and the Greens).

Mr Barr: The bill, yes.

MR SMYTH: The report was holding up the bill.

Mr Barr: It is a matter of semantics, Mr Smyth.

Treasurer: The answer to the Member's question is as follows:–

I received a Ministerial representation from Dr Leigh on behalf of one of his constituents on 1 March 2012. I responded to that representation, in writing on 16 March 2012.

I said, inter alia: "The CTP Bill would significantly improve the ACT's scheme, ensuring improved health outcomes for injured persons, as well as encouraging other insurers to enter the market. Competition would lead to better customer service for motorists and put downward pressure on CTP prices. Over time the result should be more affordable CTP insurance for ACT motorists. However, in March 2011 the non-Government parties referred the Bill to the Legislative Assembly's Public Accounts Committee for an inquiry that is not expected to report until March 2012.

The Government remains committed to CTP reform, and believes that the Government's current CTP Bill offers the best prospects for limiting future increases in premiums for ACT motorists. However, for competition to become a reality the Government's Bill has to obtain the support of members of either the Canberra Liberals or the ACT Greens in the Assembly.

If your constituent considers CTP reform and competition to be desirable, then I would encourage her to contact non-Government members of the Legislative Assembly and put her views to them."

I am unaware of the contents of any response Dr Leigh might have made to his constituent and in any event that is a matter for him. My response to him was both factual in terms of the policy of this Government, in terms of the status of the Committee deliberations at the time and in terms of what was required for the reforms to become law.

Approved for circulation to the Select Committee on Estimates 2012-2013

Signature: 

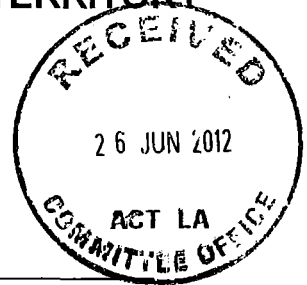
Date: 13.7.2012

By the Treasurer, Andrew Barr MLA



LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY
SELECT COMMITTEE ON ESTIMATES 2012-2013

ANSWER TO QUESTION TAKEN ON NOTICE
DURING PUBLIC HEARINGS



Asked by Mr Alistair Coe and Mr Brendan Smyth on 18 June 2012: Mr Kim Salisbury took on notice the following question(s):

[Ref: Hansard Transcript 18 June 2012, Page 202-203]

In relation to: **Home Loan Portfolio – Loans Administered**

Mr Salisbury: I think we inherited those loans. That was a commonwealth program spanning from the 1980s through to the mid-1990s. I do not know the history of those loans or the requirements that sat around those qualifying for those loans.

Ms Smithies: Are you actually asking whether people have to be living in the house that they are repaying?

MR COE: Yes, that is right—like a residency requirement as a condition of the loan.

Mr Salisbury: Can we take that question on notice?

THE CHAIR: Yes.

MR COE: I imagine there would be pretty generic conditions for those loans. So yes, if you are able to. Even if you have a sample contract or something like that that you are able to release, that might be the easiest way of doing it rather than preparing a written response. If you had one where you can black out all the personal details, that would be handy.

THE CHAIR: Whatever is going to be the easiest way that you provide that information. So that is on notice.

MR SMYTH: If we can go to the balance sheet on page 198, I see we have moved some money out of cash and equipment into investments. The target was to have 16 million investment at 30 June. We have only achieved 10 of that. What is the reason for the difference? And then why have we got 10 million in investments till the end of the sheet?

Mr Salisbury: Sorry, can I have the question again?

MR SMYTH: The target was to have \$16 million of investment at 30/6 this year. The outcome is 10 million. Why have we fallen short? And then why is the figure 10 million just replicated in the outyears?

THE CHAIR: Would it be easier to take it on notice or are you able to find that information now?

Mr Salisbury: I think the answer is that we have moved some of that from short term to long term, but why don't I take it on notice.

THE CHAIR: Take it on notice so you can clarify that. Thank you.

MR SMYTH: The \$10 million for the current year and the next four years—is there a reason why we have just sat at \$10 million?

Mr Salisbury: I will take that on notice if that is okay.

MR SMYTH: Thank you.

Treasurer: The answer to the Member's question is as follows:—

1. There is a requirement the mortgagor occupy the mortgaged property for the term of the loan.
2. The reason for the difference is the movement of \$6 million in funds from the short term fund (current investments) to the long term fund (non-current Investments) to maximise investment returns.
3. The \$10 million is considered a sufficient level of funds to cover the annual operational expenses of the Home Loan Portfolio.

Approved for circulation to the Select Committee on Estimates 2012-2013

Signature: 

Date: 26 June 2012

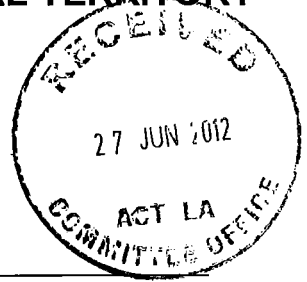
By the Treasurer, Mr Andrew Barr



LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY

SELECT COMMITTEE ON ESTIMATES 2012-2013

ANSWER TO QUESTION TAKEN ON NOTICE
DURING PUBLIC HEARINGS



Asked by Ms Hunter on 18 June 2012: Mr Ahmed took on notice the following question(s):

[Ref: Hansard Transcript 18 June 2012, Page 130-131]

In relation to: **First Homeowners Grant**

Mr Ahmed: Close to \$20 million.

Mr Barr: Close to \$20 million.

MS HUNTER: During last estimates I asked about the analysis of the first homeowner grant. Treasury indicated it was part of a COAG agenda and that was near completion. I am assuming it has been completed now. What were the results of those discussions?

Mr Ahmed: Yes, it has been. It has been considered by COAG. Basically what that report concluded was in large part that there are a whole range of factors that contribute to supply and demand questions and the impact of the first homeowner grant. That is difficult to isolate from the broader factors that come into play in the housing market. But having said that, economic theory will tell you that if you are giving demand-side subsidies and you have not got supply side to match up, that is the important question. That is the policy direction that the government has taken. If you have not got the supply side to match up, it will push up the prices.

MS HUNTER: The price will just go up?

Mr Ahmed: That is right. But if you have got the supply-side issues in place as well, you should not see much impact.

MS HUNTER: Is that report publicly available?

Mr Ahmed: Not to my knowledge, but we can certainly check.

Mr Barr: Mike Baird has written to everyone, all fellow treasurers, I understand, outlining the case for the reforms outlined in New South Wales. I am happy to provide that correspondence.

Treasurer: The answer to the Member's question is as follows:--

The Housing Supply and Affordability Reform (HSAR) Report has not yet been publically released.

The letter from the NSW Treasurer is attached.

Approved for circulation to the Select Committee on Estimates 2012-2013

Signature: *Andrew Barr*

Date: 27.6.2012

By the Treasurer, Andrew Barr MLA



Treasurer

Reference:
Contact: B Freeland

The Hon Andrew Barr MLA
Deputy Chief Minister and Treasurer
GPO Box 1020
CANBERRA ACT 2601

Received
1 JUN 2012

Dear Treasurer

Andrew

I am writing to inform you of a key measure in the NSW Budget released today.

Changes to the eligibility criteria for the First Home Owner Grant

The 2012-13 NSW Budget incorporates a major housing package – the Building the State Package – which will provide funding for additional housing infrastructure, accelerate the release of up to 76,000 new housing lots, remove blockages in the development approval process, better target incentives to boost housing construction and deliver the most generous first home buyer scheme in the country for new homes.

As part of this package, the Budget includes changes to the eligibility criteria for the First Home Owner Grant (FHOG). New South Wales proposes to limit assistance under FHOGs to eligible first home purchasers of only new dwellings only from 1 October 2012. Further, New South Wales will increase the grant available to first home buyers of new dwellings to \$15,000 from 1 October 2012 to 31 December 2013 and to \$10,000 thereafter.

Grants for the purchase of existing dwellings can increase prices in the absence of an increase in housing supply. The evidence from the period of the Housing Boost payments suggests that the increase in the grant was reflected in a commensurate increase in mortgage size. Importantly in this regard, the NSW Budget also incorporates significant measures to increase housing supply and the provision of housing related infrastructure.

The draft Report prepared by the Housing Supply and Affordability Reform Working Party for COAG found that general housing grants do not contribute to improvement in housing supply and affordability in the longer term. The Working Party found that the grants may be counterproductive to the extent that they increase house prices and thereby reduce housing affordability.

The Working Party also found that a more targeted FHOG for new housing below a value cap would be worth considering.

This Budget is designed to encourage new dwelling construction. The Budget papers outline a series of supply side initiatives funded from this change in FHOGs. We expect this retargeting to improve housing supply and affordability over time.

According to Section A31 of the Intergovernmental Agreement on Federal Financial Relations (IGA), details concerning eligibility criteria for the FHOGs are to be agreed between the Commonwealth and each state and territory.

Therefore, in accordance with the requirements of the IGA, I seek your agreement to the introduction of this change to the eligibility criteria for assistance under FHOgs.

Yours sincerely

A handwritten signature in black ink, appearing to be 'Mike Baird', written in a cursive style.

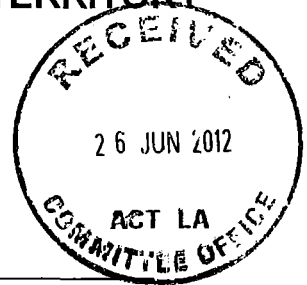
MIKE BAIRD MP
12 June 2012





LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY
SELECT COMMITTEE ON ESTIMATES 2012-2013

ANSWER TO QUESTION TAKEN ON NOTICE
DURING PUBLIC HEARINGS



Asked by Mr Alistair Coe and Mr Brendan Smyth on 18 June 2012: Mr Kim Salisbury took on notice the following question(s):

[Ref: Hansard Transcript 18 June 2012, Page 202-203]

In relation to: **Home Loan Portfolio – Loans Administered**

Mr Salisbury: I think we inherited those loans. That was a commonwealth program spanning from the 1980s through to the mid-1990s. I do not know the history of those loans or the requirements that sat around those qualifying for those loans.

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3. The \$10 million is considered a sufficient level of funds to cover the annual operational expenses of the Home Loan Portfolio.

Approved for circulation to the Select Committee on Estimates 2012-2013

Signature: 

Date: 26 June 2012

By the Treasurer, Mr Andrew Barr



LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY

SELECT COMMITTEE ON ESTIMATES 2012-2013

ANSWER TO QUESTION TAKEN ON NOTICE
DURING PUBLIC HEARINGS



Asked by Mr Smyth on 19 June 2012 : Mr Robinson took on notice the following question(s):

[Ref: Hansard Transcript 19 June 2012, Page 14]

In relation to : **Debt Recovery**

MR SMYTH: You talked about debt recovery. How much debt is overdue?

Mr Robinson: I would have to take that on notice at the moment. I do not have those numbers.

THE CHAIR: That has been taken on notice.

Ms Smithies: We should probably clarify what sort of debt. There will be all kinds of debt—public housing debt—

MR SMYTH: We will have a breakdown of all of it, thank you very much.

Ms Smithies: All of it?

MR SMYTH: Yes. Why not?

Mr Barr: It may not be possible in the time frames.


MR SMYTH: I am sure Treasury or someone in Shared Services knows all the debt that they are due. I would be surprised if they did not, minister.

Mr Barr: We will take some advice on whether that is possible to deliver within the time frame.

Treasurer : The answer to the Member's question is as follows:—

The total external current debt as at 31 May 2012 for the General Government Sector is \$300 million after allowing provision for doubtful debts. Of this amount, \$25 million relates to GST refunds which are automatically received on lodgement of Business Activity Statements. It is not possible in the timeframe to identify how much of the remaining amount is overdue.

Approved for circulation to the Standing Committee on Estimates 2012-2013

Signature: 

Date: 29.6.2012

By the Treasurer, Andrew Barr MLA



LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY
SELECT COMMITTEE ON ESTIMATES 2012-2013



ANSWER TO QUESTION ON NOTICE

AMANDA BRESNAN : To ask the Minister for the Environment and Sustainable Development

[Ref: Environment and Sustainable Development, Budget paper no 4, page number 323]
Question No.2303

In relation to : Gungahlin to City Transport Corridor

1. On p323 of Budget Paper 4, there is an allocation of \$2.5M over the next 3 years to the Gungahlin to City Transit Corridor. Please break down what this money will pay for.

SIMON CORBELL MLA : The answer to the Member's question is as follows:–

\$1.45 M is committed to the City to Gungahlin Transport Corridor study which commenced in September 2011 and will be completed by the consultants, URS Australia Pty and Deloitte Touche Tomatsu, by October 2012.

The remaining \$1.05 M will be allocated to studies to identify financing and procurement options, including private sector investment and/or Commonwealth Government support, appropriate vehicle options for the ACT and other projects to be determined by the Minister for the Environment and Sustainable Development and the City to Gungahlin Project Office.

Approved for circulation to the Select Committee on Estimates 2012-2013

Signature:

A handwritten signature in black ink, appearing to be "S. Corbell".

Date: 4.7.12

By the Minister for the Environment and Sustainable Development, Simon Corbell, MLA



LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY
SELECT COMMITTEE ON ESTIMATES 2012-2013

ANSWER TO QUESTION TAKEN ON NOTICE
DURING PUBLIC HEARINGS



Asked by Mr Alistair Coe on 19 June 2012: Ms Jill Divorty took on notice the following question:

[Ref: Hansard Proof Transcript 19 June 2012, Page 230]

In relation to: **Contract Variation Disputes**

MR COE: With regard to procurement, I know of one or two issues that relate to contract variations. I think it generally stems from disagreements between the contractor and the superintendent on various sites. How regular an occurrence are these kinds of disputes, especially on variations?

Ms Divorty: That might be a difficult question to answer, Mr Coe. I am sure there are regular disputes about those. There are disputes, I am sure, between contractors and superintendents about the extent of work that has been completed, the milestones that are due and, without specific instances, I am not sure that I could answer that more fully than that. I guess it is part and parcel of the building industry for there sometimes to be—"dispute" is a strong word—disagreements, perhaps. It depends whether you are talking about an escalated dispute that goes through particular processes or a disagreement which results—

MR COE: Sure. How many go to a conference between Procurement Solutions and the contractor or are facilitated by Procurement Solutions between the superintendent and the contractor?

Ms Divorty: There have been a few. I would have to take that on notice, Mr Coe, to give you a more comprehensive answer.

MR COE: Yes, that would be good. I know of one particular dispute which I have contacted the ministry about with regard to Gungahlin college. The contractor there is claiming several hundred thousand dollars, I believe, of variation work which had not been paid yet. That issue has been dragging on for over a year now, I believe. Again, how regular an occurrence is it that issues like this can drag on for more than 12 months?

Ms Divorty: Again, I would have to take that on notice, Mr Coe. I would say it would be quite rare that it would go on for those lengths of time but I am happy to take that on notice.

Treasurer : The answer to the Member's question is as follows:-

In the last 18 months, 101 variations claims in relation to six contracts have been the subjects of Notices of Dispute that have proceeded to go to conference. Almost half of these variation claims were for a single contract. For 50 of these variations claims (from three contracts), a resolution has not been reached within twelve months. The variations claims for these six contracts should be viewed in the context of Shared Services Procurement managing over 550 projects at any one time, so are considered a relatively uncommon event.

Approved for circulation to the Standing Committee on Estimates 2012-2013

Signature: 

Date: 28.6.2012

By the Treasurer, Andrew Barr MLA



LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY
SELECT COMMITTEE ON ESTIMATES 2012-2013

ANSWER TO QUESTION TAKEN ON NOTICE
DURING PUBLIC HEARINGS

Asked by Ms Le Couteur on 19 June 2012 : Mr Kegel took on notice the following question:

[Ref: Estimates Hansard Transcript 19 June 2012, Page 241]



In relation to: **What systems have been actually contingency disaster recovery tested or which systems have not.**

MS LE COUTEUR: Can I have a follow up? We identified that we have not done any actual physical contingency assessing with the mail system. Could you either give me a list of systems which have not been physically tested—contingency tested—or conversely a list of ones that have been, whichever would be easier? I am concerned to find that mail is certainly a critical system and we have not tested disaster recovery with that. That is concerning.

THE CHAIR: That has been taken on notice. Just to be clear, what has been taken on notice, Ms Le Couteur?

MS LE COUTEUR: Either what systems have been actually contingency disaster recovery tested or which systems have not—whichever way would be easier to answer I guess.

Treasurer : The answer to the Member's question is as follows:—

Shared Services conducts five Data Centre shutdowns annually (two each for the Callam and Macarthur House Data Centres and one for The Canberra Hospital Data Centre). It is the aim at each shutdown to ensure that routine maintenance work can be performed on core data centre infrastructure, such as air conditioning units, power generators and removal of electrical hazards. At each shut down there are a range of business systems that are not shut down at the request of Directorates. A large number of other business systems are shut down in this process while the restart of these systems is a component of a disaster recovery test.

During the restart of services following a shutdown, there are occasions where a business system does not restart successfully, these systems are then recovered and made operational.

Some Directorates have requested that their systems are built in a 'high availability' mode, which essentially means that a copy of their system exists in two of the Territory's data centres. This replication provides for both a primary system and a back-up copy of the system. During data centre shutdowns the primary system will automatically convert to the back-up copy of the system in the alternate data centre. Therefore, disaster recovery and high availability of these critical applications is routinely tested during data centre shutdowns.

Business systems are also shut down when major updates or enhancements need to be applied by a vendor or at a business owner's request. On these occasions systems are shut down and then restarted, therefore testing the recovery arrangements for the system.

The Territory's email service is a critical system which has been disaster recovery tested on upgrade and shutdown occasions. There has also been a small number of infrastructure upgrades that impacted email services where the service has automatically converted to the alternate high availability service.

Approved for circulation to the Standing Committee on Estimates 2012-2013

Signature: 

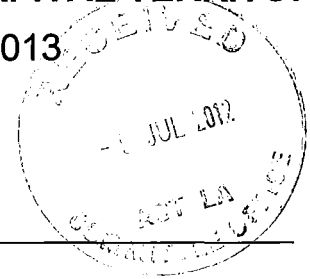
Date: 28.6.2012

By the Treasurer, Andrew Barr MLA



LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY
SELECT COMMITTEE ON ESTIMATES 2012-2013

QUESTION ON NOTICE



ZED SESELJA MLA : To ask the Treasurer

[Ref: Treasury, Budget paper 3, page number 47, 54 and 76, Output Class 1]

In relation to : General Rates

1. For the line 'Increased general rates' on page 54 of BP3, what is the split between commercial and residential rates?
2. What is the split between residential, commercial and rural rates for the years 2011-12 to 2015-16 for the line 'general rates' in table 5.1.3, page 76 of BP3?
3. What analysis has the Treasury completed on the effect that increases in general rates will have on rents in the ACT?
4. Can you please provide an estimate of the 2012-13 general rates bill for the following residential properties:
 - a. A 1,128 square metre block in Holder with an average unimproved value of \$343,666 in 2012-13 (three year average).
 - b. A 700 square metre block in Chisholm with an average unimproved value of \$280,266 in 2012-13 (three year average).
 - c. A 1,500 square metre block in Chapman with an average unimproved value of \$550,000 in 2012-13 (three year average).
5. How many people in the 2011-12 financial year have applied for a general rates concession?
 - a. How many of these applications were successful?
 - b. What was the total expenditure on general rates rebates in 2010-11 and as of 1 June 2011-12?
 - c. What is the expected increase of demand for these payments as of 2012-13?
 - d. What is the expected increase in expenditure for the rebate from 2012-13?

6. How many people in 2011-12 applied for the Rates Deferral Scheme?
 - a. How many were successful?
 - b. What is the expected increase in application for the scheme from 2012-13?

Zed Seselja MLA

20 June 2012

Treasurer – The answer to the Member's question is provided below.

1.

	2012-13 \$'m	2013-14 \$'m	2014-15 \$'m	2015-16 \$'m
Residential	16.4	23.4	35.2	47.7
Commercial	59.2	66.9	76.4	86.2
Total	75.62	90.35	111.58	133.98

2.

	2011-12 \$'000	2012-13 \$'000
Residential	173,724	199,325
Commercial	35,476	97,623
Rural	98	103

Treasury does not estimate the split across the forward years.

3. Improving housing affordability, and reducing pressures on rents in particular is one of the key objectives of the taxation reform package.

The Member should note General Rates will decrease for dwellings with an unimproved value up to \$200,000, under the progressive rating system. Landlords will also have lower costs from the abolition of duty on insurance. Cost of investment for new investors will reduce from the phase out of conveyance duty.

Changes to land tax will result in the effective tax rate reducing for properties in the first four land value quintiles. The maximum benefit will be in the fourth land value quintile. For unimproved value of \$270,000, the decrease in tax will be around \$400.

The combined effect of a progressive General rates system, abolition of insurance taxes, phase out of conveyance duty and reform of land tax will be lower costs of investment and improvement in rental affordability.

For further information on the impact of reform, the Member is referred to the 5-Year Reform Plan, *A fairer, simpler and more efficient tax system*.

4. The tax brackets and the progressive marginal tax rates required to undertake these calculations are provided in Budget Paper No. 3, page 47.
5. a) As at 25 June 2012, an additional 1,654 additional ratepayers were granted a General Rates Rebate.
- b)

	\$'000
2010-11	6,541*
2011-12 (YTD 31 May 2012)	6,821*

* These figures include a rebate of 50% on the Fire Services Levy.

c) Treasury does not forecast the increase in demand for the General Rates Rebate scheme.

d) Please refer to response 5 (c) above.

6. 25 people applied for the Rates Deferral Scheme.

a) 22 were successful.

b) Treasury does not forecast the increase in applications for the Rates Deferral Scheme.

Approved for circulation to the Select Committee on Estimates 2012-2013

Signature: *Andrew Barr*

Date: 6.7.12

By the Treasurer, Andrew Barr MLA



LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY
SELECT COMMITTEE ON ESTIMATES 2012-2013

QUESTION ON NOTICE



ZED SESELJA MLA : To ask the Treasurer

[Ref: Treasury, Budget paper 3, page number 76, Output Class 1]

In relation to : Lease Variation Charge (LVC)

1. What would the estimated revenue be for each year if the LVC remission rate remained at 25 percent?
2. As of 1 June, what is the total revenue received in 2011-12 from the LVC?
3. What is the reason behind the reduced revenue expected to be collected from what was projected in the 2011-12 budget?
4. How many developments in 2011-12 has the Government exempt from the LVC?
5. How many developments in 2011-12 has the Government negotiated down the LVC?
6. What is the total foregone revenue from these exemptions or revisions?
7. Is the Treasury aware of any developments that may be at risk due to the change in the remission rate of the LVC?

Zed Seselja MLA

20 June 2012

Treasurer – The response to the Members' question is provided below.

1. The remission rate is not 25 per cent. It is 75 per cent for 2011-12 and 65 per cent in 2012-13 in accordance with the industry transition arrangements under the 2011-12 Budget and Disallowable Instrument DI 2011-197.
2. As at 1 June 2012, \$8.880 million has been paid. In addition, \$14.491 million has been assessed for 94 Development Applications, which is not yet paid.
3. LVC revenue is forecast to continue growing in the forward years, however, has been revised downward to reflect softer economic conditions in the short-term.
4. The Treasurer can provide a waiver for the amount of LVC payable under Section 131 of the *Financial Management Act 1996*.
As of 26 June 2012, the Treasurer has agreed to waive \$60,000 for aged care units on community purpose land to reflect parity with the residential zone land.
5. The Government does not negotiate the amount of LVC payable. It is worked out through the codified schedules, or through a process involving professional valuers and advice from the Australian Valuation Office under section 277 of the *Planning and Development Act 2007*.

6. Not applicable; please refer to Question 5 above.
7. No.

Approved for circulation to the Select Committee on Estimates 2012-2013

Signature: 

Date: **3.7.12**

By the Treasurer, Andrew Barr MLA



LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY

SELECT COMMITTEE ON ESTIMATES 2012-2013

QUESTION ON NOTICE



ZED SESELJA MLA : To ask the Treasurer

[Ref: Treasury, Budget paper 3, page number 52, Output Class 1]

In relation to : The Home Buyers Concession Scheme

1. What is the expected budget impact from the changes to the Home Buyer Concession Scheme?
2. As at 1 June 2012, what was the total value of Home Buyer Concessions given in 2011-12?
3. What is the estimated number of Home Buyer Concessions to be given in 2011-12 to 2015-16?
4. What is the estimated value of concessions to be given from 2011-12 to 2015-16?

Zed Seselja MLA

20 June 2012

Treasurer – The answer to the Members question is:


1. The budget impact of the Home Buyer Concession Scheme is in the form of revenue foregone.

The revenue foregone under the Home Buyer Concession Scheme will be affected by changes to the eligibility for the scheme as well as the progressive decrease in the marginal tax rates over the coming years. Specifically, the extension of the income threshold will increase the number of recipients and the amount of revenue foregone. Offsetting this increase will be the decrease in the overall revenue from the progressive phase out of the duty. Limiting the concession to new and substantially renovated dwellings is expected to provide incentives for a shift to these dwellings.

The forward estimates incorporate \$11.7 million each year for the cost of the scheme.

2. \$12.6 million.
3. Treasury does not forecast the number of Home Buyer Concessions to be granted each year.
4. Please refer to Question 1 above.

Approved for circulation to the Select Committee on Estimates 2012-2013

Signature: 

Date: 13.7.12

By the Treasurer, Mr Andrew Barr



LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY

SELECT COMMITTEE ON ESTIMATES 2012-2013

ANSWER TO QUESTION TAKEN ON NOTICE



Asked by Mr Brendan Smyth on 18 June 2012: Treasurer took on notice the following question(s):

[Ref: Hansard Transcript 18 June 2012, Page 194]

In relation to: **CTP – Correspondence from Dr Andrew Leigh**

MR SMYTH: Page 3 of your statement of intent talks about the report on the CTP review. I am curious. This may be more a question for the minister as much as for you, Mr McDonald, but I notice that the federal member for Fraser, Andrew Leigh, apparently on advice from your office, said that the delay in the Assembly dealing with the CTP reforms was caused by the Canberra Liberals and the Greens. Did you provide that advice to Mr Leigh and have you now corrected the record with him and confirmed that it was in fact the delay in the committee receiving the three-year CTP report that caused the delay?

Mr Barr: I will have to confirm that with Dr Leigh, as to whether he sought that advice from my office.

MR SMYTH: So you will take that on notice?

Mr Barr: I will confirm it with Dr Leigh.

MR SMYTH: I have a letter here from Andrew Leigh that says:

Thanks for your email. I have taken up the issue of CTPI ... in the ACT with the ACT Treasurer, Andrew Barr MLA. You'll be pleased to hear that the Minister is aware of this unsatisfactory situation and a bill to change it is currently before the assembly (it is being held up by the Liberals and the Greens).

Mr Barr: The bill, yes.

MR SMYTH: The report was holding up the bill.

Mr Barr: It is a matter of semantics, Mr Smyth.

Treasurer: The answer to the Member's question is as follows:--

I received a Ministerial representation from Dr Leigh on behalf of one of his constituents on 1 March 2012. I responded to that representation, in writing on 16 March 2012.

I said, inter alia: "The CTP Bill would significantly improve the ACT's scheme, ensuring improved health outcomes for injured persons, as well as encouraging other insurers to enter the market. Competition would lead to better customer service for motorists and put downward pressure on CTP prices. Over time the result should be more affordable CTP insurance for ACT motorists. However, in March 2011 the non-Government parties referred the Bill to the Legislative Assembly's Public Accounts Committee for an inquiry that is not expected to report until March 2012.

The Government remains committed to CTP reform, and believes that the Government's current CTP Bill offers the best prospects for limiting future increases in premiums for ACT motorists. However, for competition to become a reality the Government's Bill has to obtain the support of members of either the Canberra Liberals or the ACT Greens in the Assembly.

If your constituent considers CTP reform and competition to be desirable, then I would encourage her to contact non-Government members of the Legislative Assembly and put her views to them."

I am unaware of the contents of any response Dr Leigh might have made to his constituent and in any event that is a matter for him. My response to him was both factual in terms of the policy of this Government, in terms of the status of the Committee deliberations at the time and in terms of what was required for the reforms to become law.

Approved for circulation to the Select Committee on Estimates 2012-2013

Signature: 

Date: 18.7.2012

By the Treasurer, Andrew Barr MLA



LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY
SELECT COMMITTEE ON ESTIMATES 2012-2013

QUESTION ON NOTICE



ZED SESELJA MLA : To ask the Treasurer

[Ref: Treasury, Budget paper 4, page number 154, Output Class 1]

In relation to : **Roads**

1. What is the Treasury's approach for estimating the cost of constructing or duplicating a road where a detailed feasibility study has not yet been completed?

TREASURER : The answer to the Member's question is as follows:-

It is not Treasury's role to estimate the cost of constructing or duplicating a road, this is the role of the delivery agency.

However, in testing the assumptions for the agency estimated project cost, the *Best Practice Cost Estimation Standard for Publicly Funded Road and Rail Construction* issued by the Department of Infrastructure and Transport, is utilised as a reference guide.

Approved for circulation to the Select Committee on Estimates 2012-2013

Signature: *Andrew Barr*

Date: *29.6.2012*

By the Treasurer, Andrew Barr MLA



LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY
SELECT COMMITTEE ON ESTIMATES 2012-2013

QUESTION ON NOTICE



ZED SESELJA MLA : To ask the Treasurer

[Ref: Treasury, Budget paper 3, page number 135 - 138, Output Class 1]

In relation to : Budget Savings

1. What is the average cost per staff used to calculate the reduction of 180 staff?
 - a. Given this reduction and the reduction in the 2011-12 budget, what is the projected growth of FTE's for each year across the forward estimates?
 - b. What portion of this growth is for front line services?
2. What is the breakdown per Directorate or Agency for each departmental saving initiative? i.e. travel and accommodation, printing and stationery, consultants and contractors, recruitment and training, advertising and marketing, fleet leasing, employee expenses and other agency saving.
3. What percentage of overall expenditure on consultants and contractors is the saving in the current budget?

Treasurer : The answer to the Member's question is as follows:-

1. The average cost per staff used to calculate estimated reductions in staffing numbers in the order of around 180 FTEs was \$93,000.
 - a. Staffing growth from the 2011-12 Budget to the 2012-13 Budget is estimated to be 5.87 per cent or 1,038 FTEs.

Staffing growth from the 2011-12 Estimated Outcome to the 2012-13 is estimated to be 2.68 per cent 489 FTEs

Staffing growth across the forward estimates is subject to annual budget resource allocation, decisions on new policy initiatives and service delivery activities considered annually.
 - b. Staffing growth between 2011-12 and 2012-13 predominately relates to the integration of the water business back into ACTEW Corporation and growth the Health, Justice and Community Services and Education and Training Directorates – all of which deliver frontline services directly to the ACT community.
2. This has been answered in response to a question taken on notice from Mr Smyth (Ref: E12-011).

3. The saving was based on 2.5 per cent reduction of the 2010-11 agency costs in 2012-13 (as detailed in agency annual reports), and 3 per cent from 2013-14, indexed at 2.5% across the forward estimates.

Approved for circulation to the Select Committee on Estimates 2012-2013

Signature: 

Date: 4.7.2012

By the Treasurer, Andrew Barr MLA



LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY

SELECT COMMITTEE ON ESTIMATES 2012-2013

ANSWER TO QUESTION TAKEN ON NOTICE
DURING PUBLIC HEARINGS



Mr Smyth on Tuesday 19 June 2012 : Mr Ian Hill took on notice the following question(s):

[Ref: Hansard Transcript 19 June 2012, Page 245

In relation to :

MR SMYTH: In 2011-12 what was the GPO for tourism?

MINISTER BARR : The answer to the Member's question is as follows:–

In 2011-12 the notional GPO for Tourism was;

Tourism	\$11,507,000
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Signature: *Andrew Barr*

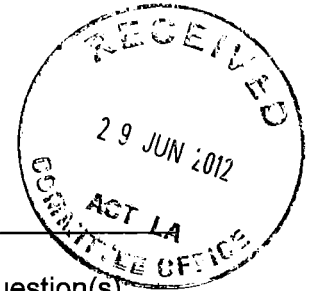
Date: *26.6.2012*

By the Minister for Tourism, Sport and Recreation, Andrew Barr



LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY
SELECT COMMITTEE ON ESTIMATES 2012-2013

ANSWER TO QUESTION TAKEN ON NOTICE
DURING PUBLIC HEARINGS



Mr Smyth on Tuesday 19 June 2012 : Mr Ian Hill took on notice the following question(s).

Ref: Hansard Transcript 19 June 2012, Page 250

In relation to :

MR SMYTH: In relation to the most profitable tourism sector in terms of spending, what is driving the business sector? Is it going up or static?

MINISTER BARR : The answer to the Member's question is as follows:–

The most recent National Visitor Survey (NVS) and International Visitor Survey (IVS) figures for the year ending March 2012 indicate that the leisure sector, which comprises holiday visitors and those visiting friends and relatives (VFR), is the most profitable sector for the ACT tourism industry.

Approved for circulation to the Select Committee on Estimates 2012-2013

Signature: *Andrew Barr*

Date: 28.6.12

By the Minister for Tourism, Sport and Recreation, Andrew Barr

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remind witnesses of the blue privilege statement. I am sure you are very familiar with it but can you indicate that you are aware of that? So that everyone is aware, the proceedings are being broadcast. Minister, I will give the usual invite if you would like to make an opening statement.

Mr Barr: Thank you, Madam Chair. I will not make an opening statement but in yesterday's hearings, a question in relation to the Australia forum and a rollover amount was flagged. I too had a recollection that that number seemed a little large. That is indeed correct. What I am advised has happened is that two rollovers have rolled into one. The two rollovers are the Australia forum—there is an element of that—and there is also Clarrie Hermes Drive.

MS HUNTER: Clarrie Hermes Drive?

Mr Barr: How that happened, I do not know. I apologise to the committee but I am advised that the amount in terms of the total of the rollover figure should in fact be two items: the Australia forum and Clarrie Hermes Drive. So we will issue an addendum.

MR SMYTH: It is going to be a hell of a building or a very long part of it.

Mr Barr: Yes, indeed. I apologise to the committee for that. We will ensure that there is a corrected page.

MR SMYTH: Just on the Australia forum, how much is left of the \$1 million that was going into the development work on West Basin?

Mr Dawes: We have actually rolled the \$1 million.

MR SMYTH: You have rolled the whole \$1 million over?

Mr Dawes: Yes, we have. We have actually done a lot of the work to date in-house. We are now starting the community consultation but we can talk to you about that a little later if you want.

MR SMYTH: All right. But just on the number—

Mr Dawes: It is \$1 million for the forum and 3.5 is for the Clarrie Hermes.

MR SMYTH: And the 3.5 for Clarrie Hermes is over two years?

Mr Dawes: That is a rollover from this year to next year. That particular project is just about completed. Sorry, yes, it is the rollover over the two years.

MR SMYTH: Clarrie Hermes will be \$2.5 million in 2012-13 and \$1 million in 2013-14?

Mr Dawes: No. It is the \$3.5 million.

MR SMYTH: And \$1 million that you have got in 2013-14 will also be expended in

PROOF

2012-13?

Mr Dawes: That is right, yes.

MR SMYTH: Good.

THE CHAIR: I will go to my first question. This is in relation to resource management plans. I am well aware that the LDA has a resource management plan but is there actually a plan for the whole of the directorate? This goes to the whole issue of carbon neutrality.

Ms Hudson: It is being looked at as part of the governance area to work across. We are developing that.

THE CHAIR: So you do not currently have a plan for the whole of the directorate?

Ms Hudson: I think it is in draft stage and we are—

THE CHAIR: Would you be able to confirm that?

Ms Hudson: Yes. We are aware of our requirements in terms of the annual reporting and how to do it. That is one of the many things as part of establishing the directorate.

THE CHAIR: I know that when I asked this question yesterday, ESDD said there is a central executive committee that looks at this issue. Are you part of that?

Ms Hudson: Yes. We have a senior executive committee and we look at workforce, governance and finance as regular items. It comes under the governance aspect of bringing in all the various policies that we need to have. That will be brought to that committee.

THE CHAIR: Do you have any idea when, in light of the budget and given it is a fairly crucial issue as well, that would be? If it is in draft form, when will it be completed?

Ms Hudson: We have one but then someone came up with new ways—that perhaps we could do it better by taking it out of the policy area and putting it into governance. So I am not exactly sure on the time frame but they were looking at all of the carbon neutrality framework and suggesting different ways that we could do things to also access funds, I think, that are available. So we are relooking at that and I have not been briefed on when that will happen. But it needs to happen in the next little bit.

THE CHAIR: Will it be something that you publish—make publicly available on your website?

Ms Hudson: I do not have any difficulty with that. We would be doing that internally and promoting it across the directorate anyway. So I am happy to do it. I can take it on notice if you would like me to but—

THE CHAIR: That would be great if you could take it on notice, and the time frame



LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY

SELECT COMMITTEE ON ESTIMATES 2012-2013

ANSWER TO QUESTION TAKEN ON NOTICE
DURING PUBLIC HEARINGS



Mr Smyth on Tuesday 19 June 2012 : Mr Ian Hill took on notice the following question(s):

Ref: Hansard Transcript 19 June 2012, Page 254

In relation to :

MR SMYTH: What does the ACT Government contribute to the National Capital Education Tourism Program (NCTP)? Is it indexed? Could you provide the last decade's funding for NCETP?

MINISTER BARR : The answer to the Member's question is as follows:—

The National Capital Educational Tourism Project (NCETP) operates under a Joint Venture Agreement between NCAA and the ACT Government. Through the current Joint Venture Agreement with the NCAA, the ACT Government provides a sum of \$200,000 per annum until June 2013 to the NCETP. The funding is not indexed.

The NCETP's joint venture has been in place at this funding level since 2001-02 when it increased from \$100,000 to \$200,000.

Australian Capital Tourism has also provided project support at various times over the last decade for their Excursion Planner, research and financial reporting.

Approved for circulation to the Select Committee on Estimates 2012-2013

Signature: *Andrew Barr*

Date: 26.6.12

By the Minister for Tourism, Sport and Recreation, Andrew Barr



LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY

SELECT COMMITTEE ON ESTIMATES 2012-2013

QUESTION ON NOTICE



ZED SESELJA MLA : To ask the Treasurer

[Ref: Treasury, Budget paper 4, page numbers 155-156, Output Class 1]

In relation to : Land Rent Scheme

1. What is the percentage of new blocks in 2011-12 that are under the Government's Land Rent Scheme?
 - a. What is this in actual number terms?
 - b. How does this compare over the last 4 years?
2. What is the forgone revenue to the Government for not selling these blocks?
3. What is the number of blocks that were returned/non-completions to the Government?
 - a. What is the value of these returns?
 - b. What are the reasons for these returns?
4. What are the terms of reference for the currently commissioned review of the Land Rent Scheme?
 - a. Who from the University of New South Wales had been commissioned for this?
 - b. What is the cost of this review?

Zed Seselja MLA

20 June 2012

Treasurer - The answer to the Member's question is as follows:

1. All blocks of residential land released by the Land Development Agency are available for land rent. The Government does not have a quota on the proportion of blocks it releases under the Land Rent Scheme.
 - a. In 2011-12, as at 19 June 2012, 127 land rent blocks were settled and 272 exchanged.
 - b. The table below shows the number of land rent blocks settled and exchanged from 2007-08 to 2011-12.

	Settled	Exchanged
2007-08	2	0
2008-09	34	0
2009-10	240	24
2010-11	320	225
2011-12, YTD as at 19 June	127	272

2. The Government does not forego revenue. The asset is retained on the Territory's balance sheet and there is a revenue stream from land rent relating to these blocks. The Territory also receives the benefits associated with capital movements in the value of the land.
3. The scheme design allows for return before settlement. Around 415 blocks have been rescinded since 2008.
 - a. The value of these returns is an estimated \$119,279,500. However, the Government does not forego revenue from these returns. Blocks are put back on the market for sale.
 - b. There are a number of reasons for which contracts are rescinded including financial reasons; changes in family circumstances; found another block; health; relocation; land suitability; moving interstate; and non-attendance at the information course held by the Canberra Institute of Technology.
4. The Terms of Reference were:
 1. determine if the original policy objectives have been achieved;
 2. review the current administrative processes and protocols across the ACT Government in relation to the Land Rent Scheme and identify any areas for improvement;
 3. identify issues with current legislation and recommend any changes considered necessary; and
 4. comment on any other issues of relevance which emerge during the project.

- a. The review was undertaken by Professor Peter Phibbs, Dr Vivienne Milligan, and Dr Hazel Blunden.

Professor Phibbs and Dr Blunden are currently at the University of Western Sydney. Dr Milligan is at the University of NSW.

- b. \$36,080 (GST inclusive).

Approved for circulation to the Select Committee on Estimates 2012-2013

Signature: 

Date: 5.7.12

By the Treasurer, Andrew Barr MLA

10/10/10

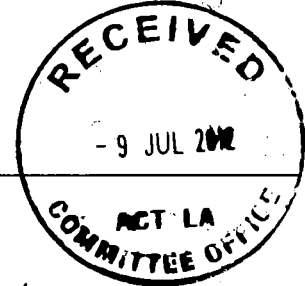
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LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY

SELECT COMMITTEE ON ESTIMATES 2012-2013

ANSWER TO QUESTION ON NOTICE



ZED SESELJA MLA : To ask the Treasurer:

Ref: Portfolio area, Budget paper no 4, page number 154, output class 1

In relation to : The Carbon Tax

1. When the carbon tax was first announced in 2011, the Treasury conducted some analysis on the cost impact on the Directorates. What is this cost impact now for each Directorate, given that electricity prices in the ACT will increase by 17.74 percent and not the 10 per cent as previously estimated?

ANDREW BARR MLA : The answer to the Member's question is as follows:—

1. The Commonwealth Government's price on carbon will have direct financial implications for ACT Government agencies through increased energy costs. The 2012-13 Budget assists agencies in preparing for the carbon price, with funding to support a range of energy efficiency measures, including:
 - a \$5 million Carbon Neutral Government fund to provide agencies with a loan facility to undertake projects responding to the national carbon price and to meet the ACT Government's commitment to a carbon neutral government by 2020;
 - funding of \$3.5 million over four years for the in Carbon Neutral Schools by 2017 initiative; and
 - around \$5 million of funding for capital upgrades projects relating to energy efficiency improvements.

A longer list of actions is listed in Budget Paper 2 at pages 22 to 24.

The table below shows Treasury's estimate of the impact of the carbon tax on ACT Government energy expenditure by agency, as at 12 June 2012.

CARBON PRICE IMPACT (\$000s)	
	2012-13
Auditor-General's Office	2
Canberra Institute of Technology	322
Chief Minister and Cabinet Directorate	7
Community Services Directorate	144
Cultural Facilities Corporation	34
Economic Development Directorate (including the Land Development Agency)	52
Education and Training Directorate	1,068
Environment and Sustainable Development Directorate	32
Health Directorate	762
Justice and Community Safety Directorate	263
Legislative Assembly	21
Territory and Municipal Services Directorate	2,002
Treasury Directorate (including Shared Services)	102
Total *	4,810

* Totals may not add due to rounding.

The carbon price impact as modelled, assumes:

- electricity price increases of 14 per cent in 2012-13 (carbon price component), based on the Independent Competition and Regulatory Commission final determination for retail electricity prices; and
- gas price increases based on Commonwealth modelling.

Approved for circulation to the Select Committee on Estimates 2012-2013

Signature: 

Date: 6.7.12

By the Treasurer, Andrew Barr MLA